

FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C., 20429

FORM 10-K

(Mark one)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2025

OR9

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: FDIC Certificate No. 90211

HINGHAM INSTITUTION FOR SAVINGS

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction of
incorporation or organization)

04-1442480
(I.R.S. Employer
Identification No.)

55 Main Street, Hingham, Massachusetts
(Address of principal offices)

02043
(Zip Code)

(781) 749-2200

(Registrant's telephone number, including area code)
Securities Registered pursuant to Section 12(b) of the Act:

Table with 3 columns: Title of each class, Trading Symbol(s), Name of each exchange on which registered. Row 1: Common Stock, \$1.00 par value per share, HIFS, The Nasdaq Stock Market, LLC

Securities registered under Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No []

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

- Large accelerated filer [] Accelerated filer [X]
Non-accelerated filer [] Smaller reporting company []
Emerging Growth Company []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. []

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [] No [X]

The aggregate market value of voting stock held by non-affiliates as of June 30, 2025, was \$407,502,859 based on a closing sales price of \$248.35.

The number of shares outstanding of each of the registrant's common stock, \$1.00 par value per share, outstanding as of March 4, 2026 was 2,184,250.

Documents Incorporated by Reference

Portions of the registrant's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 2026 are incorporated by reference into Part III of this Form 10-K.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our future results of operations and financial condition, business strategy, plans and objectives of management for future operations and capital requirements are forward-looking statements. Without limiting the foregoing, the words “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “seeks” and other similar language, whether in the negative or affirmative, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. The Bank therefore cautions you against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in these forward-looking statements are discussed in Item 1A., “Risk Factors” of Part I and Items 7. and 7A., “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk,” respectively, of Part II of this Annual Report on Form 10-K. Any forward-looking statement made in this Annual Report on Form 10-K speaks only as of the date on which this Form 10-K was first filed. The Bank undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

PART I

Item 1. Business.

General and Principal Business Lines

Hingham Institution for Savings (the “Bank”) is a Massachusetts-chartered savings bank headquartered in Hingham, Massachusetts. The Bank was originally chartered in 1834. It is the only financial institution headquartered in Hingham, and is one of the oldest banks in the United States. In addition to its main office and drive-up facility in Hingham, branch banking offices are located in Hingham, Hull, Cohasset, Boston and Nantucket. The Bank also has two offices located in the Washington D.C. metropolitan area and the San Francisco Bay Area. At December 31, 2025, the Bank had total assets of \$4.543 billion, total deposits of \$2.548 billion and total stockholders' equity of \$479.7 million.

The Bank is principally engaged in the business of commercial and residential real estate mortgage lending, funded by a mix of retail and commercial deposits, wholesale deposits and borrowings. At December 31, 2025, the loan portfolio was \$3.899 billion, or 85.8% of total assets.

At December 31, 2025, 84.1% of the Bank’s total loan portfolio was invested in commercial real estate loans (including multifamily housing), 11.9% in residential mortgage loans – including home equity lines of credit (“HELOCs”), 4.0% in residential and commercial construction loans, and less than 1% in commercial business loans and consumer loans. The Bank focuses on the origination of commercial and residential real estate loans in eastern Massachusetts, Washington D.C., and to a lesser extent, San Francisco. In its residential lending business, the Bank originates both qualified mortgage loans and non-qualified mortgage loans, as defined in the regulations of the Consumer Financial Protection Bureau (“CFPB”).

What We Do Not Do

The Bank does not currently engage in any of the following business activities:

Commercial and Industrial Lending (“C&I” Lending)

- Asset Based Lending
- Leasing
- Small Business Administration (“SBA”) Lending
- Leveraged Loans
- Search Fund Lending

Consumer Lending

- Credit Card Lending
- Boat Lending
- Auto Lending
- Recreational Vehicle Lending

Investment Management

- Wealth Management
- Trust Activities
- Investment Advisory and Financial Planning

Insurance

- Brokerage
- Underwriting

Other

- Secondary Market Residential Mortgage Originations
- Tax Credit Lending
- Solar Lending
- Acquisition of Commercial Mortgage Participations from Other Banks
- Cryptocurrency - Depository or Lending

Market Area and Competition

The Bank operates in three metropolitan area markets, in order of size and current importance to the Bank's business operations: Boston, Washington D.C., and the San Francisco Bay Area. We believe these markets share significant commonalities as dense, coastal cities with favorable demographics, substantial wealth, real estate supply constraints, and concentrations of smaller multifamily properties with fragmented ownership.

Boston

The Bank's primary market area is eastern Massachusetts, with the significant majority of deposit funding and mortgage lending in the urban market of Greater Boston. This market is attractive and the Bank faces considerable competition for loans and deposits from both traditional competitors (banks and credit unions), as well as non-traditional competitors (insurance companies, Internet-based direct banks, financial technology companies and non-bank lenders). FannieMae and Freddie Mac ("the Agencies") are capable competitors for both larger multifamily loans as well as smaller loans through their Small Balance Loan programs. The banking market in Greater Boston is considerably more fragmented than the Washington D.C. and San Francisco markets, given the long-standing history of mutuality in Massachusetts banking.

The Bank's lending activity in eastern Massachusetts is concentrated in the urban core surrounding Boston, including the city itself, as well as the cities of Cambridge, Somerville, and Brookline. These markets are characterized by dense multifamily housing stock, often owned by individuals, families, or small investors. While there is no rent control at present in these markets, supply is limited. The Bank is also an active construction lender on smaller in-fill multifamily projects, although such projects are difficult to entitle and there are relatively few parcels where development is feasible. Consequently, over the long-term, the market has not experienced periods of significant oversupply. The Bank's lending activities in eastern Massachusetts have become more concentrated in this urban core because of the Bank's preference to lend on smaller and 5+ unit multifamily properties. Competition for real estate loans is based primarily on interest rate, fees, and quality of service provided to borrowers and real estate brokers. Speed of decision and execution are important competitive differentiators, particularly in competition for commercial mortgage loans. The Bank may also offer more structural flexibility in certain respects, particularly with respect to prepayment penalties and transfer rights, that distinguish it from Agency competitors for certain types of borrowers.

Competition for deposits comes from other banks, credit unions, money market funds, and non-bank investment alternatives (including equity and fixed income markets). Competition from fixed income alternatives, particularly US government securities, has been unusually strong in recent years. Competitive differentiators include rates of return, convenience of branch locations and personalized customer service, and online and mobile banking access. Customers with significant balances, including but not limited to institutions, municipalities, and fiduciaries, also consider the financial strength, stability, and reputation of the Bank in establishing and maintaining relationships. Furthermore, the Bank has a significant advantage with these customers as it offers unlimited excess deposit insurance above Federal Deposit Insurance Corporation ("FDIC") limits through the Massachusetts Depositors Insurance Fund ("MA DIF"). The MA DIF is only available to Massachusetts savings banks and cooperative banks, and is not available to trust companies.

Washington D.C. Metropolitan Area ("WMA")

The Bank's secondary market area is the greater Washington D.C. Metropolitan Area, where the Bank has a substantial commercial real estate portfolio and a growing deposit portfolio. Operations in the WMA began nine years ago in November 2016, when the Bank began making commercial real estate loans after several years of research and preparation. The Bank had also held direct equity investments in other WMA area banks prior to entering the market operationally. In 2019, the Bank opened a commercial lending office at a temporary location and hired a commercial real estate lender. In February 2020, the Bank acquired a property in the Georgetown neighborhood of Washington, D.C., renovated the property, and opened a commercial banking office in 2022. The Bank has a senior commercial real estate lender based in the WMA, along with two relationship managers and a cash management specialist from its Specialized Deposit Group ("SDG"). When needed, the Bank also utilizes Boston-based staff in its Commercial Real Estate Group and SDG with experience in the WMA, on a fly-away basis from its corporate office. The Bank originated \$150.0 million and \$167.7 million in commercial real estate loans in the WMA in 2024 and 2025, respectively, and at December 31, 2024 and 2025, \$1.214 billion and \$1.300 billion were outstanding, respectively.

The Bank originally identified the WMA as an attractive opportunity for three reasons. First, the region has favorable economic characteristics that will support long-term investments in commercial real estate. It is the capital of the world's largest economy, it is an international economic gateway, it has one of the highest household median income of any of the nation's major metropolitan areas, and it has a relatively high concentration of young people. Second, the commercial real estate product in the market bears significant similarity to Boston, characterized by high density, urban infill development, transit-oriented multifamily, and scarcity imposed by land supply and restrictions on vertical development. Third, we believe that the banking market in Washington, D.C. has experienced a level of consolidation and disruption that has left smaller and mid-sized real estate investors underserved as compared to the Boston

market. We believe that our history as one of America's oldest banks and our family management team provide stability and surety of execution that is valued by our customers. Approaching ten years of operation in the market, we have gained increasing confidence in this thesis. We view this as an attractive opportunity for internal capital allocation and superior to geographically proximate, product-adjacent businesses like wealth management, insurance, or commercial-industrial lending in our home marketplace. The Bank did not initially make commercial construction loans in this market, as these loans have a higher level of inherent risk. As the Bank developed greater familiarity with the market and the portfolio grew, the Bank made the investment in the operational capacity to originate and manage such loans in the WMA and the Bank now originates the full range of commercial mortgages in Washington. For similar reasons, the Bank initially delayed originating residential owner occupant loans in the WMA, but as the Bank's customer base has grown, the Bank began to see demand for this service. In 2023, the Bank began offering such loans to existing commercial and private clients of the Bank in the WMA.

San Francisco Bay Area ("SFBA")

The San Francisco Bay Area is the Bank's newest and smallest market, having begun operations in 2021 with a focus on commercial real estate customers and commercial and nonprofit deposit relationships. The Bank relied on Boston and WMA-based staff to cover the initial operations in this market. The Bank currently has two SDG deposit-focused relationship managers, two cash management specialists and is actively searching for a commercial real estate lender. The Bank opened a commercial banking office in this market in 2025. The Bank built the operational framework for originating commercial real estate loans in the SFBA, began engaging with prospective customers and closed its first loan in 2021. The Bank continued to originate loans in 2022, and to a lesser extent, in 2023, 2024 and 2025. The Bank originated \$8.8 million and \$11.3 million in commercial real estate loans in the SFBA in 2024 and 2025, respectively, and at December 31, 2024 and 2025, \$125.7 million and \$131.0 million were outstanding, respectively.

This initiative builds on several years of research and direct equity investments that provided the Bank with exposure and insight into the SFBA real estate and banking markets, but the Bank's long-term plans were accelerated to capitalize the pandemic-related disruption in those markets. The Bank continues to believe that the most attractive markets for its business are coastal, urban, gateway cities with substantial wealth, favorable demographics, substantial multifamily real estate, and consolidation among small and mid-sized banks. The Bank initially focused on both investor and owner-occupied commercial real estate and multifamily properties, but now offers owner-occupied residential loans to its clients in the SFBA as well.

While the Bank's lending activities are focused in Massachusetts, the WMA and the SFBA, the Bank may, on an exceptional basis, make loans secured by properties in other markets to accommodate commercial banking customers' needs. The Bank originated \$1.5 million in commercial real estate loans in other markets in 2025, and at December 31, 2025, \$1.5 million were outstanding. The Bank had no loans in other markets outstanding at December 31, 2024.

Underwriting and Approvals in Washington, D.C. and San Francisco Markets

All WMA and SFBA underwriting and approval processes are identical to those utilized in the Boston marketplace and all loans are reviewed and approved by the Bank's Executive Committee and when larger than \$2.0 million, by the Bank's full Board of Directors. A member of the Executive Committee performs a site visit for every collateral property. The Bank has retained local counsel in both markets to advise on all of its transactional needs, with oversight on each individual transaction by the Bank's primary real estate counsel in Boston. The Bank uses the same consulting firm in Boston, Washington, D.C., and San Francisco for environmental assessments and property condition reports to ensure quality of execution and to manage risk. This firm also performs seismic risk assessments in San Francisco for the Bank. The Bank generally requires that all third-party assessments are conducted by the Bank's consultants and will not generally accept reports ordered separately by a borrower. Once closed, these loans are subject to all of the Bank's regular quality control and portfolio management processes.

The Bank approaches prospective borrowers directly via advertising programs, and indirectly via intermediaries such as attorneys, accountants and mortgage brokers. The Bank also has customers with cross-holdings across these markets.

Lending Activities

General. At December 31, 2025, the Bank's net loan portfolio totaled \$3.899 billion, representing 85.8% of its total assets. The Bank's principal focus is real estate mortgage lending, with well over 99% of the loan portfolio secured by real estate mortgage loans. The portfolio is primarily composed of commercial real estate loans, residential owner-occupied real estate loans, and loans for the construction of residential purpose real estate. The loan portfolio is the Bank's primary interest-earning asset. Commercial and industrial loans and consumer loans represent less than 1% of the loan portfolio and are not a focus of the Bank's origination program. The Bank's lending activities are conducted in the Massachusetts, the WMA and SFBA markets and as of December 31, 2025, 63.5% of the loan portfolio was secured by properties in Massachusetts, 33.1% in the WMA, 3.3% in the SFBA and 0.1% in other markets.

Commercial Real Estate Loans. The Bank originates mortgage loans for the refinancing, acquisition, or renovation of existing commercial real estate properties such as apartments, offices, manufacturing and industrial complexes, small retail properties, various special purpose properties, and land. Although terms vary, commercial real estate loans generally have maturities of 15 years or less, with an initial fixed rate period and subsequent adjustments with a margin to a designated interest rate. The initial fixed-rate period is generally five years, with a limited volume of loans with longer initial fixed-rate periods. These loans generally reprice annually following the initial fixed-rate period, although loans originated prior to 2022 generally repriced every five years following the initial fixed-rate period. These loans are generally underwritten with floors near the initial rate at time of underwriting. The Bank generally amortizes commercial real estate mortgage loans over a 30-year or 35-year period, with a balloon payment at 5, 10 or 15 years,

although the Bank also originates a limited volume of commercial real estate loans with interest-only features. The Bank generally underwrites commercial real estate mortgage loans with “step-down” prepayment fees in the event the loan pays off prior to maturity; these fees are generally stated as a percentage of the face amount of the note. Generally, loan amounts do not exceed 75% of the lesser of the Bank estimate of value or independent appraised value of the collateral. At December 31, 2025, commercial mortgage loans totaled \$3.305 billion and represented 84.1% of the Bank’s total loan portfolio.

Construction Loans. As of December 31, 2025, there were \$156.4 million in construction loans, net of unadvanced amounts, which represented 4.0% of the Bank’s total loan portfolio and consisted primarily of residential purpose real estate (including multifamily) for long-term investment, speculative sale, or owner-occupants (the former categories are referred to as “commercial construction loans” below). Although the Bank has financed the construction of commercial purpose properties (e.g. retail, industrial, office, or special purpose), the Bank’s construction loan program is primarily focused on multifamily properties. As of December 31, 2025, the Bank had no loans outstanding for the construction of single purpose retail, industrial, office, or other special properties. Owner-occupied residential construction loans are offered on both a fixed rate and an adjustable rate basis, with a six to twelve month interest-only period that converts to an amortizing loan. Commercial construction loans are generally underwritten as eighteen month interest-only notes, with a balloon payment at maturity or conversion to permanent, amortizing financing. Larger or more complex projects may have a twenty-four to thirty-six month interest only period. Commercial construction loans are generally structured with origination fees in addition to the note rate of interest. Disbursements on construction loans are generally paid in arrears for work completed, subject to on-site inspection by a member of the Executive Committee of the Board of Directors, a Bank officer or a Bank engineer, and approved by the Bank’s Chief Executive Officer or the President.

Residential Real Estate Loans. The Bank originates a full range of qualified and non-qualified mortgage loans on one-to four-family residential properties. The Bank generally holds all residential real estate loans in portfolio and consequently enjoys greater latitude in structuring and executing transactions in support of its customers’ needs. The Bank originates these loans on both an adjustable rate and fixed rate basis. Qualified mortgage loans are generally originated with loan to value ratios up to 80% of a property’s appraised value, with mortgage insurance required for those loans exceeding 80%. Non-qualified mortgage loans, including but not limited to super jumbo loans in excess of \$1.5 million, co-operative loans, non-warrantable condominium loans, tenancies in common (TIC), loans to foreign nationals, owner-occupant loans to irrevocable trusts and limited liability corporations, vacation and seasonal properties, and loans underwritten using alternative verification of the ability to repay, are generally originated up to 65% of the lesser of a Bank estimate of value or a third-party appraisal and they are generally underwritten with a premium to the Bank’s conforming rates. The Bank also originates HELOCs in both first and second lien positions, generally at variable rates indexed to the Wall Street Journal Prime Rate, with floors near the origination rate. HELOCs are generally subject to a maximum loan-to-value ratio of 70% and the Bank generally does not originate HELOCs in second position behind other lenders. As of December 31, 2025, residential mortgage loans, including HELOCs and second mortgage loans, were \$465.5 million and represented 11.9% of the Bank’s total loan portfolio.

Consumer/Commercial Lending. The Bank originates a very limited volume of business overdraft lines of credit to local businesses in its market area generally on a secured basis with personal guarantees from the principals of any borrowing entity. The Bank generally also has deposit and commercial real estate relationships with such borrowers. In 2017, the Bank discontinued the origination of personal loans. Consumer and commercial lending is not the focus of the Bank’s origination program. At December 31, 2025, consumer and commercial loans totaled \$702,000 and represented less than 1.0% of the Bank’s total loan portfolio.

Origination of Loans. Applications for residential real estate loans are taken at all of the Bank’s offices. Processing of all loan applications is centralized at the Bank’s Corporate Office in Hingham, Massachusetts. Loan applications come from a number of sources, including depositors, existing borrowers, walk-in customers, the Internet and others responding to the Bank’s advertising program.

Commercial real estate, construction and residential real estate loans are reviewed and approved by the Executive Committee of the Board of Directors, which takes an active role in managing risk for the Bank. The Executive Committee meets at least twice monthly or more often as needed. No lenders or officers of the Bank have the authority to make these types of loans. The Chief Executive Officer or the President may approve HELOCs up to \$250,000. Additionally, all commercial real estate, residential real estate or construction loans above \$2.0 million, and all loans to credit relationships with aggregate exposure of \$6.0 million, inclusive of the subject transaction and regardless of size, are reviewed and approved by the full Board of Directors. Consequently, all of our loan exposure (with the exception of certain HELOCs) has been reviewed and approved on an individual credit basis by the Board of Directors or a committee thereof. In accordance with governing banking laws, the Bank is permitted to make loans and commitments to any one borrower, including related entities, in the aggregate amount of not more than 20% of the Bank’s stockholders equity, or \$95.9 million, at December 31, 2025, which is the Bank’s legal lending limit. The Bank’s largest relationship as of December 31, 2025, consisted of a series of loans with an outstanding balance of \$56.7 million and \$11.9 million in unfunded commitments, secured by apartment buildings located in Washington, D.C. and Northern Virginia. All loans to this credit relationship, both existing and previously outstanding, have always performed as agreed.

In November 1993, the Bank adopted a policy providing that the Bank, with limited exceptions of cash secured loans, will not originate loans to Directors or Officers of the Bank, Principal Stockholders, their related interests, or any entities in which Directors, Officers or Principal Stockholders have a significant financial interest. This policy was informed by the experience of the Directors at that time as private investors in New England banks and thrifts, including the Bank, that suffered significant losses because of poor controls over insider lending. The Board believes this policy has been validated by bank failures in which insider lending contributed

to significant losses. The Board strongly believes that insider lending, even when well-intentioned and subject to strong internal controls, poses an unacceptable risk to the Bank. Through this policy, the Bank seeks to eliminate the risks associated with insider lending rather than manage them.

Loan Rates and Fees. Interest rates and fees charged by the Bank on its loan products are based upon the type of loan, the degree of risk, competitive market rates, and the underlying collateral. As a general matter, the Bank prefers to use competitive pricing in order to select for lower leverage, lower risk assets. The Bank generally does not charge origination fees on commercial and residential mortgage loans. Fees are subject to the limitations imposed by the regulations of the Massachusetts Commissioner of Banks (“Commissioner of Banks”). Loan origination and commitment fees, net of direct loan origination costs, are deferred and are recognized as adjustments to loan interest income. The Bank amortizes these amounts over the contractual life of the related loans using the level-yield method or on a straight-line basis, depending on the terms of the loan. Exit fees and prepayment fees are recognized in full at the time of receipt.

Asset Quality. The Bank evaluates its loan portfolio regularly so as to recognize potential problem loans at an early stage and minimize losses. Given the leverage inherent in banking, maintaining good asset quality is critical to the Bank’s business. The Bank commences collection procedures on commercial real estate loans once a loan payment is more than 10 days past due and on residential loans once a loan payment is 15 days past due. The Executive Committee of the Board of Directors reviews a list of all loans two payments past due every two weeks, as well as all loans in technical default due to bankruptcy, delinquent payment of real estate taxes, insurance, condo/homeowners association fees, or any other breach of loan covenants. The Executive Committee also reviews the status of any collection-related legal proceedings every two weeks. The Board of Directors reviews a detailed list of all loans two or more payments past due at each monthly meeting.

The accrual of interest on mortgage and commercial loans is discontinued at the time a loan is 90 days past due unless the credit is well-secured and in the process of collection. Personal loans are typically charged-off no later than becoming 180 days past due. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

The Bank conducts three mutually supporting programs to maintain and monitor the credit quality of the portfolio:

- **Internal Quality Control:** The Bank’s internal Quality Control Group reviews all originated and non-originated commercial and residential mortgage loan files for compliance with the Bank’s policies and procedures in the areas of origination, underwriting, processing, servicing, and legal settlement. Some elements of the residential mortgage loan quality control process, focused on the consumer compliance characteristics of non-originated loans, are conducted by a third party under this group’s supervision. Issues are addressed at the working level immediately and reviewed with the Chief Executive Officer, the President, and legal counsel on a monthly basis.
- **Independent Loan Review:** The Bank has also retained an independent third-party to conduct ongoing loan review and credit risk rating. Commercial real estate loans are assigned an initial risk rating by the Bank at origination. Subsequently, the Bank has a quality control program in place. Quarterly, all new commercial real estate, construction and residential real estate loan relationships with outstanding balances or commitments of \$500,000 or more are reviewed and assigned a risk rating. Loans in the Bank’s watchlist are reviewed quarterly and an in-depth review is performed twice a year on all commercial real estate relationships (and related residential loans) with exposure in excess of \$850,000. Commercial real estate relationships (and related residential loans) with exposure between \$500,000 and \$850,000 are reviewed at least annually. Watchlist loans are those loans that are more than two payments past due at the end of the quarter, loans for which the borrowing entity or sponsor has filed bankruptcy, loans rated four or higher in a previous review, impaired loans, loan modifications made to borrowers experiencing financial difficulty, and loans past contractual maturity. Results of the independent loan review are reported to the Bank’s Audit Committee on a quarterly basis and become the mechanism for monitoring the overall credit quality of the portfolio.
- **Stress Testing:** The Bank conducts scenario analysis for the entire real estate loan portfolio every quarter using a third-party probability of default/loss given default model. This model incorporates data from the Bank’s loan portfolio and allows the Bank to quantify loan and portfolio losses using base case scenarios, as well as scenarios with unemployment rate forecasts derived from the Federal Reserve’s Dodd-Frank Act Stress Testing (DFAST) program. The results from this review are reported to the Bank’s Board of Directors on a quarterly basis as part of the Bank’s consolidated Enterprise Stress Testing program.

Investment Activities

The Bank’s investment portfolio is composed primarily of overnight cash at the Federal Reserve Bank of Boston (“FRBB”) and other correspondent banks and common equity investments. The Bank occasionally invests in other short-term income investments, such as U.S. Treasury debt securities, U.S. Government-sponsored enterprise (“US GSE”) debt securities, bank subordinated debt, and FDIC-insured certificates of deposit. The Bank also has a significant investment in the stock of the Federal Home Loan Bank of Boston (“FHLB”), held to secure the Bank’s borrowing relationship, and an investment in the Community Reinvestment Act (“CRA”) Fund, a mutual fund which invests in securities which qualify under the CRA securities test. The Bank’s investment portfolio is managed by the Bank’s executive officers in accordance with the investment policy approved by the Board of Directors. At December 31, 2025 and 2024, the Bank’s investment portfolio totaled \$582.8 million and \$528.5 million, respectively, which represented 12.8% of the Bank’s total assets at December 31, 2025, as compared to 11.9% at December 31, 2024.

Cash. Cash is primarily a source of liquidity to fund the Bank's real estate lending operation and absorb any volatility in the Bank's funding position. As of December 31, 2025, the Bank held \$362.1 million in cash at the FRBB, which represented 8.0% of total assets.

Equity Investments. Utilizing its authorities under FDIC regulations and Massachusetts law, the Bank makes investments in marketable public common equity securities. These investments are not viewed as a source of liquidity and are managed to produce superior returns on capital over a longer time horizon. The Bank's process is focused on identifying businesses with strong returns on capital, owner-oriented management teams, good reinvestment opportunities or capital discipline, and reasonable valuations. At December 31, 2025, the Bank held \$141.3 million in common equity investments. The portfolio is concentrated in a relatively small number of investments in the financial services and technology areas.

The Bank receives two sources of advantageous tax treatment through these investments. First, dividend distributions from these companies to the Bank are partially excluded from the Bank's taxable income due to the dividends received deduction. Second, to the extent that these companies are capable of internal reinvestment at high rates of return or capital deployment via tax-advantaged repurchases, the deferred tax liability associated with any long-term unrealized gains on our investments constitutes an interest-free source of financing.

The Bank also derives important intangible returns from these investments by studying high-performance companies with long track records of operational excellence and superior returns on capital. We study these companies to understand what we are doing well and where we might improve. Even if we cannot generate immediately actionable equity investment ideas, this process exposes our Board of Directors and our management team to new operational concepts that may help us to improve the returns in our core business.

During the third quarter of 2025, the Bank's portfolio of securities reportable under Section 13F of the Securities Exchange Act of 1934 exceeded \$100.0 million for the first time. This does not represent the entirety of the Bank's marketable equity securities, as the Bank's holdings that are traded "Over the Counter" are exempt for reporting under Section 13F. As a result, the Bank began filing an itemized listing of its Section 13F securities on Form 13F in the first quarter of 2026.

The Bank may also, from time to time, make private equity investments directly in other banks or financial services companies. At December 31, 2025, the Bank held a \$2.4 million investment in the common stock of Founders Bank, a de novo bank organization in Washington, D.C. that opened in April 2020. This investment represents a non-marketable equity security and is included in other assets on the Consolidated Balance Sheets.

Corporate Bonds. At December 31, 2025, the Bank held \$7.5 million in corporate bonds, made up of investments in debt instruments issued by other banks and bank holding companies, including an issuer in which the Bank also holds a common equity investment. The notes are typically fixed or fixed-to-floating rate and some have call features. The Bank intends to hold the bonds until maturity, and therefore, they are recorded at amortized cost on the Consolidated Balance Sheets.

CRA Investments. The Bank also makes investments to satisfy its obligations under the CRA. At December 31, 2025, the Bank had four such investments:

- The Bank's equity securities included a \$9.1 million investment in the CRA Fund, a mutual fund which invests in fixed-income securities which qualify under the CRA investment test. This has been a long-standing investment for the Bank and in 2025, the Bank did not make any additional investments.
- The Bank held a \$2.0 million long-term subordinated debt investment in the BlueHub Community Loan Fund (formerly Boston Community Loan Fund). This has been a long-standing investment for the Bank, and in 2025 the Bank invested an additional \$1.0 million. This investment is accounted for in other assets, included in the Consolidated Balance Sheets.
- The Bank has a commitment to make a \$1.0 million investment in the Washington Housing Initiative Impact Pool LLC ("Washington Housing Initiative"), an investment vehicle that provides low cost loans to acquire and develop affordable workforce housing in Washington D.C. As of December 31, 2025, \$952,000 of this commitment had been called by the Investment Manager. This investment is accounted for in other assets, included in the Consolidated Balance Sheets.
- The Bank held a \$5.0 million subordinated debt investment in The San Francisco Housing Accelerator Fund (the "SFHA Fund"), an investment vehicle that provides low cost loans to acquire and develop affordable workforce housing in San Francisco. This investment is accounted for in other assets, included in the Consolidated Balance Sheets.

Federal Home Loan Bank Stock. The Bank holds FHLB stock which, at December 31, 2025, totaled \$62.0 million. As a member of the FHLB, the Bank is required to maintain an investment in FHLB stock that approximates 5% of FHLB advances outstanding to the Bank.

Bank-Owned Life Insurance. The Bank has an investment in bank-owned life insurance, which insures the life of a current Bank officer. At December 31, 2025, the policies had a cash surrender value of \$14.3 million.

Sources of Funds

General. Deposit accounts of all types have historically constituted the primary source of funds for the Bank's lending and investment activities. The Bank also derives funds from borrowings from the FHLB, amortization and prepayment of loans, and sales of loans and securities. Additionally, the Bank has registered with the FRBB to access its Discount Window. The Bank has pledged the bulk of its home equity portfolio and a portion of the real estate loan portfolio to secure borrowings from the Discount Window, and may increase availability by pledging additional assets. The availability of funds is influenced by prevailing interest rates, competition, and

other market conditions.

Deposits. At December 31, 2025, the Bank had \$2.548 billion in savings accounts, demand accounts, negotiable order of withdrawal (“NOW”) accounts, money market accounts and certificates of deposit. Certificates have maturities ranging in terms from sixty days to five years. Included among these deposit products are individual retirement account certificates. The Bank also accepts deposits through its on-premises ATMs and is a member of other ATM networks. The Bank opens deposit accounts, including checking accounts, money market accounts, and certificates of deposit, directly online for personal customers. The Bank accepts term certificates of deposit through Internet listing services and through approved brokers (together “wholesale time deposits”). The Bank’s cost of funds, and its ability to attract and maintain deposits is dependent on economic and competitive conditions. The Bank offers a variety of deposit accounts to individuals and commercial customers. The Bank’s deposits are insured by the FDIC, up to \$250,000 per depositor for deposits held in the same right and capacity. The MA DIF insures the portion of deposits in excess of these amounts.

Borrowings. At December 31, 2025, the Bank had \$1.464 billion in borrowings from the FHLB and no advances from the FRBB outstanding. The Bank can borrow from the FHLB up to approximately \$1.812 billion, in total, based on the Bank’s qualified collateral, which includes certain residential mortgage loans, first mortgage loans on non-owner occupied residential property, first mortgage loans on multifamily residential property, and pledged commercial mortgage loans. Upon specific approval from the FHLB, the Bank may also pledge other mortgage loans to secure additional borrowings. The Bank can also borrow up to \$590.7 million by accessing the FRBB Discount Window, based on the Bank’s available qualified collateral which consists primarily of HELOCs, one-to four-family residential mortgage loans, multifamily, construction and commercial mortgage loans. Upon specific approval from the FRBB, the Bank may also pledge other mortgage loans to secure additional borrowings.

Personnel and Human Capital Resources

At December 31, 2025, the Bank had 93 full-time employees and 4 part-time employees. The Bank provides its full-time employees with a comprehensive suite of employee benefit programs, including a 401(k) plan, life, health, short- and long-term disability insurance and a stock option plan for employees and directors, as the Nominating and Personnel Committee of the Board of Directors may determine. We are committed to the continuous growth and improvement of our team through an active recruiting process utilizing our senior management rather than third party recruiters, a performance management process focused on objectives and key results, internal training programs, and sponsored external educational programs. As of December 31, 2025, the Bank had employees in 14 states. None of the employees of the Bank are represented by a labor union or other collective bargaining group and management believes that its employee relationships are excellent.

Supervision and Regulation

As a Massachusetts-chartered savings bank, the Bank is subject to regulation, supervision and examination by the Commissioner of Banks. The Bank is an insured depository institution the deposits of which are insured to the extent provided by law by the FDIC. As a result, the Bank is also subject to regulation, supervision and examination by the FDIC. While the Bank is not a member of the Federal Reserve System, it is nonetheless subject to certain provisions of the Federal Reserve Act and regulations issued thereunder. The description of certain laws and regulations below and elsewhere in this report does not purport to be complete and is qualified in its entirety by reference to applicable laws and regulations, which may be amended or modified from time to time.

Examinations and Supervision. The FDIC and the Commissioner of Banks regularly examine the Bank’s condition and operations, including, among other things, its capital adequacy, reserves, loans, investments, earnings, liquidity, compliance with laws and regulations, record of performance under the federal CRA and equivalent requirements under Massachusetts law and management practices. In addition, the Bank is required to furnish quarterly and annual reports of income and condition to the FDIC and periodic reports to the Commissioner of Banks. The enforcement authority of the FDIC includes the power to impose civil money penalties; terminate insurance coverage; remove officers and directors; issue cease-and-desist orders to prevent unsafe or unsound practices or violations of laws or regulations; and impose additional restrictions and requirements with respect to banks that do not satisfy applicable regulatory capital requirements. The Commissioner of Banks possesses similar enforcement authority.

Community Reinvestment Act Regulations. The CRA requires each bank to delineate an assessment area which generally consists of the communities served by the bank’s deposit-taking facilities, and it requires that the bank’s primary federal regulator, which is the FDIC in the case of the Bank, take into account the bank’s record of performance in meeting the credit needs of the entire community served, including low and moderate-income neighborhoods. Failure of a bank to receive at least a “satisfactory” rating could inhibit a bank from undertaking certain activities, including acquisitions of other financial institutions and establishment of branches, which require regulatory approval based, in part, on the bank’s record of performance under the CRA. Massachusetts has enacted a CRA with similar requirements applicable to banking institutions chartered by that state, including the Bank. On October 24, 2023, the federal banking agencies issued a final rule revising their framework for evaluating banks’ records of community investment under the CRA. On July 16, 2025, the agencies issued a proposal to rescind the October 2023 final rule and reinstate the CRA framework that existed prior to the October 2023 final rule, which has remained in effect.

Acquisitions and Branching. Prior approval from the Commissioner of Banks and the FDIC is required in order for the Bank to acquire another bank or establish a new branch office. Well capitalized and well managed banks may acquire other banks in any state, subject to certain deposit concentration limits and other conditions, pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). In

addition, the Dodd-Frank Act authorizes a state-chartered bank, such as the Bank, to establish new branches on an interstate basis to the same extent a bank chartered by the host state may establish branches.

Activities and Investments. Section 24 of the Federal Deposit Insurance Act (the “FDIA”) generally limits the types of equity investments an FDIC-insured state-chartered bank, such as the Bank, may make and the kinds of activities in which such a bank may engage, as a principal, to those that are permissible for national banks. Further, the Gramm-Leach-Bliley Act of 1999 (“GLBA”) permits national banks and state banks, to the extent permitted under state law, to engage via financial subsidiaries in certain activities that are permissible for subsidiaries of a financial holding company. In order to form a financial subsidiary, a state-chartered bank must be “well capitalized,” and such banks must comply with certain capital deduction, risk management and affiliate transaction rules, among other requirements.

Lending Restrictions. Federal law limits a bank’s authority to extend credit to its directors, executive officers and 10% or more stockholders, as well as to entities controlled by such persons. Among other things, extensions of credit to insiders are required to be made on terms that are substantially the same as, and follow credit underwriting procedures that are not less stringent than, those prevailing for comparable transactions with unaffiliated persons. Also, the terms of such extensions of credit may not involve more than the normal risk of repayment or present other unfavorable features and may not exceed certain limitations on the amount of credit extended to such persons, individually and in the aggregate, which limits are based, in part, on the amount of the Bank’s capital. In addition, asset purchase and sale transactions with insiders must be on market terms, and if the transaction represents more than 10% of the capital and surplus of the Bank, be approved by the majority of the disinterested directors of the Bank.

Brokered Deposits. The FDIA and FDIC regulations generally limit the ability of an insured depository institution to accept, renew or roll over any brokered deposit unless the institution’s capital category is “well capitalized” or, with the FDIC’s approval, “adequately capitalized.” Certain depository institutions that have brokered deposits in excess of 10% of total assets are subject to increased FDIC deposit insurance premium assessments.

Deposit Insurance. Deposit obligations of the Bank are insured by the FDIC’s Deposit Insurance Fund (“DIF”) to the legal maximum of \$250,000 for each insured depositor for deposits held by such depositor in the same right and capacity.

The FDIC calculates deposit insurance assessment rates for established small banks, generally those banks with less than \$10 billion of assets that have been insured for at least five years, using supervisory ratings, financial ratios, and other factors. Under this method, each of seven financial ratios and a weighted average of CAMELS composite ratings are multiplied by a corresponding pricing multiplier. The sum of these products is added to a uniform amount, with the resulting sum being an institution’s initial base assessment rate (subject to minimum or maximum assessment rates based on a bank’s CAMELS composite rating). This method takes into account various measures, including an institution’s leverage ratio, brokered deposit ratio, one year asset growth, the ratio of net income before taxes to total assets and considerations related to asset quality. Under the small bank pricing rule effective through December 31, 2022, where the DIF’s reserve ratio has reached 1.15%, assessments for established small banks with a CAMELS rating of 1 or 2 range from 1.5 to 16 basis points after adjustments, while assessment rates for established small banks with a CAMELS composite rating of 4 or 5 range from 11 to 30 basis points, after adjustment. Assessments for established banks with a CAMELS rating of 3 range from 3 to 30 basis points. On October 18, 2022, the FDIC approved a final rule, applicable to all insured depository institutions, to increase initial base deposit insurance assessment rate schedules uniformly by 2 basis points, beginning in the first quarterly assessment period of 2023. The revised assessment rate schedules will remain in effect unless and until the DIF’s reserve ratio meets or exceeds 2 percent, absent further action by the FDIC Board of Directors. Progressively lower assessment rate schedules will take effect when the DIF’s reserve ratio reaches 2 percent, and again when it reaches 2.5 percent. In November 2023, the FDIC approved a final rule to implement a special assessment to recover, over eight quarters beginning with the first quarter of 2024, losses to the DIF arising from the receiverships of Silicon Valley Bank and Signature Bank. In December 2025, the FDIC updated its estimate of the DIF’s losses and reduced the final assessment rate for the eighth collection quarter.

The FDIC has the authority to adjust deposit insurance assessment rates at any time. In addition, under the FDIA, the FDIC may terminate deposit insurance upon a finding that the institution has engaged in unsafe and unsound practices; is in an unsafe or unsound condition to continue operations; or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

Deposit balances in excess of those insured by the FDIC are insured in full by the MA DIF. For 2025, the total insurance expense for the Bank was \$2.8 million, including \$174,000 in premiums paid to the MA DIF.

Dividends. Payments of dividends by the Bank are subject to banking law restrictions such as:

- The FDIC’s authority to prevent a bank from paying dividends if such payment would constitute an unsafe or unsound banking practice or reduce a bank’s capital below safe and sound levels;
- Federal legislation which prohibits FDIC-insured depository institutions from paying dividends or making capital distributions that would cause the institution to fail to meet minimum capital requirements or if it is already undercapitalized; and
- Massachusetts banking law restrictions which require dividends to be paid from net profits for the current and two previous years, and which preclude a Massachusetts bank from paying dividends if its capital is, or would become, impaired.

Consumer Protection Regulation

The Bank is subject to federal and state laws designed to protect consumers and prohibit unfair or deceptive business practices including the Equal Credit Opportunity Act, Fair Housing Act, Home Ownership Protection Act, Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”), the GLBA, the Truth in Lending Act, CRA, the Home Mortgage Disclosure Act, Real Estate Settlement Procedures Act, National Flood Insurance Act and various state law counterparts. These laws and regulations mandate certain disclosure requirements and regulate the manner in which financial institutions must interact with customers when taking deposits, making loans, collecting loans and providing other services. Further, the CFPB also has a broad mandate to prohibit unfair, deceptive or abusive acts and practices and is specifically empowered to require certain disclosures to consumers and draft model disclosure forms. Failure to comply with consumer protection laws and regulations can subject financial institutions to enforcement actions, fines and other penalties. The FDIC examines the Bank for compliance with CFPB rules and enforces CFPB rules with respect to the Bank.

Mortgage Reform. The Dodd-Frank Act prescribes certain standards that mortgage lenders must consider before making a residential mortgage loan, including verifying a borrower’s ability to repay such mortgage loan and allows borrowers to assert violations of certain provisions of the Truth in Lending Act as a defense to foreclosure proceedings. Under the Dodd-Frank Act, prepayment penalties are prohibited for certain mortgage transactions and creditors are prohibited from financing insurance policies in connection with a residential mortgage loan or HELOC. In addition, the Dodd-Frank Act prohibits mortgage originators from receiving compensation based on the terms of residential mortgage loans and generally limits the ability of a mortgage originator to be compensated by others if compensation is received from a consumer. The Dodd-Frank Act requires mortgage lenders to make additional disclosures prior to the extension of credit, and in each billing statement for negative amortization loans and hybrid adjustable rate mortgages. Additionally, the CFPB’s qualified mortgage rule requires creditors, such as the Bank, to make a reasonable good faith determination of a consumer’s ability to repay any consumer credit transaction secured by a dwelling.

Privacy and Customer Information Security. The GLBA requires financial institutions to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to nonaffiliated third parties. In general, the Bank must provide its customers with an initial and annual disclosure that explains its policies and procedures regarding the disclosure of such nonpublic personal information, and, except as otherwise required or permitted by law, the Bank is prohibited from disclosing such information except as provided in such policies and procedures. However, an annual disclosure is not required to be provided by a financial institution if the financial institution only discloses information under exceptions from GLBA that do not require an opt out to be provided and if there has been no change in its privacy policies and procedures since its most recent disclosure provided to consumers. The GLBA also requires that the Bank develop, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information (as defined under GLBA), to protect against anticipated threats or hazards to the security or integrity of such information; and to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. The Bank is also required to send a notice to customers whose sensitive information has been compromised if unauthorized use of the information is reasonably possible. Most states, including the states where the Bank has customers, have enacted legislation concerning breaches of data security and the duties of the Bank in response to a data breach. Congress continues to consider federal legislation that would require consumer notice of data security breaches. In addition, Massachusetts has promulgated data security regulations with respect to personal information of Massachusetts residents. Pursuant to the FACT Act, the Bank had to develop and implement a written identity theft prevention program to detect, prevent, and mitigate identity theft in connection with the opening of certain accounts or certain existing accounts. Additionally, the FACT Act amends the Fair Credit Reporting Act to generally prohibit a person from using information received from an affiliate to make a solicitation for marketing purposes to a consumer, unless the consumer is given notice and a reasonable opportunity and method to opt out of the making of such solicitations.

Anti-Money Laundering

The Bank Secrecy Act. Under the Bank Secrecy Act (“BSA”), a financial institution is required to have systems in place to detect certain transactions, based on the size and nature of the transaction. Financial institutions are generally required to report to the U.S. Treasury any cash transactions involving more than \$10,000. In addition, financial institutions are required to file suspicious activity reports for any transaction or series of transactions that involve at least \$5,000 and which the financial institution knows, suspects or has reason to suspect involves illegal funds, is designed to evade the requirements of the BSA or has no lawful purpose. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), which amended the BSA, together with implementing regulations of various federal regulatory agencies, has caused financial institutions, such as the Bank, to adopt and implement additional policies or amend existing policies and procedures with respect to, among other things, anti-money laundering compliance, suspicious activity, currency transaction reporting, customer identity verification and customer risk analysis. In evaluating an application under the Bank Merger Act to merge banks or effect a purchase of assets and assumption of deposits and other liabilities, the applicable federal banking regulator must consider the anti-money laundering compliance record of both the applicant and the target. In addition, under the USA PATRIOT Act financial institutions are required to take steps to monitor their correspondent banking and private banking relationships as well as, if applicable, their relationships with “shell banks.”

OFAC. The U.S. has imposed economic sanctions that affect transactions with designated foreign countries, nationals and others. These sanctions, which are administered by the U.S. Treasury’s Office of Foreign Assets Control (“OFAC”), take many different forms. Generally, however, they contain one or more of the following elements: (i) restrictions on trade with or investment in a

sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on “U.S. persons” engaging in financial or other transactions relating to a sanctioned country or with certain designated persons and entities; (ii) a blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest, by prohibiting transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons); and (iii) restrictions on transactions with or involving certain persons or entities. Blocked assets (for example, property and bank deposits) cannot be paid out, withdrawn, set off or transferred in any manner without a license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences for the Bank.

Capital Requirements. The FDIC has established guidelines with respect to the maintenance of appropriate levels of capital by state chartered FDIC-insured banks that are not members of the Federal Reserve System. If a bank’s capital levels fall below the minimum requirements established by these guidelines, the bank will be expected to develop and implement a plan, acceptable to the FDIC, to achieve adequate levels of capital within a reasonable period, and may be denied approval to acquire or establish additional bank or non-bank businesses, merge with other institutions or open branch facilities until those capital levels are achieved. Federal legislation requires federal bank regulators to take “prompt corrective action” with respect to banks or bank holding companies that fail to satisfy minimum capital requirements and imposes significant restrictions on those institutions.

In particular, FDIC guidelines and regulations and the Federal Deposit Insurance Corporation Improvement Act of 1991 include, among other things:

- minimum leverage capital ratios or Tier 1 capital to total assets ratios;
- minimum capital levels measured as a percentage of a bank’s risk-adjusted assets;
- as noted above, requirements that federal banking regulators take “prompt corrective action” with respect to, and impose significant restrictions on, any bank that fails to satisfy its applicable minimum capital requirements;
- assignment of a bank by the FDIC to capital categories consisting of (1) well capitalized, (2) adequately capitalized, (3) undercapitalized, (4) significantly undercapitalized, and (5) critically undercapitalized;
- restrictions on the ability of a bank to accept brokered deposits;
- authorization of the FDIC to appoint itself as conservator or receiver for a state chartered bank under certain circumstances and expansion of the grounds for its appointment as conservator or receiver;
- adoption of uniform real estate lending standards;
- standards for safety and soundness related to, internal controls, information systems and internal audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, asset quality, earnings, stock valuation and compensation, fees and benefits, and such other operational and managerial standards as the agencies deem appropriate;
- restrictions on the activities and investments of state-chartered banks; and
- consumer protection provisions.

The federal banking regulation requires a minimum ratio of common equity Tier 1 capital to risk-weighted assets of 4.5%, a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, a minimum ratio of total capital to risk-weighted assets of 8.0%, and a minimum leverage ratio of 4.0% for all banking organizations. Additionally, community banking institutions must maintain a capital conservation buffer of common equity Tier 1 capital in an amount greater than 2.5% of total risk-weighted assets to avoid being subject to limitations on capital distributions and discretionary bonus payments to executive officers. At December 31, 2025, the Bank exceeded all capital requirements necessary to be considered well capitalized.

Section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act directs the federal bank regulatory agencies to establish a Community Bank Leverage Ratio (“CBLR”) of tangible capital to average total consolidated assets of not less than 8.0% or more than 10.0%. Under the final rule issued by the federal banking agencies, effective January 1, 2020, depository institutions and depository institution holding companies that have less than \$10 billion in total consolidated assets and meet other qualifying criteria, including a leverage ratio (equal to Tier 1 capital divided by average total consolidated assets) of greater than 9.0%, are eligible to opt into the CBLR framework. A community banking organization that elects to use the CBLR framework and that maintains a leverage ratio of greater than 9.0% will be considered to have satisfied the generally applicable risk-based and leverage capital requirements in the banking agencies’ generally applicable capital rules and, if applicable, will be considered to have met the well-capitalized ratio requirements for purposes of Section 38 of the FDIA. The final rule includes a two-quarter grace period during which a qualifying banking organization that temporarily fails to meet any of the qualifying criteria, including the greater than 9.0% leverage ratio requirement, generally would still be deemed well-capitalized so long as the banking organization maintains a leverage ratio greater than 8.0%. At the end of the grace period, the banking organization must meet all qualifying criteria to remain in the CBLR framework or otherwise must comply with and report under the generally applicable rule. In November of 2025, the federal bank regulatory agencies issued a joint proposed rule to lower the CBLR threshold to greater than 8.0% and to extend the grace period to four quarters. The Bank has not elected to adopt the CBLR framework, but continues to monitor these proposed legislative and regulatory changes and may decide to adopt it in the future.

Available Information

The Annual Report on Form 10-K is available to the public at the main office and each branch office of the Bank. The Annual Report on Form 10-K and all quarterly reports on Form 10-Q are also available free of charge through the Bank's website www.hinghamavings.com once such material is filed with, or furnished to, the FDIC. Information found on this website is not part of this report or any other report the Bank files with or furnishes to the FDIC. A copy of the Bank's Annual Report on Form 10-K, as well as the Bank's Summary Annual Report and all quarterly reports on Form 10-Q and current reports on Form 8-K and any amendments to such reports, may be obtained without charge, by any stockholder of the Bank upon written request addressed to Robert H. Gaughen, Jr., Chief Executive Officer, Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043, telephone (781) 749-2200. Information is also available for inspection at the FDIC, Accounting and Securities Disclosure Section, Division of Supervision and Consumer Protection, at 550 17th Street, N.W. Washington, D.C. 20429.

Item 1A. Risk Factors.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Fluctuations in interest rates, or a sustained period of inversion between short-term and long-term market interest rates, may continue to negatively impact the Bank's business. The Bank's main source of income from operations is net interest income, which is equal to the difference between the interest income received on interest-earning assets (usually loans and securities) and the interest expense incurred in connection with interest-bearing liabilities (usually deposits and borrowings). The Bank has adopted asset and liability management policies that are intended to optimize net interest income through-the-cycle, primarily by altering the mix and maturity of loans, investments and funding sources. In doing so, the Bank typically operates in a liability-sensitive position, resulting from a portion of the Bank's interest-earning assets permanently funded by short-term wholesale liabilities. As a result, an increase in interest rates, especially a rapid increase in short-term interest rates, could reduce net interest income, negatively impacting the Bank's results from operations or financial position. An increase in interest rates could also have a negative impact on the Bank's results from operations by reducing the ability of borrowers to repay their current loan obligations, which could not only result in increased loan defaults, lost income, foreclosures and write-offs, but also necessitate further increases to the Bank's allowance for credit losses ("ACL"). In addition to changes in interest rates, a sustained period of inversion between short-term and long-term market interest rates could have a significant and negative impact of the Bank's net interest income, as the Bank may be unable to generate sufficient spread on incremental loan originations and may be unable to replace relatively expensive short-term wholesale funding with relatively less expensive deposit funding.

We may be adversely affected by volatility in U.S. and global economic conditions and changes in fiscal, monetary, trade and regulatory policies. The economy in the U.S. and globally has experienced volatility in recent years and may continue to experience such volatility for the foreseeable future. Unfavorable or uncertain economic conditions can be caused by declines in economic growth, business activity, or investor or business confidence; limitations on the availability of or increases in the cost of credit and capital; increases in inflation or interest rates; uncertainties regarding fiscal and monetary policies; the timing and impact of changing governmental policies, including changes in guidance and interpretation by regulatory authorities; changes in trade policies by the U.S. or other countries, such as tariffs or retaliatory tariffs as those proposed by the U.S. Administration; supply chain disruptions; consumer spending; employment levels; labor shortages; challenging labor market conditions; wage stagnation; federal government shutdowns; energy prices; home prices; commercial property values; bankruptcies and a default by a significant market participant or class of counterparties; natural disasters; climate change; epidemics; pandemics; terrorist attacks; acts of war; or a combination of these or other factors.

Volatile business and economic conditions could have adverse effects on our business, including the following:

- investors may have less confidence in the equity markets in general and in financial services industry stocks in particular, which could place downward pressure on our stock price and resulting market valuation;
- economic and market developments may further affect consumer and business confidence levels and may cause declines in credit usage and adverse changes in payment patterns, causing increases in delinquencies and default rates;
- our ability to assess the creditworthiness of our customers may be impaired if the models and approaches we use to select, manage, and underwrite loans become less predictive of future behaviors;
- we could suffer decreases in demand for loans or other financial products and services or decreased deposits or other investments in accounts with us;
- competition in the financial services industry could intensify as a result of the increasing consolidation of financial services companies in connection with current market conditions or otherwise; and
- the value of loans and other assets or collateral securing loans may decrease.

Inflationary pressures and rising prices may affect our results of operations and financial condition. Inflation remained above the Federal Reserve's target in 2025 and may remain elevated in 2026. In response to a pronounced rise in inflation, the Federal Reserve raised the federal funds rate several times in 2022 and 2023. While the Federal Reserve reduced the federal funds rate in 2024 and

2025, we cannot predict whether or when the Federal Reserve may increase or decrease the federal funds rate in the future. In 2025, the U.S. government announced a variety of new tariffs on goods imported to the United States from overseas. These tariffs could have a materially adverse impact on the U.S. economy, both directly and via the implementation of retaliatory tariffs by foreign trading partners. Moreover, while the inflation rate has decreased, prices remain high. Small to medium-sized businesses may be impacted by higher costs as they are not able to leverage economies of scale to mitigate cost pressures compared to larger businesses. Consequently, the ability of our business customers to repay their loans may deteriorate, and in some cases this deterioration may occur quickly. Sustained higher interest rates by the Federal Reserve, changes to fiscal policy, including expansion of U.S. federal deficit spending and resultant debt issuance, could also affect market interest rates, push down asset prices and weaken economic activity. A deterioration in economic conditions in the U.S. and our markets could result in an increase in loan delinquencies and non-performing assets, decreases in loan collateral values and a decrease in demand for our products and services, any of which could adversely affect our business, financial condition and results of operations. Further, continued high market interest rates may reduce our loan origination volume, particularly refinance volume, and/or reduce our interest rate spread, which could have an adverse effect on our profitability and results of operations.

A downturn in local economic conditions could negatively impact the Bank's business. The Bank primarily serves individuals, businesses, and nonprofits located in eastern Massachusetts and adjoining areas. The Bank also lends to borrowers and services deposit customers in the greater WMA and in the SFBA. At December 31, 2025, the majority of the Bank's loans and deposits came from the eastern Massachusetts area. Local events and the economic conditions in either eastern Massachusetts, the WMA or the SFBA could have a material adverse impact on the ability of the Bank to attract deposits, the ability of the Bank's borrowers to repay their loans and on the value of the collateral securing these loans.

At December 31, 2025, substantially all of the Bank's loan portfolio outstanding consisted of real estate secured loans, including mortgage loans on commercial real estate (84.1%), owner-occupied residential real estate (11.9%) and construction loans (4.0%). At December 31, 2025, approximately 33.1% of the portfolio was secured by commercial real estate located in the greater WMA, and 3.3% was secured by commercial real estate located in the SFBA.

The Bank's commercial loans, with limited exceptions, are secured primarily by real estate (usually income producing residential-purpose and commercial properties). Virtually all of the Bank's residential mortgages and HELOCs are secured by residential property in eastern Massachusetts, but the Bank began offering these products in the WMA in 2024 and in the SFBA in 2025. Consequently, the Bank's ability to continue to originate real estate loans may be impaired by adverse changes in local and regional real estate markets, including as a result of, among other things, natural disasters. Further, the value realized on the sales of foreclosed assets may be diminished by the volume of foreclosed assets being liquidated by other financial institutions. Although the Bank maintains a program to ensure its borrowers maintain appropriate hazard and flood insurance, as well as a mortgage impairment policy with a special rider for earthquake coverage, such coverage may be insufficient and the Bank may suffer losses in the event of a natural disaster.

Reliance on the Federal Home Loan Bank and Federal Reserve may adversely affect our liquidity and/or capital position. The Bank is a member of the FHLB and as such, is required to maintain an equity investment in FHLB stock based primarily upon the balance of outstanding advances. The FHLB has established certain limits on borrowing activity, including a limitation on commercial real estate collateral discounted value up to two times the Bank's shareholders' equity and an overall limit of total extension of credit up to 40% of a Bank's total assets ("Cap"). In 2024, the FHLB adopted a framework that establishes this Cap based upon an assessment of a member's credit category, ranging from 40% of total assets for members in category "1" to 5% of total assets for members in category "4". Therefore, FHLB decisions directly impact the Bank's liquidity. A deterioration of the Bank's credit category, as well as significant disruptions in the FHLB's lending operations or access to capital markets could have a negative effect on the Bank's liquidity position. The Bank also maintains a borrowing relationship with the FRBB Discount Window; however, there is no guarantee that the Bank could obtain sufficient funding from the FRBB in the event that FHLB funding was not available. Impairment of the FHLB's assets could also negatively affect the value of the Bank's equity investment in the FHLB stock and the receipt of dividends on this investment. Furthermore, the FHLB could suspend the Bank's ability to redeem the portion of its equity investment in FHLB in excess of that required to support its borrowing position. Dividends on this investment are declared at the discretion of the FHLB Board of Directors. At December 31, 2025, the Bank held \$62.0 million in FHLB stock, borrowed funds were \$1.464 billion, and the Bank had \$343.8 million in unused available capacity (net of accrued interest on outstanding advances). The Bank had no outstanding advances and an unused available capacity of \$590.7 million with the FRBB at December 31, 2025.

Our cost of funds for banking operations may increase as a result of general economic conditions, interest rates and competitive pressures. We compete with banks and other financial institutions for deposits. The Bank also faces increasing competition, both directly and via intermediation, from U.S. Treasury fixed income securities. If, as a result of general economic conditions, market interest rates, competitive pressures, or otherwise, the amount of deposits at the Bank decreases relative to its overall banking operations, the Bank may have to rely more heavily on borrowings or other sources of wholesale funds that may have higher interest rate and sensitivity to short-term market rates, or otherwise reduce its loan growth or pursue loan sales. Higher funding costs reduce our net interest margin, net interest income and net income, which could adversely affect our results of operations and financial condition.

If we are unable to access the capital markets, have prolonged net deposit outflows, or our borrowing costs increase, our liquidity and competitive position will be negatively affected. Liquidity is essential to our business. We must maintain sufficient funds to respond to the needs of depositors and borrowers. To manage liquidity, we draw upon a number of wholesale funding sources in

addition to retail and commercial deposit growth and repayments and maturities of loans and investments. Any inability to access the capital markets, illiquidity or volatility in the capital markets, a decrease in value of eligible collateral or an increase in collateral requirements (including as a result of credit concerns for short-term borrowing), changes to our relationships with our funding providers based on real or perceived changes in our risk profile, prolonged federal government shutdowns, or changes in regulations or regulatory guidance, or other events could negatively affect our access to or our cost of funding, affecting our ongoing ability to accommodate liability maturities and deposit withdrawals, meet contractual obligations, or fund asset growth and new business initiatives at a reasonable cost, in a timely manner and without adverse consequences. Moreover, if the Bank ceases to be categorized as “well capitalized” under banking regulations, it would be prohibited from accepting, renewing or rolling over brokered deposits unless it received a waiver from the FDIC. Additionally, our liquidity or cost of funds may be negatively impacted by the unwillingness or inability of the Federal Reserve to act as lender of last resort, unexpected simultaneous draws on lines of credit or deposits, the withdrawal of or failure to attract customer deposits, or increased regulatory liquidity, capital and margin requirements.

Although we maintain balance sheet liquidity and have implemented strategies to maintain sufficient and diverse sources of funding to accommodate planned, as well as unanticipated, changes in assets, liabilities, and off-balance sheet commitments under various economic conditions, a substantial, unexpected, or prolonged change in the level or cost of liquidity could have a material adverse effect on us. If the cost effectiveness or the availability of supply in these credit markets is reduced for a prolonged period of time, our funding needs may require us to access funding and manage liquidity by other means. These alternatives may include generating client deposits, extending the maturity of wholesale borrowings, borrowing under certain secured borrowing arrangements, using relationships developed with a variety of fixed income investors, selling or securitizing loans, and further managing loan growth and investment opportunities. These alternative means of funding may result in an increase to the overall cost of funds and may not be available under stressed conditions, which could cause us to liquidate a portion of our liquid asset portfolio to meet any funding needs.

Environmental liability associated with commercial real estate lending could result in losses. In the course of business, we may acquire, through foreclosure or other similar proceedings, properties securing loans we have originated that are in default. Particularly in commercial real estate lending, there is a risk that material environmental violations could be discovered at these properties. In this event, we might be required to remedy these violations at the affected properties at our sole cost and expense. The cost of this remedial action could substantially exceed the value of affected properties. We may not have adequate remedies against the prior owner or other responsible parties and could find it difficult or impossible to sell the affected properties as a result of their condition. Although the Bank seeks to mitigate these risks by conducting pre-origination environmental due diligence on commercial real estate, this due diligence may fail to discover environmental violations that exist at the time of origination. The Bank also generally acquires title to foreclosed real estate through special purpose entities designed to limit the Bank’s liability. There can be no guarantee that such entities will successfully limit such liability. These events could have an adverse effect on our business, results of operations and financial condition.

The Bank’s ACL may prove to be insufficient if future economic conditions deteriorate. The risk of credit losses on loans varies with, among other things, general economic conditions, the type of loans being made, the creditworthiness of the borrower over the term of the loan and, in the case of a collateralized loan, the value and marketability of the collateral for the loan. The Bank establishes an allowance for lifetime expected credit losses on individual loans based upon, among other things, historical losses, loan-to-value ratios, underlying collateral values, payment history, the size of the loan portfolio and the risks associated with certain loan types, as well as other factors such as local economic trends, real estate market conditions and credit concentrations. As applicable, the Bank’s ACL includes the reserve for unfunded loan commitments (associated primarily to construction loans), if needed based upon management’s evaluation. Although the Bank believes the ACL is maintained at a level adequate to absorb lifetime expected losses in the loan portfolio and unfunded commitments, estimates of credit losses are based upon various assumptions and judgments about the ultimate collectability of the loan portfolio, and their accuracy may depend on the outcome of future events that are difficult to predict. If the Bank’s assumptions and judgments prove to be incorrect and the allowance for credit losses is inadequate to loan lifetime losses, the Bank’s earnings and capital could be significantly and adversely affected. In addition, bank regulatory agencies periodically review the allowance for credit losses, and may require us to adjust the allowance based on their judgment about information available to them at the time of their examination. As of December 31, 2025, the allowance for credit losses was \$28.6 million, which consisted solely of reserves associated with outstanding loans, and represented 0.73% of total outstanding loans. At such a date, the Bank had \$31.2 million in non-accrual loans, including a \$30.6 million commercial real estate loan secured by an entitled development site for a significant multifamily project in Washington, D.C. and one HELOC. Although the Bank believes that its allowance for credit losses is adequate, there can be no assurance that the allowance will prove sufficient to cover loan losses. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Provision for Loan Losses.”

We may not be able to compete effectively. We operate in a highly competitive environment that includes financial and non-financial services firms, including traditional banks, online banks, financial technology companies, and investment management and wealth advisory firms, including commercial banks and trust companies, investment advisory firms, mutual fund companies, and stock brokerage firms. These companies compete on the basis of, among other factors, size, location, quality and type of products and services offered, price, technology, brand recognition and reputation. Emerging technologies, such as artificial intelligence (including machine learning and generative artificial intelligence) and quantum computing, have the potential to further intensify competition and accelerate disruption in the financial services industry. Financial technology companies now offer services traditionally provided by financial institutions. These firms use technology and mobile platforms to enhance the ability of companies and individuals to borrow, save and invest money. Additionally, financial technology companies and other firms have begun to offer services such as stablecoins

that may serve as alternatives to traditional banking products such as deposits. Many of these non-financial services competitors have fewer regulatory constraints and may have lower cost structures than we do. Our long-term success depends on our ability to develop and execute strategic plans and initiatives; to develop competitive products and technologies; and to attract, retain and develop a highly skilled employee workforce. We may not be as timely or successful in assessing the evolving competitive landscape and developing or introducing new products and services as our competitors. Our business may be negatively impacted if we, or our third-party providers, do not timely develop and apply emerging technologies, or if our initiatives in these areas are deficient or fail. Our, or our third-party providers', inability, or resistance to timely innovate or adapt operations, products and services to evolving regulatory and market environments, industry standards and consumer preferences could result in service disruptions, harm our business, and adversely affect our results of operations and reputation.

We could be adversely affected by the loss of one or more key employees or an inability to attract and retain qualified personnel.

Our success depends on our ability to retain the services of our existing key employees and to attract and retain additional qualified personnel in the future. Competition for the best people can be intense, and we may not be able to hire or retain the employees that we depend upon for success, or the employees that we do hire may be restricted for a period of time in the activities that they may perform for us as a result of agreements with their previous employers. The unexpected loss of services of one or more of our key employees could jeopardize our relationships with our clients and lead to the loss of client accounts and relationships, causing an adverse impact on our business, due to the loss of employee skills, institutional knowledge, and client relationships. Frequently, we compete in the market for talent with entities that are not subject to comprehensive regulation, including with respect to the structure of incentive compensation. Our inability to attract new employees and retain and motivate our existing employees could adversely impact our business.

Damage to our reputation could significantly harm our business, including our competitive position and business prospects.

We are dependent on our reputation within our market area, as a trusted and responsible financial services company, for all aspects of our relationships and business with customers, employees, vendors, third-party service providers, and others, with whom we conduct business or potential future businesses. Negative public opinion about the financial services industry generally or us specifically could adversely affect our reputation and our ability to keep and attract customers and employees. Our actual or perceived failure to address various issues could give rise to negative public opinion and reputational risk that could cause harm to us and our business prospects. These issues include, but are not limited to, legal and regulatory requirements; properly maintaining customer and employee personal information; record keeping; money-laundering; sales and trading practices; ethical issues; appropriately addressing potential conflicts of interest; and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in our products. Failure to appropriately address any of these issues could also give rise to additional regulatory restrictions and legal risks, which could, among other consequences, increase the size and number of litigation claims and damages asserted or subject us to enforcement actions, fines and penalties and cause us to incur related costs and expenses.

We invest a portion of our stockholder capital in equity securities, which may result in significant variability in our investment results and may negatively impact stockholders' equity and reported earnings.

Equity securities have historically produced higher returns than fixed-income investments over an extended period; however, investing in equity securities may result in significant variability in investment returns from one period to the next. In volatile financial markets, we could experience significant declines in the fair value of our equity investment portfolio. Our equity portfolio is concentrated in particular companies and industries and, as a result, is exposed to more volatility from one period to the next. Net unrealized gains and losses on the Bank's equity securities portfolio are reflected in the consolidated statements of net income, regardless of whether such gains and losses are realized, which can increase the variability of the Bank's earnings and regulatory capital.

The fair value of our held-to-maturity debt securities can fluctuate due to factors outside of our control.

Factors beyond our control can significantly influence the fair value of the debt securities in our portfolio and can cause potential adverse changes to the fair value of these securities. These factors include, but are not limited to, rating agency actions with respect to individual securities, defaults by the issuer or with respect to the underlying securities, and changes in market interest rates and continued instability in the capital markets. To the extent we have securities in our portfolio from issuers that have experienced a deterioration of financial condition, or that may experience future deterioration of financial condition, the value of such securities may decline and could result in the need to establish an ACL recorded as a provision for credit loss, which could have an adverse effect on our financial condition and results of operations.

System failure or breaches of our network security could subject us to increase operating costs as well as possible liability and damage our reputation.

Our computer systems and network infrastructure could be vulnerable to unforeseen problems. Our operations are dependent upon our ability to protect our computer equipment against damage from physical theft, fire, power loss, telecommunications failure or a similar catastrophic event, as well as from security breaches, denial of service attacks, viruses, worms and other disruptive problems caused by hackers. Any damage or failure that causes an interruption in our operations could have a material adverse effect on our financial condition and results of operations. Computer break-ins, phishing and other disruptions could also jeopardize the security of information stored in and transmitted through our computer systems and network infrastructure, which may result in significant liability to us and may cause existing and potential customers to refrain from doing business with us. Financial services institutions and companies engaged in data processing have reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disable or degrade service or sabotage systems, often through the introduction of computer viruses or malware, cyberattacks and other means. Denial of service attacks have been launched against a number of large financial services

institutions. Hacking and identity theft risks, in particular, could cause serious reputational harm. Notwithstanding the strength of defensive measures, cybersecurity threats and the tactics, techniques and procedures used in cyberattacks change, develop and evolve rapidly and continuously, including from growth in third-party services that facilitate or carry out cyberattacks and from emerging technologies, including artificial intelligence, which may be used to enhance the tactics, techniques and procedures described above and facilitate new cyber threats. A failure of our security measures could have a material adverse effect on our financial condition and results of operations. It is possible that a significant amount of time and money may be spent to rectify the harm caused by a breach. While we have general liability insurance and cyber liability insurance, there are limitations on coverage as well as dollar amount. Finally, depending on the type of incident, banking regulators can impose restrictions on our business and consumer laws may require reimbursement of customer loss

Our business is highly dependent on the successful and uninterrupted functioning of our information technology and telecommunications systems and third-party servicers. We outsource many of our major systems, such as data processing, loan servicing and deposit processing systems. In particular, we rely primarily on the Federal Reserve, Mastercard, Q2 Systems, Fiserv and Google for key information management and payment handling systems. The failure of these systems, or the termination of a third-party software license or service agreement on which any of these systems is based, could interrupt our operations. Because our information technology and telecommunications systems interface with and depend on third-party systems, we could experience service denials if demand for such services exceeds capacity or such third-party systems fail or experience interruptions. If sustained or repeated, a system failure or service denial could result in a deterioration of our ability to process new and renewal loans or gather deposits and provide customer service, compromise our ability to operate effectively, result in potential noncompliance with applicable laws or regulations, damage our reputation, result in a loss of customer business and/or subject us to additional regulatory scrutiny and possible financial liability, any of which could have a material adverse effect on our financial condition and results of operations.

Natural disasters, acts of terrorism, future pandemics and other external events could harm our business. Natural disasters can disrupt our operations, result in damage to our properties, reduce or destroy the value of the collateral for our loans and negatively affect the economies in which we operate, which could have a material adverse effect on our results of operations and financial condition. A significant natural disaster, such as a tornado, hurricane, earthquake, fire or flood, could have a material adverse impact on our ability to conduct business, and our insurance coverage may be insufficient to compensate for losses that may occur. To the extent that certain types of natural disasters, particularly floods, may become more common as a result of climate change, our portfolio may be exposed to losses for which the Bank does not maintain insurance coverage. Acts of terrorism, war, civil unrest, or future pandemics could cause disruptions to our business or the economy as a whole. Although the Bank increasingly requires certain borrowers to obtain hazard policies that cover terrorism risk, such coverage may be insufficient and may cover only direct physical damage to our collateral. Given the concentration of the Bank's collateral in three high-profile urban environments, especially Washington D.C., the Bank may suffer losses in the event of a terrorist attack or other act of war or civil unrest. While we have established and regularly test disaster recovery procedures, the occurrence of any such event could have a material adverse effect on our business, financial condition and results of operations.

As a multifamily lender focused on a small set of coastal, urban markets, the Bank benefits from the balance between structural economic growth drivers and legal and physical constraints on the supply of new housing. To the extent that new potential rent control regulations disrupt this balance, these changes may have a negative impact on the value of the Bank's real estate collateral. The City of Boston continues to consider a variety of new regulations governing both multifamily development and rent control for existing buildings. Given the Bank's concentration of multifamily properties in the Boston area, this could have a negative impact on the value of the Bank's existing real estate collateral and could negatively impact the ability of the Bank to originate multifamily loans in this market in the future. Most importantly, we believe the introduction of rent control or vacancy control in Boston would have a significant negative long-term impact on the availability of affordable housing which, in turn, would have a negative economic impact on the Bank's primary market area.

We rely on well-functioning civil and bankruptcy courts to exercise our remedies and access our collateral in the event of default. To the extent such courts are closed, operating inefficiently, or limited to emergency matters, there may be a material adverse impact on our operations. We rely on such courts for a myriad of collections-related litigation, including foreclosure actions, contract suits, and small-claims actions. Our borrowers also rely on such courts to enforce contracts against their own counterparties, including nonperforming tenants. Although the Bank does not have and has not historically had a high volume of litigation, the Bank's very ability to exercise its remedies quickly and vigorously provides a strong incentive for performance on the part of the Bank's counterparties. To the extent that the prospect of such action is diminished by the perceived or real incapacity of courts, counterparties may be incentivized to delay or cease payment. As of December 31, 2025, federal and state courts in each of the jurisdictions in which the Bank operates were open and generally operating normally.

Possible U.S. federal and state tax code changes could adversely affect us. The impact of any potential federal or state tax reform on our business is uncertain and could be materially adverse. The Commonwealth of Massachusetts considered in 2025 repealing the security corporations tax treatment, which would have required the Bank to remeasure the deferred tax liability related to unrealized gains on equity securities in the period of adoption, reducing the Bank's capital – and would have resulted in a higher tax rate on interest, dividends and gains or losses subsequent to enactment, both of which would have an adverse impact on the Bank's financial condition and results of operations. While the Massachusetts 2026 fiscal year budget left the tax treatment of securities corporations unchanged, this could be revisited in the future.

Changes in accounting standards can be difficult to predict and can materially impact how we record and report our financial condition and results of operations. Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time, the Financial Accounting Standards Board (“FASB”) changes the financial accounting and reporting standards that govern the preparation of our financial statements. To the extent such changes may impact the level of the Bank’s regulatory capital, such changes could have a substantive effect on the Bank’s operations and growth.

Our financial statements are based in part on assumptions and estimates, which, if wrong, could cause unexpected losses in the future. Pursuant to generally accepted accounting principles in the United States (“U.S. GAAP”), we are required to use certain assumptions and estimates in preparing our financial statements, including in determining loan loss and litigation reserves and the fair value of certain assets and liabilities, among other items. If these assumptions or estimates are incorrect, or if the facts change, we may be required to restate our financial statements, which could lead to a loss of investor confidence and a decline in the market price of our common stock. If assumptions or estimates underlying our financial statements are incorrect, we may experience material losses.

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect our financial condition and results of operations. Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems.

Potential downgrades of U.S. government securities by one or more of the credit rating agencies could have a material adverse effect on our operations, earnings and financial condition. A possible future downgrade of the sovereign credit ratings of the U.S. government and a decline in the perceived creditworthiness of U.S. government-related obligations could impact our ability to obtain funding that is collateralized by affected instruments, as well as affect the pricing of that funding when it is available. A downgrade may also adversely affect the market value of such instruments. We cannot predict if, when or how any changes to the credit ratings or perceived creditworthiness of these organizations will affect economic conditions. Such ratings actions could have a significant adverse impact on us. A downgrade of the sovereign credit ratings of the U.S. government or the credit ratings of related institutions, agencies or instruments could significantly exacerbate the other risks to which we are subject and any related adverse effects on the business, financial condition and results of operations.

RISKS RELATED TO OUR REGULATORY ENVIRONMENT

We operate in a highly regulated industry, and laws and regulations, or changes in them, could limit or restrict our activities and could have a material adverse effect on our operations. We are subject to extensive federal and state regulation and supervision. Federal and state laws and regulations govern numerous matters affecting us, including changes in the ownership or control of banks; maintenance of adequate capital and the financial condition of a financial institution; permissible types, amounts and terms of extensions of credit and investments; the manner in which we conduct mortgage banking activities; permissible non-banking activities; the level of reserves against deposits; and restrictions on dividend payments. The FDIC and the Commissioner of Banks have the power to issue consent orders to prevent or remedy unsafe or unsound practices or violations of law by banks subject to their regulation. These and other restrictions limit the manner in which we may conduct business and obtain financing. The laws, rules, regulations, and supervisory guidance and policies applicable to us are subject to regular modification and change. Additionally, we expect to become subject to future laws, rules and regulations beyond those currently proposed, adopted or contemplated in the U.S., as well as evolving interpretations of existing and future laws, rules and regulations. These changes could adversely and materially impact us. Failure to comply with laws, regulations, policies, or supervisory guidance could result in enforcement and other legal actions by federal and state authorities, including criminal and civil penalties, the loss of FDIC insurance, revocation of a banking charter, other sanctions by regulatory agencies, and/or reputational damage, which could have a material adverse effect on our business, financial condition, and results of operations. See “Business – Supervision and Regulation.”

Although we are generally not subject to regulations that affect the servicing of federally-backed mortgage loans, we may be subject to local legislative and regulatory changes that restrict our ability to foreclose when certain residential loans fall into default and may restrict our ability to impose late fees on such loans. Such legal changes may force the Bank to defer collection of interest, without penalty or fee, and without any showing of financial hardship or need by the borrower. Our operations may also be impacted by changes in laws or regulations governing the activities of multifamily and small business landlords to whom we have extended commercial mortgage loans. To the extent that such legal changes may allow tenants to avoid or defer rental payments, ongoing cash flow from properties that secure our mortgage loans may be reduced. Depending on the extent of such legal changes, the Bank may also re-evaluate its approach to new originations, particularly with respect to residential and small multifamily commercial loans. This could have a significant impact on the Bank’s ability to originate new loans that meet the Bank’s credit criteria and may have a negative impact on future growth, if any. To the extent that the Bank may view such legislation as unconstitutional and may challenge such legislation via litigation, either alone or in conjunction with other lenders, there is a risk of significantly elevated legal expense associated with such action. Finally, recent legislation has limited the ability of many lenders to provide accurate data to the credit reporting agencies with respect to delinquent payments by borrowers. To the extent that the Bank utilizes such data to assess borrower creditworthiness, particularly on residential owner-occupied loans, the absence of such data may negatively impact the Bank’s underwriting process.

We are subject to stringent capital requirements which may adversely impact return on equity, require additional capital raises, or limit the ability to pay dividends or repurchase shares. Federal regulations establish minimum capital requirements for insured depository institutions, including minimum risk-based capital and leverage ratios, and define “capital” for calculating these ratios. The minimum capital requirements are: (i) a common equity Tier 1 capital ratio of 4.5%; (ii) a Tier 1 to risk-based assets capital ratio of 6%; (iii) a total capital ratio of 8%; and (iv) a Tier 1 leverage ratio of 4%. The regulations also establish a “capital conservation buffer” of 2.5%, which if complied with, will result in the following minimum ratios: (i) a common equity Tier 1 capital ratio of 7.0%; (ii) a Tier 1 to risk-based assets capital ratio of 8.5%; and (iii) a total capital ratio of 10.5%. An institution will be subject to limitations on paying dividends, engaging in share repurchases and paying discretionary bonuses if its capital level falls below the capital conservation buffer amount. The application of these capital requirements could, among other things, require us to maintain higher capital resulting in lower returns on equity, or require us to obtain additional capital to comply, which could dilute stockholder value. We could be subject to regulatory actions if we are unable to comply with such requirements.

We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions. The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose community investment and nondiscriminatory lending requirements on financial institutions. The CFPB, the Department of Justice and other federal agencies are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution’s performance under the CRA, the Equal Credit Opportunity Act, the Fair Housing Act or other fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions, restrictions on expansion and restrictions on entering new business lines. Private parties may also have the ability to challenge an institution’s performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition and results of operations.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

The Bank, as well as certain contracted vendors, uses, stores and processes data for and about our customers, employees and vendors. The Bank has implemented a cyber risk management program that is designed to identify, assess, and mitigate risks from cybersecurity threats to this data and our systems. The cyber risk management program works in tandem with the Bank’s vendor management program to ensure our contracted vendors have cyber risk management in place when holding data on behalf of the Bank.

Under the ultimate direction of our Chief Executive Officer and executive management team, our Technology Committee has primary responsibility for overseeing the Bank’s management of cybersecurity risks. It is chaired by the Chief Information Security Officer (“CISO”), who reports directly to the President. Other members of the committee include the Chief of Staff and representatives from the compliance and digital banking groups.

Our CISO, working with his team and the Technology Committee, has primary responsibility for assessing and managing our cybersecurity threat management program. He has more than 15 years of experience in building and leading information security teams. He has worked at other institutions to implement and manage cybersecurity programs and prior worked in professional services related to information security. His experience includes maintaining tools and processes to protect internal networks, customer payment systems and telecommunications networks used by customers to transmit data.

In addition to frequent electronic communication, the Technology Committee meets periodically and as circumstances warrant to discuss cybersecurity threats, proactive mitigation options and review potential incidents. When appropriate, meetings will also include marketing and outside counsel. Weekly, the CISO also updates the operations management team on developments within the cybersecurity sphere.

The Board of Directors has delegated oversight of the Bank’s cybersecurity program to the Audit Committee of the Board of Directors. As provided in the Audit Committee Charter, the Audit Committee is responsible for reviewing quarterly reports on data management and security initiatives and significant existing and emerging cybersecurity risks, including cybersecurity incidents, the impact on the Bank and its stakeholders of any significant cybersecurity incident and any disclosure obligations arising from any such incidents. To date there have been no cybersecurity incidents.

Our CISO meets quarterly with the Audit Committee of the Board of Directors to discuss the Bank’s ongoing cybersecurity risk management programs. He provides information about the sources and nature of risks the Bank faces, how management assesses such risks – including in terms of likelihood and severity of impact, progress on vulnerability remediation and current developments in the cybersecurity landscape. In turn, the Chair of the Audit Committee provides a quarterly readout to the full Board of Directors that includes a summary of the CISO’s presentation to enable discussion of cybersecurity risk management at the full board level.

Under the guidance of the Information Security Committee and the CISO, we have adopted a cybersecurity risk management program that addresses four key areas:

- Identification of assets at risk from cybersecurity threats;

- Identification of potential sources of cybersecurity threats;
- Assessment of the status of protections in place to prevent or mitigate cybersecurity threats; and
- Given that landscape, how to manage cybersecurity risks.

Our risk assessment and mitigation program is centered on three key components:

- Identification of risks, which involved input from different groups across the Bank;
- Evaluation of the likelihood of the risks manifesting, the severity of the potential consequences and prioritization of different risk items based on, among other things, importance to the business and cost/benefit analysis to fully address; and
- Execution – establishment of a program to address.

Our Information Security team is responsible for monitoring our information systems for vulnerabilities and mitigating any issues. It works with other groups in the Bank to understand the severity of the potential consequences of a cybersecurity incident and to make decisions about how to prioritize mitigation and other initiatives based on, among other things, materiality to the business. The Information Security team has processes designed to keep the executive team apprised of the different threats in the cybersecurity landscape – this includes interacting with intelligence networks, discussions with peers at other companies, monitoring social media, reviewing government alerts and other news items and attending security conferences. This team also regularly monitors the Bank’s internal network and customer-facing network to identify security risks.

Our Internal Audit function updates the Audit Committee of our Board of Directors on a quarterly basis about the Bank’s enterprise risk management program. These reports are the culmination of a process that involves discussions with leaders across the Bank and incorporates a multitude of enterprise risk factors, including cybersecurity threats. The Audit Committee Chair, in turn, reports to the full Board of Directors a summary of the enterprise risk management presentation.

We have an employee education program that is designed to raise awareness of cybersecurity threats to reduce our vulnerability as well as to encourage consideration of cybersecurity risks across functions.

As part of the assessment of the protections we have in place to mitigate risks from cybersecurity threats, we engage third parties to conduct risk assessments on the Bank’s systems. To assess the effectiveness of our program, we also have engaged consultants to conduct penetration testing and other vulnerability analyses. Over a cycle of several years, our Internal Audit function, with the assistance of outside technical advisors, conducts an assessment of different systems to provide the Audit Committee with information on our risk management processes, including cybersecurity risk management.

Before purchasing third party technology or other solutions that involve exposure to the Bank’s assets and electronic information, our Information Technology group reviews those companies policies, practices and audits before being approved to work with the Bank.

Item 2. Properties.

At December 31, 2025, the Bank conducted its business through its main office and corporate offices located in Hingham, Massachusetts. The Bank owns five offices in Hingham, Hull, Cohasset, Nantucket, and Washington, D.C. The Bank leases offices in Boston (South End), Hingham (Linden Ponds), and San Francisco.

Item 3. Legal Proceedings.

The Bank is involved, from time to time, as plaintiff or defendant in various legal actions arising in the normal course of business and typically related to loan collection activities. As of December 31, 2025, the Bank was not involved in any material legal proceedings the outcome of which, if determined in a manner adverse to the Bank, would have a material adverse effect on the Bank’s financial condition or results of operations.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

The Bank’s common shares trade on The Nasdaq Stock Market (“Nasdaq”) under the symbol “HIFS.” As of December 31, 2025, there were approximately 148 stockholders of record.

The Bank currently pays regular quarterly cash dividends on the Bank’s common stock. Additionally, the Bank may also declare a special dividend, typically in the fourth quarter. The Bank sets the level of the special dividend based on the Bank’s net earnings, 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. A description of the restrictions on the payment of dividends by the Bank is included above in Part I, Item 1, “Business—Supervision and Regulation—Dividends.”

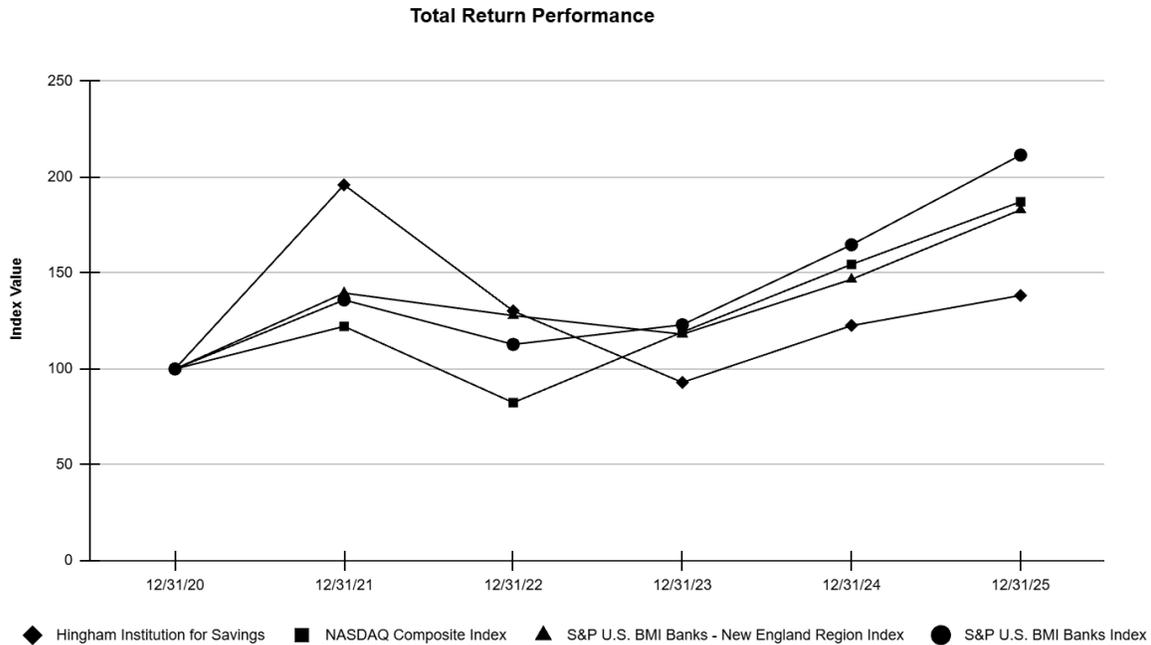
Comparative Stock Performance Graph

The chart which appears below sets forth the percentage change, on an annual basis, in the cumulative total stockholder return on the Bank’s Common Stock since December 31, 2020 through December 31, 2025. For comparative purposes, changes in the cumulative total stockholder return on the three indices of publicly traded stocks (the “Indices”) are also set forth on the chart.

- The Nasdaq Composite Index reflects the total return of a group of stocks in a cross section of industries. Many of these stocks have substantially larger market capitalizations than the Bank.
- The S&P U.S. BMI Banks - New England Region Index tracks a peer group of all publicly traded banks headquartered in New England.
- The S&P U.S. BMI Banks Index tracks U.S. based publicly traded banks.

The chart begins with an equal base value of \$100 for the Bank’s stock and for each of the Indices on December 31, 2020 and reflects year-end closing prices and dividends paid thereafter by the Bank and by the companies which comprise the Indices. The chart assumes full reinvestment of such dividends.

Information about the Indices has been obtained from sources believed to be reliable, but neither the accuracy nor the completeness of such information is guaranteed by the Bank.



Index	Year Ending					
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Hingham Institution for Savings	100.00	195.96	130.21	92.97	122.59	138.31
NASDAQ Composite	100.00	122.18	82.43	119.22	154.48	187.14
S&P U.S. BMI Banks - New England Region Index	100.00	139.57	127.83	118.10	146.69	182.93
S&P U.S. BMI Banks Index	100.00	135.97	112.77	123.02	164.70	211.47

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read in conjunction with the Consolidated Financial Statements and Notes to the Consolidated Financial Statements contained in this report. Information pertaining to fiscal year 2023 was included in the Bank’s Annual Report on Form 10-K for the year ended December 31, 2024 under Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which was filed with the FDIC on March 5, 2025.

SIGNIFICANT ACCOUNTING POLICIES; CRITICAL ACCOUNTING ESTIMATES

The Bank’s consolidated financial statements are prepared in conformity U.S. GAAP. The preparation of consolidated financial statements requires management to make judgments involving significant estimates and assumptions in the application of certain of its accounting policies about the effects of matters that are inherently uncertain. These estimates and assumptions, which may materially affect the reported amounts of certain assets, liabilities, revenues and expenses, are based on information available as of the date of the consolidated financial statements, and changes in this information over time could materially impact amounts reported in the consolidated financial statements as a result of the use of different estimates and assumptions. Certain accounting policies, by their nature, have a greater reliance on the use of estimates and assumptions and could produce results materially different from those originally reported.

Based on the sensitivity of financial statement amounts to the methods, estimates and assumptions underlying reported amounts, the most significant accounting estimate followed by the Bank has been identified by management as the determination of the allowance for credit losses (“ACL”). This policy requires the most subjective and complex judgments and, as such, could be most subject to revision as new information becomes available. An understanding of the judgments, estimates and assumptions underlying this accounting estimate is essential in order to understand the Bank’s reported financial condition and results of operations.

On January 1, 2023, the Bank adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which impacted the Bank’s methodology for estimating the ACL. This accounting policy and its application is described in more detail in the “Provision for Credit Losses” section of this discussion and analysis and in Note 1 to the accompanying consolidated financial statements included in Item 8. “Financial Statements” of this Annual Report on Form 10-K.

In developing the ACL estimate, management considers historical charge-offs, loan-to-value ratios, underlying collateral values, payment history, the size of the loan portfolio and the risks associated with certain loan types as well as other factors such as local economic trends, market conditions and credit concentrations. The Bank’s ACL estimate is determined using a probability-of-default / loss-given default undiscounted cash flow model (“Model”), adjusted by management’s qualitative factors. Given the Bank’s long term history of immaterial net charge-offs, the Model relies on statistical information derived from the loss experience of an index composed of other community banks, and is largely dependent on management’s qualitative factors, which are determined based on the elements described above. Therefore, the estimate is sensitive to the Model’s parameters and assumptions, and management’s subjectivity in the assessment of the qualitative factors.

If management’s assumptions and judgments prove to be incorrect and the ACL is inadequate to absorb expected losses, or if bank regulatory authorities require the Bank to increase the ACL as a part of their examination process, the Bank’s earnings and capital could be significantly and adversely affected.

Note on Core Net Income, Core Return on Average Equity, Core Return on Average Assets and Efficiency Ratio

In accordance with Accounting Standards Codification *Topic 321, Investments – Equity Securities*, equity securities (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are measured at fair value with changes in fair value recognized in the Consolidated Statements of Net Income, regardless of whether such gains and losses are realized, and included in the other income (loss) category. This affects the Bank’s portfolio of marketable common equity securities, which includes marketable common equity securities and a mutual fund that invests in securities which qualify for the Community Reinvestment Act (“CRA”) securities test. This portfolio primarily includes marketable common equity investments, which the Bank views as long-term partnership interests in operating companies. Consequently, the Bank does not view the quarterly fluctuation in fair value as indicative of the change in the intrinsic value of these portfolio holdings. The performance of these holdings should be evaluated on the basis of their contribution to growth in book value per share over time, not via quarterly adjustments to net income.

Consistent with this view, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” incorporates core net income, core return on average equity, and core return on average assets, which are non-U.S. GAAP measurements that exclude the after-tax effect of net gain (loss) on equity securities, both realized and unrealized, and the after-tax gains on the disposal of fixed assets (as applicable). These disclosures should not be viewed as a substitute for financial results determined in accordance with U.S. GAAP, nor are they necessarily comparable to non-U.S. GAAP performance measures which may be presented by other companies.

The table below presents the reconciliation between net income and core net income for the years ended December 31, 2024 and 2025:

<i>(In thousands)</i>	Years Ended December 31,	
	2024	2025
Non-U.S. GAAP reconciliation:		
Net Income	\$ 28,191	\$ 54,551
Gain on equity securities, net	(20,379)	(28,781)
Income tax expense (1)	4,492	6,344
Core Net Income	<u>\$ 12,304</u>	<u>\$ 32,114</u>

(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 efficiency ratio, which represents total operating expenses, divided by the sum of net interest income and total other income (loss), excluding the pre-tax net gain (loss) on equity securities, both realized and unrealized, and the pre-tax gain on disposal of fixed assets (as applicable), is a non-U.S. GAAP performance measure which management uses to assess operational efficiency. As the efficiency ratio can be significantly influenced by the level of net interest income, the Bank also utilizes annual operating expenses as a percentage of average assets. The table below presents the calculation of the efficiency ratio for the years ended December 31, 2024 and 2025:

<i>(In thousands or %, as applicable)</i>	Years Ended December 31,	
	2024	2025
Non-U.S. GAAP efficiency ratio calculation:		
Operating expenses	\$ 29,010	\$ 29,999
Net interest income	\$ 44,374	\$ 74,406
Other income	21,479	29,948
Gain on equity securities, net	(20,379)	(28,781)
Total revenue	<u>\$ 45,474</u>	<u>\$ 75,573</u>
Efficiency ratio	<u>63.79 %</u>	<u>39.70 %</u>

INTRODUCTION

Over thirty-three years, the Bank has consistently executed its strategy to originate commercial and residential real estate mortgage loans, funded by retail and commercial deposits, wholesale deposits and borrowings. In doing so, the Bank has remained focused on credit quality and operational efficiency as key drivers of profitability. The Bank has utilized the retained earnings generated through these operations to provide the necessary capital to support a steady rate of organic growth. The Bank’s total assets have grown from \$3.431 billion to \$4.543 billion from the year ended December 31, 2021 to the year ended December 31, 2025, and total stockholders’ equity has grown from \$354.6 million to \$479.7 million during the same period.

The tables below present five years of relevant information that management utilizes to assess the Bank’s financial condition and results of operations. This information does not purport to be complete and is qualified in its entirety by the more detailed information contained elsewhere herein.

	At December 31,				
	2021	2022	2023	2024	2025
	(In Thousands)				
Balance Sheet Data:					
Total assets	\$ 3,431,165	\$ 4,193,799	\$ 4,483,947	\$ 4,457,771	\$ 4,542,654
Cash and cash equivalents	271,161	362,033	362,477	351,830	369,608
Equity securities	88,473	63,196	79,802	113,344	150,344
Securities held to maturity, at amortized cost	3,500	3,500	3,500	6,493	7,499
Loans ¹ :					
Residential loans	563,914	528,586	516,550	483,341	465,549
Commercial mortgage	2,297,420	2,976,100	3,155,284	3,232,099	3,304,882
Construction	155,711	177,643	268,610	184,717	156,430
Other ²	2,482	442	452	485	702
Allowance for credit losses	20,431	24,989	26,652	26,980	28,555
Deposits	2,392,865	2,505,289	2,349,977	2,492,095	2,548,317
Federal Home Loan Bank advances	665,000	1,276,000	1,692,675	1,497,000	1,463,815
Stockholders' equity	354,612	385,966	407,620	431,755	479,708

1 Gross loans before the allowance for credit losses.

2 Includes \$2.0 million in loans originated under the SBA Paycheck Protection Program at December 31, 2021.

	At or For the Years Ended December 31,				
	2021	2022	2023	2024	2025
	(Dollars in Thousands, Except Per Share Amounts)				
Income Statement Data:					
Total interest and dividend income	\$ 110,491	\$ 139,028	\$ 174,262	\$ 195,896	\$ 206,833
Total interest expense	8,026	32,894	125,960	151,522	132,427
Net interest income	102,465	106,134	48,302	44,374	74,406
Provision for credit losses	3,028	4,508	1,118	328	1,575
Other income (loss)	15,308	(20,719)	16,303	21,479	29,948
Operating expenses	22,076	26,592	28,257	29,010	29,999
Income before income taxes	92,669	54,315	35,230	36,515	72,780
Income tax provision	25,211	16,796	8,859	8,324	18,229
Net income	\$ 67,458	\$ 37,519	\$ 26,371	\$ 28,191	\$ 54,551
Loss (gain) on securities, net	(11,820)	21,777	(15,147)	(20,379)	(28,781)
Gain on disposal of fixed assets	(2,337)	—	(44)	—	—
Related income tax provision (benefit)	3,262	(4,727)	3,359	4,492	6,344
Core net income ³	\$ 56,563	\$ 54,569	\$ 14,539	\$ 12,304	\$ 32,114
Earnings per common share:					
Basic	\$ 31.50	\$ 17.49	\$ 12.26	\$ 12.95	\$ 25.01
Diluted	\$ 30.65	\$ 17.04	\$ 12.02	\$ 12.85	\$ 24.76
Financial Ratios:					
Return on average assets	2.25 %	0.98 %	0.63 %	0.65 %	1.22 %
Return on average equity	20.62	10.01	6.57	6.68	12.00
Core return on average assets ³	1.89	1.43	0.35	0.28	0.72
Core return on average equity ³	17.29	14.56	3.62	2.92	7.06
Average equity to average assets	10.93	9.81	9.56	9.69	10.17
Tier 1 capital to average assets	10.92	9.50	9.52	9.87	10.63
Interest rate spread	3.40	2.60	0.53	0.31	1.00
Net interest margin	3.48	2.81	1.17	1.04	1.70
Dividend payout ratio (basic)	8.98	17.33	20.59	19.49	12.88
Efficiency ratio ³	21.31	24.81	57.18	63.79	39.70
Allowance for credit losses/total loans	0.68	0.68	0.68	0.69	0.73
Allowance for credit losses/non-performing loans	4,784.78	2,139.39	1,804.47	1,775.00	91.46
Net charge-offs (recoveries)/average loans outstanding	—	—	—	—	—
Non-performing loans/total loans	0.01	0.03	0.04	0.04	0.80
Non-performing assets/total assets	0.01	0.03	0.03	0.03	0.69
Cash dividends declared per common share	\$ 2.83	\$ 3.03	\$ 2.52	\$ 2.52	\$ 3.22
Book value per common share	\$ 165.52	\$ 179.74	\$ 188.50	\$ 198.03	\$ 219.82
Market value per common share	\$ 419.88	\$ 275.96	\$ 194.40	\$ 254.14	\$ 283.96

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

RESULTS OF OPERATIONS COMPARISON OF THE YEARS 2025 AND 2024

For the year ended December 31, 2025, the Bank earned \$54.6 million, as compared to \$28.2 million in 2024. On a per-share basis, the Bank earned \$25.01 per share basic and \$24.76 per share diluted, as compared to \$12.95 per share basic and \$12.85 per share diluted in 2024. Core net income was \$32.1 million in 2025, as compared to \$12.3 million in 2024. This represents \$14.72 earnings per share basic and \$14.58 per share diluted for 2025, as compared to \$5.65 per share basic and \$5.61 per share diluted in 2024.

Net income for 2025 increased by \$26.4 million, or 93.5%, as compared to 2024, due principally to a \$30.0 million increase in net interest income and a \$8.5 million increase in other income, partially offset by a \$1.2 million increase in the provision for credit losses, a \$989,000 increase in operating expense and a \$9.9 million increase in the income tax provision.

Total interest and dividend income increased by \$10.9 million in 2025 compared to 2024, due to a \$103.4 million, or 2.4%, increase in average interest-earning assets, combined with a 15 basis point increase in the average yield on earning assets. Interest expense decreased by \$19.1 million due to a 54 basis point decrease in the average rate paid, partially offset by a \$4.5 million, or 0.1%, increase in average interest-bearing liabilities.

Other income consists of gain on equity securities, net, customer service fees on deposits, increases in the cash surrender value of bank-owned life insurance policies, and miscellaneous income. Unrealized gains or losses resulting from changes in the fair value of the Bank's equity securities are recognized in other income, included in gain on equity securities, net. Other income increased by \$8.5 million in 2025, as compared to 2024, primarily due to an increase in gain on equity securities, net.

Operating expenses include salaries and employee benefits, occupancy and equipment, data processing, deposit insurance, marketing, foreclosure and related, and other general and administrative expenses. Operating expenses increased by \$989,000 in 2025, as compared to 2024, due to increases in salaries and employee benefits, occupancy and equipment, data processing, marketing, and other general and administrative expenses, partially offset by a decrease in deposit insurance and foreclosure and related expenses.

Net Interest Income

The Bank reported \$74.4 million in net interest income in 2025, as compared to \$44.4 million in 2024, an increase of 67.7%. Following a period of increasing and elevated short term market rates, the Federal Reserve began lowering the federal funds rate target range in the second half of 2024, and after remaining on hold for several months, reduced the federal funds rate target range again in September, October and December of 2025. As a result, the Bank experienced a significant decline in the cost of interest-bearing liabilities in 2025 when compared to the prior year, driven primarily by the repricing of the Bank's funding sources, as the Bank began to reduce retail and commercial deposit rates and to take advantage of the inverted yield curve by rolling over maturing longer term FHLB advances and brokered deposits. At the same time, the funding mix shifted positively towards lower cost deposits, with average non-interest bearing deposits increasing by 22.3% in 2025 when compared to the prior year. During this period, long term rates remained above prior cycles lows, allowing the Bank to reprice existing adjustable loans and originate new loans at favorable rates, contributing to a gradual increase in the yield on interest-earning assets. This was the first full year, since the beginning of the recent cycle, that the Bank's net interest margin expanded, following three consecutive years of net interest margin compression. In 2025, the Bank's net interest margin and weighted average spread were 1.70% and 1.00%, respectively, as compared to 1.04% and 0.31%, respectively, in 2024.

Average total interest-earning assets increased by 2.4% in 2025 over 2024. The Bank earned an average yield of 4.72% on its earning assets in 2025 compared to 4.57% in 2024. Interest income is derived from commercial, construction and residential mortgage loans, HELOCs, consumer and commercial loans, the securities portfolio and short-term investments. Interest income on loans increased 5.5% in 2025 over 2024, driven primarily by a higher yield, reflecting new loans originated at higher rates in 2025, the repricing of adjustable-rate loans and the Bank's use of contractual rate adjustments to enforce certain loan covenants. Loans accounted for approximately 88.1% of average total assets in 2025, as compared to 90.4% in 2024. Mortgage loans accounted for over 99% of average outstanding loans in each of the past three years. Interest and dividend income derived from securities and short-term investments increased in 2025 due to the higher average balance of excess reserves held at the FRBB and higher dividend income on equity securities, partially offset by a lower interest rate on excess reserves paid by the FRBB and lower dividend income on FHLB stock. Marketable equity securities produced dividend income of \$1.2 million in 2025, as compared to \$934,000 in 2024. FHLB stock produced dividends totaling \$4.6 million in 2025, as compared to \$5.1 million in 2024.

Non-accrual loans totaled \$31.2 million at December 31, 2025 and \$1.5 million 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. Refer to "Balance Sheet Analysis – Comparison of the Years 2025 and 2024" for additional information. Interest income includes cash payments received on loans classified as non-accrual. Excluded from interest income is interest not paid on such loans, which totaled \$3.6 million for 2025, as compared to \$89,000 for 2024. The increase in 2025 unpaid interest reflects a higher balance of non-accrual loans, including 18% default interest on the above mentioned loan.

Interest expense on deposits decreased by \$14.6 million, a decrease of 17.1%, in 2025 when compared to 2024, due to a 67 basis point decrease in the weighted average rate, combined with a decrease of \$14.5 million, or 0.7%, in average interest-bearing deposits. In 2022, the Bank began to experience rising market pricing for term deposits, money market accounts, and wholesale funds. This trend, which was driven by increasing short-term market rates and intense competition, both from other banks as well as the U.S.

Treasury fixed income securities, stabilized in early 2024 and reversed in the second half of the year and in 2025, as the Federal Reserve began to reduce the federal funds target rate range. During this period, the Bank continued to manage core product rates, implemented special offerings, and continued to use wholesale time deposits to remain competitive while balancing cost versus growth.

Interest expense on borrowed funds in 2025 decreased by \$4.5 million, or 6.8%, as compared to 2024, due primarily to a decrease of 36 basis points in the weighted average rate, partially offset by an increase of \$19.1 million, or 1.3% in average borrowed funds. The decrease in the FHLB borrowings rate was primarily driven by the lower short-term market rates and the Bank's actions taken to benefit from the inverted yield curve (by extending advances), partially offset by a smaller share of lower rate HLB-Option advances as a percentage of total borrowed funds. The FHLB of Boston provides an explanation of HLB-Option Advances on its website under the "Products" section that explains the features of this product.

The following table details changes in net interest income and the net yield on average interest-earning assets.

	Years Ended December 31,								
	2023			2024			2025		
	Average Balance (7)	Interest	Yield/ Rate	Average Balance (7)	Interest	Yield/ Rate	Average Balance (7)	Interest	Yield/ Rate
	(Dollars in Thousands)								
Assets:									
Loans:									
Real estate loans	\$ 3,776,872	\$ 156,661	4.15 %	\$ 3,932,841	\$ 177,592	4.52 %	\$ 3,938,991	\$ 187,344	4.76 %
Commercial loans	72	6	8.33	78	6	7.69	37	3	8.11
Consumer loans	388	14	3.61	520	9	1.73	546	5	0.92
Total loans (1)(2)	3,777,332	156,681	4.15	3,933,439	177,607	4.52	3,939,574	187,352	4.76
Securities (3)(4)	105,586	4,543	4.30	121,311	6,400	5.28	136,351	6,148	4.51
Federal Reserve and other short-term investments	254,664	13,038	5.12	228,138	11,889	5.21	310,346	13,333	4.30
Total interest-earning assets	4,137,582	174,262	4.21	4,282,888	195,896	4.57	4,386,271	206,833	4.72
Other assets	57,715			68,025			83,585		
Total assets	\$ 4,195,297			\$ 4,350,913			\$ 4,469,856		
Liabilities and stockholders' equity:									
Interest-bearing deposits:									
Regular	\$ 89,635	8	0.01 %	\$ 75,059	8	0.01 %	\$ 70,563	15	0.02 %
Money market	723,453	20,584	2.84	769,877	26,010	3.38	775,708	20,890	2.69
NOW (5)	19,909	2	0.01	25,560	48	0.19	30,048	89	0.30
Term certificates	1,358,471	50,835	3.74	1,243,570	59,110	4.75	1,223,202	49,585	4.05
Total interest-bearing deposits	2,191,468	71,429	3.26	2,114,066	85,176	4.03	2,099,521	70,579	3.36
Borrowed funds	1,228,410	54,531	4.44	1,444,700	66,346	4.59	1,463,768	61,848	4.23
Total interest-bearing liabilities	3,419,878	125,960	3.68	3,558,766	151,522	4.26	3,563,289	132,427	3.72
Non-interest-bearing deposits	362,047			355,808			435,046		
Other liabilities	12,239			14,601			16,950		
Stockholders' equity	401,133			421,738			454,571		
Total liabilities and stockholders' equity	\$ 4,195,297			\$ 4,350,913			\$ 4,469,856		
Net interest income		\$ 48,302			\$ 44,374			\$ 74,406	
Weighted average interest rate spread			0.53 %			0.31 %			1.00 %
Net yield on average earning assets (6)			1.17 %			1.04 %			1.70 %

- (1) Before allowance for credit losses
- (2) Includes average 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 mortgagors' escrow accounts
- (6) Net interest income divided by average total interest-earning assets
- (7) Average balances are calculated on a daily basis

The following table presents information regarding changes in interest and dividend income and interest expense of the Bank for the years indicated. For each category, information is provided with respect to changes attributable to changes in rate (change in rate multiplied by old volume) and changes in volume (change in volume multiplied by old rate). The change attributable to both volume and rate is allocated proportionally to the changes due to volume and rate.

	Years Ended December 31,					
	2024 Compared to 2023			2025 Compared to 2024		
	Increase (Decrease)			Increase (Decrease)		
	Due to		Total	Due to		Total
Volume	Rate	Volume		Rate		
(In Thousands)						
Interest and dividend income:						
Loans	\$ 6,658	\$ 14,268	\$ 20,926	\$ 277	\$ 9,468	\$ 9,745
Securities	737	1,120	1,857	740	(992)	(252)
Federal Reserve and other short-term investments	(1,379)	230	(1,149)	3,778	(2,334)	1,444
Total interest and dividend income	<u>6,016</u>	<u>15,618</u>	<u>21,634</u>	<u>4,795</u>	<u>6,142</u>	<u>10,937</u>
Interest expense:						
Interest-bearing deposits:						
Regular	(1)	1	—	(1)	8	7
Money market	1,384	4,042	5,426	196	(5,316)	(5,120)
NOW	1	45	46	10	31	41
Term certificates	(4,577)	12,852	8,275	(954)	(8,571)	(9,525)
Total interest-bearing deposits	(3,193)	16,940	13,747	(749)	(13,848)	(14,597)
Borrowed funds	9,879	1,936	11,815	866	(5,364)	(4,498)
Total interest expense	<u>6,686</u>	<u>18,876</u>	<u>25,562</u>	<u>117</u>	<u>(19,212)</u>	<u>(19,095)</u>
Net interest income	<u>\$ (670)</u>	<u>\$ (3,258)</u>	<u>\$ (3,928)</u>	<u>\$ 4,678</u>	<u>\$ 25,354</u>	<u>\$ 30,032</u>

Provision for Credit Losses

At December 31, 2025, management's review of the allowance for credit losses concluded that a balance of \$28.6 million was adequate to provide for credit losses based upon evaluation of risk in the loan portfolio, as compared to \$27.0 million at December 31, 2024.

In both 2025 and 2024, the Bank had zero net charge-offs. The Bank continues to closely monitor its non-accrual loans, which were 0.80% of total loans at December 31, 2025, as compared to 0.04% December 31, 2024, and its loans past due greater than 30 days, which were 0.86% of total loans at December 31, 2025, as compared to 0.17% at December 31, 2024. The provision for credit losses for 2025 was \$1.6 million, as compared to a \$328,000 provision for loan losses in 2024. The Bank remains cautious regarding the economic environment, particularly with respect to affordable multifamily properties in Washington D.C., and consequently provisioning in 2025 led to an increase in the level of the allowance for credit losses. As a percentage of the gross loan portfolio, the allowance for credit losses was 0.73% at December 31, 2025, as compared to 0.69% at 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 land development site for the second phase of a significant multifamily development in Washington, D.C. known as Banner Lane and colloquially referred to as Sursum Corda, the name of the community that formerly occupied the site. Certain performance obligations, including but not limited to the payment of real estate taxes, are unconditionally guaranteed by a large publicly traded national homebuilder as well as an affordable housing developer headquartered in New York City. A joint venture between these parties is the direct owner of the site. These parties have also conditionally guaranteed payment with respect to losses suffered in the event of certain triggers, although they did not fully guarantee all payments unconditionally. The Bank has not yet initiated any litigation with respect to the conditional guarantee, as it would first require the realization of loss, if any. The Bank did not have any specific reserves associated with this loan at December 31, 2025.

The loan was originally made with the expectation that the borrower and guarantors would obtain construction financing, including certain subsidies, for vertical construction of the second phase. The first phase of the project was under construction at origination and has subsequently been completed, occupied, and sold. The borrower and guarantors recently obtained an extension of the entitlements for the site for an additional year, and the Bank continues to work with the parties, as well as independently, to identify a solution that protects the Bank's interests.

Other Income

Other income consists of gain on equity securities, net, customer service fees on deposits, increases in the cash surrender value of bank-owned life insurance policies, and miscellaneous income. Other income was \$29.9 million in 2025, as compared to \$21.5 million in 2024. Other income in 2025 includes a \$28.8 million gain on equity securities, net, as compared to \$20.4 million in 2024.

Customer service fees on deposits increased by \$35,000 in 2025 compared to the prior year. In 2025, the Bank modified its non-sufficient funds (NSF) fee on ACH transactions. Generally, the Bank's strategy does not rely on generating substantial non-interest fee-based revenue from our deposit accounts.

An increase in the cash surrender value of bank-owned life insurance also contributed to other income during 2025 and 2024. The Bank held \$14.3 million in life insurance policies at December 31, 2025, as compared to \$14.0 million at December 31, 2024. The policies accrete at a variable rate of interest with minimum stated guaranteed rates. Income from these assets is fully excluded from corporate income taxes and contributed \$338,000 to other income in both 2025 and 2024.

Operating Expenses

Operating expenses include salaries and employee benefits, occupancy and equipment, data processing, deposit insurance, marketing, foreclosure and related, and other general and administrative expenses. Total operating expenses as a percentage of average total assets were 0.67% in both 2025 and 2024. Operating expenses were \$30.0 million in 2025 and \$29.0 million in 2024. The Bank continues to focus on generating long-term operating leverage by controlling non-interest expenses and investing in team enhancement and scalable processes, while growing the balance sheet.

Salaries and employee benefits, the largest component of operating expenses, increased by \$881,000, or 5.2%, to \$17.8 million in 2025 from \$16.9 million in 2024. The increase in 2025 was primarily due to annual merit-based salary increases, enhancements to our operational teams and higher payroll taxes. The number of employees increased, reflecting additional relationship managers in our SDG and additional cash management specialists that support the customer-facing business development team. The average number of employees during the year increased, reflecting additional staff in the Bank's SDG, Commercial Real Estate Lending Group and operational teams, partially offset by a smaller branch staff. The Bank continues recruiting new customer-facing relationship managers in SDG and in our Commercial Real Estate Group, while the operational teams are well-positioned for future growth without incremental additions to staff. Branch transaction levels have declined in recent years as customers use electronic banking and debit cards, reducing the staffing requirements in some locations. Health care benefits, including medical and dental expenses, decreased when comparing 2025 to 2024, driven by changes implemented to existing plans, partially offset by a larger average headcount. The Hingham Institution for Savings 2014 Nonstatutory Stock Option Plan (the "2014 Plan"), allowed for the issuance of stock options to certain executive officers. Expenses related to the 2014 Plan for stock options granted to executive officers totaled \$191,000 in 2025, as compared to \$173,000 in 2024, reflecting options issued in 2024.

Occupancy and equipment expenses increased by \$86,000, or 5.2%, in 2025 compared to 2024. The increase in 2025 was primarily driven by higher rent and real estate tax expenses, combined with lower rental income recorded in 2025 compared to the prior year. The Bank owns rental apartments located above its Nantucket branch which are rented during the summer season. The rental season in 2025 was weaker when compared to the prior year. The Bank has made changes to the management of these units to address this trend.

Data processing expenses increased by \$123,000 or 4.1%, in 2025 from 2024. The increase was driven primarily by higher core processing charges associated with improvements made to the Bank's systems and volume increases in 2025, partially offset by lower software expenses. Technology spending at the Bank remains focused on three primary objectives: delivering new or improved customer experience, reducing costs through simplification and automation of internal processes, and securing customer and Bank confidential information. The Bank regularly adds or removes software products as it experiments with different tools to accomplish these objectives. The Bank expects some increased data processing expense in 2026, relative to both 2025 and future years, related to the conversion of digital banking platforms from Fiserv to Q2 Systems as the Bank terminates certain agreements and runs both systems in parallel during testing.

Deposit insurance expenses decreased by \$252,000, or 8.1%, in 2025 compared to 2024. Deposit insurance expense consists of premiums paid to the FDIC and the MA DIF. The FDIC assessment rate is determined based on several factors, including capitalization, asset growth, earnings, use of brokered deposits, loan portfolio mix and level of non-performing assets, among others, and is calculated on an assessment base that takes into consideration the Bank's average total assets and average tangible equity, among other factors. The DIF assessment rate is based on an institution's risk category, which is defined based on similar factors. The decrease was the result of a lower assessed rate, partially offset by a higher assessment base driven by the Bank's average assets growth. The Bank carefully manages its balance sheet to control the deposit insurance expense associated with excess liquidity while optimizing its funding mix.

Marketing expenses increased by \$52,000, or 9.1%, in 2025 when compared to 2024, as the Bank continues to carefully manage these expenses focusing on business development for the Bank's Commercial Real Estate Group and SDG. The Bank continued to shift its marketing spending in 2025 towards supporting commercial deposit acquisition.

Foreclosure and related expenses include expenses associated with the collection and foreclosure process, such as legal, tax, appraisal, insurance and other related expenses. These expenses may be recovered when the loan returns to performing status or when the Bank exercises its remedies, as they are generally secured by the Bank's mortgages. Such recoveries, if any, are reflected in future periods as a contra-expense. The Bank recorded \$66,000 in foreclosure and related expenses in 2025, as compared to 71,000 in 2024, reflecting the low number of delinquent and non-performing loans in both periods.

Other expenses include audit fees, directors' fees, supplies, postage, legal fees, bank fees, reporting costs, deposit related losses and other items. Other expenses increased by \$104,000, or 2.8%, when comparing the two periods, reflecting higher insurance, audit-related and travel expenses, partially offset by lower legal fees and loan-related expenses. Over the last several years, the Bank has seen a general increase in deposit-related operational losses, particularly related to check fraud, and continues to explore technical and procedural solutions to minimize this expense.

Income Taxes

The Bank's effective tax rate for 2025 was 25.0%, as compared to 22.8% in 2024. The lower effective tax rate in the prior year was the result of \$465,000 of stock options excess tax benefit and the revision of income tax estimates recorded in 2024, partially offset by lower unrealized gains on equity securities – as these securities are held at a tax-advantaged subsidiary – recorded in 2024. Comparatively, the Bank recorded \$75,000 in stock option excess tax benefit in 2025. The effective tax rate for 2025 benefited from a change in state income tax apportionment rules in Massachusetts which became effective on January 1, 2025 and resulted in a lower state income tax rate in 2025.

**BALANCE SHEET ANALYSIS
COMPARISON OF THE YEARS 2025 AND 2024**

The Bank had total assets of \$4.543 billion at December 31, 2025, an increase of \$84.9 million, or 1.9%, from \$4.458 billion at year-end 2024. The balance sheet growth was driven by growth in equity securities, and to a lesser extent, the loan portfolio. While the Bank continued to manage the balance of excess reserves held at the FRBB in order to minimize the carrying cost of its on-balance sheet liquidity, the Bank has carried a larger balance of cash reserves at the FRBB in 2025, as extending the wholesale funding book has allowed the Bank to operate with higher on-balance sheet liquidity without incurring an immediate carrying cost.

Loans

At December 31, 2025 and 2024, the Bank reported net loans of \$3.899 billion and \$3.874 billion, respectively, representing 85.8% of total assets at both December 31, 2025 and 2024. In 2025, the Bank originated \$494.9 million in mortgage and other loans, which was partially offset by prepayments and amortization, resulting in a net increase of \$25.3 million, or 0.7%. This compares to 2024, when the Bank originated \$365.3 million in mortgage and other loans, which partially offset prepayments and amortization, resulting in a net decrease of \$40.6 million, or 0.6%. While the Bank's lending activities are focused in Massachusetts, the WMA and the SFBA, the Bank may, on an exceptional basis, make loans secured by properties in other markets to accommodate commercial banking customers' needs. These are reflected in the Other Market category in the table below. As of December 31, 2025, the Bank had a single loan in this category.

A breakdown of originated loans by geography for the years ended December 31, 2025 and 2024 follows:

	2024		2025	
	Amount	Percent	Amount	Percent
(Dollars in Thousands)				
Massachusetts	\$ 206,464	57 %	\$ 314,430	64 %
Washington Metropolitan Area	150,018	41	167,731	34
San Francisco Bay Area	8,800	2	11,255	2
Other Market	—	—	1,500	—
Total	<u>\$ 365,282</u>	<u>100 %</u>	<u>\$ 494,916</u>	<u>100 %</u>

A quarterly breakdown of originated loans by geography for 2025 follows:

	Three months ended,			
	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
(Dollars in Thousands)				
Massachusetts	\$ 94,599	\$ 117,764	\$ 46,594	\$ 55,473
Washington Metropolitan Area	72,725	34,968	20,605	39,433
San Francisco Bay Area	1,650	1,200	40	8,365
Other Market	—	1,500	—	—
Total	<u>\$ 168,974</u>	<u>\$ 155,432</u>	<u>\$ 67,239</u>	<u>\$ 103,271</u>

At December 31, 2025, the Bank had \$1.300 billion and \$131.0 million, respectively, of commercial real estate loans originated in the WMA and the SFBA outstanding, as compared to \$1.214 billion and \$125.7 million, respectively, at December 31, 2024.

A summary of the balances of loans is as follows:

	As of December 31,									
	2021		2022		2023		2024		2025	
	Amount	%								
(Dollars in Thousands)										
Real estate loans:										
Residential real estate	\$ 539,624	17.8 %	\$ 506,178	13.7 %	\$ 494,032	12.5 %	\$ 458,415	11.8 %	\$ 435,741	11.1 %
Commercial real estate	2,297,420	76.1	2,976,100	80.9	3,155,284	80.1	3,232,099	82.9	3,304,882	84.1
Construction	155,711	5.2	177,643	4.8	268,610	6.8	184,717	4.7	156,430	4.0
Home equity	24,290	0.8	22,408	0.6	22,518	0.6	24,926	0.6	29,808	0.8
Total real estate loans	<u>3,017,045</u>	<u>99.9</u>	<u>3,682,329</u>	<u>100.0</u>	<u>3,940,444</u>	<u>100.0</u>	<u>3,900,157</u>	<u>100.0</u>	<u>3,926,861</u>	<u>100.0</u>
Other loans:										
Consumer	409	—	345	—	357	—	459	—	672	—
Commercial	2,073	0.1	97	—	95	—	26	—	30	—
Total other loans	<u>2,482</u>	<u>0.1</u>	<u>442</u>	<u>—</u>	<u>452</u>	<u>—</u>	<u>485</u>	<u>—</u>	<u>702</u>	<u>—</u>
Total loans	<u>3,019,527</u>	<u>100.0 %</u>	<u>3,682,771</u>	<u>100.0 %</u>	<u>3,940,896</u>	<u>100.0 %</u>	<u>3,900,642</u>	<u>100.0 %</u>	<u>3,927,563</u>	<u>100.0 %</u>
Allowance for credit losses	(20,431)		(24,989)		(26,652)		(26,980)		(28,555)	
Loans, net	<u>\$ 2,999,096</u>		<u>\$ 3,657,782</u>		<u>\$ 3,914,244</u>		<u>\$ 3,873,662</u>		<u>\$ 3,899,008</u>	

The Bank's lending strategy has continued to focus on the origination of commercial, multifamily and single-family real estate loans. Real estate loans increased by 0.7% in 2025, driven by lower originations and partially offset by higher prepayments as compared to the prior year. Commercial loans at December 31, 2021 included \$2.0 million in SBA Paycheck Protection Program loans.

Loan maturities, at December 31, 2025, are as follows:

	<u>1 Year or Less</u>	<u>Over 1 Year through 5 Years</u>	<u>Over 5 Years through 15 years</u>	<u>Over 15 Years</u>	<u>Total</u>
	(In Thousands)				
Residential real estate	\$ 26	\$ 8,943	\$ 31,501	\$ 395,271	\$ 435,741
Commercial real estate	144,737	310,393	2,512,076	337,676	3,304,882
Construction	42,584	55,265	56,900	1,681	156,430
Home Equity	13	730	6,539	22,526	29,808
Other loans	562	140	—	—	702
Total	<u>\$ 187,922</u>	<u>\$ 375,471</u>	<u>\$ 2,607,016</u>	<u>\$ 757,154</u>	<u>\$ 3,927,563</u>

The breakdown of loans with maturity above one year by interest rate type, at December 31, 2025, is as follows:

	<u>Fixed</u>	<u>Floating or Adjustable</u>
	(In Thousands)	
Residential real estate	\$ 302,024	\$ 133,691
Commercial real estate	452,461	2,707,684
Construction	7,239	106,607
Home Equity	14	29,781
Other loans	101	39
Total	<u>\$ 761,839</u>	<u>\$ 2,977,802</u>

Commercial real estate loans by collateral type at December 31, 2024 and 2025, are as follows:

	<u>2024</u>		<u>2025</u>	
	Amount	Percent	Amount	Percent
	(Dollars in Thousands)			
Multifamily (5+)	\$ 1,149,227	36 %	\$ 1,258,927	38 %
Residential (1-4)	485,114	15	473,641	14
Office	484,757	15	405,275	12
Mixed use	555,284	17	643,800	20
Retail	303,520	9	289,376	9
Industrial	130,978	4	111,550	3
Land	59,086	2	52,651	2
Others	64,133	2	69,662	2
Total	<u>\$ 3,232,099</u>	<u>100 %</u>	<u>\$ 3,304,882</u>	<u>100 %</u>

Mixed-use properties generally consist of urban properties which combine a substantial multifamily use with street level retail or office uses.

The Bank's loan portfolio is reported net of the allowance for credit losses. At December 31, 2025, the allowance for credit losses was \$28.6 million, as compared to \$27.0 million at December 31, 2024. The allowance for credit losses is maintained at a level which the Bank believes is adequate to absorb expected lifetime credit losses in the portfolio. The allowance is reviewed by senior management on at least a quarterly basis to determine its adequacy. This review considers historic losses, loan-to-value ratios, underlying collateral values, payment history, the size of the loan portfolio and the risks associated with certain loan types as well as other factors such as local economic trends, real estate market conditions and credit concentrations. Loan losses are charged against the allowance when the uncollectibility of the loan principal is confirmed. In 2025 and 2024, the Bank did not record any charge-offs or recoveries.

The analysis of net charge-offs is as follows:

	Years Ended December 31,								
	2023			2024			2025		
	Average Balance	Net Charge-offs (Recoveries)	Charge-off Ratio	Average Balance	Net Charge-offs (Recoveries)	Charge-off Ratio	Average Balance	Net Charge-offs (Recoveries)	Charge-off Ratio
	(Dollars in Thousands)								
Loans:									
Residential real estate	\$ 499,998	\$ —	— %	\$ 477,563	\$ —	— %	\$ 451,079	\$ —	— %
Commercial real estate	3,046,626	—	—	3,180,789	—	—	3,277,811	—	—
Construction	208,735	—	—	250,617	—	—	182,936	—	—
Home equity	21,513	—	—	23,872	—	—	27,166	—	—
Other loans	460	—	—	598	—	—	582	—	—
Total loans	<u>\$ 3,777,332</u>	<u>\$ —</u>	<u>— %</u>	<u>\$ 3,933,439</u>	<u>\$ —</u>	<u>— %</u>	<u>\$ 3,939,574</u>	<u>\$ —</u>	<u>— %</u>

The allocation of the allowance for credit losses at December 31, 2025, 2024 and 2023, and the allowance for loan losses at December 31 of the prior years is as follows:

	2021		2022		2023		2024		2025	
	Amount	Percent *	Amount	Percent *	Amount	Percent *	Amount	Percent *	Amount	Percent *
		(Dollars in Thousands)								
Residential real estate	\$ 1,561	17.8 %	\$ 1,400	13.7 %	\$ 2,182	12.5 %	\$ 2,289	11.8 %	\$ 2,475	11.1 %
Commercial real estate	17,310	76.1	21,796	80.9	18,865	80.1	20,822	82.9	22,402	84.1
Construction	1,501	5.2	1,727	4.8	5,246	6.8	3,428	4.7	3,139	4.0
Home equity	53	0.8	60	0.6	354	0.6	436	0.6	537	0.8
Other loans	6	0.1	6	—	5	—	5	—	2	—
Total	<u>\$ 20,431</u>	<u>100.0 %</u>	<u>\$ 24,989</u>	<u>100.0 %</u>	<u>\$ 26,652</u>	<u>100.0 %</u>	<u>\$ 26,980</u>	<u>100.0 %</u>	<u>\$ 28,555</u>	<u>100.0 %</u>

* Percent of loans in each category to total loans

On January 1, 2023, the Bank adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The Bank determined that a \$545,000 adjustment to increase the allowance for credit losses and decrease retained earnings, net of deferred taxes of \$153,000, and no adjustment for unfunded commitments was required upon adoption (Refer to Note 1 to the Consolidated Financial Statements for more details). As part of the transition to ASU 2016-13, the reserve for the Bank's construction loan portfolio increased substantially, offset by a lower reserve for the Bank's permanent and stabilized commercial real estate portfolio. This change was driven by the quantitative model employed by the Bank and did not reflect any specific performance in the construction portfolio.

As a percentage of the gross loan portfolio, the allowance for credit losses was 0.73% at December 31, 2025, as compared to 0.69% and 0.68%, respectively, at December 31, 2024 and 2023, and an allowance for loan losses of 0.68% at 2022 and 2021. Credit quality in the portfolio, including the level of net charge-offs and delinquencies, has allowed the Bank to maintain its allowance for credit losses coverage ratio in comparison to total loans relatively stable in recent years (Refer to Notes 1 and 3 to the Consolidated Financial Statements for more details).

The Bank had non-accrual loans with an outstanding balance of \$31.2 million at December 31, 2025 and \$1.5 million at December 31, 2024, representing 0.80% of total loans at December 31, 2025 and 0.04% at 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 did not have any specific reserves associated with this loan at December 31, 2025. With the exception of this loan, the Bank had no additional non performing commercial real estate loans as of December 31, 2025 and 2024.

After the adoption of ASU 2016-13, the Bank evaluates the credit for estimated losses on an individual loan basis if it determines a loan no longer retains the same risk characteristics of the pool. For loans with real estate collateral, when management determines that foreclosure is probable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. Updated appraisals on collateral are obtained when management believes that the value of the property has deteriorated.

The Bank works closely with delinquent borrowers to bring their loans current and commences foreclosure proceedings if the borrower is unable to satisfy their outstanding obligation. Although regulatory changes have slowed the foreclosure process in recent years, the Bank continues to pursue delinquencies vigorously. The Bank remains focused on ensuring that borrowers perform in accordance with contractual terms and will continue to work to resolve remaining non-accrual credits in 2026. The Bank believes that its loans classified as non-accrual are significantly collateralized, that these loans pose minimal risk of loss to the Bank, and that the allowance for credit losses is sufficient to absorb such losses. However, the Bank continues to monitor the loan portfolio and additional reserves will be recorded if necessary.

Non-accrual loans and related ratios are as follows:

	<u>Non-accrual loans</u>	<u>Non-accrual loans to total loans</u>		<u>Allowance for credit losses to non-accrual loans</u>
	(Dollars In Thousands)			
December 31, 2021	\$ 427	0.01	%	4,785
December 31, 2022	1,168	0.03		2,139
December 31, 2023	1,477	0.04		1,804
December 31, 2024	1,521	0.04		1,775
December 31, 2025	31,222	0.80		91

Securities

The Bank's securities portfolio includes debt and equity securities. The Bank's marketable common equity securities are not viewed as a source of liquidity and are managed to produce superior returns on capital over a longer time horizon. The Bank's process is focused on identifying businesses with strong returns on capital, owner-oriented management teams, good reinvestment opportunities or capital discipline, and reasonable valuations. The portfolio is concentrated in a relatively small number of investments in the financial services and technology areas. The securities portfolio also includes an investment in the CRA Fund, a mutual fund which invests in securities which qualify under the CRA securities test. At December 31, 2025 and 2024, the Bank's securities portfolio of \$157.8 million and \$119.8 million, respectively, represented 3.5% and 2.7%, respectively, of total assets.

At December 31, 2025, equity securities included a \$9.1 million investment in the CRA Fund and \$141.3 million in marketable common equity securities. These equity investments accounted for 95.2% of the investment portfolio at December 31, 2025, as compared to 94.6% at December 31, 2024.

At December 31, 2025, the Bank held a \$7.5 million investment in the subordinated debt issued by other financial institutions, as compared to \$6.5 million at December 31, 2024. Included in both periods is a \$3.5 million investment in the subordinated debt issued by the National Capital Bancorp Inc., a Washington, D.C.-based bank holding company in which the Bank also maintains an equity investment. The balance at both December 31, 2025 and 2024 included additional investments made in the senior notes and subordinated debt of other financial institutions during 2024 and 2025. These investments are included in securities held to maturity in the Consolidated Balance Sheets. To the extent permissible under Massachusetts law, the Bank decides whether to hold these securities at the Bank or in a tax-advantaged subsidiary in order to reduce taxable income.

During the third quarter of 2025, the Bank's portfolio of securities reportable under Section 13F of the Securities Exchange Act of 1934 exceeded \$100.0 million for the first time. This does not represent the entirety of the Bank's marketable equity securities, as the Bank's holdings that are traded "Over the Counter" are exempt for reporting under Section 13F. As a result, the Bank began filing an itemized listing of its Section 13F securities on Form 13F in 2026.

The carrying value of the investment portfolio by type is as follows:

	<u>December 31,</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	(In Thousands)		
Debt securities held to maturity:			
Corporate bonds	\$ 3,500	\$ 6,493	\$ 7,499
Equity securities:			
CRA Fund	8,853	8,769	9,050
Marketable equity securities	70,949	104,575	141,294
Total	<u>\$ 83,302</u>	<u>\$ 119,837</u>	<u>\$ 157,843</u>

The fair value of equity securities fluctuates with the performance of equity markets. The primary driver in net unrealized gain on the securities portfolio is the fair value of the Bank's equity holdings.

A breakdown of the marketable equity securities portfolio per industry at December 31, 2024 and 2025 follows:

	<u>2024</u>		<u>2025</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
	(Dollars in Thousands)			
Payments	\$ 27,751	27%	\$ 30,393	22%
Technology	26,776	26	46,621	33
Insurance	20,150	19	25,744	18
Banking	22,494	21	29,517	21
Credit Ratings/Data	5,915	6	6,242	4
Others	1,489	1	2,777	2
Total	<u>\$ 104,575</u>	<u>100%</u>	<u>\$ 141,294</u>	<u>100%</u>

At both December 31, 2025 and 2024, the Bank held a \$2.4 million investment in the common stock of Founders Bank, a de novo bank in Washington, D.C. This balance includes a \$50,000 unrealized gain recognized on the initial \$1.0 million investment, based upon the subscription price of the second investment round in 2022. The Bank remains the largest shareholder of Founders Bank. This investment represents a non-marketable equity security and is included in other assets on the Consolidated Balance Sheets.

As a member of the FHLB, the Bank is required to maintain a membership plus an activity-based FHLB stock investment, which generally approximates 4% of the Bank's borrowings outstanding balance. At December 31, 2025 and 2024, the Bank held \$62.0 million and \$61.0 million, respectively, or 1.4% of total assets in FHLB stock. In 2025, the Bank received \$4.6 million in dividends, as compared to \$5.1 million in 2024.

Foreclosed Assets

The Bank did not own foreclosed assets at December 31, 2025 or 2024. The Bank did not acquire any property via foreclosure in 2025 or 2024.

Bank-owned Life Insurance

The Bank held \$14.3 million in bank-owned life insurance at December 31, 2025, as compared to \$14.0 million at December 31, 2024. The policies, which insure the life of a current Bank executive, accrete at a variable rate of interest with minimum stated guaranteed rates. The Bank monitors the financial strength and counterparty credit ratings of the policy issuers and has determined that at December 31, 2025, one of three issuers was rated at or above Bank guidelines. Of the other two issuers, one retained a rating from A.M. Best two notches below Bank guidelines at B++ (with a stable outlook), while the other retained a rating from Moody's at Bank guidelines, and from Fitch one notch below Bank guidelines at A- (with a stable outlook).

Other Assets

As of December 31, 2025, both the right-of-use asset and corresponding lease liability related to operating leases for some of the Bank's banking offices was \$1.2 million. The right-of-use asset is included in other assets and the lease liability is included in other liabilities in the Consolidated Balance Sheets.

As of December 31, 2025 and 2024, respectively, other assets included a \$952,000 and \$741,000 investment in the Washington Housing Initiative, a CRA investment vehicle that provides low cost loans to acquire and develop affordable workforce housing in Washington D.C. At both December 31, 2025 and 2024, other assets included a \$5.0 million investment in the SFHA Fund, a CRA investment vehicle that provides low cost loans to acquire and develop affordable workforce housing in San Francisco.

Deposits

At December 31, 2025, the Bank held a total of \$2.548 billion in deposits, an increase of \$56.2 million, or 2.3%, from the \$2.492 billion in deposits at year-end 2024. Non-certificate deposits comprised of savings, NOW, money market, and demand deposit accounts, were \$1.346 billion at December 31, 2025, as compared to \$1.270 billion at year-end 2024, an increase of \$76.0 million, or 6.0%, which was primarily attributable to growth in demand deposit accounts (including NOW) of \$83.5 million, or 20.4%, partially offset by a decrease of \$5.2 million, or 0.7%, in money market accounts and a decrease of \$2.2 million, or 3.1%, in regular accounts. This reflects the Bank's investments in new relationship managers for the SDG and focus on developing and deepening deposit relationships with new and existing commercial and non-profit customers. Non-certificate deposits comprised 52.8% of total deposits at December 31, 2025 as compared to 50.9% at year-end 2024. Certificates of deposit were \$1.203 billion at December 31, 2025 as compared to \$1.222 billion at year-end 2024. The decrease in certificate account balances primarily reflects a decrease in retail and commercial time deposits – as the Bank allowed maturing higher rate time deposits to roll off – and to a lesser extent a decrease in wholesale time deposits. The decrease in wholesale time deposits was primarily driven by a decline in the Bank's listing service time deposits, as pricing in the listing service market remains unfavorable when compared to alternative wholesale funding sources.

A summary of deposits, by type, is as follows:

	December 31,		
	2023	2024	2025
	(In Thousands)		
Regular	\$ 82,050	\$ 72,928	\$ 70,683
Money market	723,786	787,033	781,806
NOW	11,425	12,274	25,605
Demand	339,059	397,469	467,656
Total non-certificate accounts	1,156,320	1,269,704	1,345,750
Term certificates of less than \$250,000	836,382	828,422	808,145
Term certificates of \$250,000 or more	357,275	393,969	394,422
Total certificate accounts	1,193,657	1,222,391	1,202,567
Total deposits	\$ 2,349,977	\$ 2,492,095	\$ 2,548,317

Term certificates of \$250,000 or more, at December 31, 2025, by maturity are as follows:

<u>Remaining Maturity</u>	<u>Amount</u> <u>(In Thousands)</u>
3 months or less	\$ 174,300
Over 3 through 6 months	108,003
Over 6 through 12 months	101,152
Over 12 months	10,967
	<u>\$ 394,422</u>

Other banks and credit unions in the Bank's market areas, banking services through the Internet, and mutual funds make up the Bank's primary competition for deposits. At times, the Bank also faces direct and indirect competition from fixed income securities such as U.S. Treasury bills or non-bank financial services companies with access to the Federal Reserve's Overnight Reverse Repurchase Facility. The Bank's ability to attract and retain deposits depends upon satisfaction of depositors' requirements with respect to insurance, product, rate and service. The Bank offers traditional deposit products, competitive rates, convenient branch locations, ATMs, debit cards and Internet-based banking for consumers and commercial account holders. The Bank also opens deposit accounts, including checking accounts, money market accounts, and certificates of deposit, directly online for personal customers. Occasionally, the Bank implements special offerings based on market conditions and the competitive environment. The Bank also offers a limited range of certificate of deposit products using national Internet listing services and brokered deposits. These alternatives, at times, provide the Bank with a source of funding across different maturities at lower cost and/or longer duration than may be available via retail or other wholesale channels. At December 31, 2025, the Bank had \$492.4 million in deposits from these sources, as compared to \$494.9 million at December 31, 2024. During 2025 and 2024, the Bank carefully managed its wholesale funding mix allocation based on market conditions to reduce the Bank's cost of interest-bearing liabilities and capture the benefit of declining short-term rates on the Bank's net interest margin. In doing this, the Bank takes into consideration each funding source's interest rate, broker commission and FDIC insurance assessment implications (as applicable), speed of execution as well as the operational characteristics. This approach has allowed the Bank to maintain deposit balances to fund lending activity and operate with an elevated level of on and off- balance sheet liquidity.

In recent years, the Bank closed the branches located in Scituate, South Hingham, Norwell, South Weymouth and Beacon Hill in Boston, and began servicing these customers from its neighboring locations and remotely.

Deposits are insured in full through the combination of the FDIC and the MA DIF. Generally, separately insured deposit accounts are insured up to \$250,000 by the FDIC and deposit balances in excess of this amount are insured by the MA DIF. MA DIF insurance provides an advantage for the Bank as some competitors cannot offer this coverage.

Borrowings

The Bank had \$1.464 billion, or 32.2% of total assets, in borrowed funds from the FHLB at December 31, 2025 as compared to \$1.497 billion, or 33.6% of total assets, at year-end 2024, representing a decrease of \$33.2 million, or 2.2%. Of the total at year-end 2025, \$235.0 million, with a weighted average rate of 4.03%, had original maturities of less than 12 months. The Bank had no floating rate advances outstanding at December 31, 2025 or 2024. In 2025, growth in retail and commercial deposits allowed the Bank to replace maturing FHLB advances. In 2025, the Bank continued to slightly extend the duration of its FHLB Classic Advances to capture the benefit of the FHLB curve inversion and, to a lesser extent, to protect against a slower pace of decline – or an unlikely increase – in short-term market rates. Additionally, at December 31, 2025, the Bank had \$785.0 million in FHLB HLB-Option Advances outstanding. These are 3-year, 4-year, 5-year, and to a lesser extent 6-year and 7-year maturity fixed rate advances callable quarterly by the FHLB after an initial lockout period of three months, which provide the Bank with a lower fixed rate in exchange for the call option granted to the FHLB. At December 31, 2025, the Bank had \$30.0 million, \$335.0 million, \$375.0 million and \$45.0 million in HLB-Option Advances outstanding, with original maturities in 2027, 2028, 2029 and 2030, respectively, all of which were past their lockout periods and were callable by the FHLB in the first quarter of 2026.

At December 31, 2025, 45.5% of the FHLB advances will mature within one year, as compared to 45.9% at December 31, 2024. The average rate paid on FHLB borrowings held at year-end 2025 was 3.94%, down from 4.34% at year-end 2024, driven primarily by declining short-term market rates. The FHLB provides an explanation of HLB-Option Advances on its website under the "Products" section that explains the features of this product.

Derivatives and Hedging

As of December 31, 2025, the Bank was party to a forward starting interest rate collar that was designated as a cash flow hedge. This cash flow hedge, which has a notional amount of \$25.0 million and was executed to hedge the interest rate risk associated with short-term FHLB advances indexed to the Secured Overnight Financing Rate ("SOFR"), has a starting date in March of 2026 and a term of two and one-half years. The cap and floor rates on this contract are 4.50% and 1.00%, respectively.

The Bank continues to explore ways to manage certain types of tail risk utilizing derivatives, given the overall liability sensitivity of the Bank's balance sheet and business model.

Liquidity and Capital Resources

In order to ensure the Bank has sufficient liquidity to fund its lending operations, off-balance sheet commitments and contractual obligations, the Bank maintains an adequate level of readily available liquidity, both on and off-balance sheet.

The Bank also assesses its liquidity position regularly by forecasting incoming and outgoing cash flows. In some cases, contractual maturity dates are used to anticipate cash flows. However, when an asset or liability has no contractual maturity, or is subject to early repayment or redemption at the discretion of the issuer or customer, cash flows can be difficult to predict. Generally, these rights are exercised when it is most financially favorable to the issuer or customer.

Marketable common equity holdings, although liquid, are not viewed as a source of liquidity and are managed to produce superior returns on capital over a longer time horizon.

Investment in FHLB stock is illiquid.

Residential loans are susceptible to principal repayment at the discretion of the borrower. Commercial mortgage loans, while subject to significant penalties for early repayment in most cases, can also prepay at the borrower's discretion. In 2025, prepayment rates were higher when compared to the previous year. The Bank has observed a gradual trend towards normalizing prepayment rates, particularly in commercial real estate loans (including turnover in the construction portfolio).

The Bank invests in key executive life insurance policies that are illiquid during the life of the executive. Such policies totaled \$14.3 million, or less than 1% of total assets, at December 31, 2025.

Non-certificate deposit balances can generally be withdrawn from the Bank at any time. The Bank estimates the volatility of its deposits in light of the general economic climate and recent actual experience. Over the past 10 years, deposits have exceeded withdrawals resulting in net cash inflows from depositors.

Time certificates of deposit, which have predefined maturity dates, have different redemption characteristics based on their nature. Retail certificates of deposit, subject to early redemption penalties, can be withdrawn subject to the discretion of the Bank. Internet listing service certificates are offered on the same terms as retail certificates, although the Bank generally does not permit early withdrawal. Brokered certificates generally may not be withdrawn before the stated maturity. The Bank had \$1.203 billion in time deposits outstanding at December 31, 2025, of which \$1.185 billion have a contractual maturity within one year.

All of the Bank's borrowings are fixed in terms of maturity. The Bank had \$1.464 billion in FHLB advances outstanding at December 31, 2025, of which \$666.6 million will mature within one year. The Bank had no amortizing advances as of December 31, 2025 and \$785.0 million of the advances can be called quarterly at the discretion of the FHLB. Management believes these advances are not likely to be called under current market conditions, given pricing on similar duration and structure instruments.

The Bank also monitors its off-balance sheet items. At December 31, 2025, the Bank had approximately \$346.2 million in commitments to extend credit, as compared to \$378.1 million at December 31, 2024. The Bank also has commitments for data processing agreements totaling \$12.2 million at December 31, 2025. In 2025, the Bank renegotiated and extended certain elements of the Bank's core processor contract with Fiserv until June of 2031, entered into a new contract for an open application programming interface (API) layer, obtained the option to cancel other elements of the contract in advance of contract maturity, and entered into a 5 year agreement with Q2 Systems for the Bank's commercial and retail digital banking platform.

The Bank takes each of these preceding issues into consideration when measuring its liquidity position. Specific measurements include the Bank's cash flow position from the 30-day to 365-day horizon, the level of price-sensitive liabilities to earning assets and loan to deposit ratios. Additionally, the Bank "shocks" its cash flows by assuming significant cash outflows in both non-certificate and certificate deposit balances. At December 31, 2025, each measurement was within predefined Bank guidelines, with the exception of the loan to deposit ratio and the dependency ratio, which were above the guidelines. The loan to deposit ratio has increased in recent years driven primarily by the significant growth in the loan portfolio in 2022, and to a lesser extent in 2023, and the modest deposit growth by comparison. This ratio has also been impacted by the Bank's allocation of the wholesale funding mix between wholesale deposits and borrowings – particularly by management's deliberate efforts to replace maturing Internet listing services time deposits with lower rate FHLB advances during the recent cycle. The dependency ratio is an internal Bank defined measure of the share of longer term assets funded with potentially volatile liabilities and, at December 31, 2025, was above the Bank's guideline driven by the same factors described above. The Bank continues to carefully manage loan growth and focusing on gathering retail and commercial deposits, while maintaining significant on and off-balance sheet liquidity.

The Bank's initial source of liquidity is cash and cash equivalents which comprised 8.1% of total assets at December 31, 2025. A significant portion of this consists of overnight cash balances at the FRBB, which are immediately accessible for liquidity. The Bank carefully manages these overnight cash balances to minimize the carrying cost of on-balance sheet liquidity. Over time, this can result in different levels of on balance sheet liquidity based upon market conditions.

To supplement its liquidity position, should the need arise, the Bank maintains its membership in the FHLB where it is eligible to obtain both short and long-term credit advances and is eligible to access the FRBB discount window. The FHLB does not accept certain types of real estate loans and establishes certain limits on borrowing activity, including a limitation on commercial real estate collateral discounted value up to two times the Bank's shareholders' equity and an overall limit of total extension of credit up to 40% of the Bank's total assets. This latter limit, which was lowered from 50% by the FHLB in early 2024, applies to all members. In 2025, the FHLB adopted a framework that establishes this limit based upon an assessment of a member's credit category, going from 40%

for members in category “1” to 5% for members in category “4”.

This dual relationship with the FHLB and FRBB provides the Bank with the flexibility to maximize available capacity and to access immediately available liquidity using the FRBB discount window if the FHLB was unavailable to provide liquidity or were to establish more stringent limits in the future. The Bank actively pledges new collateral as loans are originated and manages the collateral allocation between the FHLB and the FRBB to maximize borrowing capacity. In aggregate, the Bank had available borrowing capacity of \$934.5 million from these sources at December 31, 2025, as compared to \$866.6 million at December 31, 2024.

As of December 31, 2025, the Bank can borrow up to approximately \$1.813 billion from the FHLB to meet its borrowing needs, based on the Bank’s available qualified collateral which consists primarily of one-to four-family residential mortgage loans, certain multifamily residential property and commercial mortgage loans. At December 31, 2025, the Bank had \$1.464 billion in advances outstanding from the FHLB and had \$343.8 million in available unused capacity (net of accrued interest on outstanding advances). This compares to an unused capacity of \$296.7 million at December 31, 2024. The FHLB unused capacity increased in 2025 as a result of an increase of \$13.8 million in gross FHLB capacity during this period, combined with a \$33.2 million decrease in outstanding advances. The increase in gross FHLB capacity was primarily a result of improving market valuations of pledged collateral.

At December 31, 2025, the Bank can borrow up to \$590.7 million by accessing the FRBB Discount Window, based on the Bank’s available qualified collateral which consists primarily of HELOCs, one-to four-family residential mortgage loans, multifamily, construction and commercial mortgage loans. At December 31, 2025 the Bank did not have any advances outstanding at the FRBB and had \$590.7 million in available unused capacity.

The Bank obtains the necessary capital to support its current and future requirements from the retained earnings generated through its operations. At December 31, 2025, the Bank had capital of \$479.7 million, or 10.6% of total assets, as compared to \$431.8 million, or 9.7% of total assets, at December 31, 2024. During 2025, stockholders' equity increased by \$48.0 million due primarily to net income for the period of \$54.6 million, partially offset by the declaration of dividends of \$3.22 per share, which reduced capital by \$7.0 million.

The Bank is subject to minimum capital maintenance requirements. Regulatory guidelines define the minimum amount of qualifying capital an institution must maintain as a percentage of risk-weighted assets and average total assets. The Bank’s ratios exceeded these regulatory capital requirements in both 2025 and 2024 (Refer to Note 15 to the Consolidated Financial Statements for more details).

During 2025, the Bank declared dividends of \$3.22 per share, which included a \$0.70 per share special dividend declared in the fourth quarter. In comparison, in 2024, the Bank declared dividends of \$2.52 per share with no special dividend declared in the fourth quarter. The Bank’s dividend payout ratio, which is calculated by dividing dividends per share by earnings per share, decreased to 12.9% for 2025 as compared to 19.5% for 2024.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The earnings of most banking institutions are exposed to interest rate risk (“IRR”) because their balance sheets, both assets and liabilities, are predominantly interest-bearing. It is the Bank’s objective to minimize, to the degree prudently possible, its exposure to IRR, bearing in mind that the Bank, by its very nature, will always be in the business of taking on such risk. IRR is monitored on a quarterly basis by the Asset Liability Committee (the “ALCO”) and Board of Directors of the Bank. The ALCO is comprised of members of Bank Management and the Executive Committee of the Board. The ALCO establishes and monitors the various components of the balance sheet including volume, maturities, pricing and mix of assets along with funding sources. The goal is to balance liquidity, IRR and profitability through the full economic cycle.

The primary tool used in managing IRR is income simulation modeling, which measures changes in net interest income by projecting the future Bank’s balance sheet and applying different interest rate scenarios. The Bank’s policy IRR limits are established in terms of tolerable declines in return on average assets on a static model across different interest rate scenarios over years one and two. At December 31, 2025, the Bank’s IRR exposure was within these limits in years one and two in the plus 100 basis point parallel shock, within the limit in the plus 200 basis point parallel shock in year one, and marginally outside of the 200 basis point parallel shock limit in year two.

Management incorporates numerous assumptions into the simulation model, such as asset prepayment speeds, balance sheet growth and non-maturity deposit decay terms and sensitivity. At December 31, 2025, average loan prepayment speeds ranged from 6% to 8% depending upon the rate environment. Non-certificate deposits do not have contractual maturities and repricing sensitivity (“beta”) scenarios is set at zero percent for Regular Savings and NOW accounts and ranges from 48% to 70% for money market accounts. FHLB callable advances are not projected to be called in the forward curve and down shock scenarios, and are projected to be called and replaced by similar structure advances in all of the up shock scenarios.

The Bank’s model assumes a 100 and 200 basis point parallel and instantaneous increase and decrease in interest rates over the forward curve. The most recent non-static model estimates that, over a twenty-four month period, net interest income would decrease 7% if rates rise 100 basis points and would decrease 17% if rates rise 200 basis points. Over the same period, the model estimates net interest income would increase 4% if rates decline 100 basis points and would increase 8% if rates decline 200 basis points. The asymmetric profile of the IRR sensitivity to up and down interest rate shocks is primarily derived from the \$785.0 million in FHLB HLB-Option Advances that were outstanding at December 31, 2025.

The following tables present interest-rate sensitive assets and liabilities categorized by expected maturity (or interest rate adjustment date, if earlier) and weighted average rates. Generally, adjustable-rate loans are indexed to Prime, FHLB rates and treasury rates and have a floor rate set at the start rate at origination. Expected maturities of loans are adjusted for amortization and estimated prepayments of principal. Non-certificate accounts deposits repricing is based on beta and decay term. At December 31, 2025, FHLB option advances were not expected to be called and are, therefore, presented based on contractual maturity.

Maturing or repricing within:	<u>One Year</u>	<u>1-2 Years</u>	<u>2-3 Years</u>	<u>3-4 Years</u>	<u>4-5 Years</u>	<u>Thereafter</u>	<u>Total</u>
	(Dollars in Thousands)						
December 31, 2025							
Interest-earning assets:							
Securities (at cost), short-term investments and certificates of deposit	\$ 501,757 3.82 %	\$ 2,000 8.75 %	\$ — — %	\$ — — %	\$ — — %	\$ — — %	\$ 503,757 3.84 %
Loans:							
Fixed rate	\$ 170,299 4.81 %	\$ 141,566 5.05 %	\$ 129,259 4.57 %	\$ 49,574 4.21 %	\$ 47,940 4.07 %	\$ 319,818 4.05 %	\$ 858,456 4.45 %
Adjustable rate	\$ 622,200 5.53 %	\$ 456,723 4.66 %	\$ 355,096 5.37 %	\$ 487,501 5.20 %	\$ 489,894 5.21 %	\$ 655,707 3.58 %	\$ 3,067,121 4.86 %
Interest-bearing liabilities:							
Deposits:							
Non-certificate accounts	\$ 504,080 2.27 %	\$ 79,847 1.94 %	\$ 79,847 1.94 %	\$ 74,921 1.99 %	\$ 45,478 2.07 %	\$ 93,921 1.12 %	\$ 878,094 2.05 %
Term certificates	\$ 1,184,844 3.81 %	\$ 11,984 3.11 %	\$ 1,237 2.65 %	\$ 372 2.02 %	\$ 4,130 2.89 %	\$ — — %	\$ 1,202,567 3.80 %
Borrowed funds	\$ 666,565 4.03 %	\$ 41,250 4.05 %	\$ 335,000 3.92 %	\$ 375,000 3.83 %	\$ 45,000 3.79 %	\$ 1,000 — %	\$ 1,463,815 3.94 %

Maturing or repricing within:	<u>One Year</u>	<u>1-2 Years</u>	<u>2-3 Years</u>	<u>3-4 Years</u>	<u>4-5 Years</u>	<u>Thereafter</u>	<u>Total</u>
	(Dollars in Thousands)						
<u>December 31, 2024</u>							
Interest-earning assets:							
Securities (at cost), short-term investments and certificates of deposit	\$ 472,646 4.49 %	\$ — — %	\$ 5,500 5.57 %	\$ — — %	\$ — — %	\$ — — %	\$ 478,146 4.50 %
Loans:							
Fixed rate	\$ 240,173 5.34 %	\$ 154,209 4.31 %	\$ 111,549 4.48 %	\$ 119,643 4.48 %	\$ 47,598 4.12 %	\$ 326,320 4.06 %	\$ 999,492 4.51 %
Adjustable rate	\$ 523,897 5.34 %	\$ 426,523 4.18 %	\$ 412,848 4.50 %	\$ 325,505 5.29 %	\$ 446,907 5.01 %	\$ 763,440 3.66 %	\$ 2,899,120 4.55 %
Interest-bearing liabilities:							
Deposits:							
Non-certificate accounts	\$ 497,776 2.82 %	\$ 74,689 2.46 %	\$ 74,689 2.46 %	\$ 69,512 2.45 %	\$ 49,588 2.59 %	\$ 105,981 1.58 %	\$ 872,235 2.57 %
Term certificates	\$ 1,198,565 4.37 %	\$ 18,937 3.17 %	\$ 4,009 2.03 %	\$ 427 1.70 %	\$ 453 1.84 %	\$ — — %	\$ 1,222,391 4.34 %
Borrowed funds	\$ 687,000 4.88 %	\$ 25,000 4.09 %	\$ 30,000 4.21 %	\$ 335,000 3.92 %	\$ 375,000 3.83 %	\$ 45,000 3.79 %	\$ 1,497,000 4.34 %

At December 31, 2025, loans as a percentage of total earning assets were 88.6%, as compared to 89.1% at December 31, 2024. The composition of the Bank's liabilities was such that interest-bearing deposits to total interest-bearing liabilities were 58.7% and 58.3%, respectively, at year-end 2025 and 2024.

At December 31, 2025, the Bank estimates liabilities that are expected to reprice within one year exceeded assets repricing within the same period by \$1.061 billion, as compared to \$1.147 billion at December 31, 2024. However, if HLB-Option advances were called during the first year, this figure would be \$1.846 billion. This calculation indicates that the Bank is susceptible to lower net interest income in the event that short-term market rates rise in the near future.

Over the last year, the Bank continued to target ongoing loan growth – which includes a mix of variable and fixed rate loans – and growth in non-interest bearing deposits, while allocating the wholesale funding mix and duration to manage IRR and capture the benefit of declining short-term rates. The Bank continues to focus on growing retail and commercial deposit balances – particularly non-interest bearing deposits – along with retail time deposits, combined with a mix of wholesale funding sources, allocated opportunistically based on market conditions.

Item 8. Financial Statements and Supplementary Data.

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Management's Annual Report on Internal Control over Financial Reporting

The management of Hingham Institution for Savings (the "Bank"), is responsible for establishing and maintaining effective internal control over financial reporting. The internal control process has been designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Management conducted an assessment of the effectiveness of the Bank's internal control over financial reporting as of December 31, 2025, utilizing the framework established in *Internal Control-Integrated Framework: (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has determined that the Bank's internal control over financial reporting as of December 31, 2025 is effective.

Our internal control over financial reporting includes policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the Bank's financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems designed to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The effectiveness of the Bank's internal control over financial reporting as of December 31, 2025 has been audited by Wolf & Company, P.C., an independent registered public accounting firm, as stated in their report which follows. This report expresses an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of December 31, 2025.



Robert H. Gaughen, Jr.
Chief Executive Officer
March 4, 2026



Patrick R. Gaughen
President and Chief Operating Officer
March 4, 2026



Cristian A. Melej
Chief Financial Officer
March 4, 2026

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

To the Stockholders and the Board of Directors of
Hingham Institution for Savings:

Opinion on the Internal Control Over Financial Reporting

We have audited Hingham Institution for Savings and its subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the December 31, 2025, consolidated financial statements of the Bank and our report dated March 4, 2026, expressed an unqualified opinion.

Basis for Opinion

The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Wolf & Company, P.C.

Boston, Massachusetts
March 4, 2026

Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

To the Stockholders and the Board of Directors of
Hingham Institution for Savings:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hingham Institution for Savings and its subsidiaries (the “Bank”) as of December 31, 2025 and 2024, the related consolidated statements of net income, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes to the consolidated financial statements (collectively, the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Bank's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 and our report dated March 4, 2026 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on the Bank's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses – Loans Evaluated on a Pooled Basis

As described in Note 3 to the financial statements, the Bank has recorded an allowance for credit losses (“ACL”) in the amount of \$28.6 million as of December 31, 2025, representing management's estimate of credit losses over the remaining expected life of the Bank's loan portfolio as of that date pursuant to the application of Accounting Standards Codification Topic 326, *Financial Instruments – Credit Losses*.

The Bank's methodology to determine its allowance for credit losses incorporates quantitative and qualitative assessments of its historical losses, current loan portfolio and economic conditions, the application of forecasted economic conditions, and related modeling. Management incorporates the use of third-party software to arrive at an expected life-of-loan loss amount based on

discounted cash flow estimates at the loan level for material loan segments. The amount and timing of cash flows is determined using assumptions for probability of default and loss given default (PD/LGD); expected term; and forecasted economic factors. The results of these calculations are then qualitatively adjusted by management based on pool-specific attributes to bring the ACL to the level management believes is appropriate based on factors that are otherwise unaccounted for in the quantitative process. We determined that performing procedures relating to these components of the Bank's methodology is a critical audit matter.

The principal considerations for our determination are (i) the application of significant judgment and estimation on the part of management, which in turn led to a high degree of auditor judgment and subjectivity in performing procedures and evaluating audit evidence obtained, and (ii) significant audit effort was necessary in evaluating management's methodology, significant assumptions and calculations.

How the Critical Audit Matter was addressed in the Audit

Following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of internal controls related to the Bank's measurement of the collectively evaluated ACL, including controls over the:

- Segmentation of loans into pools with similar risk characteristics
- Role of peer loss data and the appropriate peer group
- Completeness and accuracy of loan data
- Evaluation of modeling assumptions including the economic factors indicative of expected losses, length of the forecast period, and expected term of loans
- Development of qualitative adjustments to model results

In addition to the test of controls, addressing the above matters involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, reviewing the Bank's procedures to validate the model, testing assumptions used in the calculation of discounted cash flows, testing management's process for determining the qualitative reserve component, and testing the completeness and accuracy of data used in the model.

Wolf & Company, P.C.

Boston, Massachusetts
March 4, 2026

We have served as the Bank's auditor since 1993.

CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31,	
	2024	2025
	(In Thousands, Except Share Amounts)	
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
Equity 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 and \$28,555 at December 31, 2024 and 2025, respectively	3,873,662	3,899,008
Foreclosed assets	—	—
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

Deposits:		
Interest-bearing	\$ 2,094,626	\$ 2,080,661
Non-interest-bearing	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
Commitments and contingencies (Note 10)		
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 and 2,182,250 shares issued and outstanding at December 31, 2024 and 2025, respectively	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

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF NET INCOME

	Years Ended December 31,		
	2023	2024	2025
	(In Thousands, Except Per Share Amounts)		
Interest and dividend income:			
Loans	\$ 156,681	\$ 177,607	\$ 187,352
Debt securities	131	325	392
Equity securities	4,412	6,075	5,756
Federal Reserve and other short-term investments	13,038	11,889	13,333
Total interest and dividend income	174,262	195,896	206,833
Interest expense:			
Deposits	71,429	85,176	70,579
Federal Home Loan Bank and Federal Reserve Bank advances	54,531	66,346	61,848
Total interest expense	125,960	151,522	132,427
Net interest income	48,302	44,374	74,406
Provision for credit losses	1,118	328	1,575
Net interest income, after provision for credit losses	47,184	44,046	72,831
Other income:			
Customer service fees on deposits	550	546	581
Increase in cash surrender value of bank-owned life insurance	330	338	338
Gain on equity securities, net	15,147	20,379	28,781
Gain on disposal of fixed assets	44	—	—
Miscellaneous	232	216	248
Total other income	16,303	21,479	29,948
Operating expenses:			
Salaries and employee benefits	16,413	16,910	17,791
Occupancy and equipment	1,628	1,659	1,745
Data processing	2,874	3,026	3,149
Deposit insurance	2,701	3,096	2,844
Marketing	769	570	622
Foreclosure and related	—	71	66
Other general and administrative	3,872	3,678	3,782
Total operating expenses	28,257	29,010	29,999
Income before income taxes	35,230	36,515	72,780
Income tax provision	8,859	8,324	18,229
Net income	\$ 26,371	\$ 28,191	\$ 54,551
Earnings per share:			
Basic	\$ 12.26	\$ 12.95	\$ 25.01
Diluted	\$ 12.02	\$ 12.85	\$ 24.76

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2023	2024	2025
	(In Thousands, Except Per Share Amounts)		
Net Income	\$ 26,371	\$ 28,191	\$ 54,551
Other comprehensive income (loss), net of tax			
Net change in fair value of cash flow hedges	—	—	(8)
Total other comprehensive income (loss), net of tax	—	—	(8)
Comprehensive income	\$ 26,371	\$ 28,191	\$ 54,543

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Years Ended December 31, 2023, 2024 and 2025				
	Common Stock	Additional Paid-in Capital	Undivided Profits	Comprehensive Income (Loss)	Total Stockholders' Equity
	(In Thousands)				
Balance at December 31, 2022	\$ 2,147	\$ 13,061	\$ 370,758	\$ —	\$ 385,966
Comprehensive income	—	—	26,371	—	26,371
Cumulative effect of accounting changes (Note 1)	—	—	(392)	—	(392)
Share-based compensation expense	—	40	—	—	40
Stock options exercised	15	1,049	—	—	1,064
Cash dividends declared-common (\$2.52 per share)	—	—	(5,429)	—	(5,429)
Balance at December 31, 2023	2,162	14,150	391,308	—	407,620
Comprehensive income	—	—	28,191	—	28,191
Share-based compensation expense	—	173	—	—	173
Stock options exercised	18	1,248	—	—	1,266
Cash dividends declared-common (\$2.52 per share)	—	—	(5,495)	—	(5,495)
Balance at December 31, 2024	\$ 2,180	\$ 15,571	\$ 414,004	\$ —	\$ 431,755
Net income	—	—	54,551	—	54,551
Share-based compensation expense	—	191	—	—	191
Stock options exercised	2	242	—	—	244
Other comprehensive loss	—	—	—	(8)	(8)
Cash dividends declared-common (\$3.22 per share)	—	—	(7,025)	—	(7,025)
Balance at December 31, 2025	\$ 2,182	\$ 16,004	\$ 461,530	\$ (8)	\$ 479,708

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2023	2024	2025
	(In Thousands)		
Cash flows from operating activities:			
Net income	\$ 26,371	\$ 28,191	\$ 54,551
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	1,118	328	1,575
Amortization of securities premium, net	—	—	(2)
Amortization of deferred loan origination costs, net	328	34	152
Share-based compensation expense	40	173	191
Derivative purchase premium	—	—	(50)
Derivative purchase amortization	—	—	1
Depreciation and amortization of premises and equipment	685	750	752
Increase in cash surrender value of bank-owned life insurance	(330)	(338)	(338)
Deferred income tax provision	3,240	4,761	5,711
Gain on equity securities, net	(15,147)	(20,379)	(28,781)
Gain on disposal of fixed assets	(44)	—	—
Gain on sale of foreclosed assets	(85)	—	—
Changes in:			
Accrued interest receivable and other assets	(3,276)	1,683	(2,898)
Accrued interest payable and other liabilities	6,854	(3,310)	4,928
Net cash provided by operating activities	19,754	11,893	35,792
Cash flows from investing activities:			
Activity in equity securities:			
Proceeds from sales	1,434	1,048	179
Purchases	(2,893)	(14,211)	(8,398)
Activity in held to maturity securities:			
Purchases	—	(2,993)	(1,004)
Loans originated, net of principal payments received	(258,743)	40,220	(27,073)
Proceeds from redemption of Federal Home Loan Bank stock	80,856	62,283	16,911
Purchase of Federal Home Loan Bank stock	(97,824)	(53,731)	(17,876)
Proceeds from disposal of fixed assets	1,509	—	—
Proceeds from sale of foreclosed assets	375	—	—
Additions to premises and equipment	(1,299)	(139)	(266)
Net cash provided by (used in) investing activities	(276,585)	32,477	(37,527)

(continued)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(concluded)

	Years Ended December 31,		
	2023	2024	2025
	(In Thousands)		
Cash flows from financing activities:			
Increase (decrease) in deposits	(155,312)	142,118	56,222
Net increase in mortgagors' escrow accounts	1,619	2,757	1,728
Proceeds from stock options exercised	1,064	1,266	244
Cash dividends paid on common stock	(6,771)	(5,483)	(5,496)
Net change in Federal Home Loan Bank advances with maturities of three months or less	(968,000)	(163,000)	(55,000)
Proceeds from Federal Home Loan Bank advances with maturities of more than three months	2,894,675	1,368,000	685,815
Repayments of Federal Home Loan Bank advances with maturities of more than three months	<u>(1,510,000)</u>	<u>(1,400,675)</u>	<u>(664,000)</u>
Net cash provided by financing activities	<u>257,275</u>	<u>(55,017)</u>	<u>19,513</u>
Net change in cash and cash equivalents	444	(10,647)	17,778
Cash and cash equivalents at beginning of year	<u>362,033</u>	<u>362,477</u>	<u>351,830</u>
Cash and cash equivalents at end of year	<u>\$ 362,477</u>	<u>\$ 351,830</u>	<u>\$ 369,608</u>
Supplementary information:			
Interest paid on deposit accounts	\$ 66,178	\$ 88,970	\$ 66,882
Interest paid on borrowed funds	52,048	66,569	61,958
Income taxes paid, net of refunds	8,612	625	12,665
Non-cash activities:			
Real estate acquired through foreclosure	\$ 290	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2023, 2024 and 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and consolidation

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”) and include the accounts of Hingham Institution for Savings (the “Bank”) and its wholly-owned subsidiaries, Hingham Unpledged Securities Corporation and Hingham Pledged Securities Corporation, which hold certain marketable equity securities, Tamalpais Holdings I, which holds certain private equity investments, the Hingham Institution for Savings Realty Trusts, which at times holds title to certain properties acquired through foreclosure, and HIFS DMV RE Holdings, which holds title to certain Bank property. All intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

In preparing consolidated financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A material estimate that is susceptible to significant change in the near term relates to the determination of the allowance for credit losses (“ACL”).

Effective January 1, 2023, the Bank adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-13 *“Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.”* This new guidance, also referred to as the current expected credit loss (“CECL”) method, replaced the incurred loss method that was utilized in estimating the Bank’s allowance for loan losses (“ALL”) as of December 31, 2022. Under CECL, the Bank is required to estimate credit losses expected to occur over the life of the financial instrument and to recognize those estimated losses at the time of inception.

The Bank adopted ASU 2016-13 using the modified retrospective method; therefore, results for reporting periods beginning on or after January 1, 2023 are presented in accordance with this new guidance while prior period results are reported in accordance with the previously applicable U.S. GAAP. The Bank adopted ASU 2016-13 on January 1, 2023 and recorded a \$545,000 increase in the Bank’s ALL for outstanding loans and no change in the reserve for losses on unfunded loan commitments, resulting in a total increase in the Bank’s ACL of \$545,000. The transition adjustment, net of related tax effects, was recorded as a cumulative effect from the change in accounting principle and reduced the Bank’s retained earnings by \$392,000. The following table shows the impact of adopting ASU 2016-13.

	January 1, 2023		
	As Reported Under ASU 2016-13	Pre-adoption of ASU 2016-13	Impact of Adoption
	(In Thousands)		
Allowance for credit losses	\$ 25,534	\$ 24,989	\$ 545
Reserve for losses on unfunded loan commitments	—	—	—
Deferred tax asset	4,061	3,908	153
Retained earnings	370,366	370,758	(392)

The amounts presented in the table above reflect changes associated to the Bank’s loan portfolio as of the adoption date. The Bank also held \$3.5 million in held-to-maturity debt securities as of the adoption date which, based upon management’s evaluation, did not require an ACL.

Management also evaluated the Bank’s unfunded commitments, which at the adoption date, included primarily construction loans and commercial real estate lines of credit, and determined, based upon an evaluation of probability of funding and risk of loss, that the required reserve was not material.

Business and operating segments

The Bank provides a variety of financial services to individuals and small businesses through its six offices in Boston and eastern Massachusetts, and its Washington, D.C. and San Francisco offices. Its primary deposit products are savings, checking, and term certificate accounts, and its primary lending products are residential and commercial mortgage loans secured by properties in eastern Massachusetts. The Bank also lends to commercial and residential real estate borrowers and services deposits for customers in the greater Washington, D.C. metropolitan area (“WMA”) and in the San Francisco Bay Area (“SFBA”). While the Bank derives revenue from multiple loan products, and to a lesser extent investments and services, decision-makers manage operations and evaluate financial performance on a Bank-wide basis. Discrete financial information is not available other than on a Bank-wide basis. Accordingly, all of the financial services operations are considered by management to be aggregated in one reportable operating segment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Bank does not derive revenues from, or have assets located in, foreign countries, nor does it derive revenues from any single customer that represents 10% or more of the Bank's total revenue.

Fair value hierarchy

The Bank groups its assets measured at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value, as follows:

Level 1 – Valuation is based on quoted prices in active markets for identical assets. Level 1 assets generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

Level 2 – Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. Level 3 assets include those whose value is determined using unobservable inputs to pricing models, discounted cash flow methodologies, or similar techniques, as well as assets for which the determination of fair value requires significant management judgment or estimation.

Cash and cash equivalents

Cash and cash equivalents include amounts due from banks and short-term investments which mature within 90 days from the date of purchase and are carried at cost. At December 31, 2025, the Bank had a concentration of cash on deposit at the Federal Reserve Bank amounting to \$362.1 million.

Debt securities

Debt securities are classified as either "held to maturity" or "available for sale" in accordance with the FASB Accounting Standards Codification ("ASC") *Topic 320, Investments – Debt Securities*. Debt securities that management has the positive intent and ability to hold to maturity are classified as held to maturity and recorded at amortized cost. Debt securities classified as available for sale are recorded at fair value, with unrealized gains and losses, after tax effects, excluded from earnings and reported in accumulated other comprehensive income (loss) as a separate component of stockholders' equity.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities, with the exception of callable debt securities, whose premiums are amortized to the earliest call date. Gains and losses on disposition of securities available for sale are recorded on the trade date and are determined using the specific identification method.

Equity securities

Equity securities (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are recorded at fair value, with changes in fair value recognized in the Consolidated Statements of Net Income in gain on equity securities, net.

Federal Home Loan Bank stock

The Bank, as a member of the Federal Home Loan Bank system, is required to maintain an investment in the capital stock of the Federal Home Loan Bank of Boston ("FHLB"). Based on redemption provisions of the FHLB, the stock has no quoted market value and is carried at cost. At its discretion, the FHLB may declare dividends on the stock. The Bank reviews for impairment based on the ultimate recoverability of the cost basis in the FHLB stock. As of December 31, 2025, no impairment has been recognized.

Loans

The Bank's loan portfolio includes residential real estate, commercial real estate, construction, home equity, commercial and consumer segments. A substantial portion of the loan portfolio is secured by real estate in the eastern Massachusetts area. The Bank also lends to commercial real estate borrowers in the greater WMA and in the SFBA. At December 31, 2024, the Bank had an aggregate \$1.340 billion in net loans outstanding in these areas, as compared to an aggregate \$1.433 billion at December 31, 2025. The ability of the Bank's debtors to honor their contracts is dependent upon real estate, construction, and general economic conditions in these markets.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at the amount of their outstanding principal, including deferred loan origination fees and costs, reduced by unearned discounts, and the ACL. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued interest is presented separately in the Consolidated Balance Sheets. The accrual of interest on mortgage and commercial loans is discontinued at the time a loan is 90 days past due (the loan is in default) unless the credit is well-secured and in the process of collection. Personal loans are typically charged off no later than becoming 180 days past due. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for credit losses

The Bank's ACL is established through a provision for credit losses charged against income. All, or portions of, loans deemed to be uncollectible are charged against the ACL when the Bank believes that collectability of all, or some portion of, outstanding principal is unlikely. Subsequent recoveries, if any, of loans previously charged off are credited to the ACL when collected.

Losses on loan receivables are estimated and recognized upon origination of the loan, based on expected credit losses for the life of the loan balance as of the period end date. The ACL is evaluated quarterly by management and is maintained at a level the Bank believes will be adequate to absorb expected credit losses in future periods associated with its loan portfolio and unfunded loan commitments as of the period end date. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. The Bank's CECL methodology consists of quantitative and qualitative components, as described below. This methodology applies to the Bank's real estate loan portfolio, which at December 31, 2025, comprised virtually 100% of the Bank's loan portfolio. Consumer and commercial loans that are not secured by real estate are evaluated qualitatively.

For the quantitative component, the Bank uses an undiscounted cash flow probability-of-default ("PD") / loss-given-default ("LGD") method, forecasted based on statistically derived economic variable loss drivers and using a single forward-looking macroeconomic forecast (national unemployment rate). Given the minimal level of loan losses experienced by the Bank over recent decades, the Bank uses statistical data derived from a large group of community banks' loss experience ("Index"), which incorporates a combination of recessionary and non-recessionary performance periods for which data is available. This process includes estimates which involve projecting loan prepayments, PD and LGD throughout the life of the loan. The PD component is driven by the Call Report code and risk rating of the loan (Pass, Watch, Special Mention or Substandard), while the LGD component is driven by the Call Report code. The reasonable and supportable forecast period is determined based upon the reasonableness and level of national unemployment rate forecast estimates. For periods beyond a reasonable and supportable forecast time frame, the Bank reverts to historical information over a period for which comparable data is available. In determining the ACL, the Bank utilizes a reasonable and supportable forecast period which, as of December 31, 2025, was two years followed by a one year mean reversion period. These assumptions are reviewed periodically to determine whether they remain appropriate.

For the qualitative component, management performs an assessment beyond model estimates, and applies qualitative adjustments as deemed necessary. The qualitative components of the ACL consider (i) the Bank's idiosyncratic lending program attributes to which management ascribe the Bank's lower historical losses versus the Index and the industry during periods of stress, such as sponsor/borrower quality, collateral valuation approach and loan-to-value, loan structure (contractual provisions, recourse to borrower) and collection process, among others; (ii) the uncertainty of forward-looking scenarios; (iii) certain portfolio characteristics, such as portfolio growth, concentrations of credit and delinquencies; (iv) national and local economic and industry conditions which may affect borrowers' ability to pay and/or real estate values and (v) model limitations; among others.

The Bank segments its loan receivable population into homogeneous pools of loans which share similar risk characteristics. When a loan no longer meets the criteria of its initial pooling as a result of credit deterioration or other changes, the Bank may evaluate the credit for estimated losses on an individual basis. For loans with real estate collateral, when management determines that foreclosure is probable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. While an individual assessment and related ACL may be calculated for non-performing loans, no portion of the Bank's ACL is restricted to any individual loan or group of loans, and the entire ACL is available to absorb losses from any and all loans, including unfunded loan commitments.

Residential real estate – The Bank generally does not originate loans with a loan-to-value ratio greater than 80% (without private mortgage insurance). All loans in this segment are collateralized by residential real estate that is owner-occupied at the time of origination and repayment is dependent on the credit quality of the individual borrower. The overall health of the economy, including unemployment rates and housing prices, will have an effect on the credit quality in this segment. The Bank offers these loans in Massachusetts, the WMA and the SFBA.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Commercial real estate – Loans in this segment are primarily secured by income-producing properties throughout Massachusetts, the WMA and the SFBA. Underwriting and portfolio management policies are the same across all markets. Loan amounts do not exceed the lesser of 75% of the Bank’s internal estimate of value or the appraised value of the collateral. The underlying cash flows generated by the properties could be adversely impacted by a downturn in the economy leading to increased vacancy rates which, in turn, would have an effect on the credit quality in this segment. Management obtains rent rolls annually and regularly monitors the cash flows of these loans.

Construction – Loans in this segment include both owner-occupied and speculative real estate development loans for which payment is derived from sale of the property. Credit risk could be affected by cost overruns, time to sell at an adequate price, the overall health of the economy and market conditions. The Bank only originates these loans in Massachusetts and in the WMA.

Home equity – Loans in this segment include equity lines of credit and second mortgage loans, and are generally collateralized by second liens on residential real estate. Repayment is dependent on the credit quality of the individual borrower. The Bank generally does not originate loans with combined loan-to-value ratios greater than 70% when taking into account both the balance of the home equity loans and the first mortgage loan. Similar to residential real estate, the overall health of the economy, including unemployment rates and housing prices, will have an effect on the credit quality in this segment. The Bank only originates these loans in Massachusetts, the WMA and the SFBA. The Bank generally will not originate these loans unless it holds the senior lien position on the collateral property.

Commercial – Loans in this segment are made to businesses and are generally secured by assets of the business. Repayment is expected from the cash flows of the business. A weakened economy, and resultant decreased consumer spending, will have an effect on the credit quality in this segment. These loans are not a focus of the Bank’s origination program.

Consumer – Loans in this segment are generally unsecured lines of credit and repayment is dependent on the credit quality of the individual borrower. The Bank is no longer offering these loans.

The Bank has elected not to measure an ACL on accrued interest and continue to write off uncollectible accrued interest receivable in a timely manner.

Reserve for Unfunded Commitments

The expected credit losses for unfunded commitments are measured over the contractual period of the Bank’s exposure to credit risk. The estimate of credit loss incorporates assumptions for both the likelihood and amount of funding over the estimated life of the commitments, for the risk of loss, and current conditions and expectations. Management periodically reviews and updates the assumptions.

Leases

In accordance with ASC *Topic 842, Leases*, the Bank records operating lease right-of-use (“ROU”) assets and operating lease liabilities relating to operating leases for some of its banking offices. These lease agreements have lease and non-lease components, which are generally accounted for separately. The Bank did not elect the practical expedient to account for lease and non-lease components as one lease component.

ROU assets represent the Bank’s right to use an underlying asset for the lease term and lease liabilities represent the Bank’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Bank’s leases do not provide an implicit rate, the Bank uses the Bank’s incremental borrowing rate, which is generally the FHLB classic advance rate, based on the information available at commencement date in determining the present value of lease payments. The Bank will use the implicit rate when readily determinable. The Bank’s lease terms may include options to extend when it is reasonably certain that the Bank will exercise that option. The ROU asset is included in other assets and the operating lease liability is included in other liabilities on the Bank’s Consolidated Balance Sheets. For operating leases, lease expense is recognized on a straight-line basis over the lease term.

Foreclosed assets

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value, less costs to sell, at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less costs to sell. Revenue and expenses from operations, changes in the valuation allowance and any direct write-downs are included in foreclosure and related expenses. At both December 31, 2024 and 2025, the Bank did not hold any foreclosed property and at December 31, 2025, there were no properties in the process of foreclosure.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bank-owned life insurance

Bank-owned life insurance policies are reflected on the Consolidated Balance Sheets at cash surrender value. Changes in cash surrender value, as well as insurance proceeds received in excess of the cash surrender value, are reflected in other income in the Consolidated Statements of Net Income and are not subject to income taxes.

Premises and equipment

Land is carried at cost. Buildings, land improvements, leasehold improvements and equipment are carried at cost, less accumulated depreciation and amortization computed on the straight-line method over the estimated useful lives of the assets or the expected terms of the leases if shorter. Expected terms include lease option periods to the extent that the exercise of such options is reasonably assured. It is general practice to charge the cost of maintenance and repairs to earnings when incurred; major expenditures for betterments are capitalized and depreciated.

Marketing costs

Marketing costs are expensed as incurred.

Transfers of financial assets

Transfers of an entire financial asset, a group of entire financial assets, or a participating interest in an entire financial asset are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets.

Derivatives

Derivatives are recognized as either assets or liabilities and are measured at fair value. Derivative assets are included in other assets and derivative liabilities are included in other liabilities in the Consolidated Balance Sheets. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and resulting designation:

Cash Flow Hedges – For derivatives designated as cash flow hedges, the changes in the fair value are recorded in other comprehensive income (loss), net of income tax, and subsequently reclassified to earnings when gains or losses are realized. When a cash flow hedge is discontinued, but the hedged cash flows or forecasted transaction is still expected to occur, changes in value that were accumulated in other comprehensive income (loss) are amortized or accreted into earnings over the same periods that the hedged transactions will affect earnings.

Fair Value Hedges – For derivatives designated as fair value hedges, the hedged item is measured at fair value through a basis adjustment recognized on the balance sheet. The changes in fair value of derivatives designated as fair value hedges, as well as the offsetting changes in fair value of the hedged item are recognized in earnings. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability. The Bank did not have any fair value hedges at December 31, 2025 and 2024.

For derivatives not designated as hedges, changes in fair value of the derivative instruments are recognized in earnings, in noninterest income. The Bank did not have any derivatives not designated as hedges at December 31, 2025 and 2024.

Net accrued interest receivable or payable on derivatives that qualify for hedge accounting are recorded in interest income or interest expense based on the item being hedged. Net accrued interest receivable or payable on derivatives that do not qualify for hedge accounting are reported in noninterest income.

Income taxes

Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between the book and tax bases of the various balance sheet assets and liabilities and gives current recognition to changes in tax rates and laws in the period of enactment. A valuation allowance is established against deferred tax assets when, based upon the available evidence, including historical and projected taxable income, it is more likely than not that some or all of the deferred tax assets will not be realized. The Bank has no uncertain tax positions at December 31, 2024 or 2025. The Bank records interest and penalties as part of income tax expense. No interest or penalties were recorded for the years ended December 31, 2023 and 2025. In the year ended December 31, 2024, the Bank paid interest totaling \$42,000 related to state tax filings.

Stock compensation plans

The Bank measures and recognizes compensation cost relating to share-based payment transactions based on the grant-date fair value of the equity instruments issued. Share-based compensation is recognized over the period the employee is required to provide services for the award. The Bank uses the Black-Scholes option-pricing model to determine the fair value of stock options granted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Earnings per share

Basic earnings per share represent net income divided by the weighted-average number of shares outstanding during the period. Diluted earnings per share reflect additional shares that would have been outstanding if dilutive potential shares had been issued, as well as any adjustments to net income that would result from the assumed issuance. Potential shares that may be issued by the Bank relate solely to outstanding stock options and are determined using the treasury stock method. The amount of excess tax benefit assuming exercise of the options is not considered in the proceeds when applying the treasury stock method. Earnings per share have been computed based on the following:

	Years Ended December 31,		
	2023	2024	2025
Average number of shares outstanding used to calculate basic earnings per share	2,151	2,177	2,181
Effect of dilutive options	42	17	22
Average number of shares outstanding used to calculate diluted earnings per share	<u>2,193</u>	<u>2,194</u>	<u>2,203</u>

For both the years ended December 31, 2025 and 2024, there were 1,000 anti-dilutive options outstanding, as compared to 6,000 for the year ended December 31, 2023.

Comprehensive Income (Loss)

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Comprehensive income (loss) is defined as all changes in equity, except for those resulting from transactions with shareholders. Net income is a component of comprehensive income (loss). All other components are referred to in the aggregate as other comprehensive income (loss). Other comprehensive income (loss) includes the after-tax effect of net changes in the fair value of cash flow hedges. The income tax effects associated with these items are also released to net income in the period of the reclassification.

Accounting Standards Issued But Yet Not Adopted

In December 2025, the FASB issued ASU 2025-11 "*Interim Reporting (Topic 270): Narrow-Scope Improvements*" to improve the clarity and consistency of interim financial reporting. The update reorganizes the existing guidance in ASC 270 and introduces a disclosure principle that requires an entity to provide information about significant events or transactions that have occurred since the end of the most recent annual reporting period and have a material impact on the entity. This ASU is effective for public business entities for interim periods within fiscal years beginning after December 15, 2027 (e.g., January 1, 2028, for the Bank), with early adoption permitted. As this ASU is focused on disclosure and presentation, its adoption is not expected to have a material impact on the Bank's consolidated financial position or results of operations.

In January 2025, the FASB issued ASU 2025-01, "*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*", to refine the transition timeline for new disclosure requirements regarding the disaggregation of certain expense categories originally included in FASB ASU 2024-03, "*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*". The underlying guidance requires public business entities to disclose, in a tabular format, specific natural expense categories – such as employee compensation, depreciation, and amortization – that are included in relevant functional line items on the income statement. This ASU is effective for the Bank for annual reporting periods beginning after December 15, 2026 (e.g., January 1, 2027, for the Bank), and for interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Bank may apply the amendments either prospectively or retrospectively to all periods presented. As this ASU is focused on disclosure and presentation, its adoption is not expected to have a material impact on the Bank's consolidated financial position or results of operations; however, it may impact footnote disclosures related to the Bank's non-interest expenses.

2. SECURITIES

Securities held to maturity

At December 31, 2024 and 2025, securities held to maturity totaled \$6.5 million and \$7.5 million, respectively. These investments consist entirely of debt instruments issued by other banks and bank holding companies, including an issuer in which the Bank also holds a common equity investment. These notes are typically fixed or fixed-to-floating rate and some have call features. At December 31, 2024, \$1.0 million were callable by the issuer quarterly, \$3.5 million were callable by the issuer quarterly beginning in May 2026, and \$2.0 million were callable by the issuer semi-annually beginning in December 2026. At December 31, 2025, \$2.0 million were callable by the issuer quarterly, \$3.5 million were callable by the issuer quarterly beginning in May 2026, and \$2.0 million were callable by the issuer semi-annually beginning in December 2026. There was no impairment recorded during the years ended December 31, 2024 and 2025.

Securities available for sale

At December 31, 2024 and 2025, there are no securities available for sale outstanding. There were no sales of securities available for sale during the years ended December 31, 2023, 2024 and 2025.

Equity securities

At December 31, 2024 and 2025, equity securities include a \$8.8 million and \$9.0 million investment in the Community Reinvestment Act Qualified Investment Fund, respectively, and \$104.6 million and \$141.3 million of investments in marketable common equity securities, respectively.

For the years ended December 31, 2023, 2024 and 2025, proceeds from sales of equity securities amounted to \$1.4 million, \$1.0 million and \$179,000, respectively. Unrealized gains recognized during the year ended December 31, 2023, on equities still held at December 31, 2023, totaled \$15.3 million. Unrealized gains recognized during the year ended December 31, 2024, on equities still held at December 31, 2024, totaled \$20.3 million. Unrealized gains recognized during the year ended December 31, 2025, on equities still held at December 31, 2025, totaled \$28.8 million.

3. LOANS

Loans by category

A summary of the balances of loans follows:

	December 31, 2024	December 31, 2025
	(In Thousands)	
Real estate loans:		
Residential	\$ 458,415	\$ 435,741
Commercial	3,232,099	3,304,882
Construction	184,717	156,430
Home equity	24,926	29,808
Total real estate loans	<u>3,900,157</u>	<u>3,926,861</u>
Other loans:		
Commercial	26	30
Consumer	459	672
Total other loans	<u>485</u>	<u>702</u>
Total loans	<u>3,900,642</u>	<u>3,927,563</u>
Allowance for credit losses	<u>(26,980)</u>	<u>(28,555)</u>
Loans, net	<u>\$ 3,873,662</u>	<u>\$ 3,899,008</u>

At both December 31, 2024 and 2025, loans included net deferred loan costs of \$2.0 million.

3. LOANS (continued)

Allowance for Credit Losses

Activity in the allowance for credit losses, by segment, for the year ended December 31, 2024 and 2025 follows:

	<u>Residential Real Estate</u>	<u>Commercial Real Estate</u>	<u>Construction</u>	<u>Home Equity</u>	<u>Commercial</u>	<u>Consumer</u>	<u>Total</u>
	(In Thousands)						
Allowance for credit losses:							
Balance December 31, 2023	\$ 2,182	\$ 18,865	\$ 5,246	\$ 354	\$ 1	\$ 4	\$ 26,652
Provision for (release-of) credit losses	107	1,957	(1,818)	82	(1)	1	328
Loans charged-off	—	—	—	—	—	—	—
Recoveries of loans previously charged-off	—	—	—	—	—	—	—
Balance December 31, 2024	<u>2,289</u>	<u>20,822</u>	<u>3,428</u>	<u>436</u>	<u>—</u>	<u>5</u>	<u>26,980</u>
Provision for (release-of) credit losses	186	1,580	(289)	101	—	(3)	1,575
Loans charged-off	—	—	—	—	—	—	—
Recoveries of loans previously charged-off	—	—	—	—	—	—	—
Balance December 31, 2025	<u>\$ 2,475</u>	<u>\$ 22,402</u>	<u>\$ 3,139</u>	<u>\$ 537</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ 28,555</u>

The Bank evaluated the unfunded commitments as of December 31, 2024 and 2025 and determined the amount required was not material.

Delinquencies

The following is a summary of past due loans at December 31, 2024 and 2025:

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>90 Days or More Past Due ⁽¹⁾</u>	<u>Total Past Due</u>	<u>Current ⁽²⁾</u>	<u>Total</u>
	(In Thousands)					
December 31, 2024						
Residential real estate	\$ 4,574	\$ 142	\$ 311	\$ 5,027	\$ 453,388	\$ 458,415
Commercial real estate	567	—	—	567	3,231,532	3,232,099
Construction	—	—	—	—	184,717	184,717
Home equity	471	—	597	1,068	23,858	24,926
Consumer	—	—	—	—	459	459
Commercial	—	—	—	—	26	26
Total loans	<u>\$ 5,612</u>	<u>\$ 142</u>	<u>\$ 908</u>	<u>\$ 6,662</u>	<u>\$ 3,893,980</u>	<u>\$ 3,900,642</u>
December 31, 2025						
Residential real estate	\$ 627	\$ 182	\$ —	\$ 809	\$ 434,932	\$ 435,741
Commercial real estate	1,528	—	30,638	32,166	3,272,716	3,304,882
Construction	—	—	—	—	156,430	156,430
Home equity	79	—	584	663	29,145	29,808
Consumer	—	—	—	—	672	672
Commercial	—	—	—	—	30	30
Total loans	<u>\$ 2,234</u>	<u>\$ 182</u>	<u>\$ 31,222</u>	<u>\$ 33,638</u>	<u>\$ 3,893,925</u>	<u>\$ 3,927,563</u>

(1) All loans greater than 90 days past due were on nonaccrual status at December 31, 2024 and 2025.

(2) There were no current loans on nonaccrual at December 31, 2025. Includes \$516,000 of non accrual loans at December 31, 2024.

3. LOANS (continued)

Nonaccrual loans

The following is information pertaining to non-accrual loans at December 31, 2024 and 2025:

	As of December 31, 2024		As of December 31, 2025	
	Nonaccrual Loans With No ACL	Total Nonaccrual Loans	Nonaccrual Loans With No ACL	Total Nonaccrual Loans
	(In Thousands)			
Residential real estate	\$ 924	\$ 924	\$ —	\$ —
Commercial real estate	—	—	30,638	30,638
Home equity	597	597	584	584
Total loans	\$ 1,521	\$ 1,521	\$ 31,222	\$ 31,222

Nonaccrual loans at December 31, 2025 include a \$30.6 million commercial real estate loan secured by an entitled development site for a significant multifamily development in Washington, D.C. Certain performance obligations, including but not limited to the payment of real estate taxes, are unconditionally guaranteed by a large publicly traded national homebuilder as well as an affordable housing developer headquartered in New York City. These parties have also conditionally guaranteed payment with respect to losses suffered in the event of certain triggers, although they did not fully guarantee all payments unconditionally. The Bank has not yet initiated any litigation with respect to the conditional guarantee, as it would first require the realization of loss, if any. The Bank reversed \$186,000 in uncollected interest at the time this loan was placed on nonaccrual.

No additional funds are committed to be advanced in connection with nonaccrual loans. Interest income on nonaccrual loans as of December 31, 2025, 2024 and 2023 is recognized on a cash basis when and if actually collected. Total interest income recognized on nonaccrual loans for the year ended December 31, 2025 was not material.

Credit Quality Indicators

The Bank uses a seven-grade internal rating system for residential real estate, commercial real estate, construction and commercial loans as follows:

Loans rated 1-3B: Loans in this category are considered “pass” rated with low to average risk.

Loans rated 4: Loans in this category are considered “special mention.” These loans are currently protected, but exhibit conditions that have the potential for weakness. The borrower may be affected by unfavorable economic, market or other external conditions that may affect their ability to repay the debt. These may also include credits where there is deterioration of the collateral or have deficiencies which may affect our ability to collect on the collateral. This rating is consistent with the “Other Assets Especially Mentioned” category used by the Federal Deposit Insurance Corporation (“FDIC”).

Loans rated 5: Loans in this category are considered “substandard.” Generally, a loan is considered substandard if it is inadequately protected by the current net worth and paying capacity of the obligors and/or the collateral pledged. There is a distinct possibility that the Bank will sustain some loss if the weakness is not corrected.

Loans rated 6: Loans in this category are considered “doubtful.” Loans classified as doubtful have all the weaknesses inherent in those classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, highly questionable and improbable.

Loans rated 7: Loans in this category are considered uncollectible (“loss”) and of such little value that their continuance as loans is not warranted.

Commercial real estate loans are assigned an initial risk rating by the Bank at the origination of the loan. Subsequently, the Bank has a quality control program performed by an independent third party. Quarterly, all new commercial real estate, construction and residential real estate loan relationships with outstanding balances or commitments of \$500,000 or more are reviewed and assigned a risk rating. Loans in the Bank’s watchlist are reviewed quarterly and an in-depth review is performed twice a year on all commercial real estate relationships (and related residential loans) with exposure in excess of \$850,000. Commercial real estate relationships (and related residential loans) with exposure between \$500,000 and \$850,000 are reviewed at least annually. Watchlist loans are those loans that are more than two payments past due at the end of the quarter, loans for which the borrowing entity or sponsor has filed bankruptcy, loans rated four or higher in a previous review, impaired loans, loan modifications made to borrowers experiencing financial difficulty, and loans past contractual maturity. Results of the independent loan review are reported to the Bank’s Audit Committee on a quarterly basis and become the mechanism for monitoring the overall credit quality of the portfolio.

3. LOANS (continued)

The following table presents the Bank's loans by risk rating as of December 31, 2024 and 2025:

As of December 31, 2024									
Term loans amortized cost basis by origination year									
Rating	2024	2023	2022	2021	2020	Prior	Revolving loans	Revolving loans converted to term	Total
(In Thousands)									
Residential Real Estate:									
1- 3B	\$ 14,214	\$ 27,000	\$ 37,473	\$ 71,766	\$ 57,893	\$ 248,223	\$ —	\$ —	\$ 456,569
4	—	—	—	—	—	1,846	—	—	1,846
5	—	—	—	—	—	—	—	—	—
Total	\$ 14,214	\$ 27,000	\$ 37,473	\$ 71,766	\$ 57,893	\$ 250,069	\$ —	\$ —	\$ 458,415
Commercial Real Estate:									
1- 3B	\$ 170,555	\$ 256,306	\$ 939,948	\$ 826,970	\$ 450,050	\$ 538,950	\$ 49,320	\$ —	\$ 3,232,099
4	—	—	—	—	—	—	—	—	—
5	—	—	—	—	—	—	—	—	—
Total	\$ 170,555	\$ 256,306	\$ 939,948	\$ 826,970	\$ 450,050	\$ 538,950	\$ 49,320	\$ —	\$ 3,232,099
Construction:									
1- 3B	\$ 51,843	\$ 55,269	\$ 77,605	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 184,717
4	—	—	—	—	—	—	—	—	—
5	—	—	—	—	—	—	—	—	—
Total	\$ 51,843	\$ 55,269	\$ 77,605	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 184,717
As of December 31, 2025									
Term loans amortized cost basis by origination year									
Rating	2025	2024	2023	2022	2021	Prior	Revolving loans	Revolving loans converted to term	Total
(In Thousands)									
Residential Real Estate:									
1- 3B	\$ 26,947	\$ 17,916	\$ 21,224	\$ 33,519	\$ 64,778	\$ 271,246	\$ —	\$ —	\$ 435,630
4	—	—	—	—	—	111	—	—	111
5	—	—	—	—	—	—	—	—	—
Total	\$ 26,947	\$ 17,916	\$ 21,224	\$ 33,519	\$ 64,778	\$ 271,357	\$ —	\$ —	\$ 435,741
Commercial Real Estate:									
1- 3B	\$ 258,586	\$ 168,454	\$ 247,143	\$ 994,103	\$ 730,636	\$ 813,586	\$ 53,267	\$ —	\$ 3,265,775
4	—	—	—	—	—	8,469	—	—	8,469
5	—	—	—	—	30,638	—	—	—	30,638
Total	\$ 258,586	\$ 168,454	\$ 247,143	\$ 994,103	\$ 761,274	\$ 822,055	\$ 53,267	\$ —	\$ 3,304,882
Construction:									
1- 3B	\$ 69,012	\$ 48,417	\$ 22,840	\$ 12,503	\$ —	\$ —	\$ —	\$ —	\$ 152,772
4	—	—	3,658	—	—	—	—	—	3,658
5	—	—	—	—	—	—	—	—	—
Total	\$ 69,012	\$ 48,417	\$ 26,498	\$ 12,503	\$ —	\$ —	\$ —	\$ —	\$ 156,430

3. LOANS (concluded)

Residential real estate loans are rated 1-3B at origination with subsequent adjustments based on delinquency or upon review if included in the scope of the Bank's loan review process described above. For home equity, consumer and commercial loans, management uses delinquency reports as the key credit quality indicator.

The Bank did not record any charge-offs in the years ended December 31, 2024 or 2025.

Loan Modifications

In the course of resolving non-performing loans or loans to borrowers experiencing financial difficulty, the Bank may choose to modify the contractual terms of certain loans, with terms modified to fit the ability of the borrower to repay in line with its current financial status. There were no modifications to borrowers experiencing financial difficulty during the years ended December 2024 or 2025.

4. FORECLOSED ASSETS

At December 31, 2024 and 2025, the Bank did not hold any foreclosed assets.

Expenses applicable to foreclosed assets include the following:

	Years Ended December 31,		
	2023	2024	2025
		(In Thousands)	
Net gain on sales of foreclosed assets	\$ (85)	\$ —	\$ —
Write-downs of foreclosed assets	—	—	—
Foreclosure and operating expenses, net of rental income	85	71	66
Foreclosure and related expense	\$ —	\$ 71	\$ 66

5. PREMISES AND EQUIPMENT

A summary of the cost and accumulated depreciation and amortization of premises and equipment follows:

	December 31,		Estimated Useful Life
	2024	2025	
	(In Thousands)		
Land	\$ 4,634	\$ 4,634	N/A
Buildings	18,196	18,309	3-40 years
Leasehold improvements	921	921	10 years
Land improvements	240	240	3-15 years
Equipment	5,891	6,043	3-25 years
	29,882	30,147	
Less accumulated depreciation and amortization	(13,485)	(14,236)	
	\$ 16,397	\$ 15,911	

Depreciation and amortization expense for the years ended December 31, 2023, 2024 and 2025 amounted to \$685,000, \$750,000 and \$752,000, respectively.

6. LEASES

At December 31, 2025, the ROU asset and the corresponding operating lease liability were both \$1.2 million, as compared to \$724,000 and \$741,000, respectively, at December 31, 2024. Operating lease expense for the years ended December 31, 2023, 2024 and 2025 was \$244,000, \$247,000 and \$272,000, respectively. In 2025, the Bank extended the lease for its Boston branch and re-measured the ROU asset and corresponding operating lease liability.

The initial term of these lease agreements is five years, and the agreements typically contain up to three extension options for subsequent five year terms. Management considered options that have been exercised or are reasonably certain to be exercised in the recognition of the operating lease ROU asset.

6. LEASES (concluded)

The weighted average discount rate for operating leases as of December 31, 2024 and 2025 was 4.0% and 4.1%, respectively. The weighted average remaining lease term for operating leases as of December 31, 2024 and 2025 is 4.0 years and 4.7 years, respectively.

The maturities of lease liabilities are as follows at December 31, 2025:

<u>Years</u>	<u>Amount</u> <u>(In Thousands)</u>
2026	\$ 276
2027	284
2028	293
2029	278
2030	169
Thereafter	<u>44</u>
Total lease payments	1,344
Imputed interest	<u>(127)</u>
Total lease liability	<u>\$ 1,217</u>

At December 31, 2025, the Bank had no commitments related to short-term leases.

7. DEPOSITS

A summary of deposit balances, by type, is as follows:

	<u>December 31,</u>	
	<u>2024</u>	<u>2025</u>
	<u>(In Thousands)</u>	
Regular	\$ 72,928	\$ 70,683
Money market	787,033	781,806
NOW	12,274	25,605
Demand	<u>397,469</u>	<u>467,656</u>
Total non-certificate accounts	<u>1,269,704</u>	<u>1,345,750</u>
Term certificates of less than \$250,000	828,422	808,145
Term certificates of \$250,000 or more	<u>393,969</u>	<u>394,422</u>
Total certificate accounts	<u>1,222,391</u>	<u>1,202,567</u>
Total deposits	<u>\$ 2,492,095</u>	<u>\$ 2,548,317</u>

Included in certificate accounts in the table above are brokered certificates of deposits of \$443.9 million and \$444.4 million at December 31, 2024 and 2025, respectively.

The maturity distribution of term certificates is as follows:

	<u>December 31,</u>			
	<u>2024</u>		<u>2025</u>	
<u>Maturing</u>	<u>Amount</u>	<u>Weighted Average Rate</u>	<u>Amount</u>	<u>Weighted Average Rate</u>
	<u>(Dollars in Thousands)</u>			
Within one year	\$ 1,198,565	4.37 %	\$ 1,184,844	3.81 %
Over 1 to 2 years	18,937	3.17	11,984	3.11
Over 2 to 3 years	4,009	2.03	1,237	2.65
Over 3 to 4 years	427	1.70	372	2.02
Over 4 to 5 years	453	1.84	<u>4,130</u>	<u>2.89</u>
	<u>\$ 1,222,391</u>	4.34 %	<u>\$ 1,202,567</u>	<u>3.80 %</u>

7. DEPOSITS (concluded)

A summary of interest expense on deposits is as follows:

	Years Ended December 31,		
	2023	2024	2025
	(In Thousands)		
Regular	\$ 8	\$ 8	\$ 15
Money market	20,584	26,010	20,890
NOW	2	48	89
Term certificates	50,835	59,110	49,585
Total interest expense on deposits	<u>\$ 71,429</u>	<u>\$ 85,176</u>	<u>\$ 70,579</u>

8. BORROWED FUNDS

Federal Home Loan Bank Advances

A summary of advances from the FHLB follows:

Maturing During the Year Ending December 31,	December 31,			
	2024		2025	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
	(Dollars in Thousands)			
2025	\$ 687,000	4.88 %	\$ —	— %
2026 ⁽¹⁾	25,000	4.09	666,565	4.03
2027	30,000	4.21	41,250	4.05
2028	335,000	3.92	335,000	3.92
2029	375,000	3.83	375,000	3.83
2030	45,000	3.79	45,000	3.79
2035	—	—	1,000	—
	<u>\$ 1,497,000</u>	4.34 %	<u>\$ 1,463,815</u>	3.94 %

(1) Includes \$235.0 million of FHLB advances with original maturity of one year or less at December 31, 2025.

At December 31, 2025, advances totalling \$785.0 million can be called by the FHLB. These are 3-year, 4-year, 5-year, 6-year and 7-year maturity fixed rate advances callable quarterly by the FHLB after an initial lockout period of three months. At both December 31, 2024 and 2025, the Bank had \$30.0 million, \$335.0 million, \$375.0 million and \$45.0 million in HLB-Option Advances outstanding, with original maturities in 2027, 2028, 2029 and 2030, respectively. At December 31, 2025, all these advances were past their lockout periods and were callable by the FHLB in the first quarter of 2026.

All borrowings from the FHLB are secured by a blanket lien on “qualified collateral” defined principally as 77-79% of the market value of first mortgage loans on certain owner-occupied and non-owner-occupied residential property, 71% of the market value of first mortgage loans on certain multifamily residential property and 68% of the market value of certain commercial property. As of December 31, 2025, the Bank can borrow up to approximately \$1.813 billion to meet its borrowing needs, based on the Bank’s available qualified collateral.

Available Lines of Credit

The Bank has an available line of credit with the FHLB at an interest rate that adjusts daily. Borrowings under this line are limited to \$4.6 million at December 31, 2025. No amounts were drawn on the line of credit as of December 31, 2024 or 2025.

Additionally, the Bank has registered with the Federal Reserve Bank of Boston to access the Discount Window. The Bank may access this line by assigning assets as collateral. The Bank has pledged the bulk of its home equity portfolio and certain construction, residential and commercial real estate loans to secure borrowings from the discount window and may increase availability by pledging additional assets. As of December 31, 2025, the Bank can borrow up to approximately \$590.7 million to meet its borrowing needs, based on the Bank’s available qualified collateral.

9. INCOME TAXES

Allocation of federal and state income taxes between current and deferred portions is as follows:

	Years Ended December 31,		
	2023	2024	2025
	(In Thousands)		
Current tax provision:			
Federal	\$ 3,891	\$ 2,249	\$ 8,878
State	1,728	1,314	3,640
	<u>5,619</u>	<u>3,563</u>	<u>12,518</u>
Deferred tax provision (benefit):			
Federal	3,079	4,469	5,505
State	161	292	206
	<u>3,240</u>	<u>4,761</u>	<u>5,711</u>
	<u>\$ 8,859</u>	<u>\$ 8,324</u>	<u>\$ 18,229</u>

The following table presents income taxes paid (net of refunds received) disaggregated by federal and state jurisdictions for the year ended December 31, 2025. Any jurisdiction representing 5% or more of total income taxes paid is separately disclosed.

	2025
	(In Thousands)
U.S. Federal	\$ 8,788
State and local	
Massachusetts	3,417
Other U.S. States	460
Total	<u>\$ 12,665</u>

In 2024, the Bank paid \$625,000 in corporate income taxes net of refunds. This includes net refunds of \$319,000 in federal income taxes and net payments of \$944,000 in state income taxes. In 2023, the Bank paid \$8.6 million in corporate income taxes, including \$6.9 million and \$1.7 million, respectively, in federal and state income taxes.

The following table reconciles the U.S. federal statutory income tax rate to the Bank's effective income tax rate for the year ended December 31, 2025:

	2025		
	(Dollars In Thousands)		
Statutory provision, at 21%	\$ 15,284	21.0	%
Increase (decrease) resulting from:			
State taxes, net of federal tax benefit	3,039	4.1	
Bank-owned life insurance	(71)	(0.1)	
Dividend received deduction	(94)	(0.1)	
Section 162(m) limitation	112	0.2	
Stock based compensation	(56)	(0.1)	
Other, net	15	—	
Income tax provision	<u>\$ 18,229</u>	<u>25.0</u>	%

The effective tax rate differs from the U.S. federal statutory rate primarily due to state and local taxes. Massachusetts represents the majority of the Bank's state income tax expenses, consistent with the Bank's operational footprint.

9. INCOME TAXES (continued)

The reasons for the differences between the statutory federal income tax and the actual income tax provision for the years ended December 31, 2024 and 2023 are summarized as follows:

	Years Ended December 31,	
	2023	2024
	(In Thousands)	
Statutory provision, at 21%	\$ 7,398	\$ 7,668
Increase (decrease) resulting from:		
State taxes, net of federal tax benefit	1,492	1,265
Bank-owned life insurance	(69)	(71)
Dividend received deduction	(48)	(71)
Section 162(m) limitation	342	113
Stock based compensation	(307)	(305)
Other, net	51	(275)
Income tax provision	<u>\$ 8,859</u>	<u>\$ 8,324</u>

The Commonwealth of Massachusetts, Maryland, California and the District of Columbia make up the majority of the state tax expense category.

The components of the net deferred tax asset (liability) are as follows:

	December 31,	
	2024	2025
	(In Thousands)	
Deferred tax assets:		
Federal	\$ 6,124	\$ 6,556
State	2,780	3,005
	<u>8,904</u>	<u>9,561</u>
Deferred tax liabilities:		
Federal	(11,629)	(17,565)
State	(1,062)	(1,491)
	<u>(12,691)</u>	<u>(19,056)</u>
Net deferred tax asset (liability)	<u>\$ (3,787)</u>	<u>\$ (9,495)</u>

The tax effects of each item that give rise to deferred tax assets (liabilities) are as follows:

	December 31,	
	2024	2025
	(In Thousands)	
Deferred tax assets:		
Allowance for credit losses	\$ 7,584	\$ 8,027
Employee benefit plans	862	969
Capital loss carryover	221	175
Lease liability	208	342
Other	29	48
	<u>8,904</u>	<u>9,561</u>
Deferred tax liabilities:		
Fixed assets	(790)	(721)
Deferred fees on loans	(570)	(558)
Net unrealized gain on equity securities	(11,101)	(17,413)
Lease asset	(204)	(339)
Other	(26)	(25)
	<u>(12,691)</u>	<u>(19,056)</u>
Net deferred tax asset (liability)	<u>\$ (3,787)</u>	<u>\$ (9,495)</u>

9. INCOME TAXES (concluded)

A summary of the change in the net deferred tax asset (liability) is as follows:

	Years Ended December 31,		
	2023	2024	2025
	(In Thousands)		
Balance at beginning of year	\$ 4,061	\$ 974	\$ (3,787)
Deferred tax provision	(3,240)	(4,761)	(5,711)
Deferred tax effects of change in fair value on cash flow hedge	—	—	3
Adoption of ASU 2016-13	153	—	—
Balance at end of year	<u>\$ 974</u>	<u>\$ (3,787)</u>	<u>\$ (9,495)</u>

At December 31, 2025, the Bank has a capital loss carryover of \$834,000, of which \$42,000 expires on December 31, 2027 and \$792,000 expires on December 31, 2028.

The federal income tax reserve for loan losses at the Bank's base year was \$3.8 million. If any portion of the reserve is used for purposes other than to absorb loan losses, including the repurchase of common stock, approximately 150% of the amount actually used, limited to the amount of the reserve, will be subject to taxation in the year in which it is used. As the Bank currently intends to use the reserve only to absorb loan losses, a deferred tax liability of \$1.1 million has not been provided.

The Bank's income tax returns are subject to review and examination by federal and state taxing authorities. The Bank is currently open to audit under the applicable statutes of limitations by the Internal Revenue Service for the years ended December 31, 2022 through 2025. The years open to examination by state taxing authorities vary by jurisdiction; no years prior to 2022 are open.

10. COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are outstanding commitments and contingencies which are not reflected in the consolidated financial statements.

Legal claims

The Bank is involved, from time to time, as plaintiff or defendant in various legal actions arising in the normal course of business. As of December 31, 2025, the Bank was not involved in any material legal proceedings the outcome of which, if determined in a manner adverse to the Bank, would have a material adverse effect on the Bank's financial condition or results of operations.

Loan commitments

The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include unused lines of credit, commitments to originate loans, unadvanced construction funds and standby letters-of-credit. The instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the Consolidated Balance Sheets.

The Bank's exposure to credit loss in the event of non-performance by the other party to its financial instruments is represented by the contractual amount of these commitments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

At December 31, 2024 and 2025, the following financial instruments were outstanding for which contract amounts represent credit risk:

	December 31,	
	2024	2025
	(In Thousands)	
Unused lines of credit	\$ 141,843	\$ 144,401
Commitments to originate loans	101,438	56,105
Unadvanced funds on construction loans	134,616	145,591
Standby letters-of-credit	169	69
	<u>\$ 378,066</u>	<u>\$ 346,166</u>

10. COMMITMENTS AND CONTINGENCIES (concluded)

Commitments to extend credit are agreements to lend to a customer provided there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the borrower. The commitments to originate loans, unadvanced construction funds, and the majority of unused lines of credit are secured by real estate.

Standby letters-of-credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters-of-credit are primarily issued to support public and private borrowing arrangements. All letters-of-credit issued have expiration dates within five years. The credit risk involved in issuing letters-of-credit is essentially the same as that involved in extending loan facilities to customers. The Bank generally holds collateral supporting those commitments.

Employment agreements

The Bank has entered into employment agreements with certain senior executives. The original terms of the agreements are for two or three years and can generally be extended for one-year periods. The agreements generally provide for lump sum severance payments under certain circumstances, within a one-year period following a "change in control," as defined in the agreements.

One of these agreements provide for death benefits, which are accrued ratably over the employee's remaining service period. The Bank has purchased life insurance policies for this individual which provide a death benefit payable to the Bank when the executive dies. The death benefits on these policies exceed the death benefit liability to the executive as of December 31, 2025. For the years ended December 31, 2023, 2024 and 2025, expenses attributable to the accrued death benefit amounted to \$99,000, \$105,000 and \$112,000, respectively.

Data processing commitments

The Bank has entered into contracts with various data processing vendors. The contracts range in terms from three years to seven years and call for monthly fixed payments along with variable charges based on activity and the number of accounts managed. At December 31, 2025, the contracts have estimated payments totaling \$12.2 million until contract expiration in 2031.

11. STOCK OPTION PLAN

In 2014, the Bank's Board of Directors adopted the 2014 Nonstatutory Stock Option Plan (the "2014 Stock Option Plan"). The 2014 Stock Option Plan allows for the issuance of up to 100,000 shares of common stock (subject to adjustment in the event of stock splits, stock dividends or similar events) pursuant to non-statutory stock options. Options may not be granted at an exercise price that is less than 100% of the fair market value of the common stock on the date of grant. Under the terms of the 2014 Stock Option Plan, options may not be granted for a term in excess of 10 years and may vest immediately or over a period of time. There are no remaining options available for future issuance under the 2014 Stock Option Plan.

Stock option activity is as follows:

	2023		2024		2025	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Shares under option:						
Outstanding at beginning of year	79,850	\$ 93.78	65,850	\$ 100.48	58,000	\$ 156.93
Granted	1,000	192.41	32,000	165.99	—	—
Surrendered	—	—	(22,000)	70.93	—	—
Exercised	(15,000)	70.93	(17,850)	70.93	(2,000)	121.83
Outstanding at end of year	<u>65,850</u>	<u>\$ 100.48</u>	<u>58,000</u>	<u>\$ 156.93</u>	<u>56,000</u>	<u>\$ 158.18</u>
Options exercisable at end of year	<u>63,850</u>	<u>\$ 96.14</u>	<u>46,000</u>	<u>\$ 151.39</u>	<u>47,000</u>	<u>\$ 156.14</u>

As of December 31, 2025, the aggregate intrinsic value of options outstanding and options exercisable amounted to \$7.0 million and \$6.0 million, respectively.

11. STOCK OPTION PLAN (concluded)

Options outstanding consist of the following:

	December 31,			
	2024		2025	
	Shares	Weighted Average Remaining Contractual Life in Years	Shares	Weighted Average Remaining Contractual Life in Years
Option exercise price				
\$105.34	1,000	<1	—	—
126.17	14,000	1	14,000	<1
138.30	5,000	2	4,000	1
165.99	32,000	9	32,000	8
182.95	2,000	4	2,000	3
191.50	2,000	5	2,000	4
192.41	1,000	8	1,000	7
286.30	1,000	7	1,000	6
Options outstanding	<u>58,000</u>	6	<u>56,000</u>	5
Options exercisable	<u>46,000</u>	5	<u>47,000</u>	4

There were no option grants for the year ended December 31, 2025. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions for the year ended December 31, 2024:

Expected dividends	1.5%
Expected term	5.5 years
Expected volatility	26%
Risk-free interest rate	4.2%

The expected volatility is based on historical volatility. The risk-free interest rates for periods within the contractual life of the awards are based on the U.S. Treasury yield curve in effect at the time of the grant. The expected term is based on historical exercise experience. The dividend yield assumption is based on the Bank's history and expectation of dividend payouts.

The weighted-average grant-date fair value of options granted during the year ended December 31, 2024 was \$44.52. For the years ended December 31, 2023, 2024 and 2025, share-based compensation expense applicable to the plan amounted to \$40,000, \$173,000 and \$191,000, respectively, and the recognized tax benefit related to this expense amounted to \$11,000, \$49,000 and \$54,000, respectively. As of December 31, 2025, unrecognized share-based compensation expense related to non-vested options amounted to \$200,000. This amount is expected to be recognized over a weighted average period of less than one year.

12. DERIVATIVES

The Bank's derivative financial instruments are primarily used to manage differences in the amount, timing, and duration of the Bank's known or expected cash receipts and its known or expected cash payments, to manage interest rate risk ("IRR").

IRR management agreements, such as swaps, caps, floors, and collars, may be used from time to time as part of the Bank's IRR management strategy. Interest rate swaps are agreements in which the Bank and another party agree to exchange interest payments (e.g., fixed-rate for variable-rate payments or variable-rate for fixed-rate payments) computed on a notional principal amount. Interest rate caps and floors represent options purchased by the Bank to manage the interest rate paid throughout the term of the option contract. An interest rate collar is a derivative instrument that represents simultaneously buying an interest rate cap and selling an interest rate floor over the same term. The credit risk associated with these transactions is the risk of default by the counterparty. To minimize this risk, the Bank enters into interest rate agreements only with highly rated counterparties that management believes to be creditworthy. The notional amounts of these agreements do not represent amounts exchanged by the parties and, thus, are not a measure of the potential loss exposure.

The Bank does not hold or issue derivative financial instruments for trading or speculative purposes and formally documents the relationship between derivatives and hedged items, as well as the risk-management objective and the strategy for entering into hedge transactions at inception. The Bank assesses, both at the hedge's inception and on an ongoing basis, whether the derivative instruments used are highly effective in offsetting changes in cash flows of the hedged items.

12. DERIVATIVES (concluded)

Interest Rate Risk Management Agreements

Cash Flow Hedging Instruments: As of December 31, 2025, the Bank was party to a \$25.0 million notional forward starting interest rate collar that was designated as a cash flow hedge. This cash flow hedge, which was executed to hedge the interest rate risk associated with short-term FHLB advances indexed to the Secured Overnight Financing Rate, has a starting date in March of 2026 and a term of two and one-half years. The collar, which consists of a 4.5% cap and a 1.0% floor, had a fair value of \$33,000 at December 31, 2025, included in other assets in the Consolidated Balance Sheets. The Bank elected to exclude the time value component of the collar (i.e. the net premium) from hedge effectiveness testing and amortize it as a component of interest expense on a straight-line basis over the term of hedging relationship.

There was no accrued interest receivable included in the fair value of derivative assets at December 31, 2025. During the twelve months ended December 31, 2025, the Bank recognized an after-tax loss of \$8,000 recorded in accumulated other comprehensive loss. Amounts reclassified from other comprehensive loss into income are reflected in Interest Expense - Federal Home Loan Bank advances.

At December 31, 2025, the Bank expects approximately \$17,000 of the unrealized losses in other comprehensive loss to be reclassified into interest expense over the next twelve months. The Bank expects the hedges to remain effective over the term of the collar.

The Bank had no derivatives instruments at December 31, 2024.

13. RELATED PARTY TRANSACTIONS

The Bank has a policy providing that loans (excluding fully cash-secured loans, formerly referred to as “passbook loans”) will not be granted to Directors and Officers. During the years ended December 31, 2023, 2024 and 2025, legal fees were paid to a law firm owned by certain Directors of the Bank totaling \$1.8 million, \$1.6 million, and \$1.8 million, respectively. Such fees related to the representation of the Bank in closing commercial and residential mortgage loans, foreclosure and collection actions and certain other routine litigation. Additionally, this law firm received the sum of \$800,000, \$646,000 and \$873,000 in agency fees for title insurance due to them in connection with loan originations during the years ended December 31, 2023, 2024 and 2025, respectively.

The Bank believes that the foregoing sums have been reasonable in relation to the services provided to the Bank. All of these services are provided pursuant to a written master agreement between the Bank and the law firm which was reviewed and approved by the independent Directors of the Board. All of the above described legal fees and title insurance fees paid to the law firm have been reimbursed to the Bank by its borrowers. The Bank also paid \$292,000, \$355,000 and \$349,000 for the years ended December 31, 2023, 2024 and 2025, respectively, in fees associated with foreclosure, collection and related litigation matters, as well as other reimbursable services performed for commercial real estate borrowers, and to a much lesser extent, Bank corporate matters. With the exception of fees associated with the corporate matters, a significant portion of these fees have been collected in the normal course of business or upon resolution of troubled loans through foreclosure, litigation, or the loan returning to performing status.

14. EMPLOYEE BENEFIT PLANS

401(k) Plan

The Bank has a 401(k) plan whereby each employee, upon the date of employment, becomes a participant in the plan. Employees may contribute a percentage of their compensation subject to certain limits based on federal tax laws. The Bank contributes 3% of an employee’s compensation, regardless of the employee’s contribution, and makes a matching contribution of \$0.50 for each dollar contributed by the employee up to a maximum matching contribution equal to 3% of the employee’s yearly compensation. Matching contributions vest to the employee after two years, or at age 59½, if earlier. For the years ended December 31, 2023, 2024 and 2025, expenses attributable to the plan amounted to \$545,000, \$591,000 and \$642,000, respectively.

15. MINIMUM REGULATORY CAPITAL REQUIREMENTS

The Bank is subject to regulatory capital requirements administered by the Federal Deposit Insurance Corporation (“FDIC”). Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank’s consolidated financial statements. FDIC-insured depository institutions are prohibited from paying dividends or making capital distributions that would cause the institution to fail to meet minimum capital requirements or if it is already undercapitalized. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Regulations require a minimum ratio of common equity Tier 1 capital to risk-weighted assets of 4.5%, a minimum ratio of Tier 1 capital to risk-weighted assets of 6% and a minimum leverage ratio of 4% for all banking organizations. Additionally, the Bank must maintain a capital conservation buffer of common equity Tier 1 capital in an amount greater than 2.5% of total risk-weighted assets to avoid being subject to limitations on capital distributions and discretionary bonuses. Alternatively, the Bank qualifies for and may elect to use the Community Bank Leverage Ratio framework. The Bank has not made this election.

As of December 31, 2025, the most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, an institution must maintain minimum total risk-based, common equity Tier 1 risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the following tables. There are no conditions or events since the notification that management believes have changed the Bank’s category. Management believes that as of December 31, 2024 and 2025, the Bank meets all capital adequacy requirements to which it is subject.

The Bank’s actual capital amounts and ratios as of December 31, 2024 and 2025 are presented in the following tables.

	Actual		Minimum Capital Requirement*		Minimum To Be Well Capitalized Under Prompt Corrective Actions Provisions	
	Amounts	Ratio	Amounts	Ratio	Amounts	Ratio
(Dollars in Thousands)						
December 31, 2024						
Total Capital to Risk-Weighted Assets	\$ 458,735	13.90 %	\$ 346,598	10.50 %	\$ 330,094	10.00 %
Common Equity Tier 1 Capital to Risk-Weighted Assets	431,755	13.08	231,066	7.00	214,561	6.50
Tier 1 Capital to Risk-Weighted Assets	431,755	13.08	280,580	8.50	264,075	8.00
Tier 1 Capital to Average Assets	431,755	9.87	175,028	4.00	218,785	5.00
December 31, 2025						
Total Capital to Risk-Weighted Assets	\$ 508,271	14.84 %	\$ 359,624	10.50 %	\$ 342,499	10.00 %
Common Equity Tier 1 Capital to Risk-Weighted Assets	479,716	14.01	239,749	7.00	222,624	6.50
Tier 1 Capital to Risk-Weighted Assets	479,716	14.01	291,124	8.50	273,999	8.00
Tier 1 Capital to Average Assets	479,716	10.63	180,455	4.00	225,568	5.00

* Minimum risk-based regulatory capital ratios and amounts at December 31, 2024 and 2025 include the applicable minimum risk-based capital ratios and capital conservation buffer of 2.5%.

16. FAIR VALUES OF ASSETS AND LIABILITIES

Determination of Fair Value

The Bank uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Bank's assets and liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Assets Measured at Fair Value on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below. There are no liabilities measured at fair value on a recurring basis at December 31, 2024 and 2025.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
	<u>(In Thousands)</u>			
<u>December 31, 2024</u>				
Equity securities	<u>\$ 96,902</u>	<u>\$ 16,442</u>	<u>\$ —</u>	<u>\$ 113,344</u>
<u>December 31, 2025</u>				
Equity securities	<u>\$ 131,096</u>	<u>\$ 19,248</u>	<u>\$ —</u>	<u>\$ 150,344</u>
Derivatives - interest rate collar	<u>—</u>	<u>33</u>	<u>—</u>	<u>33</u>
Total	<u>\$ 131,096</u>	<u>\$ 19,281</u>	<u>\$ —</u>	<u>\$ 150,377</u>

Assets Measured at Fair Value on a Non-recurring Basis

The Bank may also be required, from time to time, to measure certain other assets on a non-recurring basis in accordance with U.S. GAAP. These adjustments to fair value usually result from application of lower-of-cost-or-market accounting or write-downs of individual assets.

There are no assets or liabilities measured at fair value on a non-recurring basis at December 31, 2024 and 2025.

15. FAIR VALUES OF ASSETS AND LIABILITIES (concluded)

Summary of Fair Values of Financial Instruments

The estimated fair values, and related carrying amounts, of the Bank's financial instruments are as follows. Certain financial instruments and all nonfinancial instruments are exempt from disclosure requirements. Accordingly, the aggregate fair value amounts presented herein do not represent the underlying fair value of the Bank.

	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
(In Thousands)				
December 31, 2024				
Financial assets:				
Cash and cash equivalents	\$ 351,830	\$ 351,830	\$ —	\$ —
Equity securities	113,344	96,902	16,442	—
Securities held to maturity	6,493	—	—	6,148
Federal Home Loan Bank stock	61,022	—	—	61,022
Loans, net	3,873,662	—	—	3,728,826
Accrued interest receivable	8,774	—	—	8,774
Financial liabilities:				
Deposits	\$ 2,492,095	\$ —	\$ —	\$ 2,493,194
Federal Home Loan Bank advances	1,497,000	—	1,501,947	—
Mortgagors' escrow accounts	16,699	—	—	16,699
Accrued interest payable	8,244	—	—	8,244
December 31, 2025				
Financial assets:				
Cash and cash equivalents	\$ 369,608	\$ 369,608	\$ —	\$ —
Equity securities	150,344	131,096	19,248	—
Securities held to maturity	7,499	—	—	7,311
Federal Home Loan Bank stock	61,987	—	—	61,987
Loans, net	3,899,008	—	—	3,809,273
Derivatives - interest rate collar	33	—	33	—
Accrued interest receivable	9,213	—	—	9,213
Financial liabilities:				
Deposits	\$ 2,548,317	\$ —	\$ —	\$ 2,549,256
Federal Home Loan Bank advances	1,463,815	—	1,472,947	—
Mortgagors' escrow accounts	18,427	—	—	18,427
Accrued interest payable	11,831	—	—	11,831

17. SEGMENT INFORMATION

The Bank's reportable segment is determined by the Chief Executive Officer, who is designated the chief operating decision maker ("CODM"). The Bank has one reportable segment: banking operations. The Bank derives revenue from interest income on loans and investments, and gain (loss) on investments. Interest expense, provision for credit losses, payroll and data processing provide the significant expenses in the banking operation. The CODM evaluates the financial performance of the Bank's business by evaluating revenues, expenses, and budget to actual results in assessing the Bank's segment and in the determination of allocating resources. The CODM uses a risk-based approach to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The CODM uses consolidated net income, coupled with monitoring of budget to actual results in the assessment of performance and in establishing compensation.

The balance sheet, income statement and cash flow statements, as presented, reflect the total segment consolidated revenue, segment net interest income and non-interest income, significant segment expenses, other segment items and segment assets.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Bank's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness, as of December 31, 2025, of the Bank's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended. Management recognizes that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving their objectives and management therefore applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of the Bank's disclosure controls and procedures as of December 31, 2025, the CEO and CFO concluded that, as of such date, the Bank's disclosure controls and procedures were effective at the reasonable assurance level.

Internal Control over Financial Reporting

Management's Annual Report on Internal Control over Financial Reporting

The Bank's management is responsible for establishing and maintaining effective internal control over financial reporting. The internal control process has been designed under management's supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Management conducted an assessment of the effectiveness of the Bank's internal control over financial reporting as of December 31, 2025, utilizing the framework established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). See "Management's Annual Report on Internal Control over Financial Reporting" in this Form-10-K.

The effectiveness of our internal control over financial reporting as of December 31, 2025, has been audited by Wolf & Company, P.C., an independent registered public accounting firm, as stated in their report which is included herein.

Item 9B. Other information.

(a) None.

(b) During the three months ended December 31, 2025, none of the Bank's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The response to this Item is incorporated herein by reference to the information which will be included in the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 2026.

The Bank's Ethics Policy will be provided, free of charge, to any person who makes such request in writing to the Chief Executive Officer of the Bank, Robert H. Gaughen, Jr., at the address which appears on the cover page of this Form 10-K. Any amendments to or waivers from this Ethics Policy will be filed with the FDIC on Form 8-K.

Item 11. Executive Compensation.

The response to this Item is incorporated herein by reference to the information which will be included in the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 2026.

All equity grants made to executive officers must be approved by the Bank's Nominating and Personnel Committee, which serves as the Bank's Compensation Committee. The Bank does not time nor does it plan to time the release of material, non-public information for the purpose of affecting the value of employee or Board of Director compensation. During 2025, the Bank did not grant stock options (or similar awards) to any named executive officer during any period beginning four business days before and ending one day after the filing of any Bank's periodic report on Form 10-Q or Form 10-K, or the filing or furnishing of any Bank Form 8-K that disclosed any material non-public information.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Except as provided below, the response to this Item is incorporated herein by reference to the information which will be included in the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 2026.

The following table provides information about the securities authorized for issuance under the Bank's equity compensation plans as of December 31, 2025 (Refer to Note 11 in the Notes to Consolidated Financial Statements):

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders: 2014 Stock Option Plan	56,000	\$158.18	----
Equity compensation plans not approved by security holders:	----	----	----
Total	56,000	\$158.18	----

Item 13. Certain Relationships, Related Transactions and Director Independence.

The response to this Item is incorporated herein by reference to the information which will be included in the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 2026.

Item 14. Principal Accountant Fees and Services.

The response to this item is incorporated by reference to the information which will be included in the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 2026.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

The following documents are incorporated by reference into Item 8 of this report on Form 10-K:

(1) Exhibits:

Exhibit 3(i) and 3(ii). Articles of Incorporation and Bylaws

Amended and Restated Charter of Hingham Institution for Savings, which is incorporated by reference to the Bank's Form 10-K filed on March 3, 2020.

Amended By-Laws of Hingham Institution for Savings, which are incorporated by reference to the Bank's Form 10-K filed on March 3, 2021.

Exhibit 4.1 Description of Registrant's Securities – Filed herewith.

Exhibit 10. Material Contracts

Hingham Institution for Savings 2014 Nonstatutory Stock Option Plan, incorporated by reference to Appendix A of the Definitive Proxy Statement dated March 18, 2014.

Amended and Restated Employment Agreement, dated April 26, 2018, by and between Hingham Institution for Savings and Robert H. Gaughen, Jr. dated April 26, 2018, which is incorporated by reference to the Bank's Form 8-K filed on April 26, 2018.

Employment Agreement, dated April 24, 2014, by and between Hingham Institution for Savings and Patrick R. Gaughen, which is incorporated by reference to the Bank's Form 10-K filed on March 5, 2019.

Change in Control Agreement, dated October 17, 2016, by and between Hingham Institution for Savings and Cristian Melej, which is incorporated by reference to the Bank's Form 8-K filed on September 28, 2016.

Exhibit 19.1 Insider Trading Policy, which is incorporated by reference to Exhibit 19.1 of the Bank's Form 10-K filed on March 5, 2025.

Exhibit 21.1 Subsidiaries of Hingham Institution for Savings – Filed herewith

Exhibit 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Filed herewith.

Exhibit 31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Filed herewith.

Exhibit 32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. §1350 – Furnished herewith.

Exhibit 32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. §1350 – Furnished herewith.

Exhibit 97.1 Compensation Recovery Policy, which is incorporated by reference to Exhibit 97.1 of the Bank's Form 10-K filed on March 5, 2025.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HINGHAM INSTITUTION FOR SAVINGS

March 4, 2026

/s/ _____
Robert H. Gaughen, Jr.
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>/s/</u> _____ Robert H. Gaughen, Jr.	Chief Executive Officer and Director (Principal Executive Officer)	<u>03/04/26</u> Date
<u>/s/</u> _____ Cristian A. Melej	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	<u>03/04/26</u> Date
<u>/s/</u> _____ Patrick R. Gaughen	Director, President and Chief Operating Officer	<u>03/04/26</u> Date
<u>/s/</u> _____ Jacqueline M. Youngworth	Clerk of the Board and Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Michael J. Desmond	Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Ronald D. Falcione	Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Kevin W. Gaughen, Jr.	Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Kara Gaughen Smith	Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Julio R. Hernando	Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Ryan T. Joyce	Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Brian T. Kenner	Director	<u>03/04/26</u> Date
<u>/s/</u> _____ Robert A. Lane	Director	<u>03/04/26</u> Date

/s/
Scott L. Moser

Director

03/04/26
Date

/s/
Stacey M. Page

Director

03/04/26
Date

/s/
Robert K. Sheridan

Director

03/04/26
Date

/s/
Geoffrey C. Wilkinson, Sr.

Director

03/04/26
Date

**DESCRIPTION OF EQUITY SECURITIES REGISTERED
UNDER SECTION 12 OF THE EXCHANGE ACT**

Hingham Institution for Savings (the “Bank”) has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: common stock, par value \$1.00 per share (the “Common Stock”).

The following summary description sets forth some of the general terms and provisions of the Common Stock. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description, you should refer to the provisions of the Bank’s Amended and Restated Charter (“Charter”) and By-Laws, which are attached as exhibits to the Annual Report on Form 10-K to which this description is an exhibit.

General

Under the Charter, the Bank has authority, without further shareholder action, to issue of up to 5,000,000 shares of Common Stock. The Bank may amend its Charter from time to time to increase the number of authorized shares of Common Stock. Any such amendment would require the approval of the holders of not less than eighty percent (80%) of the total votes eligible to be cast. Our stock is listed on the Nasdaq under the symbol “HIFS.”

Dividends

Subject to the preferential rights of any other class or series of stock, holders of shares of our Common Stock are entitled to receive dividends, if and when they are authorized and declared by our Board of Directors, out of assets that the Bank may legally use to pay dividends.

Voting Rights

Except as otherwise required by law and except as provided by the terms of any other class or series of stock, holders of Common Stock have the exclusive power to vote on all matters presented to our stockholders, including the election of directors. Holders of Common Stock are entitled to one vote per share. There is no cumulative voting in the election of directors, which means that a plurality of the votes cast at a meeting of stockholders at which a quorum is present is sufficient to elect a director.

Preemptive Rights

Holders of Common Stock do not have preemptive rights under Massachusetts law, the Charter or By-Laws.

Liquidation/Dissolution

In the event the Bank is liquidated, dissolved or the Bank’s affairs are wound up, and subject to the preferential rights of any other class or series of stock, holders of shares of Common Stock are entitled to receive, in cash or in kind, in proportion to their holdings, the assets that the Bank may legally use to pay distributions after the Bank pays or makes adequate provision for all of its debts and liabilities.

**LIST OF SUBSIDIARIES OF
HINGHAM INSTITUTION FOR SAVINGS**

Subsidiaries of the Company	State or Other Jurisdiction of Incorporation
Hingham Unpledged Securities Corporation	Massachusetts
Hingham Pledged Securities Corporation	Massachusetts
Tamalpais Holdings I	Massachusetts
Hingham Institution for Savings Realty Trust	Massachusetts
Sutro Holdings	Massachusetts
HIFS DMV RE Holdings	District of Columbia

I, Robert H. Gaughen, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Hingham Institution for Savings;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2026

/s/
Robert H. Gaughen, Jr.
Chief Executive Officer
(Principal Executive Officer)

I, Cristian A. Melej, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hingham Institution for Savings;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2026

/s/
Cristian A. Melej
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Hingham Institution for Savings (the “Bank”) for the year ended December 31, 2025, as filed with the Federal Deposit Insurance Corporation on the date hereof (the “Report”), the undersigned Robert H. Gaughen, Jr., Chief Executive Officer of the Bank, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

/s/
Robert H. Gaughen, Jr.
Chief Executive Officer
(Principal Executive Officer)

Date: March 4, 2026

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Hingham Institution for Savings (the “Bank”) for the year ended December 31, 2025, as filed with the Federal Deposit Insurance Corporation on the date hereof (the “Report”), the undersigned Cristian A. Melej, Chief Financial Officer of the Bank, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents in all material respects, the financial condition and results of operations of the Bank.

/s/
Cristian A. Melej
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)

Date: March 4, 2026