

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Balance Sheets

<i>(Unaudited)</i>	March 31, 2007	March 31, 2006
	<i>(\$ in thousands except per share amounts)</i>	
ASSETS		
Cash and due from banks	\$ 10,330	\$ 5,943
Short-term investments	4,984	5,753
Cash and cash equivalents	<u>15,314</u>	<u>11,696</u>
Certificates of deposit	4,941	5,279
Securities available for sale, at fair value	94,548	89,558
Federal Home Loan Bank stock, at cost	12,041	10,715
Loans, net of allowance for loan losses of \$3,673,000 in 2007 and \$3,385,000 in 2006	551,204	504,694
Bank-owned life insurance	12,331	11,864
Premises and equipment, net	3,834	3,259
Accrued interest receivable	3,212	2,757
Deferred income tax asset, net	1,395	1,665
Other assets	594	610
Total assets	<u>\$ 699,414</u>	<u>\$ 642,097</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 418,180	\$ 382,097
Federal Home Loan Bank advances	224,620	206,875
Mortgagors' escrow accounts	1,535	1,605
Accrued interest payable	856	408
Other liabilities	1,676	1,605
Total liabilities	<u>646,867</u>	<u>592,590</u>
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; 2,118,550 and 2,116,250 shares issued and outstanding at March 31, 2007 and 2006, respectively	2,119	2,116
Additional paid-in capital	10,290	10,230
Undivided profits	40,661	38,496
Accumulated other comprehensive loss	(523)	(1,335)
Total stockholders' equity	<u>52,547</u>	<u>49,507</u>
Total liabilities and stockholders' equity	<u>\$ 699,414</u>	<u>\$ 642,097</u>
Book value per share	<u>\$ 24.80</u>	<u>\$ 23.39</u>

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

<i>(in thousands, except for per share amounts)</i> <i>(Unaudited)</i>	Three Months Ended March 31,	
	2007	2006
Interest and dividend income:		
Loans	\$ 8,607	\$ 7,596
Debt securities	1,004	732
Equity securities	226	160
Short-term investments and certificates of deposit	123	103
Total interest and dividend income	9,960	8,591
Interest expense:		
Deposits	3,325	2,061
Federal Home Loan Bank advances	2,918	2,321
Total interest expense	6,243	4,382
Net interest income	3,717	4,209
Provision for loan losses	70	69
Net interest income, after provision for loan losses	3,647	4,140
Other income:		
Customer service fees on deposits	253	243
Increase in bank-owned life insurance	118	108
Other	46	50
Total other income	417	401
Operating expenses:		
Salaries and employee benefits	1,615	1,525
Data processing	198	175
Occupancy and equipment	291	247
Other	552	548
Total operating expenses	2,656	2,495
Income before income taxes	1,408	2,046
Income tax provision	463	744
Net income	\$ 945	\$ 1,302
Weighted average shares outstanding:		
Basic	2,117	2,114
Diluted	2,120	2,118
Earnings per share:		
Basic	\$ 0.45	\$ 0.62
Diluted	\$ 0.45	\$ 0.61
Cash dividends declared per common share	\$ 0.20	\$ 0.20
Return on average equity	7.22 %	10.55 %