

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,	
	2003	2002	2003	2002
Interest and dividend income:				
Loans	\$ 5,817	\$ 5,735	\$ 17,365	\$ 17,129
Debt and trust preferred securities	579	474	1,471	1,513
Other equity securities	55	85	175	247
Short term investments and certificates of deposit	57	158	189	401
Total interest and dividend income	6,508	6,452	19,200	19,290
Interest expense:				
Deposits	1,035	1,439	3,335	4,413
Borrowed funds	1,215	1,203	3,492	3,468
Total interest expense	2,250	2,642	6,827	7,881
Net interest income	4,258	3,810	12,373	11,409
Provision for loan losses	45	75	135	225
Net interest income after provision for loan losses	4,213	3,735	12,238	11,184
Other income:				
Customer service fees on deposits	189	172	560	508
Gain on sale of loans and securities available for sale	--	--	464	--
Other	111	71	351	283
Total other income	300	243	1,375	791
Operating expenses:				
Salaries and employee benefits	1,194	1,102	3,564	3,206
Data processing	174	158	519	464
Occupancy and equipment	206	189	633	576
Legal	15	49	74	63
Other	441	478	1,439	1,312
Total operating expenses	2,030	1,976	6,229	5,621
Income before income taxes	2,483	2,002	7,384	6,354
Income tax provision	950	676	3,524	2,144
Net income	\$ 1,533	\$ 1,326	\$ 3,860	\$ 4,210
Cash dividends declared per common share	\$ 0.18	\$ 0.17	\$ 0.53	\$ 0.49
Weighted average shares outstanding				
Basic	2,072	2,060	2,070	2,057
Diluted	2,095	2,086	2,091	2,084
Earnings per share				
Basic	\$ 0.74	\$ 0.64	\$ 1.86	\$ 2.05
Diluted	\$ 0.73	\$ 0.64	\$ 1.85	\$ 2.02
Return on average equity	15.23 %	14.43 %	13.14 %	15.81 %