

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

<i>(In Thousands, Except for Per Share Amounts)</i> <i>(Unaudited)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2003	2002	2003	2002
Interest and dividend income:				
Loans	\$ 5,700	\$ 5,862	\$ 23,065	\$ 22,991
Debt and trust preferred securities	546	464	2,017	1,977
Other equity securities	52	82	227	329
Short-term investments and certificates of deposit	60	103	249	504
Total interest and dividend income	6,358	6,511	25,558	25,801
Interest expense:				
Deposits	1,014	1,358	4,349	5,771
Borrowed funds	1,194	1,183	4,686	4,651
Total interest expense	2,208	2,541	9,035	10,422
Net interest income	4,150	3,970	16,523	15,379
Provision for loan losses	47	-25	182	200
Net interest income after provision for loan losses	4,103	3,995	16,341	15,179
Other income:				
Customer service fees on deposits	191	189	751	698
Gain on sales of loans and securities available for sale	1	-	465	-
Gain on termination of pension plan	-	475	-	605
Other	186	151	537	303
Total other income	378	815	1,753	1,606
Operating expenses:				
Salaries and employee benefits	1,249	1,152	4,813	4,358
Data processing	182	162	701	626
Occupancy and equipment	213	211	846	787
Legal	28	54	102	117
Other	424	515	1,863	1,827
Total operating expenses	2,096	2,094	8,325	7,715
Income before income taxes	2,385	2,716	9,769	9,070
Income tax provision	891	946	4,415	3,090
Net income	\$ 1,494	\$ 1,770	\$ 5,354	\$ 5,980
Cash dividends declared per common share	\$ 0.37	\$ 0.35	\$ 0.90	\$ 0.84
Weighted average shares outstanding				
Basic	2,078	2,062	2,072	2,058
Diluted	2,099	2,088	2,095	2,085
Earnings per share				
Basic	\$ 0.72	\$ 0.86	\$ 2.58	\$ 2.91
Diluted	\$ 0.71	\$ 0.85	\$ 2.56	\$ 2.87
Return on average equity	14.66 %	18.75 %	13.53 %	16.58 %

