

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 9,702	\$ 8,591	\$ 36,514	\$ 32,616
Debt securities	831	943	3,889	3,353
Equity securities	231	186	899	687
Short-term investments and certificates of deposit	354	125	799	433
Total interest and dividend income	11,118	9,845	42,101	37,089
Interest expense:				
Deposits	3,766	3,064	14,240	10,291
Federal Home Loan Bank advances	2,988	3,084	11,833	10,921
Total interest expense	6,754	6,148	26,073	21,212
Net interest income	4,364	3,697	16,028	15,877
Provision for loan losses	99	69	322	287
Net interest income after provision for loan losses	4,265	3,628	15,706	15,590
Other income:				
Customer service fees on deposits	268	265	1,005	1,015
Increase in bank-owned life insurance	113	114	480	457
Other	82	86	223	221
Total other income	463	465	1,708	1,693
Operating expenses:				
Salaries and employee benefits	1,631	1,527	6,408	6,085
Data processing	202	194	804	738
Occupancy and equipment	287	285	1,148	1,048
Other	529	595	2,227	2,245
Total operating expenses	2,649	2,601	10,587	10,116
Income before income taxes	2,079	1,492	6,827	7,167
Income tax provision	748	502	2,337	2,527
Net income	\$ 1,331	\$ 990	\$ 4,490	\$ 4,640
Cash dividends declared per common share	\$ 0.41	\$ 0.40	\$ 1.01	\$ 1.00
Weighted average shares outstanding				
Basic	2,119	2,116	2,118	2,116
Diluted	2,120	2,119	2,120	2,119
Earnings per share				
Basic	\$ 0.63	\$ 0.47	\$ 2.12	\$ 2.19
Diluted	\$ 0.63	\$ 0.47	\$ 2.12	\$ 2.19
Return on average equity	9.77	7.67	8.40	9.18
	%	%	%	%