

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended December 31,		Years Ended December 31,	
	2009	2008	2009	2008
<i>(In Thousands, Except Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 10,780	\$ 10,171	\$ 42,199	\$ 39,484
Debt securities	458	564	2,003	2,167
Equity securities	28	113	117	616
Short-term investments and certificates of deposit	116	146	479	1,042
Total interest and dividend income	<u>11,382</u>	<u>10,994</u>	<u>44,798</u>	<u>43,309</u>
Interest expense:				
Deposits	2,294	2,943	10,334	12,077
Federal Home Loan Bank advances	1,827	2,048	7,193	9,832
Mortgage payable	18	18	72	71
Total interest expense	<u>4,139</u>	<u>5,009</u>	<u>17,599</u>	<u>21,980</u>
Net interest income	<u>7,243</u>	<u>5,985</u>	<u>27,199</u>	<u>21,329</u>
Provision for loan losses	300	293	1,700	805
Net interest income after provision for loan losses	<u>6,943</u>	<u>5,692</u>	<u>25,499</u>	<u>20,524</u>
Other income:				
Customer service fees on deposits	213	247	857	987
Increase in bank-owned life insurance	112	113	458	464
Gain on sale of loans	136	--	454	--
Miscellaneous	82	73	239	213
Total other income	<u>543</u>	<u>433</u>	<u>2,008</u>	<u>1,664</u>
Operating expenses:				
Salaries and employee benefits	2,012	1,809	7,715	7,147
Data processing	213	214	859	837
Occupancy and equipment	324	345	1,333	1,271
Deposit insurance	251	92	1,335	341
Foreclosure	372	133	678	202
Marketing	107	150	461	409
Other general and administrative	420	497	1,990	1,916
Total operating expenses	<u>3,699</u>	<u>3,240</u>	<u>14,371</u>	<u>12,123</u>
Income before income taxes	<u>3,787</u>	<u>2,885</u>	<u>13,136</u>	<u>10,065</u>
Income tax provision	1,520	1,091	5,091	3,780
Net income	<u>\$ 2,267</u>	<u>\$ 1,794</u>	<u>\$ 8,045</u>	<u>\$ 6,285</u>
Cash dividends declared per common share	<u>\$ 0.45</u>	<u>\$ 0.43</u>	<u>\$ 1.09</u>	<u>\$ 1.04</u>
Weighted average shares outstanding				
Basic	<u>2,124</u>	<u>2,122</u>	<u>2,124</u>	<u>2,121</u>
Diluted	<u>2,124</u>	<u>2,122</u>	<u>2,124</u>	<u>2,122</u>
Earnings per share				
Basic	<u>\$ 1.07</u>	<u>\$ 0.85</u>	<u>\$ 3.79</u>	<u>\$ 2.96</u>
Diluted	<u>\$ 1.07</u>	<u>\$ 0.85</u>	<u>\$ 3.79</u>	<u>\$ 2.96</u>
Return on average equity	<u>13.93 %</u>	<u>12.16 %</u>	<u>12.78 %</u>	<u>11.08 %</u>