

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Interest and dividend income:				
Loans	\$ 10,961	\$ 10,431	\$ 21,834	\$ 20,582
Debt securities	400	503	849	1,065
Equity securities	27	30	55	60
Short-term investments and certificates of deposit	114	125	224	248
Total interest and dividend income	11,502	11,089	22,962	21,955
Interest expense:				
Deposits	2,053	2,649	4,221	5,527
Federal Home Loan Bank advances	1,742	1,724	3,551	3,585
Mortgage payable	17	18	35	36
Total interest expense	3,812	4,391	7,807	9,148
Net interest income	7,690	6,698	15,155	12,807
Provision for loan losses	300	450	700	1,000
Net interest income after provision for loan losses	7,390	6,248	14,455	11,807
Other income:				
Customer service fees on deposits	204	215	404	430
Increase in bank-owned life insurance	114	121	228	232
Gain on sale of loans	--	318	--	318
Miscellaneous	62	52	125	104
Total other income	380	706	757	1,084
Operating expenses:				
Salaries and employee benefits	2,097	1,873	4,141	3,817
Data processing	210	216	425	438
Occupancy and equipment	316	324	660	687
Deposit insurance	275	614	555	791
Foreclosure	161	62	287	140
Marketing	138	119	246	219
Other general and administrative	595	483	1,125	1,000
Total operating expenses	3,792	3,691	7,439	7,092
Income before income taxes	3,978	3,263	7,773	5,799
Income tax provision	1,557	1,240	3,037	2,204
Net income	\$ 2,421	\$ 2,023	\$ 4,736	\$ 3,595
Cash dividends declared per common share	\$ 0.23	\$ 0.21	\$ 0.46	\$ 0.42
Weighted average shares outstanding:				
Basic	2,124	2,124	2,124	2,123
Diluted	2,124	2,124	2,124	2,124
Earnings per share:				
Basic	\$ 1.14	\$ 0.95	\$ 2.23	\$ 1.69
Diluted	\$ 1.14	\$ 0.95	\$ 2.23	\$ 1.69
Return on average equity	14.15 %	13.02 %	14.01 %	11.70 %