

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
(In Thousands, Except for Per Share Amounts) (Unaudited)	2008	2007	2008	2007
Interest and dividend income:				
Loans	\$ 9,526	\$ 8,939	\$ 19,206	\$ 17,546
Debt securities	449	1,058	1,113	2,062
Equity securities	156	222	376	448
Short-term investments and certificates of deposit	303	116	631	239
Total interest and dividend income	10,434	10,335	21,326	20,295
Interest expense:				
Deposits	2,944	3,484	6,538	6,809
Federal Home Loan Bank advances	2,497	2,905	5,218	5,823
Mortgage payable	18	-	34	-
Total interest expense	5,459	6,389	11,790	12,632
Net interest income	4,975	3,946	9,536	7,663
Provision for loan losses	200	85	268	155
Net interest income after provision for loan losses	4,775	3,861	9,268	7,508
Other income:				
Customer service fees on deposits	245	238	485	491
Increase in bank-owned life insurance	121	128	237	246
Miscellaneous	44	47	90	93
Total other income	410	413	812	830
Operating expenses:				
Salaries and employee benefits	1,762	1,582	3,510	3,197
Data processing	209	201	416	399
Occupancy and equipment	301	289	607	580
Other general and administrative	690	562	1,323	1,114
Total operating expenses	2,962	2,634	5,856	5,290
Income before income taxes	2,223	1,640	4,224	3,048
Income tax provision	807	550	1,521	1,013
Net income	\$ 1,416	\$ 1,090	\$ 2,703	\$ 2,035
Cash dividends declared per common share	\$ 0.20	\$ 0.20	\$ 0.40	\$ 0.40
Weighted average shares outstanding:				
Basic	2,122	2,119	2,121	2,118
Diluted	2,122	2,120	2,122	2,120
Earnings per share:				
Basic	\$ 0.67	\$ 0.51	\$ 1.27	\$ 0.96
Diluted	\$ 0.67	\$ 0.51	\$ 1.27	\$ 0.96
Return on average equity	9.99 %	8.21 %	9.63 %	7.72 %