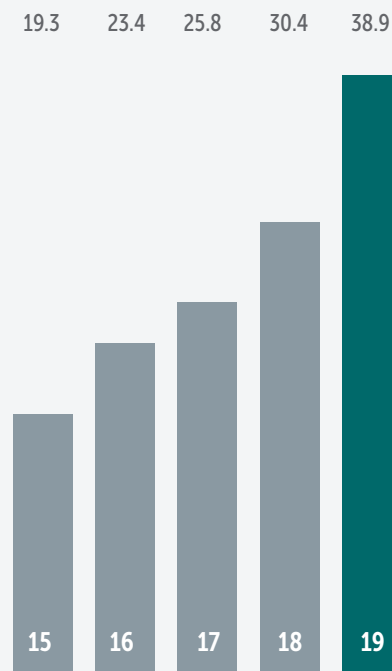




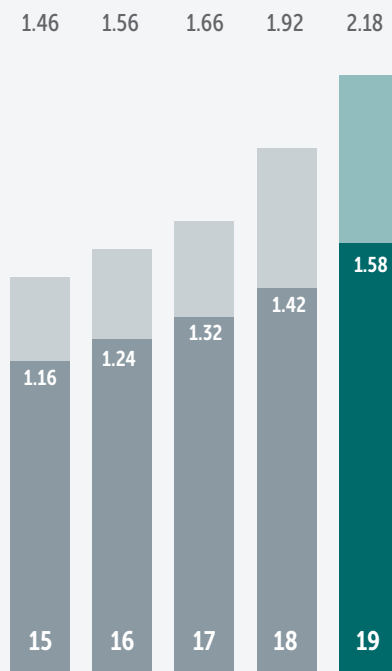
2019 ANNUAL REPORT



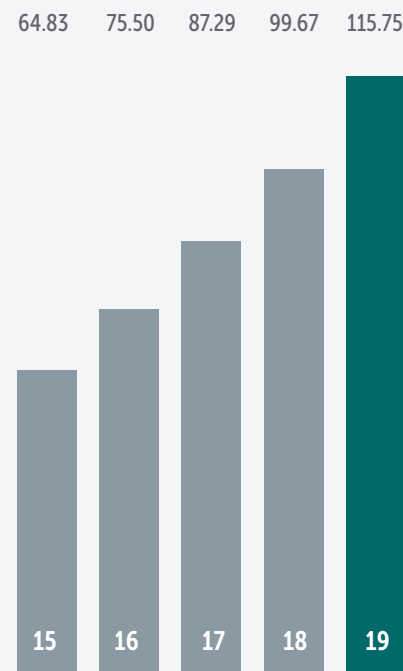
Financial Highlights



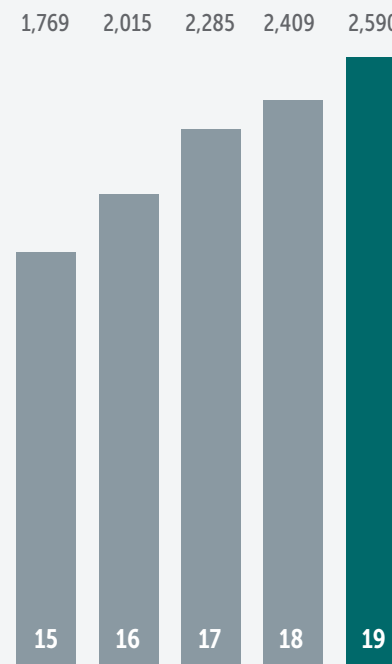
Net Income
(\$ in millions)



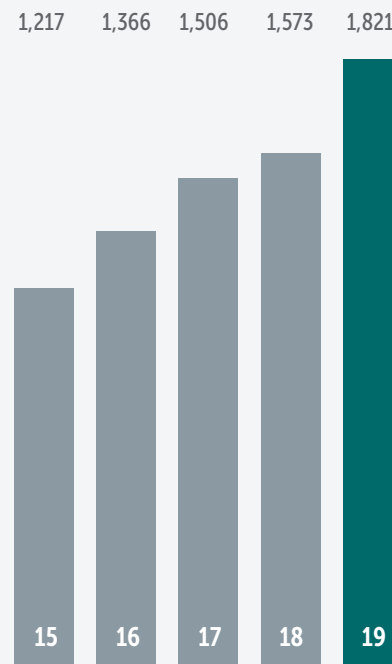
Dividends Declared*
(\$ per share)



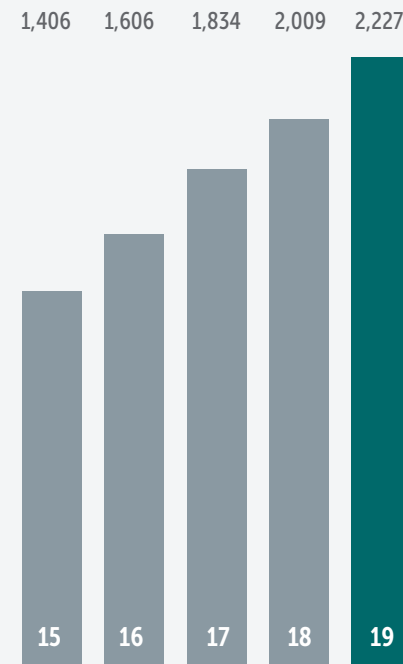
Book Value
(\$ per share)



Assets
(\$ in millions)



Deposits
(\$ in millions)



Loans, net
(\$ in millions)

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

From the Chairman and President



To Our Business Partners:

2019 was another outstanding year for Hingham Institution for Savings.

We earned a record \$38.9 million for our owners, a 28% increase from 2018. Our return on average equity of 16.82% and our return on average assets of 1.55% place us among the most profitable banks in the country. Net loans increased by 11% to \$2.227 billion, deposits increased by 16% to \$1.821 billion, and total assets increased by 8% to \$2.590 billion. Book value per share rose 16% in 2019 from \$99.67 to \$115.75 per share. This excludes capital

returned to the ownership through regular and special dividends - we declared \$2.18 in dividends per share in 2019. The trailing five year compound annual growth rate in book value per share, an important measure of long-term value creation, was 15.2%. The efficiency ratio was 30.26%, a reflection of our disciplined approach to expense control.

We made significant progress this year strengthening our technology infrastructure and expanding our presence in our two primary markets - the greater Boston and Washington D.C. metropolitan areas. Despite extraordinary concentrations of talent and innovation, decades of consolidation have left these markets with fewer small and mid-sized banks that can build personal relationships with clients.

This continues to create opportunities for Hingham. With a commitment to independence, a balance sheet that can support lending relationships up to \$50 million, and speed and surety of execution, Hingham can deliver unique value.

Last year, we noted that we were planning for a permanent home in Washington. We have purchased a property in Georgetown and we are working with our architects to renovate the building to house our growing Washington team. If you are a commercial lender or relationship manager in Boston or Washington, customer-oriented with a commitment to excellence, call us.

Since our family became associated with the Bank twenty-seven years ago, it has been our objective to build one of America's great banks, characterized by superior long-term financial results, a fortress balance sheet that provides unquestionable assurance to our depositors, and an enduring culture of growth and success. We are well on our way.

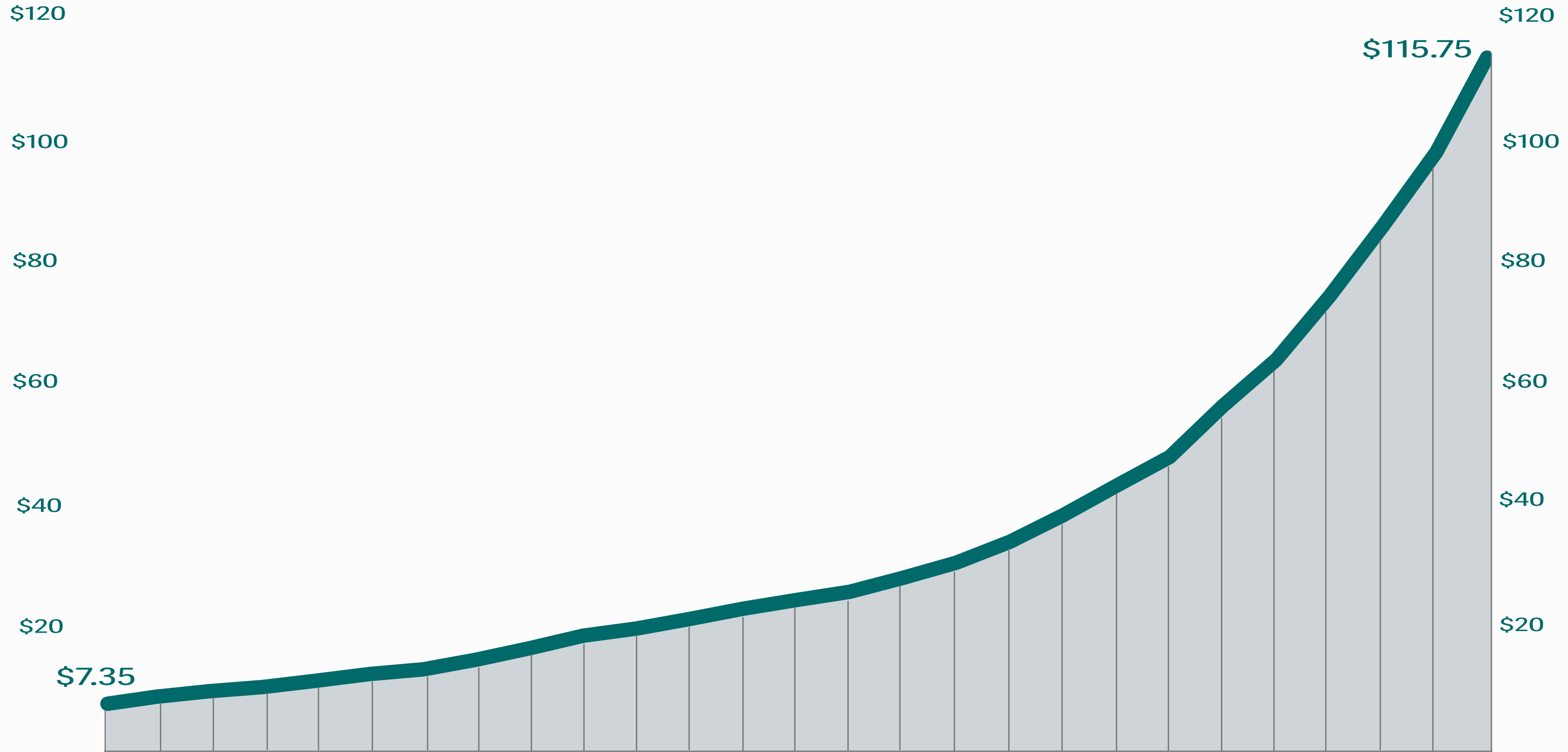
Very truly yours,

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

Patrick R. Gaughen
President and Chief Operating Officer

27 Years of Performance

Book Value Per Share



(dollars in thousands except per share data)

	1993*	1994*	1995*	1996*	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assets	\$ 147,889	\$ 153,192	\$ 175,409	\$ 201,586	\$ 222,584	\$ 260,076	\$ 291,183	\$ 337,881	\$ 386,181	\$ 426,430	\$ 483,954	\$ 547,051	\$ 628,251	\$ 691,652	\$ 744,602	\$ 806,193	\$ 925,560	\$ 1,017,845	\$ 1,127,276	\$ 1,205,884	\$ 1,356,441	\$ 1,552,205	\$ 1,768,528	\$ 2,014,599	\$ 2,284,599	\$ 2,408,587	\$ 2,590,346
Total Net Loans	\$ 76,936	\$ 100,398	\$ 119,472	\$ 151,166	\$ 172,839	\$ 204,774	\$ 229,687	\$ 266,568	\$ 282,386	\$ 320,692	\$ 358,778	\$ 415,538	\$ 488,126	\$ 539,104	\$ 593,915	\$ 647,255	\$ 718,242	\$ 792,910	\$ 849,776	\$ 949,662	\$ 1,078,879	\$ 1,238,656	\$ 1,405,533	\$ 1,605,647	\$ 1,833,987	\$ 2,009,288	\$ 2,227,062
Book Value Per Share	\$ 7.35	\$ 8.24	\$ 9.17	\$ 9.87	\$ 10.93	\$ 12.05	\$ 12.83	\$ 14.46	\$ 16.38	\$ 18.48	\$ 19.68	\$ 21.29	\$ 23.01	\$ 24.47	\$ 25.85	\$ 28.20	\$ 30.74	\$ 34.24	\$ 38.70	\$ 43.65	\$ 48.49	\$ 57.08	\$ 64.83	\$ 75.50	\$ 87.29	\$ 99.67	\$ 115.75
Return on Equity	1.34%	17.09%	11.11%	11.06%	13.00%	13.18%	13.07%	15.17%	15.95%	16.58%	13.53%	13.56%	13.20%	9.18%	8.40%	11.08%	12.78%	14.67%	15.34%	15.05%	13.52%	19.30%	14.81%	15.59%	14.73%	14.97%	16.82%
Earnings Per Share (Basic)	\$ 0.10	\$ 1.33	\$ 0.98	\$ 1.05	\$ 1.36	\$ 1.53	\$ 1.65	\$ 2.07	\$ 2.49	\$ 2.91	\$ 2.58	\$ 2.80	\$ 2.95	\$ 2.19	\$ 2.12	\$ 2.96	\$ 3.79	\$ 4.81	\$ 5.68	\$ 6.25	\$ 6.28	\$ 10.46	\$ 9.09	\$ 10.99	\$ 12.08	\$ 14.25	\$ 18.24

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

Ellis

Lauren Cook, Chief Executive Officer

(Pictured below with her daughter, Austin - student at Ellis)

Boston, Massachusetts



Founded in 1885, Ellis is one of the top early childhood education providers in the nation, known for serving an economically diverse population of families in Boston's South End and surrounding communities.

Hingham has supported Ellis philanthropically for many years, consistent with our broader commitment to expanding educational opportunities in the communities we serve. In 2019, the Bank developed a deeper relationship with the organization, refinancing its historic buildings on Berkeley Street, and providing a full range of banking services. We also provided a line of credit for future renovation projects. Ellis appreciated the hand-delivered proposal and unique non-profit financing terms and we look forward to working together to advance the Ellis mission for future generations.

"Hingham understands the unique needs of its nonprofit customers. Hingham's support of Ellis allows us to sustain our legacy as a leader in early childhood education."

Lauren Cook
Chief Executive Officer

The JCR Companies

Joe Reger, Founder

Washington, D.C.



Washington, D.C.-based JCR Companies is a full service real estate investment, leasing and asset management firm. The company was founded in 2009 by Joe Reger and since its inception has been keenly focused on opportunistic real estate investments.

JCR began working with Hingham in 2017 when the firm refinanced three commercial condominiums located near Logan Circle. Hingham's ability to execute quickly and with precision aligned with JCR's approach. Since that time, JCR and Hingham have worked on four other transactions in the District and in Alexandria. JCR's staff also works closely with Hingham's Specialized Deposit Group for all of the firm's deposit needs.

"Hingham's loan process is straightforward, streamlined, and efficient, allowing JCR to capitalize on quality deals when time is of the essence."

Joe Reger
Founder



Community Development Corporation of Boston

James Dilday, President
Boston, Massachusetts



"When we first came to Hingham, the staff made us feel like we had been banking with them forever. We feel fortunate to work with such a wonderful group of people."

James Dilday
President

Led by President James Dilday, Community Development Corporation (CDC) of Boston was founded to improve the quality of life for inner city residents through community and neighborhood development. In 2018, with financing support from Hingham, it acquired and began redeveloping the Sriberg building on Washington Street in Lower Roxbury. When completed, the building will include both market-rate and affordable residential units, as well as street level retail and office space. As part of the project, CDC of Boston is also planning improvements to a nearby park.

CDC of Boston came to Hingham not only for construction financing, but a relationship with a flexible and responsive bank. Hingham has a long history of financing and banking nonprofit organizations with a community development mission.



Frank Williams
Real Estate Investor & Officer in the Boston Police Department
Boston, Massachusetts



“My relationship with Hingham is one of mutual trust - you will not find that at other banks.”

Frank Williams
Real Estate Investor

130 West Newton Street holds a lifetime of history for Frank Williams. His father purchased the four-story brownstone in 1961 and Frank was born there a year later. Frank spent his childhood in the South End and later patrolled the neighborhood when he joined the Boston Police Department. When his father passed away, Frank began renovating the property into 3 luxury units, one of which he will live in.

Prior to working with Hingham, Frank had difficulty finding a bank that would finance his renovation project. The lenders and leadership at Hingham spent time with Frank to understand his objectives and vision and put together financing that allowed him to make his dream home a reality.

The Trinity Collection

Edward Townsend Wright II (Spyder), Owner

Edward Townsend Wright III, Owner
(listed from left to right)

Nantucket, Massachusetts



The Trinity Collection in Nantucket is known for its rare and fine watches. Father/Son team Spyder and Edward Wright co-own the Nantucket shop which features the high-end watch and jewelry collection in the front, and a surf shop built around Spyder's former professional career in the back. They are located directly across the street from Hingham's office on the Island.

The Wrights began banking with Hingham in 2013. They needed a bank that could provide dedicated personal service for all of their needs, whether they were on Nantucket or at their location in Palm Beach. Hingham's dedicated relationship managers, convenient branch location, and digital tools made this possible. Hingham also provided flexible tailored financing - a hallmark of our personal approach to banking.

"Whether across the street or across the country, we always receive excellent service from the staff at Hingham."

Edward Townsend Wright III
Owner



True North Capital Partners
Mat Glauninger, Managing Partner
Jeff Bruce, Managing Director & Founder
(listed from left to right)
Boston, Massachusetts



"Hingham took the time to understand our process and how we maximize returns for our investors. We know Hingham shares our vision."

Jeff Bruce
Managing Director & Founder

True North Capital Partners, founded by Jeff Bruce and Mat Glauninger, is a real estate investment firm that develops and manages multi-family properties in the greater Boston area. Founded in 2009, the firm takes a unique approach to development with a mission to refresh the buildings they rehab one unit at a time, and in turn, improve the surrounding community.

Hingham has worked with True North since 2014, financing several of their renovation projects. Jeff and Mat were impressed with Hingham's hands-on approach to understanding True North's model. Instead of an "off-the-shelf" proposal, the financing was tailored to their specific needs allowing True North to successfully execute their value-add strategy.

Selected Financial Data

Board of Directors

	At December 31,				
	2015	2016	2017	2018	2019
	(In Thousands)				
Balance Sheet Data:					
Total assets	\$ 1,768,528	\$ 2,014,599	\$ 2,284,599	\$ 2,408,587	\$ 2,590,346
Cash & cash equivalents	261,013	322,932	355,229	295,975	252,147
Securities	40,603	27,168	34,304	38,460	47,186
Loans:					
Residential loans	635,522	685,674	721,809	741,841	725,524
Commercial mortgage	681,601	796,063	998,567	1,150,535	1,327,126
Construction	95,433	131,778	122,715	127,274	186,094
Other	644	678	701	542	782
Allowance for loan losses	9,905	11,030	12,537	13,808	15,376
Deposits	1,217,027	1,366,109	1,505,862	1,573,154	1,820,834
Federal Home Loan Bank advances	402,464	475,318	579,164	606,600	505,200
Stockholders' equity	138,015	161,024	186,158	212,576	247,223
	At or For the Years Ended December 31,				
	2015	2016	2017	2018	2019
	(Dollars in Thousands, Except Per Share Amounts)				
Income Statement Data:					
Total interest and dividend income	\$ 61,859	\$ 71,769	\$ 81,059	\$ 94,169	\$ 106,952
Total interest expense	10,910	13,385	17,261	28,384	40,050
Net interest income	50,949	58,384	63,798	65,785	66,902
Provision for loan losses	625	1,135	1,505	1,270	1,567
Other income (loss)	1,483	1,735	1,410	(1,735)	8,828
Operating expenses	19,031	19,215	19,576	20,051	20,615
Income before income taxes	32,776	39,769	44,127	42,729	53,548
Income tax provision	13,430	16,346	18,370	12,330	14,621
Net income	\$ 19,346	\$ 23,423	\$ 25,757	\$ 30,399	\$ 38,927
Core net income *	\$ 19,327	\$ 23,202	\$ 25,708	\$ 32,776	\$ 32,996
Earnings per common share:					
Basic	\$ 9.09	\$ 10.99	\$ 12.08	\$ 14.25	\$ 18.24
Diluted	\$ 9.02	\$ 10.89	\$ 11.81	\$ 13.90	\$ 17.83
Financial Ratios:					
Return on average assets	1.18 %	1.22 %	1.21 %	1.32 %	1.55 %
Return on average equity	14.81	15.59	14.73	14.97	16.82
Core return on average assets *	1.18	1.21	1.21	1.42	1.32
Core return on average equity *	14.80	15.44	14.70	16.14	14.26
Average equity to average assets	7.97	7.85	8.22	8.80	9.24
Interest rate spread	3.06	2.99	2.91	2.66	2.38
Net interest margin	3.17	3.10	3.05	2.90	2.72
Efficiency ratio	36.32	32.15	30.06	29.89	30.26
Cash dividends declared per common share	\$ 1.46	\$ 1.56	\$ 1.66	\$ 1.92	\$ 2.18
Book value per common share	\$ 64.83	\$ 75.50	\$ 87.29	\$ 99.67	\$ 115.75
Shares outstanding, at year end	2,128,750	2,132,750	2,132,750	2,132,750	2,135,750

* Non-GAAP measure which excludes after-tax gain (loss) on equity securities.



Standing (left to right):

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

Seated (left to right):

Howard M. Berger, Esq.
 Jacqueline M. Youngworth
 Robert H. Gaughen, Jr., Esq.
 Kara Gaughen Smith
 Robert K. Sheridan, Esq.
 Patrick R. Gaughen

Stockholder Information

Hingham Institution for Savings

55 Main Street
Hingham, MA 02043
(781) 749-2200

Chairman and Chief Executive Officer

Robert H. Gaughen, Jr.

Investor Inquiries

Patrick R. Gaughen
President and Chief Operating Officer

Transfer Agent and Registrar

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P.O. Box 505000
Louisville, KY 40233
(800) 288-9541

Online Registered Shareholder Access

www.computershare.com/investor

Independent Registered Public Accounting Firm

Wolf & Company, P.C.
99 High Street
Boston, MA 02110

Special Counsel

Goodwin Procter
100 Northern Avenue
Boston, MA 02210

Form 10-K and Proxy Statement

A copy of the Bank's Annual Report on Form 10-K and Proxy Statement for the fiscal year ended December 31, 2019 as filed with the Federal Deposit Insurance Corporation, may be obtained without charge by any stockholder of the Bank upon written request addressed to the Investor Relations Department. Additionally, the Bank's Annual Report on Form 10-K and the Proxy Statement are available electronically at www.hinghamavings.com.

Stock Data

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

As of December 31, 2019, there were approximately 212 stockholders of record, holding 127,590 outstanding shares of common stock. These shares do not include the number of persons who hold their shares in nominee or street name through various brokerage firms.

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

	<u>High</u>	<u>Low</u>
2019		
First Quarter	\$ 208.88	\$ 165.00
Second Quarter	203.63	163.00
Third Quarter	206.27	176.70
Fourth Quarter	212.59	183.31
2018		
First Quarter	\$ 233.13	\$ 195.05
Second Quarter	229.40	201.89
Third Quarter	227.50	213.84
Fourth Quarter	229.99	194.03

The closing sale price of the Bank's common stock at December 31, 2019 was \$210.20 per share.

1834

BOSTON
BEACON HILL
SOUTH END

COHASSET

HINGHAM
HINGHAM SQUARE
SOUTH HINGHAM
LINDEN PONDS

HULL

NANTUCKET

NORWELL/HANOVER

WASHINGTON, DC



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