

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)	2009	2008	2009	2008
Interest and dividend income:				
Loans	\$ 10,431	\$ 9,526	\$ 20,582	\$ 19,206
Debt securities	503	449	1,065	1,113
Equity securities	30	156	60	376
Short-term investments and certificates of deposit	125	303	248	631
Total interest and dividend income	11,089	10,434	21,955	21,326
Interest expense:				
Deposits	2,649	2,944	5,527	6,538
Federal Home Loan Bank advances	1,724	2,497	3,585	5,218
Mortgage payable	18	18	36	34
Total interest expense	4,391	5,459	9,148	11,790
Net interest income	6,698	4,975	12,807	9,536
Provision for loan losses	450	200	1,000	268
Net interest income after provision for loan losses	6,248	4,775	11,807	9,268
Other income:				
Customer service fees on deposits	215	245	430	485
Increase in bank-owned life insurance	121	121	232	237
Gain on Sale of Loans	318	0	318	0
Other	52	44	104	90
Total other income	706	410	1,084	812
Operating expenses:				
Salaries and employee benefits	1,873	1,762	3,817	3,510
Data processing	216	209	438	416
Occupancy and equipment	324	301	687	607
Miscellaneous	1,278	690	2,150	1,323
Total operating expenses	3,691	2,962	7,092	5,856
Income before income taxes	3,263	2,223	5,799	4,224
Income tax provision	1,240	807	2,204	1,521
Net income	\$ 2,023	\$ 1,416	\$ 3,595	\$ 2,703
Cash dividends declared per common share	\$ 0.21	\$ 0.20	\$ 0.42	\$ 0.40
Weighted average shares outstanding:				
Basic	2,124	2,122	2,123	2,121
Diluted	2,124	2,122	2,124	2,122
Earnings per share:				
Basic	\$ 0.95	\$ 0.67	\$ 1.69	\$ 1.27
Diluted	\$ 0.95	\$ 0.67	\$ 1.69	\$ 1.27
Return on average equity	13.02 %	9.99 %	11.70 %	9.63 %