

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

<i>(In Thousands, Except for Per Share Amounts)</i> <i>(Unaudited)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Interest and dividend income:				
Loans	\$ 5,735	\$ 5,736	\$ 17,129	\$ 17,157
Investment securities	559	638	1,760	1,929
Interest-bearing deposits and certificates of deposit	158	211	401	533
Total interest and dividend income	6,452	6,585	19,290	19,619
Interest expense:				
Deposits	1,439	2,062	4,413	6,321
Borrowed funds	1,203	1,084	3,468	3,338
Total interest expense	2,642	3,146	7,881	9,659
Net interest income	3,810	3,439	11,409	9,960
Provision for loan losses	75	60	225	180
Net interest income after provision for loan losses	3,735	3,379	11,184	9,780
Other income:				
Customer service fees on deposits	172	168	509	524
Gain on sale of securities available for sale and loans	--	--	--	136
Other	71	39	152	121
Total other income	243	207	661	781
Operating expenses:				
Salaries and employee benefits	1,102	936	3,076	2,771
Data processing	158	139	464	408
Occupancy and equipment	189	178	576	544
Legal	49	1	63	11
Other	478	395	1,312	1,152
Total operating expenses	1,976	1,649	5,491	4,886
Income before income taxes	2,002	1,937	6,354	5,675
Income tax provision	676	655	2,144	1,921
Net income	\$ 1,326	\$ 1,282	\$ 4,210	\$ 3,754
Cash dividends declared per common share	\$ 0.17	\$ 0.15	\$ 0.49	\$ 0.45
Weighted average shares outstanding				
Basic	2,060	2,045	2,057	2,045
Diluted	2,086	2,073	2,084	2,070
Earnings per share				
Basic	\$ 0.64	\$ 0.63	\$ 2.05	\$ 1.84
Diluted	\$ 0.64	\$ 0.62	\$ 2.02	\$ 1.81

