



PRESS RELEASE

FROM: Robert H. Gaughen, Jr., Chairman and Chief Executive Officer
Hingham Institution for Savings
Hingham, MA (NASDAQ: HIFS)
DATE: July 17, 2026
CONTACT: Patrick R. Gaughen, President and Chief Operating Officer (781) 783-1761

HINGHAM REPORTS SECOND QUARTER 2026 RESULTS

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ: HIFS), Hingham, Massachusetts announced results for the quarter ended June 30, 2026.

Earnings

Net income for the quarter ended June 30, 2026 was \$25,443,000 or \$11.59 per share basic and \$11.49 per share diluted, as compared to \$9,414,000 or \$4.32 per share basic and \$4.28 per share diluted for the same period last year. The Bank's annualized return on average equity for the second quarter of 2026 was 20.38%, and the annualized return on average assets was 2.25%, as compared to 8.43% and 0.85% for the same period last year. Net income per share (diluted) for the second quarter of 2026 increased by 168.5% compared to the same period in 2025.

Core net income for the quarter ended June 30, 2026, which represents net income excluding the after-tax net gain on equity securities, both realized and unrealized, was \$10,668,000 or \$4.86 per share basic and \$4.82 per share diluted, as compared to \$7,453,000 or \$3.42 per share basic and \$3.39 per share diluted for the same period last year. The Bank's annualized core return on average equity for the second quarter of 2026 was 8.55% and the annualized core return on average assets was 0.94%, as compared to 6.67% and 0.67% for the same period last year. Core net income per share (diluted) for the second quarter of 2026 increased by 42.2% compared to the same period in 2025.

Net income for the six months ended June 30, 2026 was \$28,294,000 or \$12.92 per share basic and \$12.80 per share diluted, as compared to \$16,538,000 or \$7.58 per share basic and \$7.52 per share diluted for the same period last year. The Bank's annualized return on average equity for the first six months of 2026 was 11.45%, and the annualized return on average assets was 1.25%, as compared to 7.45% and 0.75% for the same period in 2025. Net income per share (diluted) for the first six months of 2026 increased by 70.2% over the same period in 2025.

Core net income for the six months ended June 30, 2026, which represents net income excluding the

after-tax net gain on equity securities, both realized and unrealized, was \$21,252,000 or \$9.70 per share basic and \$9.61 per share diluted, as compared to \$13,578,000 or \$6.23 per share basic and \$6.17 per share diluted for the same period last year. The Bank's annualized core return on average equity for the first six months of 2026 was 8.60%, and the annualized core return on average assets was 0.94%, as compared to 6.12% and 0.61% for the same period in 2025. Core net income per share (diluted) for the first six months of 2026 increased by 55.8% over the same period in 2025.

See Page 11 for a reconciliation between United States 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 \$4.557 billion at June 30, 2026, representing 0.6% annualized growth year-to-date and a 0.4% increase from June 30, 2025.

Net loans increased to \$3.904 billion at June 30, 2026, representing 0.3% annualized growth year-to-date and a 0.7% decline from June 30, 2025.

Retail and commercial deposits were \$2.084 billion at June 30, 2026, representing 2.7% annualized growth year-to-date and a 4.3% increase from June 30, 2025.

Non-interest-bearing deposits, included in retail and commercial deposits, were \$504.2 million at June 30, 2026, representing 15.6% annualized growth year-to-date and 15.2% growth from June 30, 2025.

Growth in non-interest bearing deposits in the second quarter of 2026 and over the last two years reflects 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.

Wholesale funds, which includes Federal Home Loan Bank ("FHLB") borrowings, brokered deposits, and Internet listing service time deposits, were \$1.915 billion at June 30, 2026, representing a 4.2% annualized decline year-to-date and a 6.7% decline from June 30, 2025, as the Bank replaced these funds with retail and commercial deposits over the last year.

In the first six months of 2026, the Bank continued to manage its wholesale funding mix to lower its cost of funds while continuing to replace maturing longer term liabilities. Wholesale deposits, which include brokered and Internet listing service time deposits, were \$509.5 million at June 30, 2026, representing 6.9% annualized growth year-to-date and 6.1% growth from June 30, 2025. Borrowings from the FHLB totaled \$1.405 billion at June 30, 2026, representing a 8.0% annualized decline from December 31, 2025, and a 10.6% decline from June 30, 2025. As of June 30, 2026, the Bank maintained an additional \$990.6 million in immediately available borrowing capacity at the FHLB of

Boston and the Federal Reserve Bank (“FRB”), in addition to \$355.2 million in cash and cash equivalents.

Book value per share was \$230.83 as of June 30, 2026, representing 10.0% annualized growth year-to-date and 13.0% growth from June 30, 2025. In addition to the increase in book value per share, the Bank has declared \$3.22 in dividends per share since June 30, 2025.

On June 24, 2026, the Bank declared a regular cash dividend of 0.63 per share. This dividend will be paid on August 12, 2026 to stockholders of record as of August 3, 2026. This will be the Bank’s 130th 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 June 30, 2026, no shares had been repurchased under this program and the Bank is under no obligation to repurchase shares at all. The consideration of these options may 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 June 30, 2026 increased 10 basis points to 2.14%, as compared to 2.04% in the quarter ended March 31, 2026. This improvement was the result of growth in non-interest bearing deposits and a decline in the cost of interest-bearing liabilities, combined with an increase in the yield on interest-earning assets. The cost of interest-bearing liabilities fell five basis points in the second quarter of 2026, as the Bank’s retail and commercial time deposits repriced to lower rates. The yield on interest-earning assets increased by two basis points in the second quarter of 2026, driven primarily by a higher yield on loans, as the Bank continued to originate and reprice existing adjustable loans at higher rates, partially offset by a lower dividend on FHLB stock.

The net interest margin for the quarter ended June 30, 2026 increased 48 basis points to 2.14%, as compared to 1.66% 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 - over most of the last twelve months - 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 and dividend on FHLB stock.

Key credit and operational metrics remained acceptable in the second quarter of 2026. At June 30, 2026, non-performing assets, which included three loans secured by real estate and eight properties held in foreclosed assets, totaled 0.78% of total assets, compared to 0.69% at December 31, 2025 and 0.70% at June 30, 2025. Non-performing loans as a percentage of the total loan portfolio totaled 0.78% at June 30, 2026, compared to 0.80% at December 31, 2025 and 0.81% at June 30, 2025. The Bank did not record any charge-offs in the first six months of 2026 or 2025.

Non-performing loans and non-performing asset activity included the following during the second quarter of 2026:

- Non-performing loans at both March 31, 2026 and June 30, 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. The Bank's allowance for credit losses as of June 30, 2026 includes a \$2.5 million specific reserve allocated to this credit.
- Non-performing assets at June 30, 2026 included a number of properties associated with a borrower specializing in affordable housing in Washington, D.C. The Bank foreclosed on one loan associated with this relationship in March 2026, and resolved the remaining two loans acquiring title to additional properties in the second quarter of 2026, in accordance with a settlement agreement executed with the borrower following litigation. In total, the Bank obtained two multifamily properties and seven single family properties. The Bank sold one of the single family properties during the second quarter, placed two additional properties under agreement shortly after quarter end, and is actively marketing the remainder of the portfolio for sale. Given the value of the collateral obtained from the borrower, based upon contemporaneous appraisals, the Bank did not recognize any loan loss associated with these transactions. Rental income generated by these properties is reported as other income (included in miscellaneous income), while their operating expenses are classified as foreclosure and related expenses on the Consolidated Statements of Net Income.
- In the second quarter of 2026, the Bank sold its interest in the collateral securing a construction loan with an outstanding balance of \$3.7 million made to a different affordable multifamily developer in Washington, D.C. The Bank foreclosed on this loan in March 2026 but did not take title, anticipating the assignment of the bid in the second quarter. The Bank did not incur any loss associated with this transaction, as the purchase price and cash collateral held at the Bank exceeded the loan balance.
- In the second quarter of 2026, the Bank resolved a long-standing non-performing home equity line of credit by executing a settlement agreement with the borrower's descendants. This settlement agreement resulted in a \$201,000 operational check fraud loss recorded in the second quarter of 2026.
- Non-performing loans at June 30, 2026 also included a small home equity line of credit which was included in non-performing loans as of March 31, 2026, and a small residential loan which became non-performing during the second quarter.

Operating expenses in the second quarter of 2026 included a \$928,000 estimated termination fee due to Fiserv associated with the Bank's implementation of a new online banking platform with Q2 Technologies (expected to go live in the second half of 2026). Management expects this fee will be offset by lower ongoing costs over the term of the agreement. Operating expenses also included the \$201,000 operational loss on the home equity line of credit related check fraud referenced above. These expenses, which were recorded under other general and administrative expenses in the Consolidated Statements of Net Income, were not excluded for the purposes of calculating core net income, the efficiency ratio or operating expenses as a percentage of average assets. As a reminder, in calculating core net income, the Bank does not make any adjustments other than those relating to the after-tax net gain on equity securities, both realized and unrealized.

The efficiency ratio, as defined on page 11 below, increased to 37.46% for the second quarter of 2026, as compared to 34.87% in the prior quarter and 41.17% for the same period last year. Operating expenses as a percentage of average assets increased to 0.79% for the second quarter of 2026, as compared to 0.69% for the prior quarter and 0.68% for the same period last year. Both

increases were driven by the increase in operational expenses discussed above. 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 this 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 June 30, 2026 with the Federal Deposit Insurance Corporation (FDIC) on or about August 5, 2026.

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

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

HINGHAM INSTITUTION FOR SAVINGS

Selected Financial Ratios

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
<i>(Unaudited)</i>				
Key Performance Ratios				
Return on average assets (1)	0.85 %	2.25 %	0.75 %	1.25 %
Return on average equity (1)	8.43	20.38	7.45	11.45
Core return on average assets (1) (5)	0.67	0.94	0.61	0.94
Core return on average equity (1) (5)	6.67	8.55	6.12	8.60
Interest rate spread (1) (2)	0.95	1.43	0.87	1.40
Net interest margin (1) (3)	1.66	2.14	1.58	2.09
Operating expenses to average assets (1)	0.68	0.79	0.68	0.74
Efficiency ratio (4)	41.17	37.46	43.36	36.21
Average equity to average assets	10.05	11.02	10.02	10.92
Average interest-earning assets to average interest-bearing liabilities	122.94	126.50	122.60	125.75

	June 30, 2025	December 31, 2025	June 30, 2026
<i>(Unaudited)</i>			
Asset Quality Ratios			
Allowance for credit losses/total loans	0.70 %	0.73 %	0.75 %
Allowance for credit losses/non-performing loans	86.97	91.46	96.15
Non-performing loans/total loans	0.81	0.80	0.78
Non-performing loans/total assets	0.70	0.69	0.67
Non-performing assets/total assets	0.70	0.69	0.78
Share Related			
Book value per share	\$ 204.36	\$ 219.82	\$ 230.83
Market value per share	\$ 248.35	\$ 283.96	\$ 307.15
Shares outstanding at end of period	2,181,250	2,182,250	2,198,250

(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, excluding the net gain on equity securities, both realized and unrealized.

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

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Balance Sheets

	June 30, 2025	December 31, 2025	June 30, 2026
<i>(In thousands, except share amounts)</i>			
<i>(Unaudited)</i>			
ASSETS			
Cash and due from banks	\$ 8,470	\$ 6,683	\$ 5,487
Federal Reserve and other short-term investments	352,144	362,925	349,677
Cash and cash equivalents	360,614	369,608	355,164
CRA investment	8,928	9,050	8,956
Other marketable equity securities	113,761	141,294	155,505
Securities, at fair value	122,689	150,344	164,461
Securities held to maturity, at amortized cost	6,494	7,499	11,499
Federal Home Loan Bank stock, at cost	64,659	61,987	59,622
Loans, net of allowance for credit losses of \$27,730 at June 30, 2025, \$28,555 at December 31, 2025 and \$29,555 at June 30, 2026	3,931,663	3,899,008	3,903,907
Foreclosed assets	—	—	4,669
Bank-owned life insurance	14,143	14,318	14,488
Premises and equipment, net	16,180	15,911	15,718
Accrued interest receivable	8,962	9,213	9,274
Other assets	13,753	14,766	17,708
Total assets	\$ 4,539,157	\$ 4,542,654	\$ 4,556,510
LIABILITIES AND STOCKHOLDERS' EQUITY			
Interest-bearing deposits	\$ 2,040,271	\$ 2,080,661	\$ 2,089,295
Non-interest-bearing deposits	437,608	467,656	504,230
Total deposits	2,477,879	2,548,317	2,593,525
Federal Home Loan Bank advances	1,572,000	1,463,815	1,405,340
Mortgagors' escrow accounts	18,478	18,427	20,238
Accrued interest payable	12,959	11,831	11,154
Deferred income tax liability, net	4,629	9,495	9,579
Other liabilities	7,460	11,061	9,252
Total liabilities	4,093,405	4,062,946	4,049,088
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; 2,181,250 shares issued and outstanding at June 30, 2025, 2,182,250 at December 31, 2025, and 2,198,250 shares issued and outstanding at June 30, 2026	2,181	2,182	2,198
Additional paid-in capital	15,777	16,004	18,116
Undivided profits	427,794	461,530	487,055
Accumulated other comprehensive income (loss)	—	(8)	53
Total stockholders' equity	445,752	479,708	507,422
Total liabilities and stockholders' equity	\$ 4,539,157	\$ 4,542,654	\$ 4,556,510

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
<i>(In thousands, except per share amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 46,752	\$ 48,093	\$ 91,973	\$ 95,099
Debt securities	97	131	192	244
Equity securities	1,365	1,402	2,816	2,965
Federal Reserve and other short-term investments	3,072	3,256	6,127	6,381
Total interest and dividend income	51,286	52,882	101,108	104,689
Interest expense:				
Deposits	17,841	15,582	36,462	31,159
Federal Home Loan Bank and Federal Reserve Bank	15,406	13,694	30,571	27,792
Total interest expense	33,247	29,276	67,033	58,951
Net interest income	18,039	23,606	34,075	45,738
Provision for credit losses	450	500	750	1,000
Net interest income, after provision for credit losses	17,589	23,106	33,325	44,738
Other income:				
Customer service fees on deposits	139	170	274	336
Increase in cash surrender value of bank-owned life insurance	79	88	163	170
Gain on equity securities, net	2,516	18,953	3,797	9,033
Miscellaneous	73	99	122	154
Total other income	2,807	19,310	4,356	9,693
Operating expenses:				
Salaries and employee benefits	4,392	4,558	8,859	9,237
Occupancy and equipment	417	396	856	873
Data processing	758	850	1,482	1,667
Deposit insurance	784	541	1,532	1,178
Foreclosure and related	14	206	24	281
Marketing	222	341	358	589
Other general and administrative	959	2,084	1,905	2,975
Total operating expenses	7,546	8,976	15,016	16,800
Income before income taxes	12,850	33,440	22,665	37,631
Income tax provision	3,436	7,997	6,127	9,337
Net income	\$ 9,414	\$ 25,443	\$ 16,538	\$ 28,294
Cash dividends declared per common share	\$ 0.63	\$ 0.63	\$ 1.26	\$ 1.26
Weighted average shares outstanding:				
Basic	2,181	2,196	2,181	2,191
Diluted	2,200	2,213	2,200	2,211
Earnings per share:				
Basic	\$ 4.32	\$ 11.59	\$ 7.58	\$ 12.92
Diluted	\$ 4.28	\$ 11.49	\$ 7.52	\$ 12.80

HINGHAM INSTITUTION FOR SAVINGS

Net Interest Income Analysis

	Three Months Ended								
	June 30, 2025			March 31, 2026			June 30, 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>									
Assets									
Loans (1) (2)	\$ 3,952,477	\$ 46,752	4.74 %	\$ 3,923,289	\$ 47,006	4.86 %	\$ 3,925,640	\$ 48,093	4.91 %
Securities (3) (4)	135,541	1,462	4.33	142,557	1,676	4.77	148,050	1,533	4.15
Short-term investments (5)	277,146	3,072	4.45	342,426	3,125	3.70	353,225	3,256	3.70
Total interest-earning assets	4,365,164	51,286	4.71	4,408,272	51,807	4.77	4,426,915	52,882	4.79
Other assets	78,230			107,202			105,849		
Total assets	\$ 4,443,394			\$ 4,515,474			\$ 4,532,764		
Liabilities and stockholders' equity:									
Interest-bearing deposits (6)	\$ 2,102,662	17,841	3.40 %	\$ 2,090,883	15,577	3.02 %	\$ 2,101,178	15,582	2.97 %
Borrowed funds	1,448,078	15,406	4.27	1,436,018	14,098	3.98	1,398,343	13,694	3.93
Total interest-bearing liabilities	3,550,740	33,247	3.76	3,526,901	29,675	3.41	3,499,521	29,276	3.36
Non-interest-bearing deposits	429,537			472,919			507,665		
Other liabilities	16,378			27,020			26,204		
Total liabilities	3,996,655			4,026,840			4,033,390		
Stockholders' equity	446,739			488,634			499,374		
Total liabilities and stockholders' equity	\$ 4,443,394			\$ 4,515,474			\$ 4,532,764		
Net interest income		\$ 18,039			\$ 22,132			\$ 23,606	
Weighted average interest rate spread			0.95 %			1.35 %			1.43 %
Net interest margin (7)			1.66 %			2.04 %			2.14 %
Average interest-earning assets to average interest-bearing liabilities (8)	122.94 %			124.99 %			126.50 %		

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

HINGHAM INSTITUTION FOR SAVINGS

Net Interest Income Analysis

	Six Months Ended June 30,					
	2025			2026		
	<u>Average Balance (9)</u>	<u>Interest</u>	<u>Yield/ Rate (10)</u>	<u>Average Balance (9)</u>	<u>Interest</u>	<u>Yield/ Rate (10)</u>
<i>(Dollars in thousands)</i>						
<i>(Unaudited)</i>						
Loans (1) (2)	\$ 3,941,215	\$ 91,973	4.71 %	\$ 3,924,471	\$ 95,099	4.89 %
Securities (3) (4)	133,121	3,008	4.56	145,319	3,209	4.45
Short-term investments (5)	277,930	6,127	4.45	347,855	6,381	3.70
Total interest-earning assets	4,352,266	101,108	4.68	4,417,645	104,689	4.78
Other assets	78,717			106,521		
Total assets	<u>\$ 4,430,983</u>			<u>\$ 4,524,166</u>		
Interest-bearing deposits (6)	\$ 2,121,871	36,462	3.47 %	\$ 2,096,060	31,159	3.00 %
Borrowed funds	1,428,072	30,571	4.32	1,417,076	27,792	3.95
Total interest-bearing liabilities	3,549,943	67,033	3.81	3,513,136	58,951	3.38
Non-interest-bearing deposits	421,750			490,388		
Other liabilities	15,428			26,608		
Total liabilities	3,987,121			4,030,132		
Stockholders' equity	443,862			494,034		
Total liabilities and stockholders' equity	<u>\$ 4,430,983</u>			<u>\$ 4,524,166</u>		
Net interest income		<u>\$ 34,075</u>			<u>\$ 45,738</u>	
Weighted average interest rate spread			<u>0.87 %</u>			<u>1.40 %</u>
Net interest margin (7)			<u>1.58 %</u>			<u>2.09 %</u>
Average interest-earning assets to average interest-bearing liabilities (8)	<u>122.60 %</u>			<u>125.75 %</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 on equity securities, both realized and unrealized.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2026	2025	2026
<i>(In thousands, unaudited)</i>				
Non-GAAP reconciliation:				
Net income	\$ 9,414	\$ 25,443	\$ 16,538	\$ 28,294
Gain on equity securities, net	(2,516)	(18,953)	(3,797)	(9,033)
Income tax expense (1)	555	4,178	837	1,991
Core net income	\$ 7,453	\$ 10,668	\$ 13,578	\$ 21,252

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

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

	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	
	2025	2026	2026	2025	2026
<i>(In thousands, unaudited)</i>					
Non-GAAP efficiency ratio calculation:					
Operating expenses	\$ 7,546	\$ 7,824	\$ 8,976	\$ 15,016	\$ 16,800
Net interest income	\$ 18,039	\$ 22,132	\$ 23,606	\$ 34,075	\$ 45,738
Other income	2,807	(9,617)	19,310	4,356	9,693
Gain on equity securities, net	(2,516)	9,920	(18,953)	(3,797)	(9,033)
Total revenue	\$ 18,330	\$ 22,435	\$ 23,963	\$ 34,634	\$ 46,398
Efficiency ratio	41.17 %	34.87 %	37.46 %	43.36 %	36.21 %