

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Interest and dividend income:				
Loans	\$ 10,107	\$ 9,266	\$ 29,313	\$ 26,812
Debt securities	490	996	1,603	3,058
Equity securities	127	220	503	668
Short-term investments and certificates of deposit	265	206	896	445
Total interest and dividend income	10,989	10,688	32,315	30,983
Interest expense:				
Deposits	2,596	3,665	9,134	10,474
Federal Home Loan Bank advances	2,566	3,022	7,784	8,845
Mortgage payable	19	--	53	--
Total interest expense	5,181	6,687	16,971	19,319
Net interest income	5,808	4,001	15,344	11,664
Provision for loan losses	244	68	512	223
Net interest income after provision for loan losses	5,564	3,933	14,832	11,441
Other income:				
Customer service fees on deposits	255	246	740	737
Increase in bank-owned life insurance	114	121	351	367
Miscellaneous	50	48	140	141
Total other income	419	415	1,231	1,245
Operating expenses:				
Salaries and employee benefits	1,828	1,580	5,338	4,777
Data processing	207	203	623	602
Occupancy and equipment	319	281	926	861
Other general and administrative	673	584	1,996	1,698
Total operating expenses	3,027	2,648	8,883	7,938
Income before income taxes	2,956	1,700	7,180	4,748
Income tax provision	1,168	576	2,689	1,589
Net income	\$ 1,788	\$ 1,124	\$ 4,491	\$ 3,159
Cash dividends declared per common share	\$ 0.21	\$ 0.20	\$ 0.61	\$ 0.60
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	\$ 0.84	\$ 0.53	\$ 2.12	\$ 1.49
Diluted	\$ 0.84	\$ 0.53	\$ 2.12	\$ 1.49
Return on average equity	12.37	8.35	10.56	7.93