

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 6,594	\$ 5,776	\$ 12,933	\$ 11,442
Debt securities	595	477	1,162	987
Equity securities	112	56	214	105
Short term investments and certificates of deposit	62	50	135	102
Total interest and dividend income	7,363	6,359	14,444	12,636
Interest expense:				
Deposits	1,336	1,035	2,568	2,011
Borrowed funds	1,472	1,153	2,805	2,363
Total interest expense	2,808	2,188	5,373	4,374
Net interest income	4,555	4,171	9,071	8,262
Provision for loan losses	82	24	131	47
Net interest income after provision for loan losses	4,473	4,147	8,940	8,215
Other income:				
Customer service fees on deposits	233	195	446	386
Gain on sale of securities available for sale	--	--	--	80
Increase in cash value of life insurance	112	115	216	240
Other	44	46	98	95
Total other income	389	356	760	801
Operating expenses:				
Salaries and employee benefits	1,442	1,362	2,886	2,723
Data processing	191	195	387	386
Occupancy and equipment	233	227	478	448
Legal	2	6	2	14
Other	489	493	1,010	1,007
Total operating expenses	2,357	2,283	4,763	4,578
Income before income taxes	2,505	2,220	4,937	4,438
Income tax provision	937	828	1,852	1,643
Net income	\$ 1,568	\$ 1,392	\$ 3,085	\$ 2,795
Cash dividends declared per common share	\$ 0.20	\$ 0.18	\$ 0.39	\$ 0.36
Weighted average shares outstanding:				
Basic	2,090	2,081	2,090	2,080
Diluted	2,106	2,101	2,106	2,101
Earnings per share:				
Basic	\$ 0.75	\$ 0.67	\$ 1.48	\$ 1.34
Diluted	\$ 0.75	\$ 0.66	\$ 1.47	\$ 1.33
Return on average equity	13.59 %	13.06 %	13.51 %	13.24 %