

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,	
	2009	2008	2009	2008
Interest and dividend income:				
Loans	\$ 10,837	\$ 10,107	\$ 31,420	\$ 29,313
Debt securities	480	490	1,544	1,603
Equity securities	29	127	88	503
Short-term investments and certificates of deposit	115	265	364	896
Total interest and dividend income	11,461	10,989	33,416	32,315
Interest expense:				
Deposits	2,513	2,596	8,040	9,134
Federal Home Loan Bank advances	1,781	2,566	5,366	7,784
Mortgage payable	18	19	54	53
Total interest expense	4,312	5,181	13,460	16,971
Net interest income	7,149	5,808	19,956	15,344
Provision for loan losses	400	244	1,400	512
Net interest income after provision for loan losses	6,749	5,564	18,556	14,832
Other income:				
Customer service fees on deposits	214	255	644	740
Increase in bank-owned life insurance	114	114	346	351
Gain on sale of loans	--	--	318	--
Miscellaneous	54	50	158	140
Total other income	382	419	1,466	1,231
Operating expenses:				
Salaries and employee benefits	1,886	1,828	5,703	5,338
Data processing	208	207	645	623
Occupancy and equipment	323	319	1,010	926
Deposit insurance	293	83	1,084	250
Other general and administrative	871	590	2,231	1,746
Total operating expenses	3,581	3,027	10,673	8,883
Income before income taxes	3,550	2,956	9,349	7,180
Income tax provision	1,367	1,168	3,571	2,689
Net income	\$ 2,183	\$ 1,788	\$ 5,778	\$ 4,491
Cash dividends declared per common share	\$ 0.22	\$ 0.21	\$ 0.64	\$ 0.61
Weighted average shares outstanding				
Basic	2,124	2,122	2,124	2,121
Diluted	2,124	2,122	2,124	2,122
Earnings per share				
Basic	\$ 1.03	\$ 0.84	\$ 2.72	\$ 2.12
Diluted	\$ 1.03	\$ 0.84	\$ 2.72	\$ 2.12
Return on average equity	13.67	% 12.37	% 12.37	% 10.56