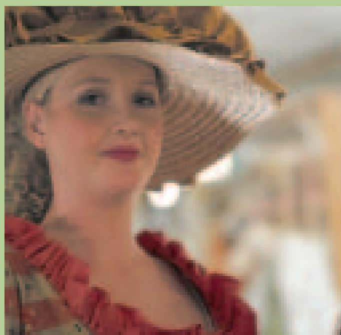
Growing together.

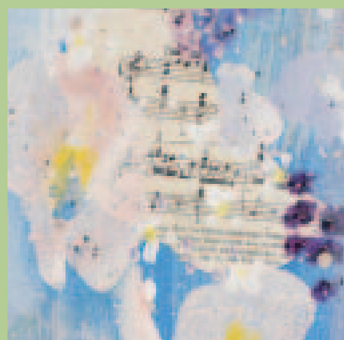
Banker and customer, trusted advisor and friend.

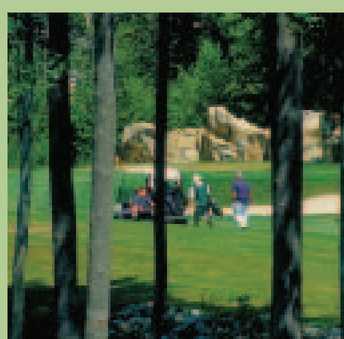
HINGHAM INSTITUTION FOR SAVINGS

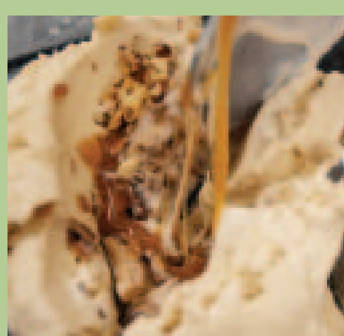
2005 ANNUAL REPORT

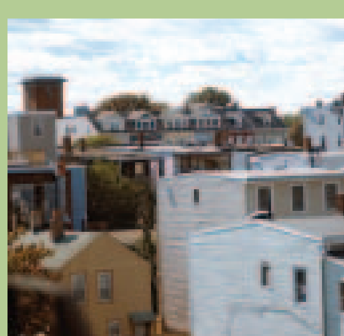
Our best interest is in the relationships we grow









This annual report highlights some of the special individuals we have the honor of calling our customers. A diverse group, there is a single thread that unites all of them. It is important to them to do business with a community bank. Like us, they're motivated by a sense of what is important. Putting people first. Whether based on mutual respect, a shared purpose, community values, or collaborative spirit, our customer relationships reflect our strongest values. In an age where frequent job changes and high employee turnover have become the standard, the vast majority of our employees have been with us for many years. Their contribution to who we are and how we relate to our customers is significant. Recently a customer sent us a note stating, "Over the years all of my banks paid interest on my accounts, but you are the only bank that ever actually took an interest in me." Hingham Institution for Savings has been serving this community for 172 years. We continually provide innovations that make banking with us even easier, like PCBANK24, free Online Bill Payment and **Business***Online* banking. Yet there is always room for the complimentary lollipops, dog biscuits, bagels and doughnuts, and the conversation that goes with them. It's our customers and the relationships we have with them that make us better every year.

Cover photograph:
Mary Lambert, Assistant Manager, Hingham Square Branch, (left)
with Bank customer, Dorothy Palmer

From the President

Dear Shareholder:

This past year we again achieved record levels of loans and deposits as well as record net income. Deposits grew by 9% from $334,569,000 at December 31, 2004 to $364,295,000 at December 31, 2005. Loans grew by 17% from $415,538,000 at December 31, 2004 to $488,126,000 at December 31, 2005. Total assets grew by 15% from $547,051,000 at December 31, 2004 to $628,251,000 at December 31, 2005. Our net income increased from $5,824,000 in 2004 to a record of $6,171,000 for 2005.

These earnings represent a strong return on equity of 13.20%. This is the highest return on equity of all 70 savings banks in Massachusetts. In fact, we have had the best return on equity of this group for four out of the last five years. Our asset quality remained pristine with absolutely no loan losses in 2005 and at year end only one nonperforming loan representing a minimal 0.03% of total assets.

These achievements allowed us to increase the dividends declared to stockholders for the twelfth consecutive year.

This performance was achieved despite an increasingly difficult interest rate environment. As we begin 2006, we are experiencing a most challenging "inverted yield curve" in which short-term interest rates are higher than long-term rates. Historically, such a condition is generally of short duration. Nonetheless, 2006 promises to be a year in which we must continue to attempt to minimize the negative impact of this environment by a combination of strong growth and very careful cost control.

Our record growth in 2005 provides us with positive momentum, increased commercial lending capacity, and the exciting prospect of serving new markets in 2006. The reputation we have established among the extraordinary individuals and organizations that are our clients, and their support of the Bank, are the basis of our success. We thank them for their trust in us. We are also grateful for the dedication of our employees, the guidance of our Board, and the loyalty of our shareholders. We face the challenging times ahead with confidence.

Very truly yours,

Robert H. Gaughen, Jr.
President and CEO

A foundation of trust

Our commercial lending group has experienced exceptional growth in the past few years. Our streamlined and efficient loan process, fast decisions and a flexible approach to financing are market advantages we hold as a locally managed bank. Yet, the biggest reason for our success is our clients. Based on shared values, our relationships with some of Boston's most respected industry professionals are a privilege we have earned. Seasoned investor Allen Drescher is a former banker and the owner of several multi-family and retail properties in the area. He has made it a family business, involving daughter Allison and son Todd in every aspect of their successful operation. Vice President Shawn Sullivan has known Drescher for nearly 15 years. As his business grows, so has his trust in Hingham Savings, and the Drescher family's relationship with the bank is well established.

"I've known Allen since 1992. When he chose to do business with us in 1998, I knew it was something we had earned, as a bank with a reputation for integrity."

Shawn Sullivan
Vice President, Commercial Lending
Employee of 10 years

Community responsibility shows its colors

Dorothy Palmer tells us she likes what we've done to give Hingham Square a “sense of place.” She feels our attention to historic detail, from the wrought iron fence to the carefully preserved facade of our flagship building, says a lot about Hingham Savings. Dorothy is a well-known artist, world traveler, and business owner. With all her worldly accomplishments, her sense of responsibility to the local community is inspirational. Both she and the bank are active in several organizations that support youth activities and celebrate a love of the arts. These include the South Shore Conservatory, South Shore Arts Center, and the South Shore YMCA. A neighbor of more than 40 years, she felt it was important to bank within her community. She appreciates the atmosphere of discreet, unhurried professionalism at our main office, and as one of Mary Lambert's loyal customers, she especially likes our emphasis on personal service. We're glad to hear what she thinks.

"It's rare that you find someone so passionate in her commitment to the arts and to our community as Dorothy. She is a good friend to this area, and, I'm happy to say, to me."

Mary Lambert
Assistant Manager, Hingham Square Branch
Employee of 21 years

A shared mission takes center stage

From church basement beginnings, The Company Theatre has steadily risen in popularity over the past 27 years. Today, crowds are drawn to the impressive theater and arts complex in Norwell where this award-winning group provides performance opportunities for talented children, teens and adults. We have a shared mission with The Company Theatre: keeping our rich heritage of arts and culture on the South Shore alive and available to all. That's why it's an honor to serve them, as we have other cultural nonprofit concerns in the area. Each year, partners Jordie Saucerman, Zoe Bradford, and Michael Joseph produce five stage shows, a celebrity showcase, four Academy of the Company Theatre youth shows, and a summer camp program. This year, a series of evening cabaret shows have been added to their repertoire. We are proud to have them as a business loan customer, and we wholeheartedly support their efforts to provide scholarships for youth to attend their programs. The Company Theatre's continued growth through quality entertainment, commitment to diversity, and the enrichment of our community, is worthy of everyone's continued applause.

"The Company Theatre is a wonderful resource for the performing arts. They make a strong and vital contribution to the cultural life of our community."

Robert Gaughen
President & CEO
Employee of 13 years

Reliability and innovation are par for the course

As Manager of Black Rock Country Club, one of the area's most distinctive private golfing communities, Peter McEachern has to be able to rely on a smoothly run operation. When he inquired about a new system for automating club membership payments, Venita Bell Shaw, Operations Officer for Hingham Savings, made it happen. It was a new service offering for the Bank, and she worked closely with Black Rock's Financial Comptroller Allen Eppich to get the system up and running in record time. Peter and Allen are impressed with our quick response whenever they call us regarding their account, and they appreciate our hands-on approach. We don't have a lot of layers in our business structure. That means we can work efficiently and quickly to answer questions and provide business solutions that are tailored to our customer's needs, in real time. Our clients at Black Rock Country Club count on us for that.

"I look forward to working with my business customers on solutions that truly serve their needs. Being able to answer a client's questions directly saves us time, and sometimes leads to an innovation we hadn't considered before."

Venita Bell Shaw,
Operations Officer
Employee of 5 years

This ice cream parlor scoops a warm welcome

Selling ice cream in New England may have seemed like a crazy idea to new business owner Madhuri Coletti. But she is certain of one thing. The value of community. Watching Marge Santacroce, Manager of our South Weymouth branch, with Madhuri is like seeing two old friends together. There is easy conversation and laughter. Each of them will tell you that they view their places of business as an extension of their own living rooms. At the Bank, staff makes every effort to make customers feel welcome, like carrying bags of change to help a customer to their car, or working late to resolve a question. Marge attributes the success of our business relationships to the fact that our employees tend to stay with us. Our low staff turnover brings many senior level tellers to the Hingham Savings family, and customers appreciate banking with people they know. At the Cold Stone Creamery, a happy staff keeps the customers entertained. And when Madhuri sees the lines spilling out the door on a cold January day, it's clear to her that community also brings a sweet success.

"Our customers like doing business with people that are honestly glad to see them when they visit. Little things, like a teller who greets you by name, or goes out of her way to assist you, can make a real difference in your day."

Marge Santacroce
Manager, South Weymouth branch
Employee of 11 years

Senior Officers

Robert H. Gaughen, Jr.
President
and Chief Executive Officer

Deborah J. Jackson
Senior Vice President
and Treasurer

William M. Donovan Jr.
Vice President
Administration

Peter R. Smollett
Vice President
Commercial Lending

Thomas I. Chew
Vice President
Branch Operations

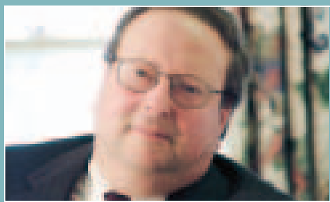
Shawn T. Sullivan
Vice President
Commercial Lending

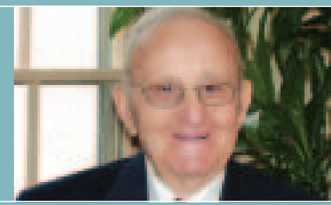
William G. Bowers, Jr.
Vice President
Commercial Lending

Michael J. Sinclair
Vice President
Retail Lending

Edward P. Zec
Vice President

Board of Directors


Howard M. Berger, Esq.

James V. Consentino



Marion J. Fahey

Ronald D. Falcione



Kevin W. Gaughen, Esq.

Robert H. Gaughen, Jr., Esq.



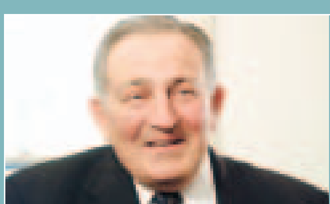
Julio R. Hernando, Esq.

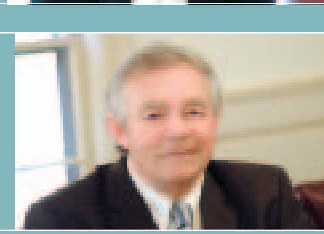
Robert A. Lane, Esq.

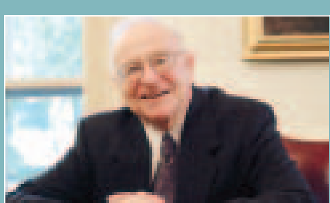


Warren B. Noble

Stacey M. Page



Joseph A. Ribaudo, CPA

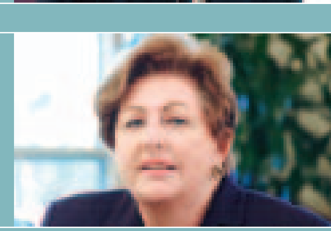
Edward L. Sparda



Donald M. Tardiff M.D.

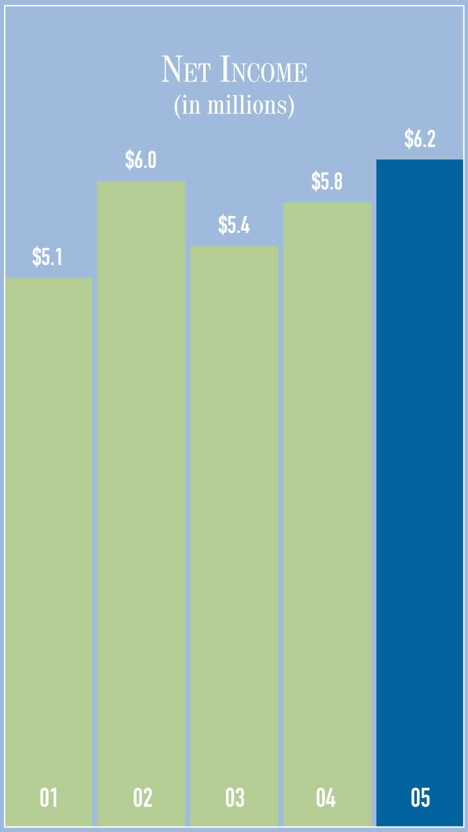
James R. White

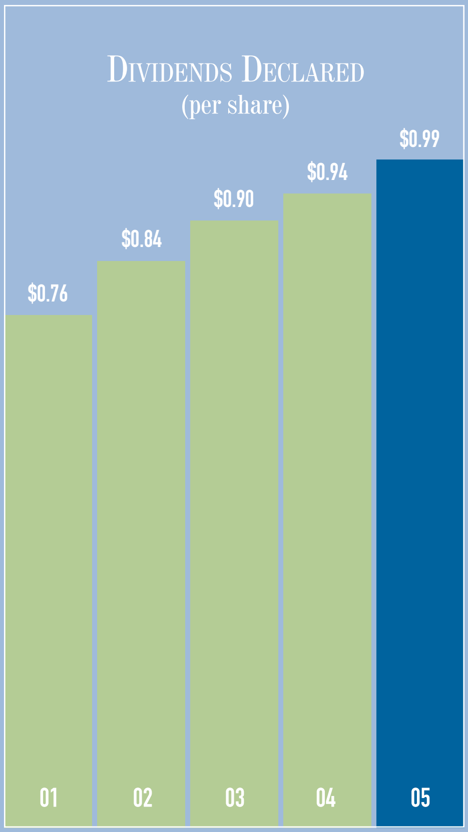


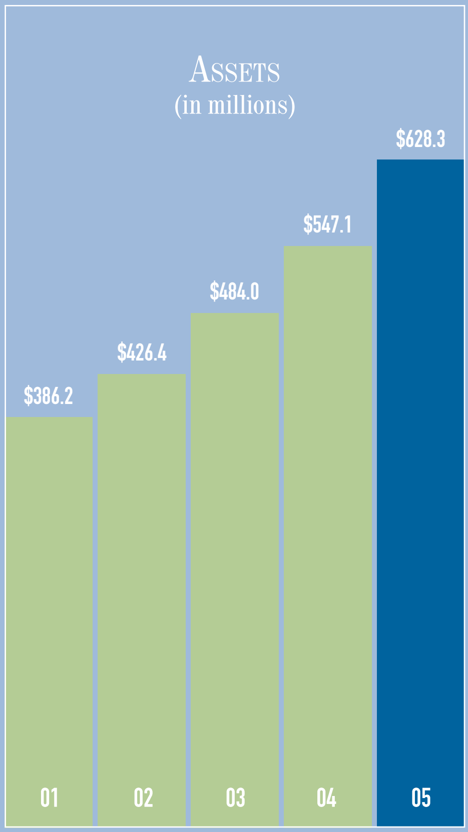
Geoffrey C. Wilkinson, Sr.

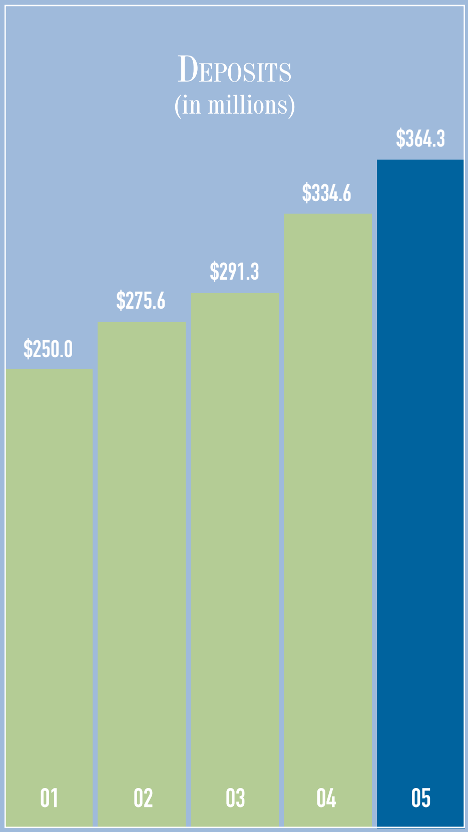
Jacqueline M. Youngworth


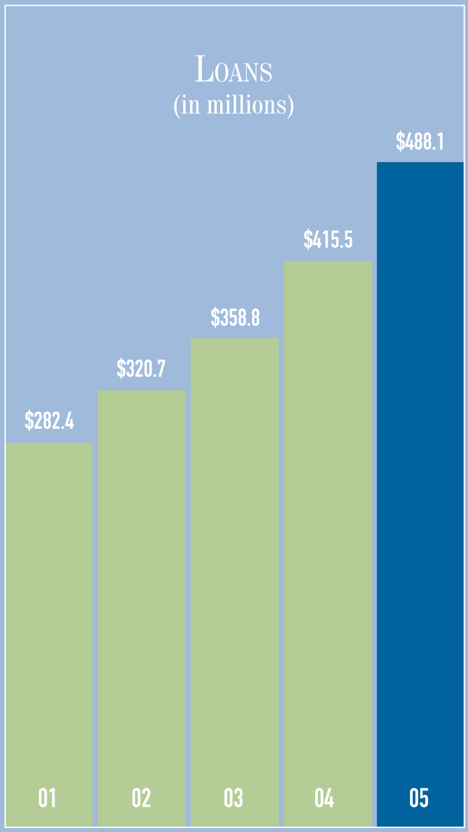
Financial Highlights











Selected Consolidated Financial Data

The following information does not purport to be complete and is qualified in its entirety by the more detailed information contained elsewhere herein.

	At December 31,				
	2005	2004	2003	2002	2001
			(In Thousands)		
Balance Sheet Data:					
Total assets	$ 628,251	$ 547,051	$ 483,954	$ 426,430	$ 386,181
Securities available for sale	91,513	85,815	74,007	49,333	49,619
Loans:					
Residential mortgage	233,138	194,552	170,491	153,293	130,723
Commercial mortgage	238,408	203,390	174,077	156,683	142,200
Construction, net	18,982	19,851	15,924	12,482	10,855
Other	481	431	923	765	894
Allowance for loan losses	3,316	3,070	2,992	2,810	2,510
Deposits	364,295	334,569	291,313	275,573	249,970
Federal Home Loan Bank advances	211,816	164,668	148,701	106,386	96,827
Other borrowed funds	—	—	—	394	134
Stockholders' equity	48,458	44,323	40,913	38,202	33,537

	Years Ended December 31,				
	2005	2004	2003	2002	2001
			(In Thousands, Except Per Share Amounts)		
Income Statement Data:					
Total interest and dividend income	$ 30,418	$ 26,151	$ 25,558	$ 25,801	$ 26,041
Total interest expense	12,389	9,154	9,035	10,422	12,571
Net interest income	18,029	16,997	16,523	15,379	13,470
Provision for loan losses	244	80	182	200	240
Other income	1,598	1,565	1,753	1,606	1,025
Operating expenses	9,520	9,185	8,325	7,715	6,567
Income before income taxes	9,863	9,297	9,769	9,070	7,688
Income tax provision	3,692	3,473	4,415	3,090	2,599
Net income	$ 6,171	$ 5,824	$ 5,354	$ 5,980	$ 5,089
Earnings per common share:					
Basic	$ 2.95	$ 2.80	$ 2.58	$ 2.91	$ 2.49
Diluted	$ 2.92	$ 2.77	$ 2.56	$ 2.87	$ 2.46
Financial Ratios:					
Return on average assets	1.07%	1.14%	1.18%	1.48%	1.43%
Return on average equity	13.20	13.56	13.53	16.58	15.95
Average equity to average assets	8.08	8.42	8.75	8.92	8.98
Interest rate spread	2.91	3.20	3.50	3.51	3.31
Net yield on average earning assets	3.24	3.47	3.81	3.94	3.90
Dividend payout ratio (basic)	33.56	33.57	34.88	28.87	30.52
Efficiency ratio	48.50	49.70	46.68	47.10	45.73
Cash dividends declared per common share	$ 0.99	$ 0.94	$ 0.90	$ 0.84	$ 0.76
Book value per common share	$ 23.01	$ 21.29	$ 19.68	$ 18.48	$ 16.38

The following information should be read in conjunction with the Consolidated Financial Statements and Notes contained in this report.

SIGNIFICANT ACCOUNTING POLICIES; CRITICAL EARNINGS ESTIMATES

The Bank's consolidated financial statements are prepared in conformity with United States generally accepted accounting principles, or "U.S. GAAP," including prevailing practices within the financial services industry. The preparation of consolidated financial statements requires management to make judgments, involving significant estimates and assumptions, in the application of certain of its accounting policies about the effects of matters that are inherently uncertain. These estimates and assumptions, which may materially affect the reported amounts of certain assets, liabilities, revenues and expenses, are based on information available as of the date of the consolidated financial statements, and changes in this information over time could materially impact amounts reported in the consolidated financial statements as a result of the use of different estimates and assumptions. Certain accounting policies, by their nature, have a greater reliance on the use of estimates and assumptions, and could produce results materially different from those originally reported.

Based on the sensitivity of financial statement amounts to the methods, estimates and assumptions underlying reported amounts, the relatively most significant accounting policy followed by the Bank has been identified by management as the determination of the allowance for loan losses. This policy requires the most subjective or complex judgments and, as such, could be most subject to revision as new information becomes available. An understanding of the judgments, estimates and assumptions underlying this accounting policy is essential in order to understand the Bank's reported financial condition and results of operations. This accounting policy and its application in recent periods is described in more detail in the "Provision for Loan Losses" section of this discussion and analysis and in Note 1 to the Consolidated Financial Statements contained in this annual report.

COMPARISON OF THE YEARS 2005, 2004, and 2003

RESULTS OF OPERATIONS

For the year ended December 31, 2005, the Bank earned $6.2 million as compared to $5.8 million in 2004 and $5.4 million in 2003. On a basic, per-share basis, the Bank earned $2.95 in 2005, $2.80 in 2004, and $2.58 in 2003. On a dilutive basis, which assumes that certain stock options have been exercised, earnings per share were $2.92 in 2005, $2.77 in 2004, and $2.56 in 2003. The increase in earnings in 2005 over 2004 was due primarily to improvements in net interest income. The increase in earnings in 2004 over 2003 was due primarily to the settlement of taxes due, pursuant to a retroactive change in Massachusetts state tax law which occurred in 2003. On a pre-tax basis, the Bank's earnings were $9.9 million, $9.3 million and $9.8 million for 2005, 2004 and 2003, respectively. Pre-tax earnings for 2004 and 2003 were positively impacted by gains on sales of securities in the amounts of $80,000 and $441,000, respectively.

Net interest income increased in each of the three years and was achieved primarily from growth in earning assets. In particular, net loan growth of $72.6 million, $56.8 million and $38.1 million for 2005, 2004 and 2003, respectively, resulted from loan originations of $175.1 million in 2005, $161.6 million in 2004 and $204.5 million in 2003. Customer service fees on deposits increased steadily over each of the three years.

Partially offsetting improvements in earnings were increases in expenses in each of the three years, resulting primarily from increased salaries and employee benefits expenses, and occupancy and equipment expenses. Despite increased expenses, the Bank's efficiency ratio, which measures the percent of net operating revenues consumed by operating expenses, remained below 50.0% for all three years and was 48.5% for 2005 as compared to 49.7% for 2004 and 46.7% for 2003.

Net Interest Income

Market interest rates, which had been at their lowest in nearly forty years, began to rise in the latter half of 2004 and continued to rise throughout 2005. As a result, the Bank's net interest margin tightened to 3.24% for 2005 from 3.47% for 2004 and 3.81% for 2003. Despite the declining margin, the Bank reported steady increases in net interest income due to increased loan volume. Historically high mortgage prepayment rates of 2003 slowed considerably in 2004 and loan originations declined 21% in 2004 compared to 2003. For 2005, loan originations increased 8% over those of 2004. Average loans increased 15% for 2005 and 13% for 2004.

The Bank reported $18.0 million in net interest income for 2005 as compared to $17.0 million in 2004 and $16.5 million in 2003. This positive trend was primarily the result of continued growth in loans which were the most significant component of assets, accounting for approximately 80% of average total earning assets in 2005 and 79% in each of the prior two years. Outstanding loans averaged $447.1 million for 2005 as compared to $387.2 million for 2004 and $343.6 million for 2003. Average other earning assets, consisting of securities and short-term investments, increased by $7.4 million in 2005 over 2004 and by $12.0 million in 2004 over 2003.

Interest income is derived from commercial and residential mortgages, home equity, installment and commercial loans, the securities portfolio, and short-term investments. For 2005, 2004 and 2003, interest income totaled $30.4 million, $26.2 million, and $25.6 million, respectively. The Bank achieved these results by continuing its focus on real estate lending. Average total earning assets increased $67.3 million, or 14%, in 2005 over 2004 and $55.7 million, or 13%, in 2004 over 2003. Interest income is also impacted by prepayment penalties which totaled $352,000 for 2005 as compared to $299,000 for 2004 and $402,000 for 2003. The Bank earned an average yield of 5.5% on its assets in 2005 as compared to 5.3% in 2004 and 5.9% in 2003, which reflected market conditions. Beginning in the third quarter of 2004, and continuing throughout 2005, market interest rates rose. As a result, many adjustable rate mortgages, short-term investments and short-term securities held by the Bank were positively impacted.

In response to market conditions in the first half of 2004, the Bank lowered the rates it paid on each of its interest bearing deposit accounts. As a result, the average rate paid on certificates of deposit, NOW, savings, and money market deposit accounts decreased a total of 17 basis points in 2004 from 2003. While the Bank was able to maintain these low rates on some of its core deposit products throughout 2005, the Bank responded to market pressures for money market accounts and certificates of deposit, and raised its rates. As a result, the average rate paid on total interest bearing deposits increased 32 basis points in 2005 over 2004. The Bank's ability to retain these deposits will depend, in part, on offering competitive market interest rates in future periods. In response to such competition, the Bank has been offering special-term certificates of deposit, at rates higher than comparably-termed certificates, in the first quarter of 2006.

Interest expense on borrowed funds increased in each of the past three years due to the increased volume of borrowed funds. The average cost of funding was 3.75% for 2005 as compared to 3.21% for 2004 and 3.72% for 2003. To mitigate the effect of rising market rates in 2005, the Bank refinanced most maturing FHLB borrowings to shorter terms. Interest expense on borrowings in future periods will be dependent on market interest rates and borrowing terms.

Provision for Loan Losses

The provision for loan losses is based on management's assessment of the adequacy of the allowance for loan losses. Management considers loan-to-value ratios, underlying collateral values, payment history, the size of the loan portfolio and the risks associated with certain loan types well as other factors. (Refer to Note 1 to the Consolidated Financial Statements for more details.) The provision for loan losses for 2005 was $244,000 as compared to $80,000 in 2004 and $182,000 in 2003. As a percentage of the gross loan portfolio, the allowance for loan losses was 0.67% for 2005, compared to 0.73% for 2004 and 0.83% for 2003. Generally, the decline in this ratio over the three years reflects the absence of significant loan charge-offs, low delinquency rates and stability in real estate values.

Other Income

Other income was $1.6 million in 2005 and 2004, and $1.8 million in 2003. Excluding discretionary items, such as the gains on sales of securities in 2004 and 2003, other income improved in each of the past three years.

Fees earned on customer accounts were $938,000 for 2005, $820,000 for 2004 and $751,000 for 2003. Customer service fee

The following table presents information regarding changes in interest and dividend income and interest expense of the Bank for the years indicated. For each category, information is provided with respect to changes attributable to changes in rate (change in rate multiplied by old volume) and changes in volume (change in volume multiplied by old rate). The change attributable to both volume and rate is allocated proportionately to the changes due to volume and rate.

	Years Ended December 31,					
	2005 Compared to 2004 Increase (Decrease)			2004 Compared to 2003 Increase (Decrease)		
	Due to			Due to		
	Volume	Rate	Total	Volume	Rate	Total
	(In Thousands)					
Interest and dividend income:						
Loans	$ 3,637	$ (52)	$ 3,585	$ 2,772	$ (2,220)	$ 552
Securities	364	269	633	461	(398)	63
Short-term investments and certificates of deposit	(97)	146	49	(55)	33	(22)
Total interest and dividend income	3,904	363	4,267	3,178	(2,585)	593
Interest expense:						
Interest-bearing deposits:						
NOW	4	(1)	3	—	(9)	(9)
Money market deposits	9	97	106	355	9	364
Regular	(1)	(62)	(63)	6	(112)	(106)
Term certificates	751	725	1,476	54	(333)	(279)
Total interest-bearing deposits	763	759	1,522	415	(445)	(30)
Borrowed funds	844	869	1,713	842	(693)	149
Total interest expense	1,607	1,628	3,235	1,257	(1,138)	119
Net interest income	$ 2,297	$ (1,265)	$ 1,032	$ 1,921	$ (1,447)	$ 474

The following table details changes in net interest income and net yield on average earning assets.

	Years Ended December 31,								
	2005			2004			2003		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
				(Dollars in Thousands)					
Assets:									
Loans:									
Real estate loans	$ 446,674	$ 27,161	6.08%	$ 386,480	$ 23,561	6.10%	$ 342,785	$ 23,005	6.71%
Commercial loans	65	8	12.31	74	9	12.16	100	10	10.00
Other loans	393	33	8.40	671	47	7.00	683	50	7.32
Total loans (1) (2)	447,132	27,202	6.08	387,225	23,617	6.10	343,568	23,065	6.71
Securities (3) (4)	99,657	2,940	2.95	86,777	2,307	2.66	70,728	2,244	3.17
Short-term investments and certificates of deposit	10,349	276	2.67	15,808	227	1.44	19,837	249	1.26
Total earning assets	557,138	30,418	5.46	489,810	26,151	5.34	434,133	25,558	5.89
Other assets	21,104			20,426			18,207		
Total assets	$ 578,242			$ 510,236			$ 452,340		
Liabilities and stockholders' equity:									
Interest-bearing deposits:									
NOW (5)	$ 23,723	23	0.10	$ 19,212	20	0.10	$ 19,291	29	0.15
Money market deposits	82,708	1,378	1.67	82,128	1,272	1.55	59,179	908	1.53
Regular	54,124	138	0.25	54,391	201	0.37	53,312	307	0.58
Term certificates	150,875	4,302	2.85	121,907	2,826	2.32	119,796	3,105	2.59
Total interest-bearing deposits	311,430	5,841	1.88	277,638	4,319	1.56	251,578	4,349	1.73
Borrowed funds	174,806	6,548	3.75	150,512	4,835	3.21	125,910	4,686	3.72
Total interest-bearing liabilities	486,236	12,389	2.55	428,150	9,154	2.14	377,488	9,035	2.39
Demand deposits	43,565			37,638			33,041		
Other liabilities	1,695			1,495			2,250		
Stockholders' equity	46,746			42,953			39,561		
Total liabilities and stockholders' equity	$ 578,242			$ 510,236			$ 452,340		
Net interest income		$ 18,029			$ 16,997			$ 16,523	
Weighted average rate spread			2.91%			3.20%			3.50%
Net yield on average earning assets (6)			3.24%			3.47%			3.81%

(1) Before allowance for loan losses.
(2) Includes average non-accrual loans.
(3) Excludes the impact of the average unrealized gain (loss) on securities available for sale.
(4) Includes Federal Home Loan Bank stock.
(5) Includes mortgagors' escrow accounts.
(6) Net interest income divided by average total earning assets.

income in each of the three years was derived primarily from deposit account transaction fees and ATM/debit card usage fees. The increases resulted primarily from the volume of fee-based transactions and, to a significantly lesser degree, modest increases in the schedule of fees.

Also contributing to other income in each of the three years was the increase in the cash surrender value of life insurance policies. Approximately $7.3 million of such assets were purchased in August 2002 and an additional $2.8 million were purchased in November 2003. Income from these assets is fully excludable from Federal income taxes and contributed $440,000 to other income in 2005, $457,000 in 2004 and $347,000 for 2003. The policies accrete at a variable rate of interest with minimum, stated guaranteed rates.

Other income is also comprised of gains on sales of securities. Generally, the Bank holds securities until their maturity. However, in 2004, the Bank sold $6.0 million in available-for-sale agency securities and reported an $80,000 gain on sales of securities. In 2003, the Bank sold its investment in preferred stocks and reported a $441,000 gain on sales of securities. There were no such sales in 2005.

Operating Expenses

Total operating expenses declined steadily in each of the past three years as a percentage of average total assets, despite increasing in absolute dollars.

Salaries and employee benefits were the largest component of operating expenses at $5.8 million for 2005, $5.5 million for 2004, and $4.8 million for 2003. Annual merit-based salary increases and a modest increase in staff for the Bank's newest branch have contributed to the increase in this category. Also contributing to the increase in salaries and employee benefits expenses in each year was the adoption of a Supplemental Employee Retirement Plan for certain Bank officers, which accounted for $526,000 in expense for 2005, $501,000 for 2004 and $264,000 for 2003. The expense is offset by the after-tax increase in the cash value of life insurance policies, as previously described. (Refer to Note 12 to the Consolidated Financial Statements for more details.) For 2005, 2004 and 2003, 401(k) defined contribution expenses were $216,000, $205,000 and $198,000, respectively. Health care benefits rose 15% in 2005 over 2004 and 16% in 2004 over 2003.

Data processing expenses decreased slightly in 2005 as compared to 2004 primarily due to lower ATM processing costs and increased $78,000 in 2004 over 2003 due primarily to the volume of customer accounts and increased usage of the Bank's internet services.

Occupancy and equipment expenses increased over the three years. In late 2004, the Bank opened its seventh office, located within the Linden Ponds Retirement Community in Hingham, Massachusetts

All other operating expenses were $2.0 million for 2005, 2004 and 2003. These expenses include audit fees, advertising, directors' fees, supplies, legal fees and other items. There were increases in 2005 over 2004 in internal audit fees, director fees, contributions and project development expenses related to a former branch location. These increases were offset by reductions in operating supplies, computer supplies and appraisal related expenses. Legal expenses were $19,000 for 2005 as compared to $18,000 and $102,000 for 2004 and 2003, respectively. In 2003, the Bank incurred expenses pertaining to the settlement of the Commonwealth of Massachusetts Department of Revenue ("DOR") tax assessment and the settlement of a Bank-initiated lawsuit to collect a check loss.

Income Taxes

The Bank's effective tax rate for 2005, 2004 and 2003 was 37.4%, 37.4% and 45.2%, respectively Included in tax expense for 2003 was $700,000 related to the settlement of a retroactive tax assessment. Excluding this assessment, the Bank's effective tax rate for 2003 was 38.0%.

Beginning in the year 2000 and continuing throughout 2002, the Bank accrued taxes based on the Massachusetts state tax law which allowed for the deduction of 95% of the dividends paid to the Bank by its former real estate investment trust subsidiary. In 2003, the Massachusetts legislature enacted a law which disallowed such deductions, retroactive to tax periods beginning in 1999. The Bank subsequently reached an agreement with the Massachusetts Department of Revenue ("DOR"), whereby the Bank would be liable to the DOR for fifty percent of the cumulative amount of taxes due, which was paid in 2003.

COMPARISON OF THE YEARS 2005 AND 2004

BALANCE SHEET ANALYSIS

The Bank had total assets of $628.3 million at December 31, 2005, an increase of $81.2 million, or 15%, from the $547.1 million level at year end 2004.

Loans

At December 31, 2005, the Bank reported net loans of $488.1 million, or 78% of total assets. Comparably at December 31, 2004, net loans were $415.5 million, or 76% of total assets. In 2005, the Bank originated $175.1 million in mortgage and other loan products which resulted in net loan growth of $72.6 million. Comparably for 2004, the Bank originated $161.6 million which resulted in net loan growth of $56.8 million. The Bank experienced an overall principal repayment rate of approximately 20% in 2005 as compared to 21% for 2004. At December 31, 2005 and 2004, mortgage loans accounted for more than 99% of gross loans with residential mortgages and home equity loans representing approximately 47% of the mortgage portfolio in both 2005 and 2004. Commercial mortgages represented 49% of the mortgage portfolio in 2005 and 2004.

The Bank's lending strategy during 2005 and 2004 has continued to focus on the origination of commercial, multi-family and single-family mortgage loans. During 2004, the Bank launched a new residential loan product called the 20/20 Mortgage. This is a forty-year mortgage with a fixed rate that is subject to change, one time, at the end of the first twenty-year period. At December 31, 2005, the outstanding balance of 20/20 Mortgages was $51.4 million. Other residential mortgages are generally underwritten to conform to Federal National Mortgage Association or Federal Home Loan Mortgage Corporation guidelines.

The Bank also offers home equity loans indexed to the prime lending rate and construction loans.

The Bank's loan portfolio is reported net of the allowance for loan losses. At December 31, 2005 and 2004, the allowance had a balance of $3.3 million and $3.1 million, respectively. The allowance is maintained at a level adequate to absorb losses. The allowance is reviewed by senior management on at least a quarterly basis to determine its adequacy. Factors considered include loan-to-value ratios, underlying collateral values, payment history, the size of the loan portfolio and the risks associated with certain loan types as well as other factors. (Refer to Note 1 to the Consolidated Financial Statements for more details.) Loan losses are charged against the allowance when the collectibility of loan principal becomes unlikely. Recoveries are recorded as additional reserves when received. For 2005, there were no loan charge-offs and $2,000 in recoveries. For 2004, there was a single charge-off in the amount of $3,000, of which $1,000 was subsequently recovered.

The Bank reported a single non-accrual loan at December 31, 2005 with an outstanding balance of $168,000 as compared to $170,000 at December 31, 2004. As a percentage of total loans, this non-accrual loan was 0.03% and 0.04% at December 31, 2005 and 2004, respectively.

Securities

The purpose of the Bank's securities portfolio is to supplement the Bank's lending activities by generating income, by providing liquidity and for use as collateral to obtain borrowed funds. At December 31, 2005, the portfolio was comprised of debt and mortgage-backed securities issued by government-sponsored enterprises and a single equity issue for a total of $91.5 million, or 15% of total assets, as compared to $85.8 million, or 16% of total assets, at year end 2004. At December 31, 2005 and 2004, at least 98% of the securities in the portfolio were issued or guaranteed by government-sponsored enterprises.

At December 31, 2005, 82% of the portfolio consisted of bond issues. For the most part, these securities are offered at a fixed rate and term and at spreads above comparable U.S. Treasury issues. Approximately 9% of this portfolio is subject to redemption at dates earlier than the stated maturity at the discretion of the issuer.

Approximately 16%, or $14.3 million, was comprised of mortgage-backed securities, a decrease of $4.5 million over the balances held at December 31, 2004. Mortgage-backed securities are subject to declines in principal balances due to principal repayments. Repayments tend to increase as market interest rates fall and the individual underlying mortgages are refinanced at lower rates. Conversely, repayments tend to decrease as market interest rates rise.

The portfolio also includes an investment in the CRAFund, a mutual fund which invests in securities which qualify under the Community Reinvestment Act ("CRA") securities test. This investment accounts for 2% of the investment portfolio at December 31, 2005 and 2004.

At year end 2005 and 2004, the entire investment portfolio was classified as available for sale and was carried at fair value with unrealized gains or losses reported in accumulated other comprehensive loss, a separate component of stockholders' equity. The unrealized loss on the investment portfolio amounted to $1.3 million, net of tax effects, at December 31, 2005 as compared to $789,000 at year end 2004, reflecting a decline in market conditions. The fair value of securities fluctuates with the movement of interest rates. Generally, during periods of rising interest rates, the fair values decrease whereas the opposite may hold true during a falling interest rate environment.

As a member of the Federal Home Loan Bank of Boston ("FHLB"), the Bank is required to hold a Membership Stock Investment plus an Activity-based Stock Investment which, at December 31, 2005, was $10.7 million, or approximately 5% of the Bank's current borrowings balance. The stock pays a quarterly dividend, as declared by the FHLB board. At December 31, 2005 and 2004, this investment accounted for less than 2% of total Bank assets. The Bank also holds an investment in certificates of deposit issued by other banks. No single certificate exceeds $100,000 and, therefore, all are insured in full by the Federal Deposit Insurance Corporation ("FDIC"). Collectively, these certificates accounted for approximately 1% of total assets at December 31, 2005 and 2004.

Other Assets

The Bank held $11.8 million in Bank-owned life insurance at December 31, 2005 as compared to $11.3 million at December 31, 2004. The increase in 2005 was attributable to the increase in the cash surrender values of the underlying policies. The policies, which insure the lives of certain Bank officers, accrete at a variable rate of interest with minimum stated guaranteed rates.

Deposits

At December 31, 2005, the Bank held a total of $364.3 million in deposits, an increase of $29.7 million, or 9%, from the $334.6 million in deposits at year end 2004. Core deposits, comprised of savings, NOW, money market, and demand deposit accounts, were $188.9 million at December 31, 2005 as compared to $205.6 million at year end 2004, a decrease of $16.7 million, or 8%. The decline in core deposits was observed in the money market accounts, which decreased by $22.3 million, and regular savings, which decreased $4.6 million. Offsetting these declines were increased NOW and Demand account balances which rose a combined $10.1 million. Core deposits comprised 52% of total deposits at December 31, 2005 as compared to 61% at year end 2004. Certificates of deposit were $175.4 million at December 31, 2005 as compared to $128.9 million at year end 2004. Generally, during periods of rising interest rates, consumers transfer their balances from core account products to higher-yielding certificates of deposit.

Primary competition for deposits is other banks and credit unions in the Bank's market area and mutual funds. The Bank's ability to attract and retain deposits depends upon satisfaction of depositors' requirements with respect to product, rate, and service. The Bank offers traditional deposit products, competitive rates, convenient branch locations, automated teller machines, debit cards, telephone banking and internet-based banking for consumers and commercial account holders. In the fourth quarter of 2004, the Bank opened a new branch in the Linden Ponds Retirement Community, which has, thus far, exceeded management's expectations with respect to deposit growth. At December 31, 2005, the branch had amassed $24.0 million in deposits.

Deposits are insured in full through the combination of the Federal Deposit Insurance Corporation (FDIC) and the Deposit Insurance Fund of Massachusetts (DIF). Generally, separately insured deposit accounts are insured up to $100,000 by the FDIC and deposit balances in excess of $100,000 are insured by the DIF. Providing DIF insurance provides an advantage for the Bank as some competitors cannot offer this coverage.

Borrowings

The Bank had $211.8 million in FHLB advances at December 31, 2005 as compared to $164.7 million at year end 2004. In 2005, borrowings helped to finance the growth in the loan portfolio. Generally, the borrowings are drawn with a fixed rate and term; however, approximately $28.5 million, or 13%, can be called by the issuer after an initial specified term and an additional $10.0 million is subject to principal amortization over its stated life. During 2005, the Bank refinanced maturing borrowings to shorter terms. In fact, at December 31, 2005, nearly 80% of all borrowings will mature within one year as compared to 66% at December 31, 2004. The average rate paid on borrowings held at year end 2005 was 4.35%, up from 3.27% at year end 2004, reflecting rising market interest rates.

Liquidity, Capital Resources, Off-Balance Sheet Arrangements and Contractual Obligations

The Bank continually assesses its liquidity position by forecasting incoming and outgoing cash flows. In some cases, contractual maturity dates are used to anticipate cash flows. However, when an asset or liability is subject to early repayment or redemption at the discretion of the issuer or customer, cash flows can be difficult to predict. Generally, these prepayment rights are exercised when it is most financially favorable to the issuer or customer.

The majority of debt securities issued by government-sponsored enterprises, or approximately 75% of the Bank's investment portfolio, is fixed with respect to rate and maturity date. Six securities, or 7%, are subject to redemption, at par, at the discretion of the issuer. Mortgage-backed securities, which comprise 16% of the portfolio, are subject to repayment at the discretion of the underlying borrower. The Bank monitors the trends in prepayment speeds and anticipates how these factors will impact its liquidity targets.

Investment in FHLB stock is illiquid. Certificates of deposit held as an investment are at stated fixed rates and maturity dates.

Residential loans are susceptible to principal repayment at the discretion of the borrower. Commercial mortgages, while subject to significant penalties for early repayment in most cases, can also prepay at the borrower's discretion. The Bank experienced an overall prepayment rate of 20% on its loan portfolio in 2005 as compared to 21% in 2004.

The proceeds to the Bank under key executive life insurance policies are illiquid during the lives of the executives. Such policies total $11.8 million, or 2% of total assets, at December 31, 2005 as compared to $11.3 million, or 2%, at December 31, 2004.

Core deposit balances can generally be withdrawn from the Bank at any time. Certificates of deposit, with predefined maturity dates and subject to early redemption penalties, can also be withdrawn. The Bank estimates the volatility of its deposits in light of the general economic climate and recent actual experience. Over the past 10 years, deposits have exceeded withdrawals resulting in net cash inflows from depositors.

Approximately 82% of the Bank's borrowings are fixed in terms of rate and maturity and 5% of the borrowings amortize over their stated lives. The Bank monitors these scheduled cash outflows. The remaining 13%, or $28.5 million, can be called for earlier repayment at the discretion of the issuer. However, in the current economic environment, it is unlikely that these borrowings will be called in the near term.

The Bank also monitors its off-balance sheet items. At December 31, 2005, the Bank had approximately $71.3 million in commitments to extend credit as compared to $67.4 million at December 31, 2004. See Note 9 to Consolidated Financial Statements for additional information. No other off-balance sheet arrangements existed at December 31, 2005 or 2004.

The Bank takes each of these issues into consideration when measuring its liquidity position. Specific measurements include the Bank's cash flow position at both the 30 day and 90 day horizon. At December 31, 2005 and 2004, each measurement was within predefined Bank guidelines. The level of volatile liabilities to earning assets and the loan-to-deposit ratio slightly exceeded the Bank's tolerance at December 31, 2005. Efforts to raise deposits were undertaken in early 2006 to reduce the ratios to guidelines.

To supplement its liquidity position, should the need arise, the Bank maintains its membership in the Federal Home Loan Bank of Boston where it is eligible to obtain both short and long-term credit advances. The Bank can borrow up to approximately $276.6 million to meet its borrowing needs, based on the Bank's available qualified collateral which consists primarily of 1-4 family residential mortgages, certain multifamily residential property, the Bank's investment in one of its securities corporation subsidiaries and certain commercial mortgages. Upon specific approval from the FHLB, the Bank may also pledge other mortgages or other FHLB deposit balances as collateral to secure as much as $66.1 million in additional borrowings. At December 31, 2005, the Bank had $211.8 million in advances outstanding.

At December 31, 2005, the Bank had capital of $48.5 million, or 7.7% of total assets, as compared to $44.3 million, or 8.1%, at December 31, 2004. Total capital is adjusted by the unrealized losses in the Bank's available-for-sale securities portfolio and, as such, it is subject to fluctuations resulting from changes in the market values of its securities available for sale. At December 31, 2005, the Bank's entire securities portfolio was classified as available for sale which had the effect of decreasing capital by $1.3 million. In comparison, at year end 2004, capital was decreased by $789,000.

Massachusetts-chartered savings banks that are insured by the FDIC are subject to minimum capital maintenance requirements. Regulatory guidelines define the minimum amount of qualifying capital an institution must maintain as a percentage of risk-weighted assets and average total assets. The Bank's ratios exceeded these regulatory capital requirements in both 2005 and 2004.

During 2005, the Bank declared dividends of $0.99 per share which included a $0.20 per share special dividend which was declared in the fourth quarter. In comparison, in 2004, the Bank declared dividends of $0.94 per share which included a $0.20 per share special dividend. The Bank's dividend payout ratio, which is calculated by dividing dividends per share into earnings per share, was 34% for 2005 and 2004.

IMPACT OF INFLATION AND CHANGING PRICES

The consolidated financial statements and related consolidated financial data presented herein have been prepared in conformity with United States generally accepted accounting principles, which generally requires the measurement of financial position and operating results in terms of historical dollars without considering the changes in the relative purchasing power of money over time due to inflation. The primary impact of inflation on operations of the Bank is reflected in increased operating costs. Unlike most industrial companies, virtually all the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates have a more significant impact on a financial institution's performance than the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or to the same extent as the price of goods and services.

FORWARD-LOOKING STATEMENTS

This annual report may contain statements relating to future results of the Bank (including certain projections and business trends) that are considered "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to changes in political and economic conditions, interest rate fluctuations, competitive product and pricing pressures within the Bank's market, bond market fluctuations, personal and corporate customers' bankruptcies, and inflation, as well as other risks and uncertainties.

ASSET/LIABILITY MANAGEMENT

The earnings of most banking institutions are exposed to interest rate risk because their balance sheets, both assets and liabilities, are predominantly interest bearing. It is the Bank's objective to minimize, to the degree prudently possible, its exposure to interest rate risk, bearing in mind that the Bank, by its very nature, will always be in the business of taking on interest rate risk. Interest rate risk is monitored on a quarterly basis by the Asset Liability Committee (ALCO) of the Bank. The primary tool used by the Bank in managing interest rate risk is income simulation modeling. Income simulation modeling measures changes in net interest income by projecting the future composition of the Bank's balance sheet and applying different interest rate scenarios.

Management incorporates numerous assumptions into the simulation model, such as prepayment speeds, balance sheet growth, and deposit elasticity. Generally, rates are assumed to rise steadily over a twelve-month period, then remain constant over the remaining period. The model assumes a 100 and 200 basis point increase in interest rates where the magnitude of the rate change varies with the term. For example, in the 200 basis point scenario, longer term rates are modeled to rise 120 basis points and short term rates are modeled to rise 200 basis points. The model estimates that, over a twenty-four month period, net interest income will decrease 10% if rates rise 100 basis points and will decrease 20% if rates rise 200 basis points.

The Bank's interest rate risk exposure is believed to be well managed and within pre-defined limits.

To a significantly lesser degree, the Bank also utilizes GAP analysis which involves comparing the difference between interest-rate sensitive

At December 31, 2005, the Bank had the following contractual obligations outstanding:

	Payments Due by Year (In Thousands)				
	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
Contractual Obligations:					
Federal Home Loan Bank advances	$211,816	$170,241	$14,582	$21,913	$5,080
Certificates of Deposit	$175,395	$161,058	$12,623	$ 1,714	$ —
Data Processing Agreements*	$ 2,962	$ 657	$ 1,313	$ 992	$ —

*Estimated payments subject to change based on transaction volume.

assets and liabilities that mature or reprice during a given period of time. However, GAP analysis does not measure the financial impact of mismatched assets to liabilities, nor does it measure the velocity at which assets and liabilities reprice.

Fixed rate loans, which were 54% of the loan portfolio at year-end 2005, increased from 50% at year-end 2004. Conversely, adjustable rate loans decreased from 50% to 46%. Interest-bearing non-certificate deposit accounts dropped to 45% of total interest-bearing deposits at year-end 2005 from 56% at year-end 2004. Certificates of deposit maturing in one year or less increased by $64.5 million, or 67%, over 2004. Borrowed funds maturing within one year were 80% of total borrowings at December 31, 2005 as compared to 69% at year-end 2004. Combined, these events resulted in an increase in the Bank's one-year negative gap position at December 31, 2005 to approximately 30% of assets, from 17% at December 31, 2004. The Bank intends to lengthen the terms on a portion of its liabilities during 2006 to reduce its liability sensitivity to within policy guidelines.

The following tables present interest-rate sensitive assets and liabilities categorized by expected maturity (or interest rate adjustment date, if earlier) and weighted average rates. Expected maturities are contractual maturities adjusted for amortization and prepayment of principal. Prepayment speeds range from 0% to 37% depending upon the particular asset category. Generally, adjustable rate loans are indexed to Prime or Treasury rates and can reprice as much as 200 basis points per year and 600 basis points over the life of the loan. Non-certificate deposits do not have contractual maturities. The tables reflect management's assumptions about the volatility of such deposits.

December 31, 2005

Maturing or repricing within:	One Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Thereafter	Total
				(Dollars in Thousands)			
Interest-earning assets:							
Securities, at cost	$ 46,120	$ 36,200	$ 10,409	$ 1,361	$ 5,726	$ 1,269	$ 101,085
	2.86%	3.57%	3.24%	3.03%	3.09%	2.69%	3.17%
Loans:							
Fixed rate	$ 51,992	$ 34,834	$ 30,388	$ 23,288	$ 25,110	$ 99,341	$ 264,953
	6.08%	6.13%	6.01%	6.01%	5.78%	5.79%	5.94%
Adjustable rate	$ 76,280	$ 30,119	$ 44,999	$ 30,871	$ 25,642	$ 18,145	$ 226,056
	6.57%	6.18%	5.71%	5.53%	6.11%	6.27%	6.13%
Interest-bearing liabilities:							
Deposits:							
Non-certificate accounts	$ 44,539	$ 44,539	$ 10,139	$ 10,021	$ 10,022	$ 23,933	$ 143,193
	1.36%	1.36%	0.25%	0.25%	0.25%	0.10%	0.92%
Term certificates	$ 161,058	$ 9,463	$ 3,160	$ 1,216	$ 498	$ —	$ 175,395
	3.44%	3.56%	3.52%	3.49%	3.92%	—%	3.45%
Borrowed funds	$ 170,241	$ 7,838	$ 6,744	$ 2,857	$ 19,056	$ 5,080	$ 211,816
	4.24%	4.68%	3.86%	3.39%	5.45%	4.56%	4.35%

December 31, 2004

Maturing or repricing within:	One Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Thereafter	Total
				(Dollars in Thousands)			
Interest-earning assets:							
Securities, at cost	$ 25,462	$ 35,053	$ 17,203	$ 8,895	$ 1,374	$ 8,785	$ 96,772
	2.07%	2.54%	2.88%	3.00%	3.01%	3.53%	2.62%
Loans:							
Fixed rate	$ 42,874	$ 29,154	$ 22,285	$ 18,948	$ 16,783	$ 80,597	$ 210,641
	6.50%	6.29%	6.14%	6.09%	5.98%	5.75%	6.07%
Adjustable rate	$ 78,546	$ 29,647	$ 25,224	$ 39,305	$ 19,954	$ 14,907	$ 207,583
	5.95%	5.98%	6.10%	5.66%	5.47%	6.20%	5.89%
Interest-bearing liabilities:							
Deposits:							
Non-certificate accounts	$ 41,423	$ 41,441	$ 41,441	$ 10,924	$ 10,924	$ 19,617	$ 165,770
	1.26%	1.26%	1.26%	0.30%	0.30%	0.10%	1.00%
Term certificates	$ 96,519	$ 25,818	$ 4,324	$ 1,147	$ 1,115	$ —	$ 128,923
	2.23%	2.74%	3.39%	3.20%	3.47%	—%	2.39%
Borrowed funds	$ 113,394	$ 9,698	$ 7,838	$ 6,744	$ 2,858	$ 24,136	$ 164,668
	2.73%	3.20%	4.68%	3.86%	3.39%	5.26%	3.27%

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Hingham Institution for Savings

We have audited the consolidated balance sheets of Hingham Institution for Savings and subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2005. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hingham Institution for Savings and subsidiaries as of December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005 in conformity with U.S. generally accepted accounting principles.

Wolf & Company, P.C.

Boston, Massachusetts
January 18, 2006

ASSETS

	December 31, 2005	December 31, 2004
	(In Thousands)	
Cash and due from banks	$ 8,454	$ 6,716
Short-term investments	4,327	6,619
Cash and cash equivalents	12,781	13,335
Certificates of deposit	5,282	5,091
Securities available for sale, at fair value	91,513	85,815
Federal Home Loan Bank stock, at cost	10,715	8,484
Loans, net of allowance for loan losses of $3,316,000 in 2005 and $3,070,000 in 2004	488,126	415,538
Cash value of life insurance	11,756	11,316
Premises and equipment, net	3,319	3,551
Accrued interest receivable	2,658	2,125
Deferred income tax asset, net	1,635	1,346
Other assets	466	450
	$ 628,251	$ 547,051

LIABILITIES AND STOCKHOLDERS' EQUITY

	2005	2004
Deposits	$ 364,295	$ 334,569
Federal Home Loan Bank advances	211,816	164,668
Mortgagors' escrow accounts	1,471	1,353
Accrued interest payable	598	492
Other liabilities	1,613	1,646
Total liabilities	579,793	502,728
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, $1.00 par value, 2,500,000 shares authorized; none issued	—	—
Common stock, $1.00 par value, 5,000,000 shares authorized; 2,105,500 and 2,082,250 shares issued and outstanding at December 31, 2005 and 2004, respectively	2,106	2,082
Additional paid-in capital	10,013	9,506
Undivided profits	37,617	33,524
Accumulated other comprehensive loss	(1,278)	(789)
Total stockholders' equity	48,458	44,323
	$ 628,251	$ 547,051

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

	Years Ended December 31,		
	2005	2004	2003
	(In Thousands, Except Per Share Amounts)		
Interest and dividend income:			
Loans	$ 27,202	$ 23,617	$ 23,065
Debt and trust preferred securities	2,463	2,044	2,017
Equity securities	477	263	227
Short-term investments and certificates of deposit	276	227	249
Total interest and dividend income	30,418	26,151	25,558
Interest expense:			
Deposits	5,841	4,319	4,349
Federal Home Loan Bank advances	6,548	4,835	4,686
Total interest expense	12,389	9,154	9,035
Net interest income	18,029	16,997	16,523
Provision for loan losses	244	80	182
Net interest income, after provision for loan losses	17,785	16,917	16,341
Other income:			
Customer service fees on deposits	938	820	751
Gain on sales of securities available for sale	—	80	441
Increase in cash value of life insurance	440	457	347
Other	220	208	214
Total other income	1,598	1,565	1,753
Operating expenses:			
Salaries and employee benefits	5,756	5,472	4,813
Data processing	774	779	701
Occupancy and equipment	948	892	846
Other	2,042	2,042	1,965
Total operating expenses	9,520	9,185	8,325
Income before income taxes	9,863	9,297	9,769
Income tax provision	3,692	3,473	4,415
Net income	$ 6,171	$ 5,824	$ 5,354
Earnings per common share:			
Basic	$ 2.95	$ 2.80	$ 2.58
Diluted	$ 2.92	$ 2.77	$ 2.56

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

	Years Ended December 31, 2005, 2004, and 2003				
	Common Stock	Additional Paid-in Capital	Undivided Profits	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
			(In Thousands)		
Balance at December 31, 2002	$ 2,067	$ 9,188	$ 26,173	$ 774	$ 38,202
Comprehensive income:					
Net income	—	—	5,354	—	5,354
Net unrealized loss on securities available for sale, net of reclassification adjustment and tax effect	—	—	—	(1,039)	(1,039)
Total comprehensive income					4,315
Stock options exercised, after tax effect of $126,000	12	254	—	—	266
Cash dividends declared-common($0.90 per share)	—	—	(1,870)	—	(1,870)
Balance at December 31, 2003	2,079	9,442	29,657	(265)	40,913
Comprehensive income:					
Net income	—	—	5,824	—	5,824
Net unrealized loss on securities available for sale, net of reclassification adjustment and tax effect	—	—	—	(524)	(524)
Total comprehensive income					5,300
Stock options exercised, after tax effect of $37,000	3	64	—	—	67
Cash dividends declared-common ($ 0.94 per share)	—	—	(1,957)	—	(1,957)
Balance at December 31, 2004	2,082	9,506	33,524	(789)	44,323
Comprehensive income:					
Net income	—	—	6,171	—	6,171
Net unrealized loss on securities available for sale, net of tax effect	—	—	—	(489)	(489)
Total comprehensive income					5,682
Stock options exercised, after tax effect of $288,000	24	507	—	—	531
Cash dividends declared-common($ 0.99 per share)	—	—	(2,078)	—	(2,078)
Balance at December 31, 2005	$ 2,106	$ 10,013	$ 37,617	$ (1,278)	$ 48,458

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2005	2004	2003
		(In Thousands)	
Cash flows from operating activities:			
Net income	$ 6,171	$ 5,824	$ 5,354
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	244	80	182
Amortization of securities, net	783	952	728
Amortization of deferred loan origination costs, net	77	75	77
Depreciation	432	461	438
Increase in cash value of life insurance	(440)	(457)	(347)
Gain on sales of securities available for sale	—	(80)	(441)
Gain on sale of loans	—	—	(24)
Deferred tax provision (benefit)	(62)	6	69
Changes in operating assets and liabilities:			
Accrued interest receivable and other assets	(261)	(240)	54
Accrued interest payable and other liabilities	44	353	(2,820)
Net cash provided by operating activities	6,988	6,974	3,270
Cash flows from investing activities:			
Activity in available-for-sale securities:			
Sales	—	6,098	4,440
Maturities, prepayments and calls	16,126	28,420	26,092
Purchases	(23,323)	(48,038)	(57,073)
Activity in certificates of deposit:			
Maturities	4,213	2,342	485
Purchases	(4,404)	(2,447)	(3,531)
Increase in Federal Home Loan Bank stock	(2,231)	(1,049)	(1,966)
Loans originated, net of payments received	(72,909)	(56,915)	(39,301)
Proceeds from sale of loans	—	—	980
Payments made for life insurance contracts	—	—	(2,800)
Additions to premises and equipment	(200)	(343)	(347)
Net cash used in investing activities	(82,728)	(71,932)	(73,021)

(continued)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2005	2004	2003
		(In Thousands)	
Cash flows from financing activities:			
Increase in deposits, net	29,726	43,256	15,740
Increase in mortgagors' escrow accounts	118	105	51
Proceeds from stock options exercised	243	30	140
Cash dividends paid on common stock	(2,049)	(1,914)	(1,823)
Net proceeds from borrowings with maturities of less than three months	19,368	13,175	4,606
Proceeds from Federal Home Loan Bank advances with maturities of three months or more	182,500	94,700	96,800
Repayment of Federal Home Loan Bank advances with maturities of three months or more	(154,720)	(91,908)	(59,485)
Net cash provided by financing activities	75,186	57,444	56,029
Net change in cash and cash equivalents	(554)	(7,514)	(13,722)
Cash and cash equivalents at beginning of year	13,335	20,849	34,571
Cash and cash equivalents at end of year	$ 12,781	$ 13,335	$ 20,849
Supplementary information:			
Interest paid on deposit accounts	$ 5,857	$ 4,298	$ 4,339
Interest paid on Federal Home Loan Bank advances	6,426	4,812	4,674
Income taxes paid	3,564	3,398	7,174

See accompanying notes to consolidated financial statements.

Years Ended December 31, 2005, 2004, and 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and consolidation

The consolidated financial statements include the accounts of Hingham Institution for Savings ("Bank") and its wholly-owned subsidiaries, Hingham Securities Corporation II and Hingham Unpledged Securities Corporation which hold title to certain securities available for sale. The Bank's majority-owned subsidiary, Hingham Capital Corporation, a real estate investment trust ("REIT") held title to certain loans, and was liquidated as of December 1, 2003. All intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A material estimate that is susceptible to significant change in the near term relates to the determination of the allowance for loan losses.

Business and operating segments

The Bank provides a variety of financial services to individuals and small businesses through its seven offices in southeastern Massachusetts. Its primary deposit products are savings, checking, and term certificate accounts, and its primary lending products are residential and commercial mortgage loans.

Management evaluates the Bank's performance and allocates resources based on a single segment concept. Accordingly, there are no separately identified operating segments for which discrete financial information is available. The Bank does not derive revenues from, or have assets located in foreign countries, nor does it derive revenues from any single customer that represents 10% or more of the Bank's total revenues.

Reclassification

Certain amounts have been reclassified in the 2004 and 2003 consolidated financial statements to conform to the 2005 presentation.

Cash and cash equivalents

Cash and cash equivalents include amounts due from banks and short-term investments.

Short-term investments

Short-term investments mature within ninety days and are carried at cost, which approximates fair value.

Certificates of deposit

Certificates of deposit are purchased from FDIC-insured depository institutions in amounts not to exceed $100,000, per institution, for principal and accrued interest, combined, and are carried at cost.

Securities available for sale

Securities are classified as available for sale and recorded at fair value, with unrealized gains and losses, after tax effects, excluded from earnings and reported in accumulated other comprehensive income (loss) as a separate component of stockholders' equity.

Purchased premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the value of securities that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Bank to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on disposition of securities are recorded on the trade date and are determined using the specific identification method.

Loans

The Bank grants mortgage, commercial, and consumer loans to customers. A substantial portion of the loan portfolio is represented by mortgage loans in the southeastern Massachusetts area. The ability of the Bank's debtors to honor their contracts is dependent upon the real estate, construction, and general economic sectors.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans (concluded)

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for loan losses, and net deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

The accrual of interest on mortgage and commercial loans is discontinued at the time a loan is 90 days past due unless the credit is well-secured and in process of collection. Personal loans are typically charged off no later than becoming 180 days past due. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for loan losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general loss components. The allocated loss component relates to loans that are classified as either doubtful, substandard, or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flow (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers non-classified loans and is based on an estimated range of possible losses reflective of historical loss experience and qualitative factors.

A loan is considered impaired when, based on current information and events, it is probable that a creditor will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Impaired loans are generally maintained on a non-accrual basis. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower’s prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan’s effective interest rate, the loan’s obtainable market price, or the fair value of the collateral if the loan is collateral dependent. Substantially all of the Bank’s loans which are identified as impaired are measured by the fair value of existing collateral.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Bank does not separately identify individual consumer loans for impairment disclosures.

Premises and equipment

Land is carried at cost. Buildings and equipment are carried at cost, less accumulated depreciation computed on the straight-line method over the estimated useful lives of the assets. It is general practice to charge the cost of maintenance and repairs to earnings when incurred; major expenditures for betterments are capitalized and depreciated.

Transfers of financial assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before maturity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Deferred tax assets and liabilities are reflected at currently enacted income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted accordingly through the provision for income taxes. The Bank's base amount of its federal income tax reserve for loan losses is a permanent difference for which there is no recognition of a deferred tax liability. However, the loan loss allowance maintained for financial reporting purposes is a temporary difference with allowable recognition of a related deferred tax asset, if it is deemed realizable.

Stock compensation plans

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," encourages all entities to adopt a fair value based method of accounting for employee stock compensation plans, whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. However, it also allows an entity to continue to measure compensation cost for those plans using the intrinsic value based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," whereby compensation cost is the excess, if any, of the quoted market price of the stock at the grant date (or other measurement date) over the amount an employee must pay to acquire the stock. Stock options issued under the Bank's stock option plans have no intrinsic value at the grant date and under Opinion No. 25 no compensation cost is recognized for them. The Bank has elected to continue with the accounting methodology in Opinion No. 25 which requires pro forma disclosures of net income and earnings per share and other disclosures, as if the fair value-based method of accounting had been applied.

At December 31, 2005, the Bank has two fixed stock option plans as described in Note 11. For the years ended December 31, 2005, 2004 and 2003 no options were granted under the plans. Accordingly, no pro forma disclosures are required.

In December 2004, the Financial Accounting Standards Board ("FASB") published SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123(R)" or the "Statement"). SFAS No. 123(R) requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. SFAS No. 123(R) covers a wide range of share-based compensation arrangements including stock options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. SFAS No. 123(R) is a replacement of SFAS No. 123, "Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and its related interpretive guidance. The effect of the Statement will be to require entities to measure the cost of employee services received in exchange for stock options based on the grant-date fair value of the award, and to recognize the cost over the period the employee is required to provide services for the award. SFAS No. 123(R) permits entities to use any option-pricing model that meets the fair value objective in the Statement.

For public entities, SFAS No. 123(R) is effective for fiscal years beginning on or after June 15, 2005, and is applicable to all employee awards vested, granted, modified, or settled after the effective date. As of the effective date, compensation cost related to the non-vested portion of awards outstanding as of that date would be based on the grant-date fair value of those awards as calculated under the original provisions of Statement No. 123; that is, an entity would not re-measure the grant-date fair value estimate of the unvested portion of awards granted prior to the effective date of SFAS No. 123(R). Effective January 1, 2006, the Bank will adopt SFAS No. 123(R). This Statement is not expected to have a material impact on the Bank's consolidated financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Earnings per common share

Basic earnings per common share represent income available to common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common shares that may be issued by the Bank relate solely to outstanding stock options and are determined using the treasury stock method.

Earnings per common share have been computed based on the following:

	Years Ended December 31,		
	2005	**2004**	**2003**
		(In Thousands)	
Average number of common shares outstanding	2,093	2,081	2,072
Effect of dilutive options	24	20	23
Average number of common shares outstanding used to calculate diluted earnings per common share	2,117	2,101	2,095

Comprehensive income (loss)

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the consolidated balance sheet, such items, along with net income, are components of comprehensive income (loss).

The components of other comprehensive income (loss), and related tax effects, are as follows:

	Years Ended December 31,		
	2005	**2004**	**2003**
		(In Thousands)	
Net unrealized holding losses on available-for-sale securities	$ (716)	$ (760)	$ (1,139)
Reclassification adjustment for gains realized in income	—	(80)	(441)
Net unrealized losses	(716)	(840)	(1,580)
Tax effect	227	316	541
Net-of-tax amount	$ (489)	$ (524)	$ (1,039)

Advertising costs

Advertising costs are expensed as incurred.

2. RESTRICTIONS ON CASH AND AMOUNTS DUE FROM BANKS

The Bank is required to maintain average balances on hand or with the Federal Reserve Bank. At December 31, 2005 and 2004, cash and due from banks included $222,000 and $200,000, respectively to satisfy such reserve requirements.

3. SECURITIES AVAILABLE FOR SALE

The amortized cost and estimated fair value of securities available for sale, with gross unrealized gains and losses, follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In Thousands)		
December 31, 2005				
Debt securities:				
Government-sponsored enterprises	$ 76,375	$ —	$ (1,138)	$ 75,237
Mortgage-backed - FHLMC	6,511	1	(351)	6,161
Mortgage-backed - FNMA	8,590	—	(443)	8,147
Total debt securities	91,476	1	(1,932)	89,545
Equity securities	2,000	—	(32)	1,968
Total securities available for sale	$ 93,476	$ 1	$ (1,964)	$ 91,513
December 31, 2004				
Debt securities:				
Government-sponsored enterprises	$ 65,692	$ —	$ (661)	$ 65,031
Mortgage-backed - FHLMC	7,911	1	(256)	7,656
Mortgage-backed - FNMA	11,459	1	(334)	11,126
Total debt securities	85,062	2	(1,251)	83,813
Equity securities	2,000	2	—	2,002
Total securities available for sale	$ 87,062	$ 4	$ (1,251)	$ 85,815

At December 31, 2005 and 2004, debt securities with a fair value of $86,555,000 and $83,813,000, respectively, were pledged to secure Federal Home Loan Bank advances. See Note 7.

SECURITIES AVAILABLE FOR SALE (continued)

The amortized cost and estimated fair value of debt securities by contractual maturity at December 31, 2005 are shown below. Expected maturities will differ from contractual maturities because of prepayments and scheduled payments on mortgage-backed securities. Further, certain obligors have the right to call bonds and obligations without prepayment penalties.

	Amortized Cost	Fair Value
	(In Thousands)	
Bonds and obligations:		
Within 1 year	$ 34,659	$ 34,311
Over 1 year to 5 years	41,716	40,926
	76,375	75,237
Mortgage-backed securities:		
Over 1 year to 5 years	14,343	13,556
Over 10 years	758	752
	15,101	14,308
Total debt securities	$ 91,476	$ 89,545

For the years ended December 31, 2004 and 2003, proceeds from the sale of securities available for sale amounted to $6,098,000 and $4,440,000, respectively, resulting in gross realized gains of $80,000 and $441,000, respectively, and no gross realized losses. There were no sales of securities during 2005.

Information pertaining to securities with gross unrealized losses at December 31, 2005 and 2004, aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(In Thousands)			
December 31, 2005				
Debt securities:				
Government-sponsored enterprises	$ (168)	$ 22,159	$ (970)	$ 53,078
Mortgage-backed - FHLMC	(1)	62	(350)	5,946
Mortgage-backed - FNMA	(1)	9	(442)	8,128
Total temporarily impaired debt securities	(170)	22,230	(1,762)	67,152
Equity securities	(32)	1,968	—	—
Total temporarily impaired securities	$ (202)	$ 24,198	$ (1,762)	$ 67,152

At December 31, 2005, certain debt securities have unrealized losses with aggregate depreciation of 2 % from the Bank's amortized cost basis and equity securities have unrealized losses with depreciation of less than 2% from the Bank's amortized cost basis. These unrealized losses relate to government-sponsored enterprises, mortgage-backed securities and equity securities and result from changes in the bond and equity markets since their purchase. As management has the ability to hold debt securities until maturity, and equity securities for the forseeable future, no declines are deemed to be other than temporary.

SECURITIES AVAILABLE FOR SALE (concluded)

	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(In Thousands)			
December 31, 2004				
Debt securities:				
Government-sponsored enterprises	$ (388)	$ 45,701	$ (273)	$ 19,330
Mortgage-backed - FHLMC	—	—	(256)	7,493
Mortgage-backed - FNMA	—	—	(334)	11,002
Total temporarily impaired securities	$ (388)	$ 45,701	$ (863)	$ 37,825

4. LOANS

A summary of the balances of loans follows:

	December 31, 2005	December 31, 2004
	(In Thousands)	
Mortgage loans:		
Residential	$ 213,647	$ 175,775
Commercial	234,842	199,168
Construction	18,982	19,851
Equity lines of credit	19,491	18,777
Second mortgages	3,566	4,222
Total mortgage loans	490,528	417,793
Other loans:		
Personal installment	218	198
Commercial	73	66
Revolving credit	190	167
Total other loans	481	431
Total loans	491,009	418,224
Allowance for loan losses	(3,316)	(3,070)
Net deferred loan origination costs	433	384
Loans, net	$ 488,126	$ 415,538

The Bank has sold mortgage loans in the secondary mortgage market and has retained the servicing responsibility and receives fees for the services provided. Loans sold and serviced for others amounted to $1,068,000, $1,493,000 and $1,918,000 at December 31, 2005, 2004 and 2003, respectively. All loans serviced for others were sold without recourse provisions and are not included in the accompanying consolidated balance sheets.

LOANS (concluded)

An analysis of the allowance for loan losses follows:

	Years Ended December 31,		
	2005	2004	2003
		(In Thousands)	
Balance at beginning of year	$ 3,070	$ 2,992	$ 2,810
Provision for loan losses	244	80	182
Loans charged off	—	(3)	—
Recoveries on loans previously charged off	2	1	—
Balance at end of year	$ 3,316	$ 3,070	$ 2,992

The following is a summary of information pertaining to impaired and non-accrual loans:

	December 31,	
	2005	2004
	(In Thousands)	
Impaired loans without a valuation allowance	$ 168	$ 170
Non-accrual loans (including impaired loans)	$ 168	$ 170
Loans past due 90 days or more and still accruing	$ —	$ —

	Years Ended December 31,		
	2005	2004	2003
		(In Thousands)	
Average investment in impaired loans	$ 598	$ 304	$ 286
Interest income recognized on impaired loans	$ 54	$ 30	$ 32
Interest income recognized on a cash basis on impaired loans	$ 54	$ 30	$ 32

There were no additional funds committed to be advanced in connection with impaired loans.

5. PREMISES AND EQUIPMENT

A summary of the cost and accumulated depreciation of premises and equipment follows:

	December 31, 2005	December 31, 2004
	(In Thousands)	
Premises:		
Land	$ 870	$ 871
Buildings	3,815	3,757
Equipment	2,400	2,263
	7,085	6,891
Less accumulated depreciation	(3,766)	(3,340)
	$ 3,319	$ 3,551

Depreciation expense for the years ended December 31, 2005, 2004, and 2003 amounted to $432,000, $461,000, and $438,000, respectively.

6. DEPOSITS

A summary of deposit balances, by type, is as follows:

	December 31, 2005	December 31, 2004
	(In Thousands)	
Regular	$ 50,461	$ 55,018
Money market deposits	68,799	91,135
NOW	23,933	19,617
Demand	45,707	39,876
Total non-certificate accounts	188,900	205,646
Term certificates less than $100,000	102,936	86,291
Term certificates of $100,000 or more	72,459	42,632
Total certificate accounts	175,395	128,923
Total deposits	$ 364,295	$ 334,569

DEPOSITS (concluded)

The maturity distribution of term certificates is as follows:

	December 31, 2005 Amount	2005 Weighted Average Rate	2004 Amount	2004 Weighted Average Rate
	(Dollars in Thousands)			
Within 1 year	$ 161,058	3.44%	$ 96,519	2.23%
Over 1 year to 2 years	9,463	3.56	25,818	2.74
Over 2 years to 3 years	3,160	3.52	4,324	3.39
Over 3 years to 5 years	1,714	3.62	2,262	3.33
	$ 175,395	3.45%	$ 128,923	2.39%

A summary of interest expense on deposits is as follows:

	Years Ended December 31, 2005	2004	2003
	(In Thousands)		
Regular	$ 138	$ 201	$ 307
Money market deposits	1,378	1,272	908
NOW	23	20	29
Term certificates	4,302	2,826	3,105
	$ 5,841	$ 4,319	$ 4,349

7. FEDERAL HOME LOAN BANK ADVANCES

A summary of advances from the Federal Home Loan Bank of Boston follows:

Maturing During the Year Ending December 31,	December 31, 2005 Amount	2005 Weighted Average Rate	2004 Amount	2004 Weighted Average Rate
	(Dollars in Thousands)			
2005	$ —	—%	$107,875	2.75%
2006(1)	168,447	4.26	11,675	2.85
2007	6,000	5.35	6,000	5.35
2008(2)	7,951	3.51	8,938	3.36
2009	2,000	3.58	2,000	3.58
2010(3)	21,877	5.07	22,561	4.99
Thereafter(4)	5,541	4.65	5,619	4.66
	$ 211,816	4.35%	$ 164,668	3.27%

All borrowings from the Federal Home Loan Bank of Boston ("FHLB") are at a fixed rate and are secured by a blanket lien on "qualified collateral" defined principally as 75% of the carrying value of first mortgage loans on certain owner-occupied residential property, 50% of the carrying value of first mortgage loans on certain non-owner occupied residential property, 65% of the carrying value of first mortgage loans on certain multi-family residential property, 50% of the carrying value of loans on certain commercial property and 90% of the fair value of certain debt securities held in Hingham Securities Corporation II. Expected maturities may differ from contractual maturities because certain borrowings, aggregating $28.5 million at December 31, 2005, can be called by the FHLB after an initial specified term.

The Bank also has an available line of credit with the Federal Home Loan Bank of Boston at an interest rate that adjusts daily. Borrowings under this line are limited to $4,633,000 at December 31, 2005.

(1) At December 31, 2005 includes amortizing advances of $1,982,000 due in June, 2006 and $422,000 due in November, 2006, requiring monthly principal and interest of $285,000 and $36,000, respectively.

(2) At December 31, 2005 includes amortizing advance of $2,651,000 due in June, 2008 , requiring monthly principal and interest of $88,000.

(3) At December 31, 2005 includes amortizing advances of $3,377,000 due in June, 2010 requiring monthly principal and interest of $65,000 .

(4) At December 31, 2005 includes amortizing advances of $1,542,000 due in November, 2018, requiring monthly principal and interest of $14,000 .

8. INCOME TAXES

Allocation of federal and state income taxes between current and deferred portions is as follows:

	Years Ended December 31,		
	2005	2004	2003
		(In Thousands)	
Current tax provision:			
Federal	$ 3,001	$ 2,764	$ 2,529
State	753	703	1,817
	3,754	3,467	4,346
Deferred tax provision (benefit):			
Federal	(49)	2	51
State	(13)	4	18
	(62)	6	69
Total provision	$ 3,692	$ 3,473	$ 4,415

The reasons for the differences between the statutory federal income tax rate and the effective tax rate are summarized as follows:

	Years Ended December 31,		
	2005	2004	2003
Statutory rate	34.0%	34.0%	34.0%
Increase (decrease) resulting from:			
State taxes, net of federal tax benefit	5.0	5.0	5.4
Settlement with Commonwealth of Massachusetts, net of federal tax benefit	—	—	7.0
Other, net	(1.6)	(1.6)	(1.2)
Effective tax rate	37.4%	37.4%	45.2%

INCOME TAXES (continued)

The components of the net deferred tax asset are as follows:

	December 31, 2005	December 31, 2004
	(In Thousands)	
Deferred tax assets:		
Federal	$ 1,688	$ 1,429
State	381	357
	2,069	1,786
Deferred tax liabilities:		
Federal	(341)	(348)
State	(93)	(92)
	(434)	(440)
Net deferred tax asset	$ 1,635	$ 1,346

The tax effects of each item that give rise to deferred tax assets (liabilities) are as follows:

	December 31, 2005	December 31, 2004
	(In Thousands)	
Allowance for loan losses	$ 1,305	$ 1,184
Other accrued expenses	—	20
Fees on loans	(311)	(285)
Net unrealized loss on securities available for sale	685	458
Other	(44)	(31)
Net deferred tax asset	$ 1,635	$ 1,346

A summary of the change in the net deferred tax asset is as follows:

	Years Ended December 31, 2005	2004	2003
	(In Thousands)		
Balance at beginning of year	$ 1,346	$ 1,036	$ 564
Deferred tax benefit (provision)	62	(6)	(69)
Deferred tax effects of net unrealized loss on securities available for sale	227	316	541
Balance at end of year	$ 1,635	$ 1,346	$ 1,036

INCOME TAXES (concluded)

Tax reserve for loan losses

The federal income tax reserve for loan losses at the Bank's base year was $3,780,000. If any portion of the reserve is used for purposes other than to absorb loan losses, approximately 150% of the amount actually used, limited to the amount of the reserve, will be subject to taxation in the year in which used. As the Bank intends to use the reserve only to absorb loan losses, a deferred tax liability of $1,550,000 has not been provided.

REIT Tax Assessment

Beginning in the year 2000 and continuing throughout 2002, the Bank accrued taxes based on the Massachusetts state tax law which allowed for the deduction of 95% of the dividends paid to the Bank by its real estate investment trust subsidiary. In March 2003, the Massachusetts legislature enacted a law which disallowed such deductions, retroactive to tax periods beginning in 1999. As a result, the Bank accrued an additional state tax liability of $2,072,000 in the first quarter of 2003, the cumulative effect of the new tax law, and recorded the Federal tax benefit related to such state taxes in the amount of $700,000.

In June 2003, the Bank reached an agreement with the Massachusetts Department of Revenue ("DOR"), whereby the Bank would be liable to the DOR for fifty percent of the contested cumulative amount of taxes due. On June 23, 2003, the Bank paid $1,036,000 to the DOR in full and final satisfaction of taxes due related to its REIT and accordingly recorded a reversal of the remaining $1,036,000 tax it had expensed in the first quarter of 2003. The Bank also recorded a reversal of the related Federal tax benefit in the amount of $350,000.

9. COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are outstanding commitments and contingencies which are not reflected in the consolidated financial statements.

Loan commitments

The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include unused lines of credit, commitments to originate loans, and standby letters of credit. The instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Bank's exposure to credit loss in the event of non-performance by the other party to its financial instruments is represented by the contractual amount of these commitments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

At December 31, 2005 and 2004, the following financial instruments were outstanding for which contract amounts represent credit risk:

	December 31,	
	2005	2004
	(In Thousands)	
Unused lines of credit	$39,605	$34,799
Commitments to originate loans:		
Commercial mortgages	19,787	18,637
Residential mortgages	3,023	5,175
Unadvanced funds on construction loans	8,844	8,747

Commitments to extend credit are agreements to lend to a customer provided there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the borrower. The commitments to originate loans, unadvanced construction funds, and the majority of unused lines of credit are secured by real estate.

COMMITMENTS AND CONTINGENCIES (concluded)

Employment agreements

The Bank has entered into employment agreements with certain senior executives. The original terms of the agreements are for three or two years and can generally be extended for one-year periods. The agreements generally provide for certain lump sum severance payments under certain circumstances, within a one-year period following a "change in control," as defined in the agreements.

Other legal claims

Other legal claims arise from time to time in the normal course of business, which, in the opinion of management, will have no material effect on the Bank's consolidated financial position.

10. MINIMUM REGULATORY CAPITAL REQUIREMENTS

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to average assets (as defined). Management believes, as of December 31, 2005 and 2004, that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2005, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the following table. There are no conditions or events since the notification that management believes have changed the Bank's category. The Bank's actual capital amounts and ratios as of December 31, 2005 and 2004 are also presented in the table.

	Actual		Minimum Capital Requirement		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in Thousands)			
December 31, 2005						
Total Capital to Risk-Weighted Assets	$53,020	13.60%	$31,192	8.0%	$38,990	10.0%
Tier 1 Capital to Risk-Weighted Assets	49,704	12.75	15,596	4.0	23,394	6.0
Tier 1 Capital to Average Assets	49,704	8.10	24,544	4.0	30,679	5.0
December 31, 2004						
Total Capital to Risk-Weighted Assets	$48,182	14.05%	$27,433	8.0%	$34,291	10.0%
Tier 1 Capital to Risk-Weighted Assets	45,112	13.16	13,716	4.0	20,575	6.0
Tier 1 Capital to Average Assets	45,112	8.37	21,564	4.0	26,955	5.0

11. STOCK OPTION PLANS

Under the Bank's 1988 and 1996 stock option plans, options may be granted to officers, other employees, and certain directors as the Stock Option Committee of the Board of Directors may determine. A total of 187,500 shares of common stock were reserved for issuance pursuant to the 1988 plan and a total of 90,000 shares of common stock were reserved for issuance pursuant to the 1996 plan. Both "incentive options" and "non-qualified options" could be granted under the plans. All options under both plans will have an exercise price per share equal to, or in excess of, the fair market value of a share of common stock at the date the option is granted, will have a maximum option term of 10 years and are fully vested immediately upon issuance. At December 31, 2005, there were 12,500 shares remaining available for future issuance under the 1996 plan and no shares remaining under the 1988 plan.

Stock option activity is as follows:

	Years Ended December 31,					
	2005		2004		2003	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Shares under option:						
Outstanding at beginning of year	43,500	$11.90	46,500	$11.78	58,500	$ 11.75
Granted	—	—	—	—	—	—
Exercised	(23,250)	10.42	(3,000)	9.97	(12,000)	11.66
Outstanding at end of year	20,250	$13.61	43,500	$11.90	46,500	$ 11.78
Options exercisable at end of year	20,250	$13.61	43,500	$11.90	46,500	$ 11.78

Options outstanding consist of the following:

	December 31,			
	2005		2004	
Option price	Shares	Weighted Average Remaining Contractual Life in Years	Shares	Weighted Average Remaining Contractual Life In Years
$29.540	1,500	6	1,500	7
23.500	1,500	3	1,500	4
15.000	6,500	4	12,500	5
9.167	10,750	1	19,000	2
8.500	—	—	9,000	1
	20,250		43,500	

12. EMPLOYEE BENEFIT PLANS

401(k) Plan

The Bank has a 401(k) Plan whereby each employee having completed at least three months of continuous service beginning with date of employment, becomes a participant in the Plan. Employees may contribute a percentage of their compensation subject to certain limits based on federal tax laws. The Bank contributes 3% of an employee's compensation, regardless of the employee's contribution and makes a matching contribution of $0.50 for each dollar contributed by the employee up to a maximum matching contribution equal to 3% of the employee's yearly compensation. Matching contributions vest to the employee after two years, or at age 62, if earlier. For the years ended December 31, 2005, 2004 and 2003, expense attributable to the Plan amounted to $216,000, $205,000 and $198,000, respectively.

Supplemental Employee Benefit Plans

The Bank has supplemental employee retirement plans which were established in 2002 for the benefit of certain senior executives. In connection with these plans, the Bank purchased life insurance policies amounting to $7,309,000 in 2002 and $2,800,000 in 2003 and contributed them to a Rabbi Trust. In 2003, the Bank discontinued funding the President's split dollar life insurance policy and substituted additional contributions to the President's existing supplemental employee retirement plan. Simultaneously with the discontinuance of funding the split dollar policy, ownership of such policy was transferred from the President to the Bank. The value of these combined policies is $11,756,000 and $11,316,000 at December 31, 2005 and 2004, respectively. In accordance with the agreements, a secular trust was established for each executive into which the Bank makes annual contributions which become the property of the executive. Expense related to these plans amounted to $526,000, $501,000 and $264,000 for the years ended December 31, 2005, 2004 and 2003, respectively.

13. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank had granted loans to principal officers and directors and their affiliates amounting to $7,000 at December 31, 2005 and $9,000 at December 31, 2004. In 1993, the Bank established a policy whereby new loans (excluding passbook loans) cannot be granted to employees, officers, or directors.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," requires disclosure of estimated fair values of all financial instruments where it is practicable to estimate such values. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

Accordingly, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instrument. Statement No. 107 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Bank.

FAIR VALUE OF FINANCIAL INSTRUMENTS (concluded)

The following methods and assumptions were used by the Bank in estimating fair value disclosures for financial instruments:

Cash and cash equivalents: The carrying amounts of cash, due from banks, and interest-bearing deposits approximate fair values.

Certificates of deposit: Fair values for certificates of deposit are based upon quoted market prices.

Securities available for sale: Fair values for securities available for sale are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Federal Home Loan Bank stock: The carrying value of Federal Home Loan Bank stock is deemed to approximate fair value based on the redemption provisions of the Federal Home Loan Bank of Boston.

Loans: For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. Fair values for other loans are estimated using discounted cash flow analyses, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. Fair values for non-performing loans are estimated using discounted cash flow analyses or underlying collateral values, where applicable.

Deposits: The fair values of non-certificate accounts are, by definition, equal to the amount payable on demand at the reporting date which is their carrying amount. Fair values for certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Federal Home Loan Bank advances: The fair values of the advances are estimated using discounted cash flow analyses based on the Bank's current incremental borrowing rates for similar types of borrowing arrangements.

Mortgagors' escrow accounts: The carrying amounts of mortgagors' escrow accounts approximate fair value.

Accrued interest: The carrying amounts of accrued interest approximate fair value.

Off-balance-sheet instruments: Fair values for off-balance-sheet lending commitments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing. At December 31, 2005 and 2004, the fair value of commitments outstanding is not significant since fees charged are not material.

The carrying amounts and estimated fair values of the Bank's financial instruments are as follows:

	December 31,			
	2005		2004	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In Thousands)			
Financial assets:				
Cash and cash equivalents	$ 12,781	$ 12,781	$ 13,335	$ 13,335
Certificates of deposit	5,282	5,258	5,091	5,078
Securities available for sale	91,513	91,513	85,815	85,815
Federal Home Loan Bank stock	10,715	10,715	8,484	8,484
Loans, net	488,126	484,111	415,538	417,431
Accrued interest receivable	2,658	2,658	2,125	2,125
Financial liabilities:				
Deposits	364,295	363,784	334,569	335,319
Federal Home Loan Bank advances	211,816	212,929	164,668	166,126
Mortgagors' escrow accounts	1,471	1,471	1,353	1,353
Accrued interest payable	598	598	492	492

15. QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly results of operations for the years ended December 31, 2005 and 2004 are as follows:

	Years Ended December 31,							
	2005				2004			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
	(In Thousands, Except Per Share Data)							
Interest and dividend income	$ 8,231	$ 7,743	$ 7,363	$ 7,081	$ 6,906	$ 6,609	$ 6,359	$ 6,277
Interest expense	3,804	3,212	2,808	2,565	2,455	2,325	2,188	2,186
Net interest income	4,427	4,531	4,555	4,516	4,451	4,284	4,171	4,091
Provision (credit) for loan losses	71	42	82	49	41	(8)	24	23
Net interest income, after provision (credit) for loan losses	4,356	4,489	4,473	4,467	4,410	4,292	4,147	4,068
Other income	449	389	389	371	400	364	356	445
Operating expenses	2,342	2,415	2,357	2,406	2,354	2,253	2,283	2,295
Income before income taxes	2,463	2,463	2,505	2,432	2,456	2,403	2,220	2,218
Income tax provision	918	922	937	915	926	904	828	815
Net income	$ 1,545	$ 1,541	$ 1,568	$ 1,517	$ 1,530	$ 1,499	$ 1,392	$ 1,403
Earnings per common share:								
Basic	$ 0.74	$ 0.74	$ 0.75	$ 0.73	$ 0.73	$ 0.72	$ 0.67	$ 0.68
Diluted	$ 0.73	$ 0.73	$ 0.75	$ 0.72	$ 0.73	$ 0.71	$ 0.66	$ 0.67
Cash dividends declared per common share	$ 0.40(1)	$ 0.20	$ 0.20	$ 0.19	$ 0.39(2)	$ 0.19	$ 0.18	$ 0.18

(1) Includes a special dividend of $0.20 per common share declared on November 23, 2005.

(2) Includes a special dividend of $0.20 per common share declared on November 24, 2004.

Stockholder Information

Hingham Institution for Savings
55 Main Street
Hingham, MA 02043
(781) 749-2200

President and Chief Executive Officer
Robert H. Gaughen, Jr.

Investor Inquiries
William M. Donovan, Jr.
Vice President - Administration

Transfer Agent and Registrar
Mellon Investor Services, LLC
480 Washington Boulevard
Jersey City, NJ 07310
(800) 288-9541

Online Registered Shareholder Inquiries
www.melloninvestor.com

Stockholder Inquiries
Mellon Investor Services, LLC
P.O. Box 3315
South Hackensack, NJ 07606
(800) 288-9541

Independent Registered Public Accounting Firm
Wolf & Company, P.C.
99 High Street
Boston, MA 02110

Special Counsel
Wilmer Cutler Pickering Hale and Dorr, LLP
60 State Street
Boston, MA 02109

Form 10-K
A copy of the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, as filed with the Federal Deposit Insurance Corporation, may be obtained without charge by any stockholder of the Bank upon written request addressed to the Investor Relations Department.

STOCK DATA

Hingham Institution for Savings' common shares are listed and traded on The Nasdaq Stock Market under the symbol HIFS.

As of December 31, 2005, there were approximately 422 stockholders of record, holding 933,413 outstanding shares of common stock. These shares do not include the number of persons who hold their shares in nominee or street name through various brokerage firms.

The following table presents the quarterly high and low bid prices for the Bank's common stock reported by Nasdaq.

	High	Low
2004		
First Quarter	$44.97	$39.00
Second Quarter	42.00	39.50
Third Quarter	42.50	40.50
Fourth Quarter	43.90	39.50
2005		
First Quarter	44.50	40.84
Second Quarter	44.99	38.60
Third Quarter	42.25	40.01
Fourth Quarter	41.91	34.55

The closing sale price of the Bank's common stock at December 31, 2005 was $38.80 per share.

Branch Offices

COHASSET
13 Elm Street
Cohasset, MA 02025

HINGHAM
Main Office
55 Main Street
Hingham, MA 02043

Loan Center
49 Main Street
Hingham, MA 02043

Drive-Up
71 Main Street
Hingham, MA 02043

SOUTH HINGHAM
37 Whiting Street
Hingham, MA 02043

LINDEN PONDS
300 Linden Ponds Way
Hingham MA 02043
(serving Linden Ponds residents and employees)

HULL
401 Nantasket Avenue
Hull, MA 02045

SCITUATE
400 Gannett Road
North Scituate, MA 02066

SOUTH WEYMOUTH
32 Pleasant Street
South Weymouth, MA 02190

HINGHAM INSTITUTION FOR SAVINGS
ESTABLISHED 1834

55 Main Street, Hingham, MA 02043
Tel: 781-749-2200 Fax: 781-740-4889
www.hinghamsavings.com