

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 7,961	\$ 6,594	\$ 15,557	\$ 12,933
Debt securities	803	595	1,535	1,162
Equity securities	21	112	181	214
Short term investments and certificates of deposit	106	62	209	135
Total interest and dividend income	8,891	7,363	17,482	14,444
Interest expense:				
Deposits	2,426	1,336	4,487	2,568
Federal Home Loan Bank advances	2,578	1,472	4,899	2,805
Total interest expense	5,004	2,808	9,386	5,373
Net interest income	3,887	4,555	8,096	9,071
Provision for loan losses	78	82	147	131
Net interest income after provision for loan losses	3,809	4,473	7,949	8,940
Other income:				
Customer service fees on deposits	255	233	498	446
Increase in cash value of life insurance	120	112	228	216
Other	47	44	97	98
Total other income	422	389	823	760
Operating expenses:				
Salaries and employee benefits	1,505	1,442	3,030	2,886
Data processing	183	191	358	387
Occupancy and equipment	259	233	506	478
Other	581	491	1,129	1,012
Total operating expenses	2,528	2,357	5,023	4,763
Income before income taxes	1,703	2,505	3,749	4,937
Income tax provision	594	937	1,338	1,852
Net income	\$ 1,109	\$ 1,568	\$ 2,411	\$ 3,085
Cash dividends declared per common share	\$ 0.20	\$ 0.20	\$ 0.40	\$ 0.39
Weighted average shares outstanding:				
Basic	2,116	2,090	2,115	2,090
Diluted	2,119	2,106	2,119	2,106
Earnings per share:				
Basic	\$ 0.52	\$ 0.75	\$ 1.14	\$ 1.48
Diluted	\$ 0.52	\$ 0.75	\$ 1.14	\$ 1.47
Return on average equity	8.85 %	13.59 %	9.69 %	13.51 %