

For Immediate Release
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Hampshire First Bank 2nd Quarter 2010 Results

Hampshire First Bank's net income for the six months ending June 30, 2010 totaled \$440,000 or \$0.16 (basic) per share compared to a net loss of \$40,000 or (\$0.01) (basic) per share for the same period last year. For the three months ending June 30, 2010, net income totaled \$266,000, more than a 50% increase over the first three months of the year. Enhancements to earnings were recognized through an increase in net interest income which climbed from \$1,561,000 during the first three months of the year to \$1,776,000 in last three months of the year.

Total assets as of June 30, 2010 amounted to \$201.5 million compared to \$147.1 million as of June 30, 2009. This represents a 37% growth rate and was gained by continued strong loan demand and deposit growth year over year of 40% and 54%, respectively. "This level of growth although slowing from prior year's extraordinary pace shows that the market continues to accept our personalized products and services," commented James Dunphy, President and CEO of Hampshire First Bank. "We continue to find sound business relationships in our Southern New Hampshire marketplace."

The Bank's book value per common shares (basic) increased to \$9.56 at June 30, 2010 compared to \$9.33 at March 31, 2010. This represents a quarter over quarter increase of 2.5% and is a result of quarterly net profits and treasury stock purchases of 207,341 shares. The Bank's Board of Directors has authorized the additional purchase \$200,000 shares of Hampshire First Bank stock, annually. Management will continue to explore treasury stock purchases as economic conditions and other investment conditions warrant. Return on average assets (ROA) and average common equity (ROE) as of June 30, 2010 stands at .45% and 3.25%, respectively.

Hampshire First Bank's tier one leverage capital ratio at 13.3% remains more than double the 5% regulatory requirement to be considered "well capitalized" and is indicative of an institution that is well positioned to take advantage of further growth opportunities, Dunphy said.

The bank's allowance for bad debt as a percent of total loans has remained relatively unchanged from year-end and as of the latest quarter-end, this ratio was 1.14%. Nonperforming loans over the same period have declined from \$4,727,000 to \$1,716,000. Charged off loans year to date amounted to \$138,000 or .08% of total loans.

"Hampshire First Bank is a local community Bank that is well positioned to support our communities, clients and shareholders alike. We thank all our clients and stockholders for the trust you have placed in us and look forward to sharing our continued success", Dunphy said.

The Bank's complete financial statements can be found at www.hampshirefirst.com

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About Hampshire First Bank:

Hampshire First Bank is a New Hampshire-chartered commercial bank that serves customers throughout Southern New Hampshire. The Bank operates its main banking office at 80 Canal Street, Manchester and with locations at 221 Main Street in Downtown Nashua, 391 West Street in Keene, 68 Nashua Road in Londonderry, and 77 Hanover Street in Portsmouth. The bank also provides state of the art electronic banking services, such as Online Account Origination and Remote Deposit Automation. The Bank's common stock is traded on the OTC electronic bulletin board, under the symbol HFBN.