

# HINGHAM INSTITUTION FOR SAVINGS

## Consolidated Balance Sheets

<i>(Unaudited)</i>	<u>June 30,</u> <u>2007</u>	<u>June 30,</u> <u>2006</u>
	<i>(\$ in thousands except per share amounts)</i>	
<b>ASSETS</b>		
Cash and due from banks	\$ 7,913	\$ 7,199
Short term investments	10,961	10,313
Cash and cash equivalents	<u>18,874</u>	<u>17,512</u>
Certificates of deposit	4,066	5,367
Securities available for sale, at fair value	94,885	91,645
Federal Home Loan Bank stock, at cost	12,041	11,187
Loans, net of allowance for loan losses of \$3,758,000 in 2007 and \$3,463,000 in 2006	557,983	516,923
Cash value of life insurance	12,459	11,984
Banking premises and equipment, net	3,818	3,324
Accrued interest receivable	3,374	2,819
Deferred income tax asset, net	1,409	1,712
Other assets	595	580
Total assets	<u>\$ 709,504</u>	<u>\$ 663,053</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits	\$ 428,688	\$ 391,782
Federal Home Loan Bank advances	223,662	217,687
Mortgagors' escrow accounts	1,406	1,419
Accrued interest payable	898	678
Other liabilities	1,663	1,383
Total liabilities	<u>656,317</u>	<u>612,949</u>
Commitments and contingencies		
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; shares issued and outstanding: 2,118,550 at June 30, 2007 and 2,116,250 at June 30, 2006	2,119	2,116
Additional paid-in capital	10,290	10,230
Undivided profits	41,327	39,181
Accumulated other comprehensive loss	(549)	(1,423)
Total stockholders' equity	<u>53,187</u>	<u>50,104</u>
Total liabilities and stockholders' equity	<u>\$ 709,504</u>	<u>\$ 663,053</u>
Book value per share	<u>\$ 25.11</u>	<u>\$ 23.68</u>

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 8,939	\$ 7,961	\$ 17,546	\$ 15,557
Debt securities	1,058	803	2,062	1,535
Equity securities	222	21	448	181
Short term investments and certificates of deposit	116	106	239	209
Total interest and dividend income	10,335	8,891	20,295	17,482
Interest expense:				
Deposits	3,484	2,426	6,809	4,487
Federal Home Loan Bank advances	2,905	2,578	5,823	4,899
Total interest expense	6,389	5,004	12,632	9,386
Net interest income	3,946	3,887	7,663	8,096
Provision for loan losses	85	78	155	147
Net interest income after provision for loan losses	3,861	3,809	7,508	7,949
Other income:				
Customer service fees on deposits	238	255	491	498
Increase in cash value of life insurance	128	120	246	228
Other	47	47	93	97
Total other income	413	422	830	823
Operating expenses:				
Salaries and employee benefits	1,582	1,505	3,197	3,030
Data processing	201	183	399	358
Occupancy and equipment	289	259	580	506
Other	562	581	1,114	1,129
Total operating expenses	2,634	2,528	5,290	5,023
Income before income taxes	1,640	1,703	3,048	3,749
Income tax provision	550	594	1,013	1,338
Net income	\$ 1,090	\$ 1,109	\$ 2,035	\$ 2,411
Cash dividends declared per common share	\$ 0.20	\$ 0.20	\$ 0.40	\$ 0.40
Weighted average shares outstanding:				
Basic	2,119	2,116	2,118	2,115
Diluted	2,120	2,119	2,120	2,119
Earnings per share:				
Basic	\$ 0.51	\$ 0.52	\$ 0.96	\$ 1.14
Diluted	\$ 0.51	\$ 0.52	\$ 0.96	\$ 1.14
Return on average equity	8.21 %	8.85 %	7.72 %	9.69 %