

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended	
	March 31,	
	2008	2007
<i>(In Thousands, Except for Per Share Amounts)</i>		
<i>(Unaudited)</i>		
Interest and dividend income:		
Loans	\$ 9,680	\$ 8,607
Debt securities	664	1,004
Equity securities	220	226
Short-term investments and certificates of deposit	328	123
Total interest and dividend income	10,892	9,960
Interest expense:		
Deposits	3,594	3,325
Federal Home Loan Bank advances	2,721	2,918
Other borrowings	16	--
Total interest expense	6,331	6,243
Net interest income	4,561	3,717
Provision for loan losses	68	70
Net interest income after provision for loan losses	4,493	3,647
Other income:		
Customer service fees on deposits	240	253
Increase in bank-owned life insurance	116	118
Other	46	46
Total other income	402	417
Operating expenses:		
Salaries and employee benefits	1,748	1,615
Data processing	207	198
Occupancy and equipment	306	291
Other	633	552
Total operating expenses	2,894	2,656
Income before income taxes	2,001	1,408
Income tax provision	714	463
Net income	\$ 1,287	\$ 945
Cash dividends declared per common share	\$ 0.20	\$ 0.20
Weighted average shares outstanding		
Basic	2,120	2,117
Diluted	2,121	2,120
Earnings per share		
Basic	\$ 0.61	\$ 0.45
Diluted	\$ 0.61	\$ 0.45
Return on average equity	9.26	7.22 %