

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended March 31,	
	2006	2005
Interest and dividend income:		
Loans	\$ 7,596	\$ 6,339
Debt securities	732	567
Equity securities	160	102
Short-term investments and certificates of deposit	103	73
Total interest and dividend income	8,591	7,081
Interest expense:		
Deposits	2,061	1,232
Federal Home Loan Bank advances	2,321	1,333
Total interest expense	4,382	2,565
Net interest income	4,209	4,516
Provision for loan losses	69	49
Net interest income, after provision for loan losses	4,140	4,467
Other income:		
Customer service fees on deposits	243	213
Increase in cash value of life insurance	108	104
Other	50	54
Total other income	401	371
Operating expenses:		
Salaries and employee benefits	1,525	1,444
Data processing	175	196
Occupancy and equipment	247	245
Other	548	521
Total operating expenses	2,495	2,406
Income before income taxes	2,046	2,432
Income tax provision	744	915
Net income	\$ 1,302	\$ 1,517
Cash dividends declared per common share	\$ 0.20	\$ 0.19
Weighted average shares outstanding:		
Basic	2,114	2,089
Diluted	2,118	2,105
Earnings per share:		
Basic	\$ 0.62	\$ 0.73
Diluted	\$ 0.61	\$ 0.72
Return on average equity	10.55 %	13.42 %