

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 5,794	\$ 5,782	\$ 11,548	\$ 11,394
Debt and trust preferred securities	473	490	892	1,038
Other equity securities	46	83	120	163
Short term investments and certificates of deposit	50	130	132	243
Total interest and dividend income	<u>6,363</u>	<u>6,485</u>	<u>12,692</u>	<u>12,838</u>
Interest expense:				
Deposits	1,045	1,426	2,300	2,974
Borrowed funds	1,145	1,168	2,277	2,265
Total interest expense	<u>2,190</u>	<u>2,594</u>	<u>4,577</u>	<u>5,239</u>
Net interest income	<u>4,173</u>	<u>3,891</u>	<u>8,115</u>	<u>7,599</u>
Provision for loan losses	45	75	90	150
Net interest income after provision for loan losses	<u>4,128</u>	<u>3,816</u>	<u>8,025</u>	<u>7,449</u>
Other income:				
Customer service fees on deposits	188	168	371	337
Gain on sale of loans and securities available for sale	25	--	464	--
Other	122	171	240	211
Total other income	<u>335</u>	<u>339</u>	<u>1,075</u>	<u>548</u>
Operating expenses:				
Salaries and employee benefits	1,203	1,100	2,370	2,104
Data processing	173	151	345	306
Occupancy and equipment	206	201	427	387
Legal	34	9	59	14
Other	504	442	998	834
Total operating expenses	<u>2,120</u>	<u>1,903</u>	<u>4,199</u>	<u>3,645</u>
Income before income taxes	<u>2,343</u>	<u>2,252</u>	<u>4,901</u>	<u>4,352</u>
Income tax provision	213	759	2,574	1,468
Net income	<u>\$ 2,130</u>	<u>\$ 1,493</u>	<u>\$ 2,327</u>	<u>\$ 2,884</u>
Cash dividends declared per common share	<u>\$ 0.18</u>	<u>\$ 0.16</u>	<u>\$ 0.35</u>	<u>\$ 0.32</u>
Weighted average shares outstanding:				
Basic	<u>2,070</u>	<u>2,059</u>	<u>2,070</u>	<u>2,055</u>
Diluted	<u>2,093</u>	<u>2,086</u>	<u>2,092</u>	<u>2,083</u>
Earnings per share:				
Basic	<u>\$ 1.03</u>	<u>\$ 0.73</u>	<u>\$ 1.12</u>	<u>\$ 1.40</u>
Diluted	<u>\$ 1.02</u>	<u>\$ 0.72</u>	<u>\$ 1.11</u>	<u>\$ 1.39</u>
Return on average equity	<u>22.00 %</u>	<u>16.84 %</u>	<u>12.06 %</u>	<u>16.53 %</u>