



## PRESS RELEASE

FROM: Robert H. Gaughen, Jr., Chairman and Chief Executive Officer  
Hingham Institution for Savings  
Hingham, MA (NASDAQ: HIFS)

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CONTACT: Patrick R. Gaughen, President and Chief Operating Officer (781) 783-1761

### **HINGHAM REPORTS FIRST QUARTER 2026 RESULTS**

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ: HIFS), Hingham, Massachusetts announced earnings for the quarter ended March 31, 2026.

#### **Earnings**

Net income for the quarter ended March 31, 2026 was \$2,851,000 or \$1.30 per share basic and \$1.29 per share diluted, as compared to \$7,124,000 or \$3.27 per share basic and \$3.24 per share diluted for the same period last year. The Bank's annualized return on average equity for the first quarter of 2026 was 2.33%, and the annualized return on average assets was 0.25%, as compared to 6.46% and 0.64% for the same period in last year. Net income per share (diluted) for the first quarter of 2026 decreased by 60.2% compared to the same period in 2025.

Core net income for the quarter ended March 31, 2026, which represents net income excluding the after-tax net gain (loss) on equity securities, both realized and unrealized, was \$10,584,000 or \$4.84 per share basic and \$4.79 per share diluted, as compared to \$6,125,000 or \$2.81 per share basic and \$2.78 per share diluted for the same period last year. The Bank's annualized core return on average equity for the first quarter of 2026 was 8.66%, and the annualized core return on average assets was 0.94%, as compared to 5.56% and 0.55% for the same period last year. Core net income per share (diluted) for the first quarter of 2026 increased by 72.3% compared to the same period in 2025.

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

#### **Balance Sheet**

Total assets increased to \$4.548 billion at March 31, 2026, representing 0.5% annualized growth year-to-date and 0.5% growth from March 31, 2025.

Net loans decreased to \$3.896 billion at March 31, 2026, representing a 0.3% annualized decline year-to-date and a 0.7% decline from March 31, 2025.

Retail and commercial deposits increased to \$2.104 billion at March 31, 2026, representing 9.3% annualized growth year-to-date and 1.8% growth from March 31, 2025.

Non-interest-bearing deposits, included in retail and commercial deposits, were \$513.6 million at March 31, 2026, representing 39.3% annualized growth year-to-date and 20.2% growth from March 31, 2025.

Growth in non-interest bearing deposits in the first quarter of 2026 and over the last two years reflected the Bank's focus on developing and deepening deposit relationships with new and existing commercial, institutional, and non-profit customers. The Bank continues to invest in its Specialized Deposit Group, actively recruiting for talented relationship managers in Boston, Washington, and San Francisco.

The stability of the Bank's balance sheet, as well as full and unlimited deposit insurance through the Bank's participation in the Massachusetts Depositors Insurance Fund, continues to appeal to customers in times of uncertainty.

Wholesale funds, which include Federal Home Loan Bank ("FHLB") borrowings, brokered deposits, and Internet listing service deposits, were \$1.913 billion at March 31, 2026, representing a 8.9% annualized decline year-to-date and a 3.3% decline from March 31, 2025, as the Bank replaced a portion of these funds with retail and commercial deposits.

In the first quarter of 2026, the Bank continued to manage its wholesale funding mix to lower its cost of funds while taking advantage of the inverted yield curve by adding lower rate longer term liabilities. Wholesale deposits, which include brokered and Internet listing service time deposits, were \$499.2 million at March 31, 2026, representing 5.6% annualized growth year-to-date and a 1.6% decline from March 31, 2025. Borrowings from the FHLB totaled \$1.414 billion at March 31, 2026, representing a 13.7% annualized decline from December 31, 2025, and a 3.9% decline from March 31, 2025. As of March 31, 2026, the Bank maintained an additional \$999.1 million in immediately available borrowing capacity at the FHLB of Boston and the Federal Reserve Bank ("FRB"), in addition to \$386.8 million in cash and cash equivalents.

Book value per share was \$220.06 as of March 31, 2026, representing 0.4% annualized growth year-to-date and 9.7% growth from March 31, 2025. In addition to the increase in book value per share, the Bank declared \$3.22 in dividends per share since March 31, 2025, including a \$0.70 per share special dividend declared in the fourth quarter of 2025.

On March 25, 2026, the Bank declared a regular cash dividend of \$0.63 per share. This dividend will be paid on May 13, 2026 to stockholders of record as of May 4, 2026. This will be the Bank's 129th consecutive quarterly dividend. The Bank has also declared special cash dividends in twenty-nine of the last thirty-one years, typically in the fourth quarter.

The Bank regularly evaluates capital allocation options, including organic growth, special dividends, and share repurchase in light of the prospective return of such options. The Bank received regulatory approval in December 2025 for a share repurchase program of \$20.0 million. As of December 31, 2025 and March 31, 2026, no shares had been repurchased under this program and the Bank is under

no obligation to repurchase shares at all. This may also result in special dividends, if any, significantly above or below the regular quarterly dividend.

### **Operational Performance Metrics**

The net interest margin for the quarter ended March 31, 2026 increased 15 basis points to 2.04%, as compared to 1.89% in the quarter ended December 31, 2025. This improvement was the result of growth in non-interest bearing deposits, a decline in the cost of interest-bearing liabilities, and to a lesser extent, an increase in the yield on interest-earning assets. The cost of interest-bearing liabilities fell 14 basis points in the first quarter of 2026, as the Bank's retail and commercial deposits continued to reprice at lower rates, and the Bank continued to take advantage of the inverted yield curve by rolling over maturing FHLB advances and brokered deposits at lower rates. The yield on interest-earning assets increased by three basis points in the first quarter of 2026, driven primarily by a higher yield on loans, as the Bank continued to originate loans at higher rates, partially offset by a lower rate on cash held at the FRB.

The net interest margin for the quarter ended March 31, 2026 increased 54 basis points as compared to 1.50% for the same period last year. The Bank experienced significant growth in non-interest bearing deposits and a significant decline in the cost of interest-bearing liabilities when compared to the prior year. This was driven primarily by the repricing of the Bank's funding sources, as the Bank continued to reduce retail and commercial deposit rates and to take advantage of the inverted yield curve by adding lower rate FHLB advances and brokered deposits. During this period, the yield on interest-earning assets increased, driven primarily by an increase in the yield on loans, partially offset by lower yield on cash held at the FRB.

Key credit and operational metrics remained acceptable in the first quarter of 2026. On March 31, 2026, non-performing assets, which included six loans secured by real estate and one property held in foreclosed assets, totaled 0.87% of total assets, compared to 0.69% at December 31, 2025 and 0.04% at March 31, 2025. Non-performing loans as a percentage of the total loan portfolio totaled 0.97% at March 31, 2026, compared to 0.80% at December 31, 2025 and 0.05% at March 31, 2025. The Bank did not record any charge-offs in the first three months of 2026 or 2025.

Non-performing loans and non-performing assets included the following at December 31, 2025 and March 31, 2026:

- Non-performing loans at both December 31, 2025 and March 31, 2026 included a commercial real estate loan with an outstanding balance of \$30.6 million, which is secured by an entitled development site for a significant multifamily development in Washington, D.C. and has an associated conditional guarantee from a large national homebuilder and an affordable housing developer. The Bank continues to work actively to identify a resolution that protects the Bank's interests.
- Non-performing assets and non-performing loans at March 31, 2026 included two loans and a single property associated with a relationship with a borrower specializing in affordable multifamily properties in Washington D.C. The Bank foreclosed on one loan associated with this relationship in March 2026 and took the multifamily property back at auction at a value of \$1.5 million. The Bank has reached an agreement with this customer in which the Bank will acquire title to the collateral properties securing all of these loans, as well as five additional unencumbered properties in Washington, D.C., during the second quarter. The Bank intends to

begin marketing this collateral for sale as it acquires title. Current appraisals for the entire collateral pool reflect a value of approximately \$6.7 million against original indebtedness of approximately \$4.7 million. The Bank does not anticipate any principal loss associated with this relationship.

- Non-performing loans at March 31, 2026 included a construction loan with an outstanding balance of \$3.7 million to a different affordable multifamily developer in Washington, D.C. The Bank foreclosed on this loan in March 2026, did not take title, and has assigned the successful bid to a third party purchaser, with an anticipated closing in May 2026. The Bank does not anticipate any loss associated with this transaction, as the purchase price and cash collateral held at the Bank exceed the loan balance.
- Non-performing loans at March 31, 2026 also included two small home equity lines of credit in Massachusetts, one of which was also included in December 31, 2025.

The efficiency ratio, as defined on page 6, fell to 34.87% for the first quarter of 2026, as compared to 35.06% in the prior quarter and 45.82% for the same period last year. Operating expenses as a percentage of average assets were 0.69% for the first quarter of 2026, as compared to 0.66% for the prior quarter, and 0.68% for the same period last year. As the efficiency ratio can be significantly influenced by the level of net interest income, the Bank utilizes these paired figures together to assess its operational efficiency over time. During periods of significant net interest income volatility, the efficiency ratio in isolation may over or understate the underlying operational efficiency of the Bank. The Bank remains focused on reducing waste through an ongoing process of continuous improvement and standard work that supports operational leverage.

Chairman Robert H. Gaughen Jr. stated, “Our core returns on average equity and average assets continue to improve materially over time, driven by sustained expansion in the net interest margin through asset repricing and falling funding costs. Growth in non-interest bearing deposits has been an important driver of improving funding costs. Both core and GAAP returns remain somewhat below our long-term performance and our expectations for the business, although core returns are approaching acceptable performance levels. Our operational leverage remains critical to generating satisfactory returns and we remain focused on rigorous cost control and continuous operational improvement.

In any given period, our GAAP returns on average equity and average assets may be positively or negatively affected by the performance of our investment portfolio, composed of long-term holdings in financial services and technology companies. Over time, they have contributed meaningfully to growth in book value and we continue to identify opportunities to commit additional capital in this portfolio.

The Bank’s business model has been built to compound shareholder capital over the long-term. We remain focused on careful capital allocation, defensive underwriting and rigorous cost control - the building blocks for compounding shareholder capital through all stages of the economic cycle. These remain constant, regardless of the macroeconomic environment in which we operate.”

The Bank’s quarterly financial results are summarized in the earnings release, but shareholders are encouraged to read the Bank’s quarterly report on Form 10-Q, which is generally available several weeks after the earnings release. The Bank expects to file Form 10-Q for the quarter ended March 31, 2026 with the Federal Deposit Insurance Corporation (FDIC) on or about May 6, 2026.

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

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

### **Annual Meeting**

The Bank will hold its Annual Meeting of Stockholders (the "Meeting") at 2:00 PM EST on Thursday, April 30, 2026 at the Hingham Historical Society (Old Derby Academy), located at 34 Main Street, Hingham, Massachusetts. We strongly encourage shareholders to attend in person, although they may also join the Meeting by streaming video. We strongly encourage all shareholders to vote by proxy. Electronic voting will not be available.

Following the business meeting, the Bank will hold an informal meeting to discuss the results of the prior year and the operations of the Bank, as well as a question and answers session. In addition to participating in the meeting itself, we also encourage shareholders to submit questions in writing in advance using the form on the Bank's website (click [here](#)).

**HINGHAM INSTITUTION FOR SAVINGS**  
**Selected Financial Ratios**

<i>(Unaudited)</i>	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2026</b>
<b>Key Performance Ratios</b>		
Return on average assets (1)	0.64 %	0.25 %
Return on average equity (1)	6.46	2.33
Core return on average assets (1) (5)	0.55	0.94
Core return on average equity (1) (5)	5.56	8.66
Interest rate spread (1) (2)	0.80	1.35
Net interest margin (1) (3)	1.50	2.04
Operating expenses to average assets (1)	0.68	0.69
Efficiency ratio (4)	45.82	34.87
Average equity to average assets	9.98	10.82
Average interest-earning assets to average interest bearing liabilities	122.26	124.99

<i>(Unaudited)</i>	<b>March 31,</b>	<b>December 31,</b>	<b>March 31,</b>
	<b>2025</b>	<b>2025</b>	<b>2026</b>
	<b>Asset Quality Ratios</b>		
Allowance for credit losses/total loans	0.69 %	0.73 %	0.74 %
Allowance for credit losses/non-performing loans	1,487.46	91.46	76.04
Non-performing loans/total loans	0.05	0.80	0.97
Non-performing loans/total assets	0.04	0.69	0.84
Non-performing assets/total assets	0.04	0.69	0.87
<b>Share Related</b>			
Book value per share	\$ 200.69	\$ 219.82	\$ 220.06
Market value per share	\$ 237.80	\$ 283.96	\$ 285.84
Shares outstanding at end of period	2,180,250	2,182,250	2,193,294

(1) Annualized.

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

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

(4) The efficiency ratio is a non-GAAP measure that represents total operating expenses, divided by the sum of net interest income and total other income (loss), excluding the net gain (loss) on equity securities, both realized and unrealized.

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

**HINGHAM INSTITUTION FOR SAVINGS**  
**Consolidated Balance Sheets**

<i>(In thousands, except share amounts)</i> <i>(Unaudited)</i>	<b>March 31, 2025</b>	<b>December 31, 2025</b>	<b>March 31, 2026</b>
<b>ASSETS</b>			
Cash and due from banks	\$ 8,664	\$ 6,683	\$ 5,225
Federal Reserve and other short-term investments	352,977	362,925	381,591
Cash and cash equivalents	361,641	369,608	386,816
CRA investment	8,900	9,050	8,994
Other marketable equity securities	109,335	141,294	131,997
Securities, at fair value	118,235	150,344	140,991
Securities held to maturity, at amortized cost	6,494	7,499	7,499
Federal Home Loan Bank stock, at cost	61,322	61,987	60,534
Loans, net of allowance for credit losses of \$27,280 at March 31, 2025, \$28,555 at December 31, 2025 and \$29,055 at March 31, 2026	3,924,108	3,899,008	3,895,914
Foreclosed assets	—	—	1,522
Bank-owned life insurance	14,064	14,318	14,400
Premises and equipment, net	16,244	15,911	15,724
Accrued interest receivable	9,006	9,213	9,463
Other assets	12,314	14,766	14,946
Total assets	\$ 4,523,428	\$ 4,542,654	\$ 4,547,809
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Interest-bearing deposits	\$ 2,146,091	\$ 2,080,661	\$ 2,089,437
Non-interest-bearing deposits	427,287	467,656	513,647
Total deposits	2,573,378	2,548,317	2,603,084
Federal Home Loan Bank advances	1,471,000	1,463,815	1,413,540
Mortgagors' escrow accounts	15,820	18,427	17,591
Accrued interest payable	11,266	11,831	11,850
Deferred income tax liability, net	4,069	9,495	6,076
Other liabilities	10,338	11,061	13,005
Total liabilities	4,085,871	4,062,946	4,065,146
Stockholders' equity:			
Preferred stock, \$1.00 par value, 2,500,000 shares authorized, none issued	—	—	—
Common stock, \$1.00 par value, 5,000,000 shares authorized; 2,180,250 shares issued and outstanding at March 31, 2025, 2,182,250 at December 31, 2025 and 2,193,294 at March 31, 2026	2,180	2,182	2,193
Additional paid-in capital	15,622	16,004	17,443
Undivided profits	419,755	461,530	463,000
Accumulated other comprehensive income (loss)	—	(8)	27
Total stockholders' equity	437,557	479,708	482,663
Total liabilities and stockholders' equity	\$ 4,523,428	\$ 4,542,654	\$ 4,547,809

**HINGHAM INSTITUTION FOR SAVINGS**  
**Consolidated Statements of Net Income**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2026</b>
<i>(In thousands, except per share amounts)</i>		
<i>(Unaudited)</i>		
Interest and dividend income:		
Loans	\$ 45,221	\$ 47,006
Debt securities	95	113
Equity securities	1,451	1,563
Federal Reserve and other short-term investments	3,055	3,125
Total interest and dividend income	49,822	51,807
Interest expense:		
Deposits	18,621	15,577
Federal Home Loan Bank advances	15,165	14,098
Total interest expense	33,786	29,675
Net interest income	16,036	22,132
Provision for credit losses	300	500
Net interest income, after provision for credit losses	15,736	21,632
Other income:		
Customer service fees on deposits	135	166
Increase in cash surrender value of bank-owned life insurance	84	82
Gain (loss) on equity securities, net	1,281	(9,920)
Miscellaneous	49	55
Total other income (loss)	1,549	(9,617)
Operating expenses:		
Salaries and employee benefits	4,467	4,679
Occupancy and equipment	439	477
Data processing	724	817
Deposit insurance	748	637
Foreclosure and related	10	75
Marketing	136	248
Other general and administrative	946	891
Total operating expenses	7,470	7,824
Income before income taxes	9,815	4,191
Income tax provision	2,691	1,340
Net income	\$ 7,124	\$ 2,851
Cash dividends declared per common share	\$ 0.63	\$ 0.63
Weighted average shares outstanding:		
Basic	2,180	2,185
Diluted	2,201	2,209
Earnings per share:		
Basic	\$ 3.27	\$ 1.30
Diluted	\$ 3.24	\$ 1.29

## HINGHAM INSTITUTION FOR SAVINGS

### Net Interest Income Analysis

	Three Months Ended								
	March 31, 2025			December 31, 2025			March 31, 2026		
	Average Balance (9)	Interest	Yield/ Rate (10)	Average Balance (9)	Interest	Yield/ Rate (10)	Average Balance (9)	Interest	Yield/ Rate (10)
<i>(Dollars in thousands)</i>									
<i>(Unaudited)</i>									
<b>Assets</b>									
Loans (1) (2)	\$ 3,929,828	\$ 45,221	4.67 %	\$ 3,928,951	\$ 47,707	4.82 %	\$ 3,923,289	\$ 47,006	4.86 %
Securities (3) (4)	130,674	1,546	4.80	139,905	1,642	4.66	142,557	1,676	4.77
Short-term investments (5)	278,722	3,055	4.45	348,254	3,467	3.95	342,426	3,125	3.70
Total interest-earning assets	<u>4,339,224</u>	<u>49,822</u>	<u>4.66</u>	<u>4,417,110</u>	<u>52,816</u>	<u>4.74</u>	<u>4,408,272</u>	<u>51,807</u>	<u>4.77</u>
Other assets	79,209			94,257			107,202		
Total assets	<u>\$ 4,418,433</u>			<u>\$ 4,511,367</u>			<u>\$ 4,515,474</u>		
<b>Liabilities and stockholders' equity:</b>									
Interest-bearing deposits (6)	\$ 2,141,294	18,621	3.53 %	\$ 2,069,647	16,454	3.15 %	\$ 2,090,883	15,577	3.02 %
Borrowed funds	1,407,844	15,165	4.37	1,491,404	15,374	4.09	1,436,018	14,098	3.98
Total interest-bearing liabilities	<u>3,549,138</u>	<u>33,786</u>	<u>3.86</u>	<u>3,561,051</u>	<u>31,828</u>	<u>3.55</u>	<u>3,526,901</u>	<u>29,675</u>	<u>3.41</u>
Non-interest-bearing deposits	413,877			458,273			472,919		
Other liabilities	14,464			18,432			27,020		
Total liabilities	<u>3,977,479</u>			<u>4,037,756</u>			<u>4,026,840</u>		
Stockholders' equity	<u>440,954</u>			<u>473,611</u>			<u>488,634</u>		
Total liabilities and stockholders' equity	<u>\$ 4,418,433</u>			<u>\$ 4,511,367</u>			<u>\$ 4,515,474</u>		
Net interest income		<u>\$ 16,036</u>			<u>\$ 20,988</u>			<u>\$ 22,132</u>	
Weighted average interest rate spread			<u>0.80 %</u>			<u>1.19 %</u>			<u>1.35 %</u>
Net interest margin (7)			<u>1.50 %</u>			<u>1.89 %</u>			<u>2.04 %</u>
Average interest-earning assets to average interest-bearing liabilities (8)	<u>122.26 %</u>			<u>124.04 %</u>			<u>124.99 %</u>		

- (1) Before allowance for credit losses.
- (2) Includes non-accrual loans.
- (3) Excludes the impact of the average net unrealized gain or loss on securities.
- (4) Includes Federal Home Loan Bank stock.
- (5) Includes cash held at the Federal Reserve Bank.
- (6) Includes mortgagors' escrow accounts.
- (7) Net interest income divided by average total interest-earning assets.
- (8) Total interest-earning assets divided by total interest-bearing liabilities.
- (9) Average balances are calculated on a daily basis.
- (10) Annualized based on the actual number of days in the period.

**HINGHAM INSTITUTION FOR SAVINGS**  
**Non-GAAP Reconciliation**

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

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

<i>(In thousands, unaudited)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2026</b>
Non-GAAP reconciliation:		
Net Income	\$ 7,124	\$ 2,851
(Gain) loss on equity securities, net	(1,281)	9,920
Income tax expense (benefit) (1)	282	(2,187)
Core Net Income	\$ 6,125	\$ 10,584

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

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

<i>(In thousands, unaudited)</i>	<b>Three Months Ended</b>		
	<b>March 31, 2025</b>	<b>December 31, 2025</b>	<b>March 31, 2026</b>
Non-U.S. GAAP efficiency ratio calculation:			
Operating expenses	\$ 7,470	\$ 7,471	\$ 7,824
Net interest income	\$ 16,036	\$ 20,988	\$ 22,132
Other income (loss)	1,549	14,033	(9,617)
(Gain) loss on equity securities, net	(1,281)	(13,714)	9,920
Total revenue	\$ 16,304	\$ 21,307	\$ 22,435
Efficiency ratio	45.82 %	35.06 %	34.87 %