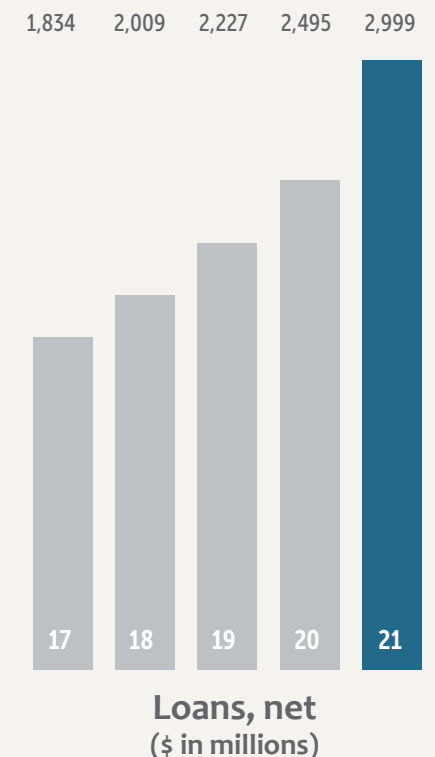
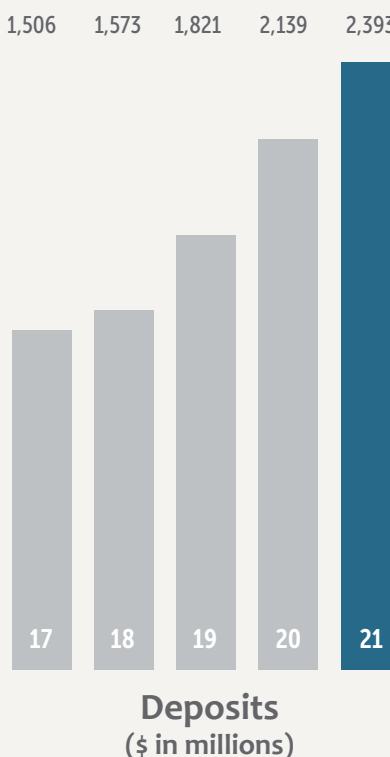
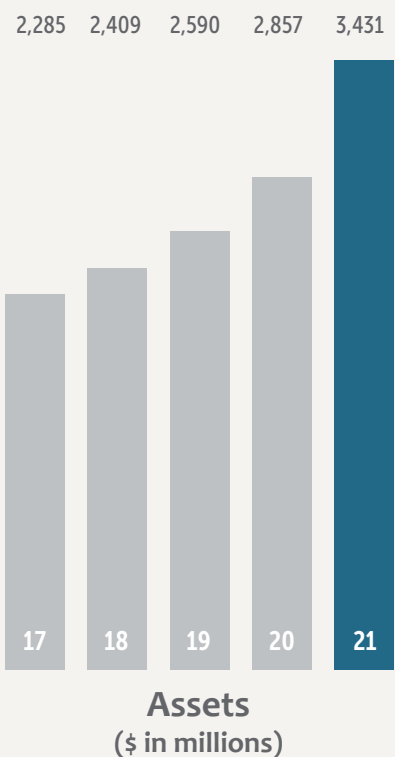
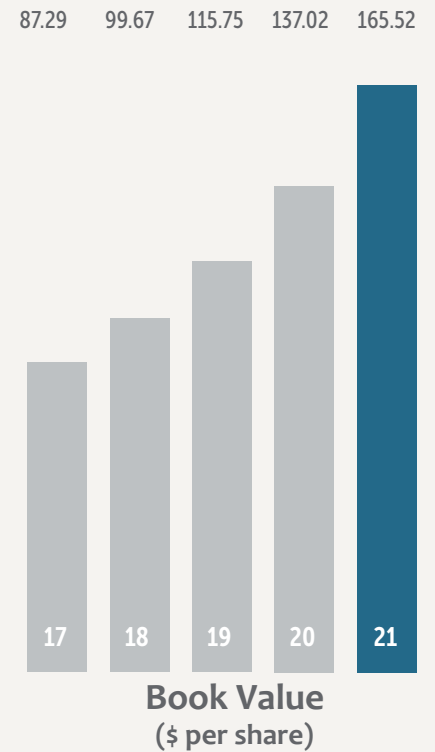
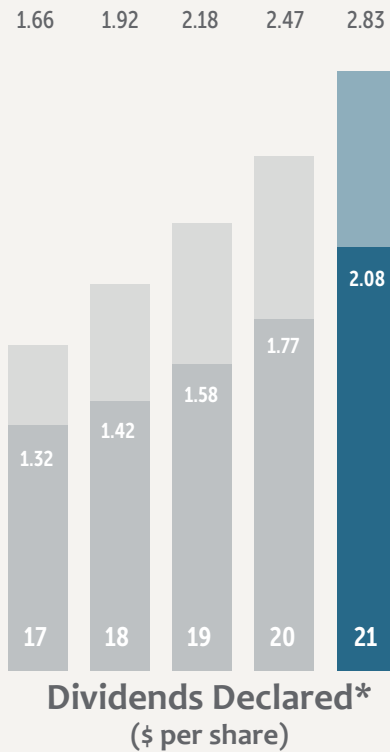
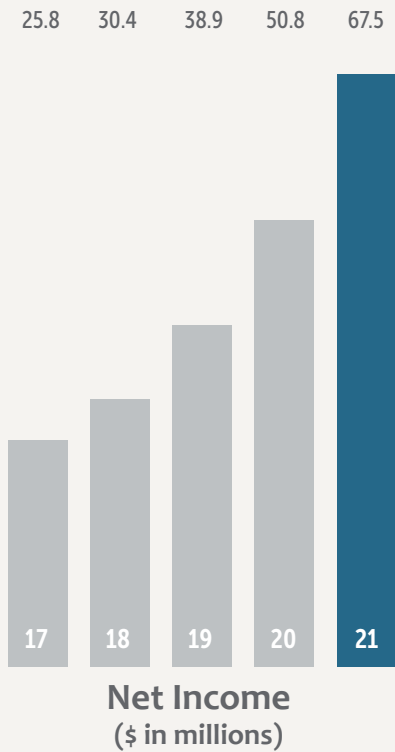




2021 ANNUAL REPORT

Financial Highlights



*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 the President



To Our Business Partners:

2021 was another outstanding year for Hingham Institution for Savings.

We earned a record \$67.5 million for our owners, a 33% increase from 2020. Our return on average equity of 20.62% and our return on average assets of 2.25% again placed us among the most profitable banks in the country. Net loans increased by 20% to \$2.999

billion, deposits increased by 12% to \$2.393 billion, and total assets increased by 20% to \$3.431 billion. Non-interest bearing deposits grew by 24%, primarily in our commercial customer base. Book value per share rose 20.8% in 2021 from \$137.02 to \$165.52 per share. This excludes capital returned to the owners through regular and special dividends - we declared \$2.83 in dividends per share in 2021. The trailing five year compound annual growth rate in book value per share, an important measure of long-term value creation, was 17.0%. The efficiency ratio in 2021 was 21.31%, a reflection of our disciplined approach to expense control. This was an extraordinary year for the Bank and it has set the bar for future performance higher.

Although these financial results were strong, we can never lose sight of the fact that results in any given year do not fully describe the real accomplishments and progress at Hingham. Our long-term objective is to generate superior returns on equity capital through a disciplined strategy combining a commercial real estate lending business with a relationship-focused deposit business serving families, nonprofits, real estate investors, and institutions. We build these businesses slowly - one employee at a time, one relationship at a time, one loan at a time. There are no shortcuts.

Against the backdrop of the pandemic, our commercial real estate business continued to grow steadily last year. Three senior commercial real estate lenders joined us in 2021 and they have become an integral part of our team. We continue to believe the most attractive markets for our business are dense, coastal cities with favorable demographics and concentrations of multifamily real estate.

We completed our fifth full year of operations in Washington, D.C., with a high-quality portfolio approaching \$650 million in loans outstanding. We are almost finished building our Washington office in Georgetown by the Canal. This will be a home for our growing local team of four commercial lenders and relationship managers, as well as distributed staff.

In 2021, we began laying the basis for what we believe could be a meaningful business in the San Francisco Bay Area. The market has attractive structural economic characteristics, including the presence of a vibrant technology sector, links to Asia, land supply restrictions, and a cluster of research universities that produce the intangible assets that are critical drivers in our economy. Importantly for Hingham, there is also a substantial concentration of small multifamily housing stock. In our first year, we completed diligence on our operational partners, started outreach to prospective customers, and began lending.

For talented commercial real estate lenders in Boston, Washington, D.C., and San Francisco, Hingham is an ideal home. We offer a stable platform for long-term growth, a commitment to independence, and a disciplined approach to lending and investing through cycles. If you are customer focused, with strong valuation skills and a track record of origination, please contact Patrick directly. We would like the opportunity to get to know you and explain our model. If this sounds like someone you know, we would appreciate you referring them to us.

Our Specialized Deposit Group continued building on its success in 2021. Our deposit strategy - digital excellence, virtually no fees, and personalized service provided by dedicated relationship managers - is compelling. We are committed to scaling this group to handle larger and more complex customers, with the people, technology, and infrastructure to manage significant relationships across multiple deposit-focused verticals and geographies. If you are a talented relationship manager in Boston, Washington, New York or San Francisco that works with these kinds of deposit customers, please call Holly Cirignano, the Head of our Specialized Deposit Group. She wants to talk with you.

**Book Value
Per Share
\$7.35**

29 Years of Performance

| | 1993* | 1994* | 1995* | 1996* | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 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 |
| 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 |
| 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 |
| 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 |
| 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% |
| Efficiency Ratio | 108.32% | 61.46% | 54.25% | 53.36% | 50.10% | 48.72% | 50.25% | 47.78% | 45.31% | 45.42% | 45.55% | 49.48% | 48.50% |

Dollars in thousands except per share data.

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

**Book Value
Per Share
\$165.52**

We made significant progress in 2021 building the technology infrastructure and organization to support our growth. Dan Bagley joined our team as the Chief Information Officer in October and we are embarking on a project to significantly enhance our core commercial technology capabilities for clients. We completed the first integration of a third party solution into our core via a standardized set of application programming interfaces (API). This infrastructure was required to work with a wider range of third party partners and potential customers. We are also firmly committed to a geographically distributed business, with remote and hybrid teams across the country. We want the best people on our team; they should have the opportunity to live where they do their best work.

Eliminating waste remains a core strategic objective of the Bank. Our continuous improvement process increasingly recognizes the “money value of time.” With a small team, time is one of our few binding constraints. We must find ways to increase the velocity of our operations, maintain our narrow focus, and leverage that time. There is a natural tension between our cultural frugality and speed. We increasingly resolve this tension in favor of speed, with the understanding that operational leverage - not only pure expense control - is what will drive efficiency over time. To this end, we have made substantial progress outsourcing non-differentiated work this year to specialty service providers.

In our investment operations, we grew our partial ownership in a range of outstanding businesses. Management teams, working on our behalf, continued to improve these businesses in ways large and small. Our investments are focused on finance - banks, insurers, payment companies, financial infrastructure providers, and ratings agencies. We also have material investments in enterprise software and technology companies that facilitate digital commerce. Our investments - public and private, debt and equity - inform and are informed by our core business operations. When we invest in smaller companies, we look for opportunities to provide both capital and operational expertise. We continue to benefit from studying and engaging with management teams at high performance companies.

Even as we focus on our performance, we recognize that our profitability is ultimately dependent on the health and vitality of the cities in which we operate. We made nearly \$100 million in affordable housing and community development loans in 2021, and we made a large long-term investment in the San Francisco Housing Accelerator Fund (SFHAF). Rebecca Foster and her team at SFHAF combine deep real estate market knowledge with smart, innovative approaches that use public, private, and philanthropic capital to expand the supply of affordable housing in San Francisco. If you share our commitment to that mission, please reach out to them to see how you can support it.

Since our family became associated with the Bank twenty-nine 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

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 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 | \$ 2,857,093 | \$ 3,431,165 |
| \$ 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 | \$ 2,495,331 | \$ 2,999,096 |
| \$ 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 | \$ 137.02 | \$ 165.52 |
| \$ 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 | \$ 23.76 | \$ 31.50 |
| 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% | 18.96% | 20.62% |
| 57.58% | 59.69% | 52.72% | 49.20% | 44.91% | 42.88% | 41.54% | 43.26% | 37.19% | 36.32% | 32.15% | 30.06% | 29.89% | 30.26% | 25.48% | 21.31% |

Autism Speaks

New York, NY

Pictured: Joe Vanyo, Chief Operating Officer and Lisa Goring, Strategic Initiatives and Innovation Officer



Since 2005, Autism Speaks has served people with autism and their families, across the spectrum and throughout their lives. As part of its core program, Autism Speaks connects families to resources and critical support, funds research to further personalized care, and advocates for policies and funding to protect the rights, services, and support of people with autism.

Autism Speaks began working with Hingham in 2020 to become eligible for the Paycheck Protection Program during the early days of the COVID-19 pandemic. With Hingham's expert guidance through the challenging process, Autism Speaks received the critical financial assistance they needed to ensure their continued support of the autism community.

"With Hingham's partnership, we were able to support the autism community during a critical time."

Joe Vanyo
Chief Operating Officer



“Real, authentic relationships are the foundation of a successful business. The partnership we’ve built with our team at Hingham has been invaluable to us.”

Steven Witt
Chief Executive Officer

In 2019, Steven Witt co-founded Anno.Ai, a software company that uses artificial intelligence to enhance the precision and effectiveness of machine learning models at scale. Anno.Ai partners with government and commercial customers, enabling them to overcome operational challenges and maintain tactical advantages to accomplish their mission.

Steven and his team needed a bank that understood their financial needs, would be available at a moment’s notice to solve problems, and with whom they could build a direct personal relationship. With Hingham as their banking partner, they can focus on optimizing their cutting edge artificial intelligence technology.

Pediatric Brain Tumor Foundation

Atlanta, GA | Fairview, NC

Pictured: Geoff Still - Chief Financial Officer (right), with his sons Eze (left) and David (center). Eze is a brain cancer survivor.



The Pediatric Brain Tumor Foundation (PBTF) has been a leader in the brain tumor and childhood cancer communities since its founding in 1991. Its tireless fundraising program provides financial relief to families, offers patient family education and emotional support, and funds research for a cure.

Like other nonprofits, PBTF had difficulty obtaining a Paycheck Protection Program loan during the COVID-19 pandemic and sought out Hingham through personal relationships. PBTF has appreciated the personal attention they receive from their dedicated team of relationship managers at Hingham. Hingham's support has allowed them to refocus on their mission fundraising program and providing support to families in need.

"Hingham made our organization a priority during a time of uncertainty. It's refreshing to work with a bank who deeply values our mission and the children and families we serve."

Geoff Still
Chief Financial Officer



Middle East Institute
Washington, DC



“The loan process with Hingham was efficient and straightforward. It is clear that Hingham appreciates the value of our time.”

Tamara Kalandiya
Chief Financial and Operating Officer

George Camp Kaiser founded the Middle East Institute (MEI) in 1946 with a vision of creating a space where global leaders could collaborate to increase knowledge and awareness and promote a better understanding of the Middle East in the United States. Since its founding, the Middle East Institute has evolved over time to include centers focused on policy analysis, education, and arts and culture.

In 2020, MEI completed a major renovation and expansion of its headquarters near Dupont Circle, blending preservation of historic elements with green features and accessibility. Following the completion of the project, it worked with Hingham to structure new mortgage financing to support MEI’s long-term mission.

Castle Square Tenants Organization

Boston, MA

Pictured left to right: Jameelah Julien - Community Engagement Manager, Ann Moy - President, Deborah Backus - Executive Director, Vivian Lee - Senior Advisor



The Castle Square Tenants Organization (CSTO) was formed in 1987 to preserve the affordability of the Castle Square Apartments located in the heart of Boston's South End neighborhood. In 2010, CSTO became majority owner of the 500 unit apartment building which offers direct services and programming in workforce training, health and wellness and STEM for low and moderate income youths, adults and seniors.

CSTO sought out Hingham in 2019 when faced with staff turnover at its former bank. Since the transition, the CSTO staff has built a strong relationship with their bankers at Hingham and are appreciative of the comprehensive support they receive.

"Hingham recognizes the positive impact that affordable housing has on the community. We are pleased to have a bank that believes in our cause."

Ann Moy
President



Aspiration

San Francisco, CA

Pictured left to right: Josh Black - Assistant Director, Evelyn Arellano - Program Director, Allen Gunn - Executive Director



"We needed a trusted financial partner. Hingham offers the stability we need in a bank."

Allen Gunn
Executive Director

Aspiration Tech ("Aspiration") is a values-driven nonprofit technology organization, connecting nonprofit organizations, foundations, and activists with technology solutions and data skills that help them better carry out their missions. By helping those working for social justice to find and use the best software available, Aspiration aims to maximize the impact and effectiveness of those who want to change the world.

When Aspiration looked for a new banking relationship, stability was a priority. In addition to providing unlimited deposit insurance, Hingham provided a dedicated relationship manager and customized digital banking tools. With Hingham's support, Aspiration can focus on its mission, not its banking.

Selected Financial Data

Board of Directors

| | At December 31, | | | | |
|--|--|--------------|--------------|--------------|--------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| | (In Thousands) | | | | |
| Balance Sheet Data: | | | | | |
| Total assets | \$ 2,284,599 | \$ 2,408,587 | \$ 2,590,346 | \$ 2,857,093 | \$ 3,431,165 |
| Cash & cash equivalents | 355,229 | 295,975 | 252,147 | 233,986 | 271,161 |
| Securities | 34,304 | 38,460 | 47,186 | 65,868 | 91,973 |
| Loans: | | | | | |
| Residential loans | 721,809 | 741,841 | 725,524 | 656,220 | 562,783 |
| Commercial mortgage | 998,567 | 1,150,535 | 1,327,126 | 1,693,215 | 2,296,566 |
| Construction | 122,715 | 127,274 | 186,094 | 153,020 | 155,668 |
| Other | 701 | 542 | 782 | 7,438 | 2,495 |
| Allowance for loan losses | 12,537 | 13,808 | 15,376 | 17,404 | 20,431 |
| Deposits | 1,505,862 | 1,573,154 | 1,820,834 | 2,139,197 | 2,392,865 |
| Federal Home Loan Bank advances | 579,164 | 606,600 | 505,200 | 408,031 | 665,000 |
| Stockholders' equity | 186,158 | 212,576 | 247,223 | 292,943 | 354,612 |
| | | | | | |
| | At or For the Years Ended December 31, | | | | |
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| | (Dollars in Thousands, Except Per Share Amounts) | | | | |
| Income Statement Data: | | | | | |
| Total interest and dividend income | \$ 81,059 | \$ 94,169 | \$ 106,952 | \$ 106,362 | \$ 110,491 |
| Total interest expense | 17,261 | 28,384 | 40,050 | 21,158 | 8,026 |
| Net interest income | 63,798 | 65,785 | 66,902 | 85,204 | 102,465 |
| Provision for loan losses | 1,505 | 1,270 | 1,567 | 2,288 | 3,028 |
| Other income (loss) | 1,410 | (1,735) | 8,828 | 9,192 | 15,308 |
| Operating expenses | 19,576 | 20,051 | 20,615 | 21,978 | 22,076 |
| Income before income taxes | 44,127 | 42,729 | 53,548 | 70,130 | 92,669 |
| Income tax provision | 18,370 | 12,330 | 14,621 | 19,359 | 25,211 |
| Net income | \$ 25,757 | \$ 30,399 | \$ 38,927 | \$ 50,771 | \$ 67,458 |
| Core net income * | \$ 25,708 | \$ 32,776 | \$ 32,996 | \$ 44,443 | \$ 56,563 |
| | | | | | |
| Earnings per common share: | | | | | |
| Basic | \$ 12.08 | \$ 14.25 | \$ 18.24 | \$ 23.76 | \$ 31.50 |
| Diluted | \$ 11.81 | \$ 13.90 | \$ 17.83 | \$ 23.25 | \$ 30.65 |
| | | | | | |
| Financial Ratios: | | | | | |
| Return on average assets | 1.21 % | 1.32 % | 1.55 % | 1.88 % | 2.25 % |
| Return on average equity | 14.73 | 14.97 | 16.82 | 18.96 | 20.62 |
| Core return on average assets * | 1.21 | 1.42 | 1.32 | 1.65 | 1.89 |
| Core return on average equity * | 14.70 | 16.14 | 14.26 | 16.60 | 17.29 |
| Average equity to average assets | 8.22 | 8.80 | 9.24 | 9.93 | 10.93 |
| Interest rate spread | 2.91 | 2.66 | 2.38 | 3.03 | 3.40 |
| Net interest margin | 3.05 | 2.90 | 2.72 | 3.22 | 3.48 |
| Efficiency ratio ** | 30.06 | 29.89 | 30.26 | 25.48 | 21.31 |
| Cash dividends declared per common share | \$ 1.66 | \$ 1.92 | \$ 2.18 | \$ 2.47 | \$ 2.83 |
| Book value per common share | \$ 87.29 | \$ 99.67 | \$ 115.75 | \$ 137.02 | \$ 165.52 |
| Shares outstanding, at year end | 2,132,750 | 2,132,750 | 2,135,750 | 2,137,900 | 2,142,400 |

* Non-GAAP measurement which represents net income excluding the after-tax gains and losses on securities, both realized and unrealized, and 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, excluding gain on equity securities, net and gain on disposal of fixed assets.

For complete financial information please refer to Form 10-K for the year ended December 31, 2021 filed with the Federal Deposit Insurance Corporation.



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. Hernando, 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

Computershare
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.
255 State Street
Boston, MA 02109

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, 2021 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, 2021, there were approximately 186 stockholders of record, holding 74,442 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> |
|----------------|-------------|------------|
| 2021 | | |
| First Quarter | \$ 296.97 | \$ 214.00 |
| Second Quarter | 325.90 | 279.56 |
| Third Quarter | 347.98 | 291.00 |
| Fourth Quarter | 424.50 | 339.00 |
| 2020 | | |
| First Quarter | \$ 216.82 | \$ 129.89 |
| Second Quarter | 181.50 | 125.55 |
| Third Quarter | 215.00 | 154.57 |
| Fourth Quarter | 230.02 | 182.65 |

The closing sale price of the Bank's common stock at December 31, 2021 was \$419.88 per share.

1834

BOSTON

COHASSET

HINGHAM

HULL

NANTUCKET

WASHINGTON, DC



www.hinghamavings.com

Member FDIC/Member DIF | Equal Housing Lender 