

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 10,171	\$ 9,702	\$ 39,484	\$ 36,514
Debt securities	564	831	2,167	3,889
Equity securities	113	231	616	899
Short-term investments and certificates of deposit	146	354	1,042	799
Total interest and dividend income	10,994	11,118	43,309	42,101
Interest expense:				
Deposits	2,943	3,766	12,077	14,240
Federal Home Loan Bank advances	2,048	2,988	9,832	11,833
Mortgage payable	18	--	71	--
Total interest expense	5,009	6,754	21,980	26,073
Net interest income	5,985	4,364	21,329	16,028
Provision for loan losses	293	99	805	322
Net interest income after provision for loan losses	5,692	4,265	20,524	15,706
Other income:				
Customer service fees on deposits	247	268	987	1,005
Increase in bank-owned life insurance	113	113	464	480
Other	73	82	213	223
Total other income	433	463	1,664	1,708
Operating expenses:				
Salaries and employee benefits	1,809	1,631	7,147	6,408
Data processing	214	202	837	804
Occupancy and equipment	345	287	1,271	1,148
Other general and administrative	872	529	2,868	2,227
Total operating expenses	3,240	2,649	12,123	10,587
Income before income taxes	2,885	2,079	10,065	6,827
Income tax provision	1,091	748	3,780	2,337
Net income	\$ 1,794	\$ 1,331	\$ 6,285	\$ 4,490
Cash dividends declared per common share	\$ 0.43	\$ 0.41	\$ 1.04	\$ 1.01
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	\$ 0.85	\$ 0.63	\$ 2.96	\$ 2.12
Diluted	\$ 0.85	\$ 0.63	\$ 2.96	\$ 2.12
Return on average equity	12.16	% 9.77	11.08	% 8.40