FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C. 20429

FORM 10 - Q

(Mark one)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 2009

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: FDIC Certificate No. 90211-0

HINGHAM INSTITUTION FOR SAVINGS
(Exact name of registrant as specified in its charter)

Massachusetts
(State of Incorporation)

04-1442480
(I.R.S. Employer Identification Number)

55 Main Street, Hingham, MA
(Address of Principal Executive Offices)

02043
(Zip Code)

(781) 749-2200
(Registrant's telephone number, including area code)

Indicate by check mark whether the Bank (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Bank was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) YES X NO____
(2) YES X NO____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ___ No X

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer _________ Accelerated filer ______________
Non-accelerated filer _________ Smaller reporting company X [changed on 10K]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ___ No X

Indicate the number of shares outstanding of each of the Bank's classes of common stock, as of the latest practicable date:

At July 31, 2009, there were 2,124,250 shares of common stock outstanding.

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<u>Exhibit No.</u>

31.1 Certifications – Chief Executive Officer
31.2 Certifications – Chief Financial Officer

32.1 Certification Pursuant to 18 U.S.C. §1350 – Chief Executive Officer
32.2 Certification Pursuant to 18 U.S.C. §1350 – Chief Financial Officer

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Balance Sheets

(Unaudited)	June 30, 2009	December 31, 2008
	(In thousands)	
ASSETS		
Cash and due from banks	$ 15,023	$ 6,119
Short-term investments	10,370	14,099
Cash and cash equivalents	25,393	20,218
Certificates of deposit	13,399	13,648
Securities available for sale, at fair value	92,710	87,380
Federal Home Loan Bank stock, at cost	13,373	13,373
Loans, net of allowance for loan losses of $5,550,000 in 2009 and $4,530,000 in 2008	692,274	647,255
Bank-owned life insurance	13,389	13,157
Premises and equipment, net	5,456	5,632
Accrued interest receivable	3,375	3,380
Deferred income tax asset, net	1,431	1,362
Other real estate owned	--	280
Other assets	1,163	508
Total assets	$ 861,963	$ 806,193
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	$ 585,914	$ 525,334
Federal Home Loan Bank advances	207,068	214,994
Mortgage payable	1,202	1,219
Mortgagors' escrow accounts	1,761	1,751
Accrued interest payable	638	692
Other liabilities	2,919	2,378
Total liabilities	799,502	746,368
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; 2,124,250 and 2,121,750 shares issued and outstanding at June 30, 2009 and December 31, 2008	2,124	2,122
Additional paid-in capital	10,412	10,364
Undivided profits	49,272	46,569
Accumulated other comprehensive income	653	770
Total stockholders' equity	62,461	59,825
Total liabilities and stockholders' equity	$ 861,963	$ 806,193

See accompanying Notes to Unaudited Consolidated Financial Statements.

ITEM 1 - FINANCIAL STATEMENTS (continued)

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
(Unaudited)	(In thousands, except for share amounts)			
Interest and dividend income:				
Loans	$ 10,431	$ 9,526	$ 20,582	$ 19,206
Debt securities	503	449	1,065	1,113
Equity securities	30	156	60	376
Short-term investments and certificates of deposit	125	303	248	631
Total interest and dividend income	11,089	10,434	21,955	21,326
Interest expense:				
Deposits	2,649	2,944	5,527	6,538
Federal Home Loan Bank advances	1,724	2,497	3,585	5,218
Mortgage payable	18	18	36	34
Total interest expense	4,391	5,459	9,148	11,790
Net interest income	6,698	4,975	12,807	9,536
Provision for loan losses	450	200	1,000	268
Net interest income, after provision for loan losses	6,248	4,775	11,807	9,268
Other income:				
Customer service fees on deposits	215	245	430	485
Increase in bank-owned life insurance	121	121	232	237
Gain on sale of loans	318	---	318	---
Miscellaneous	52	44	104	90
Total other income	706	410	1,084	812
Operating expenses:				
Salaries and employee benefits	1,873	1,762	3,817	3,510
Data processing	216	209	438	416
Occupancy and equipment	324	301	687	607
Deposit insurance	614	77	791	166
Other general and administrative	664	613	1,359	1,157
Total operating expenses	3,691	2,962	7,092	5,856
Income before income taxes	3,263	2,223	5,799	4,224
Income tax provision	1,240	807	2,204	1,521
Net income	$ 2,023	$ 1,416	$ 3,595	$ 2,703
Cash dividends declared per common share	$ 0.21	$ 0.20	$ 0.42	$ 0.40
Weighted average common shares outstanding:				
Basic	2,124	2,122	2,123	2,121
Diluted	2,124	2,122	2,124	2,122
Earnings per common share:				
Basic	$ 0.95	$ 0.67	$ 1.69	$ 1.27
Diluted	$ 0.95	$ 0.67	$ 1.69	$ 1.27

See accompanying Notes to Unaudited Consolidated Financial Statements.

ITEM 1 - FINANCIAL STATEMENTS (continued)

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity
For the Six Months Ended
June 30, 2009 and 2008

(Unaudited)	Common Stock	Additional Paid-In Capital	Undivided Profits	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
			(In thousands)		
Balance at December 31, 2007	$ 2,119	$ 10,290	$ 42,490	$ (128)	$ 54,771
Comprehensive income:					
Net income	-	-	2,703	-	2,703
Change in net unrealized loss on securities available for sale, net of tax effect	-	-	-	94	94
Total comprehensive income					2,797
Stock options exercised, including tax effect of $14,000	3	72	-	-	75
Cash dividends declared – common ($0.40 per share)	-	-	(849)	-	(849)
Balance at June 30, 2008	$ 2,122	$ 10,362	$ 44,344	$ (34)	$ 56,794
Balance at December 31, 2008	$ 2,122	$ 10,364	$ 46,569	$ 770	$ 59,825
Comprehensive income:					
Net income	-	-	3,595	-	3,595
Change in net unrealized gain on securities available for sale, net of tax effect	-	-	-	(117)	(117)
Total comprehensive income					3,478
Stock options exercised, including tax effect of $12,000	2	48	-	-	50
Cash dividends declared – common ($0.42 per share)	-	-	(892)	-	(892)
Balance at June 30, 2009	$ 2,124	$ 10,412	$ 49,272	$ 653	$ 62,461

See accompanying Notes to Unaudited Consolidated Financial Statements.

ITEM 1 - FINANCIAL STATEMENTS (continued)

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Unaudited)	Six Months Ended June 30, 2009	2008
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 3,595	$ 2,703
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,000	268
Gain on sale of loans	(318)	--
Amortization of securities, net	377	36
Amortization of deferred loan origination costs, net	55	59
Excess tax benefits from share-based compensation arrangements	(12)	(14)
Depreciation and amortization of premises and equipment	243	229
Increase in bank-owned life insurance	(232)	(237)
Changes in operating assets and liabilities:		
Accrued interest receivable and other assets	(367)	152
Accrued interest payable and other liabilities	963	189
Net cash provided by operating activities	5,304	3,385
Cash flows from investing activities:		
Activity in certificates of deposit:		
Maturities	3,900	1,259
Purchases	(3,651)	(4,014)
Activity in available-for-sale securities:		
Maturities, prepayments and calls	27,808	54,641
Purchases	(33,701)	(34,014)
Loans originated, net of payments received	(56,950)	(32,919)
Proceeds from sale of loans	11,194	--
Increase in Federal Home Loan Bank stock	--	(97)
Additions to premises and equipment	(67)	(921)
Net cash used in investing activities	(51,467)	(16,065)

See accompanying Notes to Unaudited Consolidated Financial Statements.

(continued)

Consolidated Statements of Cash Flows (concluded)

(Unaudited)	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
	(In thousands)	
Cash flows from financing activities:		
Increase in deposits	60,580	26,323
Increase in mortgagors' escrow accounts	10	1
Proceeds from stock options exercised	38	61
Cash dividends paid on common stock	(1,359)	(1,293)
Excess tax benefits from share-based compensation arrangements	12	14
Net (repayments of) proceeds from borrowings with maturities of less than three months	(23,000)	16,000
Proceeds from Federal Home Loan Bank advances with maturities of three months or more	77,000	72,500
Repayment of Federal Home Loan Bank advances with maturities of three months or more	(61,926)	(84,025)
Repayment of mortgage payable	(17)	(14)
Net cash provided by financing activities	51,338	29,567
Net change in cash and cash equivalents	5,175	16,887
Cash and cash equivalents at beginning of period	20,218	33,605
Cash and cash equivalents at end of period	$ 25,393	$ 50,492
Supplementary information:		
Interest paid on deposit accounts	$ 5,530	$ 6,554
Interest paid on Federal Home Loan Bank advances and mortgage payable	3,672	5,344
Income taxes paid	2,862	1,993
Non-cash investing and financing activities:		
Note payable for purchase of premises	--	1,250
Transfer from loans to other real estate owned	--	701

See accompanying Notes to Unaudited Consolidated Financial Statements.

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

June 30, 2009 and 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements of Hingham Institution for Savings (the "Bank") presented herein should be read in conjunction with the consolidated financial statements of Hingham Institution for Savings for the year ended December 31, 2008 filed on Form 10-K.

Financial information as of June 30, 2009 and the results of operations and cash flows for the three months and six months ended June 30, 2009 and 2008 are unaudited, and in the opinion of management reflect all adjustments necessary for a fair presentation of such information. Interim results are not necessarily indicative of results to be expected for the entire year.

NOTE 2: COMMITMENTS

At June 30, 2009, there were $89.6 million in outstanding commitments as follows:

(In thousands)	
Mortgage origination	$ 44,211
Unused lines of credit	42,378
Unadvanced construction funds	2,705
Letters of credit	276
Total	$ 89,570

At June 30, 2009, the Bank had the following contractual obligations outstanding:

	Payments Due by Year				
	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
Contractual Obligations:			(In thousands)		
Federal Home Loan Bank Advances	$207,068	$ 47,835	$72,000	$47,000	$40,233
Certificates of Deposit	307,742	259,139	43,580	5,023	--
Data Processing Agreements*	1,326	853	424	49	--
Lease Agreements**	1,100	170	356	377	197
Mortgage payable	1,202	36	80	90	996

* Estimated payments subject to change based on transaction volume.

** Leases contain provisions to pay certain operating expenses, the cost of which is not included above. Lease commitments are based on the initial contract term, or longer, when in the opinion of management, it is more likely than not that the lease will be renewed.

NOTE 3: DIVIDEND DECLARATION

On June 25, 2009, the Board of Directors declared a cash dividend of $0.21 per share to all stockholders of record as of July 10, 2009, payable July 21, 2009.

NOTE 4: FAIR VALUES OF ASSETS AND LIABILITIES

Effective January 1, 2008, the Bank adopted Statement of Financial Accounting Standards No. 157 ("SFAS 157"), *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. In accordance with SFAS 157, the Bank groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1- Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data from substantially the full term of the assets or liabilities. For example, Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, residential mortgage servicing rights and long-term derivative contracts.

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 short-term investments approximate fair values based on the short-term nature of the assets.

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

Securities available for sale - The securities measured at fair value in Level 1 are based on quoted market prices in an active exchange market and generally include marketable equity securities. Securities measured at fair value in Level 2 are based on pricing models that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, credit spreads and new issue data. These securities include government-sponsored enterprise obligations, FHLMC and FNMA bonds, corporate bonds and other securities.

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 analysis, 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 analysis 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 in the market 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 analysis based on the Bank's current incremental borrowing rates for similar types of borrowing arrangements.

Mortgage payable - The fair value of the Bank's mortgage payable is estimated using discounted cash flow analysis based on the current incremental borrowing rates in the market 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 June 30, 2009 and December 31, 2008, the fair value of commitments outstanding is not significant since fees charged are not material.

The Bank is also required, from time to time, to measure certain other financial assets on a non-recurring basis in accordance with GAAP. These adjustments to fair value usually result from the application of lower-of-cost-or-market accounting or write-downs of individual assets.

The following tables summarize the fair value hierarchy used to determine each adjustment and the carry value of the related assets. There were no liabilities measured at fair value.

	June 30, 2009				Quarter Ended June 30, 2009
	Level 1	Level 2	Level 3	Assets at Fair Value	Total Losses
	(In thousands)				
Assets					
Recurring:					
Securities available for sale	$ 3,010	$ 89,700	$ --	$ 92,710	$ --
Non-recurring:					
Impaired Loans	--	--	4,073	4,073	(420)
Total assets	$ 3,010	$ 89,700	$ 4,073	$ 96,783	$ (420)

Notes to Unaudited Consolidated Financial Statements (continued)

	December 31, 2008				Quarter Ended June 30, 2008
	Level 1	Level 2	Level 3	Assets at Fair Value	Total Losses
	(In thousands)				
Assets					
Recurring:					
Securities available for sale	$ 2,988	$ 84,392	$ --	$ 87,380	$ --
Non-recurring:					
Impaired Loans	--	--	300	300	--
Total assets	$ 2,988	$ 84,392	$ 300	$ 87,680	$ --

At June 30, 2009 and December 31, 2008, the amount of impaired loans on level 3 represented the carrying value and related Financial Accounting Standards Board ("FASB") Statement No. 114 allocated reserves on impaired loans for which adjustments are based on the appraised value of the collateral, considering discounting factors and adjusted for selling costs. Appraised values are typically based on a blend of (a) and income approach using observable cash flows to measure fair value and (b) a market approach using observable market comparables.

As required under FASB Statement No. 107, "Disclosures about Fair Value of Financial Instruments," the estimated fair values, and related carrying or notional amounts, of the Bank's financial instruments are as follows. Statement No. 107 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented herein may not necessarily represent the underlying fair value of the Bank.

	June 30, 2009		December 31, 2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Financial assets:				
Cash and cash equivalents	$ 25,393	$ 25,393	$ 20,218	$ 20,218
Certificates of deposit	13,399	13,536	13,648	13,785
Securities available for sale	92,710	92,710	87,380	87,380
Federal Home Loan Bank stock	13,373	13,373	13,373	13,373
Loans, net	692,274	700,800	647,255	652,664
Accrued interest receivable	3,375	3,375	3,380	3,380
Financial liabilities:				
Deposits	$ 585,914	$ 589,050	$ 525,334	$ 527,458
Federal Home Loan Bank advances	207,068	212,877	214,994	222,583
Mortgage payable	1,202	1,319	1,219	1,220
Mortgagors' escrow accounts	1,761	1,761	1,751	1,751
Accrued interest payable	638	638	692	692

NOTE 5: 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)			
June 30, 2009				
Debt securities:				
Government-sponsored enterprises –FHLMC	$ 23,152	$ 252	$ (8)	$ 23,396
Government-sponsored enterprises - FNMA	12,528	46	(1)	12,573
Government-sponsored enterprises - Other	46,470	628	(24)	47,074
Mortgage-backed - FHLMC	2,883	35	(1)	2,917
Mortgage-backed - FNMA	3,680	61	(1)	3,740
Total debt securities	88,713	1,022	(35)	89,700
Equity securities	3,000	10	--	3,010
Total securities available for sale	$ 91,713	$ 1,032	$ (35)	$ 92,710
December 31, 2008				
Debt securities:				
Government-sponsored enterprises –FHLMC	$ 10,189	$ 218	$ --	$ 10,407
Government-sponsored enterprises - FNMA	24,313	173	--	24,486
Government-sponsored enterprises - Other	40,177	853	--	41,030
Mortgage-backed - FHLMC	3,763	--	(34)	3,729
Mortgage-backed - FNMA	4,755	5	(20)	4,740
Total debt securities	83,197	1,249	(54)	84,392
Equity securities	3,000	--	(12)	2,988
Total securities available for sale	$ 86,197	$ 1,249	$ (66)	$ 87,380

At June 30, 2009 and December 31, 2008, debt securities with a fair value of $89,700,000 and $84,392,000, respectively, were pledged to secure Federal Home Loan Bank advances.

The amortized cost and estimated fair value of debt securities by contractual maturity at June 30, 2009 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	$ 22,128	$ 22,303
Over 1 year to 5 years	60,022	60,740
Mortgage-backed securities:		
Within 1 year	3,724	3,779
Over 1 year to 5 years	2,527	2,568
Over 5 to 10 years	183	183
Over 10 years	129	127
Total debt securities	$ 88,713	$ 89,700

Information pertaining to securities with gross unrealized losses at June 30, 2009 and December 31, 2008, 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)			
June 30, 2009				
Debt securities:				
Government-sponsored enterprises - FHLMC	$ 8	$ 6,034	$ --	$ --
Government-sponsored enterprises - FNMA	1	1,003	--	--
Government-sponsored enterprises - Other	24	8,233	--	--
Mortgage-backed – FHLMC	--	--	1	123
Mortgage-backed - FNMA	--	--	1	187
Total temporarily impaired debt securities	33	15,270	2	310
Equity securities	--	--	--	--
Total temporarily impaired securities	$ 33	$ 15,270	$ 2	$ 310

At June 30, 2009, 16 debt securities have unrealized losses with aggregate depreciation of less than 1% from the Bank's amortized cost basis. These unrealized losses relate to government-sponsored enterprises and mortgage-backed securities, and result from changes in the bond markets since their purchase. Because the decline in market value is attributable to changes in interest rates and not to credit quality, and because the Bank does not intend to sell the securities and it is not more likely than not that the Bank will be required to sell the securities before recovery of their amortized cost bases, which may be maturity,

	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(In Thousands)			
December 31, 2008				
Debt securities:				
Government-sponsored enterprises	$ --	$ --	$ --	$ --
Mortgage-backed - FHLMC	--	--	34	3,729
Mortgage-backed - FNMA	--	--	20	2,973
Total temporarily impaired debt securities	--	--	54	6,702
Equity securities	--	--	12	2,988
Total temporarily impaired securities	$ --	$ --	$ 66	$ 9,690

NOTE 6: RECENT ACCOUNTING PRONOUNCEMENTS

On April 9, 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2 "Recognition and Presentation of Other-Than-Temporary Impairments," which amends the other-than-temporary impairment guidance in U.S. GAAP for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the financial statements. The FSP does not amend existing recognition and measurement guidance related to other-than-temporary impairments of equity securities. The Bank adopted the FSP effective for the quarter ended June 30, 2009 and the adoption did not have a material impact on the Bank's consolidated financial statements.

On April 9, 2009, the FASB issued FSP No. FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly." The FSP provides additional guidance for estimating fair value in accordance with FASB Statement No. 157, "Fair Value Measurements," when the volume and level of activity for the asset or liability have significantly decreased. The FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. The FSP emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. The FSP is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The FSP does not amend existing recognition and measurement guidance related to other-than-temporary impairments of equity securities. The Bank adopted the FSP effective for the quarter ended June 30, 2009 and the adoption did not have a material impact on the Bank's consolidated financial statements.

On April 9, 2009, the FASB issued FSP No. FAS 107-1 and Accounting Principles Board (“APB”) No. 28-1, “Interim Disclosures about Fair Value of Financial Instruments,” relating to fair value disclosures for any financial instruments that are not currently reflected on the balance sheet of companies at fair value. Prior to issuing this FSP, fair values for these instruments were only disclosed once a year. The FSP now requires these disclosures on a quarterly basis, beginning June 30, 2009, providing qualitative and quantitative information about fair value estimates for all those financial instruments not measured on the balance sheet at fair value.

On May 28, 2009, the FASB issued SFAS No. 165, “Subsequent Events,” which intends to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 sets forth: (1) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements; and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date, including disclosure of the date through which an entity has evaluated subsequent events and whether that represents the date the financial statements were issued or were available to be issued. This disclosure should alert all users of financial statements that an entity has not evaluated subsequent events after that date in the set of financial statements being presented. SFAS 165 does not apply to subsequent events or transactions that are within the scope of other applicable GAAP that provide different guidance on the accounting treatment for subsequent events or transactions. SFAS 165 is effective for interim and annual financial periods ending after June 15, 2009. The Bank adopted SFAS 165 for the period ended June 30, 2009 and it did not have a material impact on the consolidated financial statements.

On June 12, 2009, the FASB issued SFAS No. 166, “Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140,” which intends to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor’s continuing involvement in transferred financial assets. SFAS 166 is effective as of the beginning of each reporting entity’s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. The statement is not expected to have a material impact on the Bank’s consolidated financial statements.

On June 12, 2009, the FASB issued SFAS No. 167, “Amendments to FASB Interpretation No. 46(R),” which intends to amend certain requirements of FASB Interpretation No. 46 (revised December 2003), “Consolidation of Variable Interest Entities,” to improve financial reporting by enterprises involved with variable interest entities and to provide more relevant and reliable information to users of financial statements. SFAS 167 is effective as of the beginning of each reporting entity’s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. The statement is not expected to have a material impact on the Bank’s consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles- a replacement of FASB No. 162". The FASB Accounting Standards Codification is intended to be the source of authoritative U.S. GAAP and reporting standards as issued by the FASB. Its primary purpose is to improve clarity and use of existing standards by grouping authoritative literature under common topics. This Statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Codification does not change or alter existing GAAP, and there is no expected impact on the consolidated financial statements.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 12, 2009, the date financial statements are filed with the Federal Deposit Insurance Corporation. Through that date, there were no events requiring disclosure.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FORWARD-LOOKING STATEMENTS

This 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.

INTRODUCTION

The earnings of the Bank are driven primarily by its net interest income, which is influenced by market interest rates as well as the Bank’s ability to generate loans and gather deposits. To a significantly lesser degree, the Bank also generates fee income from its deposit and loan customers. Earnings can also be affected by the creditworthiness of its borrowers, and as such, management monitors the portfolio and analyzes trends, both internal and external, which could impact the borrowers’ ability to repay their loans. The Bank operates nine banking offices which provide services to its deposit and loan customers. During the second quarter of 2008, the Bank commenced operations at its ninth office in the Assinippi section of Norwell. The Bank competes with other local, regional and national banks, credit unions and mutual funds to attract new depositors. The Bank is regulated by various agencies, primarily the Federal Deposit Insurance Corporation, which among other things require minimum capital levels.

Net income increased $607,000, or 43%, for the second quarter of 2009 as compared to the same quarter of 2008, due to the 35% improvement in net interest income along with an increase in other income of $296,000, offset, in part, by increases in loan loss provisions and operating expenses over the two periods.

Net income increased $892,000, or 33%, for the first half of 2009 as compared to the same period in 2008, due to the 34% improvement in net interest income along with a $272,000 increase in other income, offset, in part, by increases in loan loss provisions and operating expenses over the two periods.

During the first half of 2009, the Bank originated $122.5 million in loans and sold $10.9 million in the secondary market (servicing retained), resulting in net loan growth of $45.0 million after giving effect to continued loan prepayments. At June 30, 2009, loans continue to be the Bank’s largest component of total assets at 80%. Non-performing assets were 1.51% of total assets at June 30, 2009 as compared to 0.91% at December 31, 2008. Management believes that these assets are significantly collateralized, pose minimal risk of loss to the Bank, and that the allowance for loan losses is sufficient to absorb such losses, if any.

During the first half of 2009, $27.8 million of the Bank’s securities matured, paid down or were called and the proceeds were reinvested in the securities portfolio. Federal Home Loan Bank borrowings decreased by $7.9 million during the first half of 2009.

During the first half of 2009, the Bank received $60.6 million in net new deposits from customers seeking the safe haven of a fully-insured depository institution amidst the volatility in the equity markets and concerns about the viability of regional and national banks. These funds were used to purchase securities, fund loans, and to reduce borrowed funds.

The Bank continues to exceed all of the minimum regulatory capital requirements.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2009 AND 2008

GENERAL

The Bank reported net income of $2.0 million for the quarter ended June 30, 2009 as compared to $1.4 million for the quarter ended June 30, 2008. Net income was $0.95 per share (basic and diluted) for the quarter ended June 30, 2009 as compared with $0.67 per share (basic and diluted) for the same period in 2008. Earnings for the quarter ended June 30, 2009 were positively impacted by a 35% improvement in net interest income and a $296,000 increase in other income offset, in part, by a $250,000 increase in the loan loss provision and a 25% increase in operating costs, primarily attributable to an increase in deposit insurance expense.

NET INTEREST INCOME

Net interest income is impacted by market interest rates. As short-term market rates fall, rates paid to depositors decrease and maturing borrowings may be refinanced at lower rates. New loans and securities may earn lower rates. Adjustable rate loans may also re-set at lower rates.

During the last 12 months, interest rates have been at historical lows as the Federal Reserve Bank has lowered the Federal Funds rate to near zero and has implemented a security purchase program geared towards keeping longer-term rates at historical lows in an effort to stabilize financial markets and stimulate the overall economy. Additionally, volatility in the equity markets has caused an increase in deposit balances as customers seek the safe haven of a fully-insured depository institution.

The net effect of these low interest rates and growth in deposit balances was reflected in the improvement of the Bank’s weighted average rate spread and net interest margin which were 3.03% and 3.27%, respectively, for the quarter ended June 30, 2009 as compared to 2.36% and 2.71%, respectively, for the quarter ended June 30, 2008. When comparing the two quarters, the yield on total earning assets decreased 26 basis points. However, rates on deposits and borrowings decreased by 81 basis points and 85 basis points, respectively.

Net interest income was $6.7 million for the second quarter of 2009 and $5.0 million for the second quarter of 2008. The $1.7 million improvement was due to an increase in the weighted average rate spread of 67 basis points (most notable in the lower rates paid on deposits and borrowings) accompanied by an 11% increase in average earning assets in the second quarter of 2009.

The following table details components of net interest income and yields/rates on average earning assets/liabilities.

	Three months ended June 30,					
	2009			2008		
(Dollars in thousands)	AVERAGE BALANCE	INTEREST	YIELD/ RATE	AVERAGE BALANCE	INTEREST	YIELD/ RATE
Loans (1) (2)	$ 681,603	$ 10,431	6.12 %	$ 617,034	$ 9,526	6.18 %
Securities (3) (4)	97,318	533	2.19	64,354	605	3.76
Short-term investments and certificates of deposit	39,649	125	1.26	52,858	303	2.29
Total earning assets	818,570	11,089	5.42	734,246	10,434	5.68
Other assets	27,323			26,038		
Total assets	$ 845,893			$ 760,284		
Interest-bearing deposits (5)	$ 526,680	2,649	2.01	$ 417,634	2,944	2.82
Borrowed funds	208,417	1,742	3.34	240,115	2,515	4.19
Total interest-bearing liabilities	735,097	4,391	2.39	657,749	5,459	3.32
Demand deposits	42,403			43,783		
Other liabilities	6,262			2,027		
Total liabilities	783,762			703,559		
Stockholders' equity	62,131			56,725		
Total liabilities and stockholders' equity	$ 845,893			$ 760,284		
Net interest income		$ 6,698			$ 4,975	
Weighted average rate spread			3.03 %			2.36 %
Net interest margin (6)			3.27 %			2.71 %

(1) Before allowance for loan losses.
(2) Includes non-accrual loans.
(3) Excludes the impact of the average net unrealized gain or 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.

Interest and dividend income rose by $655,000 to $11.1 million for the second quarter of 2009 as compared to $10.4 million for the second quarter of 2008. The yield on total interest-earning assets was 5.42% for the quarter ended June 30, 2009 as compared to 5.68% for the quarter ended June 30, 2008.

Interest income on loans increased $905,000 when comparing the two periods, primarily resulting from a 10% increase in average loans (primarily residential mortgage loans), offset, in part, by a 6 basis point decrease in overall yield. Although short-term market rates decreased over 200 basis points during the last 12 months, longer-term mortgage origination rates declined at a much lower pace during the same period. Existing loans that reset to market rates, such as prime-based home equity loans, and adjustable rate residential and commercial mortgages with reset dates in 2008 and early 2009, were impacted by lower market rates. Combined, these loans account for less than 20% of the entire mortgage portfolio. Additionally, the Bank sold $10.9 million in lower-yielding fixed rate loans to reduce the long-term interest rate risk associated with these loans. As a result, the volatility in market rates did not have a significant impact on the average yield of the loan portfolio.

Securities, Federal Home Loan Bank stock and short-term investments combined, accounted for 17% of the total average earning assets for the quarters ended June 30, 2009 and 2008. Income for these categories combined decreased $250,000 when comparing the two periods primarily due to decreases in interest rates and the suspension of dividends on the Federal Home Loan Bank of Boston ("FHLBB") stock announced in early 2009. This was partially offset by a $19.8 increase in average balances. Over the last 12 months, both short-term and long-term rates have declined affecting short-term overnight investments and matured/called investment securities when the funds are reinvested.

The average rate on interest-bearing liabilities decreased to 2.39% for the second quarter of 2009 from 3.32% for the comparable quarter of 2008. Total interest expense decreased by $1,068,000 when comparing the quarters ended June 30, 2009 and 2008. During the prior 12 months, there has been an increase of $107.7 million in average total deposit balances that allowed the Bank to fund asset growth and pay down borrowings with lower-cost funds.

Interest expense on deposits decreased by $295,000 primarily as a result of an 81 basis point decrease in the weighted average rate, offset, in part, by a $109.0 million increase in average interest-bearing deposit balances. The rates paid on money market deposit accounts and certificates of deposit were lowered during the second half of 2008 and through the first half of 2009 and reflect market conditions. During the first half of 2009, the Bank has also seen a shift in deposit balances from certificate accounts to non-certificate accounts. Although certificate balances have been relatively stable during the first half of 2009, a majority of the deposit growth has been seen in regular savings and money market products. Generally, when rates are low, customers will opt out of term certificates and maintain balances in money market and regular savings products as they wait for rates to increase. The significant increase in deposit products has allowed the Bank to fund lending activity and pay off a portion of borrowings as they matured.

Interest expense paid on borrowed funds for the second quarter of 2009 decreased $773,000 as compared to the same quarter in 2008, due primarily to a decrease of $31.7 million in average borrowings and an 85 basis point decrease in the weighted average rate. Strong deposit growth allowed the Bank to pay down borrowings.

PROVISION FOR LOAN LOSSES

At June 30, 2009, management's review of the allowance for loan losses concluded that a balance of $5.5 million was adequate to provide for losses based upon evaluation of risk in the loan portfolio. During the second quarter of 2009, management provided $450,000 to achieve such a loan loss allowance balance at June 30, 2009. Although the Bank recognized no net charge-offs through the first half of 2009, the deterioration in national and local market conditions warranted additional provisions to the Bank's allowance for loan losses. Comparably, at June 30, 2008, management's evaluation of the balance of the allowance for loan losses indicated the need of a quarterly provision of $200,000.

At June 30, 2009, the allowance for loan losses represented 0.80% of gross loans as compared to 0.70% at December 31, 2008. Management considers many factors when evaluating the balance in the loan loss allowance including, but not limited to, trends in portfolio volume, maturity and composition, trends in delinquencies and charge-offs, and the national and local economic condition. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. In particular, at June 30, 2009, management considered the dollar value of its non-accrual and delinquent loans, and the volatility in the financial markets. Management believes that its loans classified as non-accrual are significantly collateralized, pose minimal risk of loss to the Bank and the allowance for loan losses is sufficient to absorb such losses, if any.

OTHER INCOME

Other income is comprised of gain on sale of loans, customer service fees, increases in the cash surrender value of life insurance policies and miscellaneous income. Total other income was $706,000 for the quarter ended

June 30, 2009 as compared to $410,000 for the same quarter of 2008. As part of a strategy to manage long-term interest rate risk, the Bank sold $10.9 million (with servicing retained by the Bank) in 30 year fixed rate loans for a net gain of $318,000. Customer service fees decreased by $30,000 over the two periods, primarily the result of a decreased volume of fee-based customer transactions offset by a modest increase in the fee schedule.

OPERATING EXPENSES

Total operating expenses were $3.7 million, or an annualized 1.75% of average total assets, for the quarter ended June 30, 2009 as compared to $3.0 million, or 1.56%, for the same quarter of 2008. Operating expenses include salaries and employee benefits, data processing, occupancy and equipment, deposit insurance and other general and administrative expenses.

Salaries and employee benefits expenses rose 6% primarily due to an increase in staff for the Bank's newest branch, annual merit-based salary increases, rising medical insurance costs, the accrual of death benefit expenses and scheduled increases in the Supplemental Employee Retirement Plan for certain Bank officers.

Data processing expenses increased 3% in the second quarter of 2009 as compared to the same quarter last year due to expenditures related to the new branch, increased processing volumes and improvements made to the Bank's wide area network.

Occupancy and equipment expenditures increased by $23,000, or 8%, due primarily to expenses related to the new branch, increased property taxes, maintenance costs for bank buildings and increased rental expenses.

Deposit insurance expense increased $537,000, or 697%, due primarily to a Federal Deposit Insurance Corporation ("FDIC") special assessment totaling $400,000 for the Bank along with an increase in their 2009 assessment rate. Total deposit insurance expenses were $614,000 for the second quarter of 2009 as compared to $77,000 in the second quarter of 2008. At the time of the special assessment, the FDIC indicated a potential for a second special assessment at a later date. Financial pressures on insured institutions nationwide, coupled with the recent increase in the maximum amount of deposits insured, will create additional deposit insurance expense in the future.

Other expenses, which include advertising, director fees, supplies, audit-related expenses, and foreclosure related expenses, among others, increased $51,000, or 8%, when comparing the two periods primarily due to an increase in marketing related expenses and foreclosure expenses. Marketing related expenses increased by $31,000 due to additional marketing initiatives. Foreclosure expenses increased by $9,000 due to recent foreclosure activity.

INCOME TAXES

The Bank recognizes income taxes under the asset and liability method established in Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes". Under this method, deferred tax assets and liabilities are established for the temporary difference between the accounting basis and the tax basis of the Bank's assets and liabilities at enacted tax rates expected to be in effect when the amounts related to such temporary differences are realized or settled. The Bank's deferred tax asset is reviewed quarterly and adjustments to such asset are recognized as deferred income tax expense or benefit based on management's judgment relating to the realizability of such asset.

During the second quarter of 2009, the Bank recorded $1,240,000, or 38.0% of pre-tax income, in tax expense as compared to $807,000, or 36.3%, for the same quarter in 2008. Changes in the Bank's tax rate are due primarily to changes in the yields earned on assets subject to preferential tax treatment as well as higher projected net income before tax in 2009 such that these assets have a lower impact on the effective tax rate.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008

GENERAL

The Bank reported net income of $3.6 million for the six months ended June 30, 2009 as compared to $2.7 million for the same period ended June 30, 2008. Net income was $1.69 per share (basic and diluted) for the six months ended June 30, 2009 as compared with $1.27 per share (basic and diluted) for the same period in 2008. Earnings for the six months ended June 30, 2009 were positively impacted by a 34% improvement in net interest income and a 33% increase in other income, offset, in part, by increased loan loss provisions and a 21% increase in operating costs, primarily attributable to an increase in deposit insurance expense.

NET INTEREST INCOME

Net interest income is impacted by market interest rates. As short-term market rates fall, rates paid to depositors decrease and maturing borrowings may be refinanced at lower rates. New loans and investment securities may earn lower rates. Adjustable rate loans may also re-set at lower rates.

During the last 12 months, interest rates have been at historical lows as the Federal Reserve Bank has lowered the Federal Funds rate to near zero and has implemented a security purchase program geared towards keeping longer-term rates at historical lows. Additionally, volatility in the equity markets has caused an increase in deposit balances as customers seek the safe haven of a fully-insured depository institution.

The net effect of these interest rates and growth in deposit balances was reflected in the improvement of the Bank’s weighted average rate spread and net interest margin which were 2.94% and 3.19% respectively, for the six months ended June 30, 2009 as compared to 2.25% and 2.62%, respectively, for the six months ended June 30, 2008. When comparing the two periods, the yield on total earning assets decreased 38 basis points and rates decreased on deposits and borrowings by 102 basis points and 89 basis points, respectively.

Net interest income was $12.8 million for the first half of 2009 and $9.5 million for the first half of 2008. The $3.3 million improvement was due to an increase in the weighted average rate spread of 69 basis points (most notable in the lower rates paid on deposits and borrowings) accompanied by a 10% increase in average earning assets in the first half of 2009.

The following table details components of net interest income and yields/rates on average earning assets/liabilities.

(Dollars in thousands)	Six months ended June 30, 2009 AVERAGE BALANCE	2009 INTEREST	2009 YIELD/ RATE	2008 AVERAGE BALANCE	2008 INTEREST	2008 YIELD/ RATE
Loans (1) (2)	$ 670,043	$ 20,582	6.14 %	$ 611,058	$ 19,206	6.29 %
Securities (3) (4)	95,201	1,125	2.36	71,416	1,489	4.17
Short-term investments and certificates of deposit	37,936	248	1.31	46,829	631	2.69
Total earning assets	803,180	21,955	5.47	729,303	21,326	5.85
Other assets	27,706			25,750		
Total assets	$ 830,886			$ 755,053		
Interest-bearing deposits (5)	$ 513,655	5,527	2.15	412,627	6,538	3.17
Borrowed funds	210,134	3,621	3.45	241,972	5,252	4.34
Total interest-bearing liabilities	$ 723,789	9,148	2.53	654,599	11,790	3.60
Demand deposits	42,453			42,701		
Other liabilities	3,187			1,592		
Total liabilities	769,429			698,892		
Stockholders' equity	61,457			56,161		
Total liabilities and stockholders' equity	$ 830,886			$ 755,053		
Net interest income		$ 12,807			$ 9,536	
Weighted average rate spread			2.94 %			2.25 %
Net interest margin (6)			3.19 %			2.62 %

(1) Before allowance for loan losses.

(2) Includes non-accrual loans.

(3) Excludes the impact of the average net unrealized gain or 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.

Interest and dividend income rose by $629,000 to $22.0 million for the first six months of 2009 as compared to $21.3 million for the first six months of 2008. The yield on total interest-earning assets was 5.47% for the six months ended June 30, 2009 as compared to 5.85% for the same period of 2008.

Interest income on loans increased $1.4 million when comparing the two periods, primarily resulting from a 10% increase in average loans (primarily residential mortgage loans), offset, in part, by a 15 basis point decrease in overall yield. Although short-term market rates decreased over 200 basis points during the last 12 months, longer-term mortgage origination rates declined at a much lower pace during the same period. Existing loans that reset to market rates, such as prime-based home equity loans, and adjustable rate residential and commercial mortgages with reset dates in 2008 and early 2009, were impacted by lower market rates. Combined, these loans accounted for less than 20% of the entire mortgage portfolio. Additionally, the Bank sold $10.9 million in lower-yielding fixed rate loans to reduce the long-term interest rate risk associated with these loans. As a result, the volatility in market rates did not have a significant impact on the average yield of the loan portfolio.

Securities, Federal Home Loan Bank stock and short-term investments combined, accounted for 17% of total average earning assets for the six month periods ended June 30, 2009 and 2008. Income for these categories combined decreased $747,000 when comparing the two periods primarily due to decreases in interest rates and the suspension of dividends on the Federal Home Loan Bank of Boston ("FHLBB") stock announced in early 2009. This was partially offset by an increase in average balances. Over the last 12 months, both short-term and long-term rates have declined affecting short-term overnight investments and matured/called investment securities when the funds were reinvested.

The average rate on interest-bearing liabilities decreased to 2.53% for the first half of 2009 from 3.60% for the comparable period of 2008. Total interest expense decreased by $2.6 million when comparing the six-month periods ended June 30, 2009 and 2008. During the prior 12 months, there has been an increase of $100.8 million in average total deposit balances that allowed the Bank to fund asset growth and pay down borrowings with lower-cost funds.

Interest expense on deposits decreased by $1.0 million primarily as a result of a 102 basis point decrease in the weighted average rate offset, in part by a $101.0 million increase in average interest-bearing deposit balances. The rates paid on money market deposit accounts and certificates of deposit were lowered in the second half of 2008 and through the first half of 2009 and reflected market conditions.

Interest expense paid on borrowed funds for the first half of 2009 decreased $1.6 million as compared to the same period in 2008, due primarily to a $31.8 million decrease in average borrowings combined with an 89 basis point decrease in the weighted average rate. The increase in deposit balances allowed the Bank to pay down borrowings.

PROVISION FOR LOAN LOSSES

At June 30, 2009, management's review of the allowance for loan losses concluded that a balance of $5.5 million was adequate to provide for losses based upon evaluation of risk in the loan portfolio. During the first half of 2009, management provided $1.0 million to achieve such a loan loss allowance balance at June 30, 2009. Although the Bank has not incurred any net charge-offs in 2009, the deterioration in national and local market conditions warranted additional provisions to the Bank's allowance for loan losses. Comparably, at June 30, 2008, management's evaluation of the balance of the allowance for loan losses indicated the need of a provision for the six months of $268,000.

At June 30, 2009, the allowance for loan losses represented 0.80% of gross loans as compared to 0.70% at December 31, 2008. Management considers many factors when evaluating the balance in the loan loss allowance including, but not limited to, trends in portfolio volume, maturity and composition, trends in delinquencies and non-accruals, and the national and local economic condition. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. In particular, at June 30, 2009, management considered the dollar value of its non-accrual and delinquent loans, and the volatility in the financial markets. Management believes that its loans classified as non-accrual are significantly collateralized, pose minimal risk of loss to the Bank and the allowance for loan losses is sufficient to absorb such losses, if any.

OTHER INCOME

Other income is comprised of gain on sale of loans, customer service fees, increases in the cash surrender value of life insurance policies and miscellaneous income. Total other income was $1.1 million for the six months ended June 30, 2009 as compared to $812,000 for the same period of 2008. During the first half of 2009, the Bank sold $10.9 million in fixed rate mortgages (with servicing retained) and recognized a net gain of $318,000. Customer service fees decreased by $55,000 over the two periods, primarily the result of a decrease in the volume of fee-based customer transactions. Income from bank-owned life insurance decreased by $5,000 over the two periods reflecting the decreased rate earned on these assets.

OPERATING EXPENSE

Total operating expenses were $7.1 million, or an annualized 1.71% of average total assets, for the six months ended June 30, 2009 as compared to $5.9 million, or 1.55%, for the same period of 2008. Operating expenses include salaries and employee benefits, data processing, occupancy and equipment, deposit insurance and other general and administrative expenses.

Salaries and employee benefits expenses rose 9% primarily due to expenditures related to the new branch, annual merit-based salary increases, rising medical insurance costs, the accrual of death benefit expenses and scheduled increases in the Supplemental Employee Retirement Plan for certain Bank officers.

Data processing expenses increased 5% in the first half of 2009 as compared to the same period of 2008 due to expenditures related to the new branch, increased processing volumes and improvements made to the Bank's wide area network.

Occupancy and equipment expenditures increased by $80,000, or 13% due primarily to expenses related to the purchase and renovation of the new branch, increased property taxes, maintenance costs for bank buildings and increased rental expenses.

Deposit insurance expense increased $625,000, or 377%, due primarily to a Federal Deposit Insurance Corporation ("FDIC") special assessment totaling $400,000 for the Bank along with an increase in their 2009 assessment rate. Total deposit insurance expenses were $791,000 for the first half of 2009 as compared to $166,000 during the same period in 2008. At the time of the special assessment, the FDIC indicated a potential for a second special assessment at a later date. Financial pressures on insured institutions nationwide, coupled with the recent increase in the maximum amount of deposits insured, will create additional deposit insurance expense in the future.

Other expenses, which include advertising, director fees, supplies and audit-related expenses, among others, increased $202,000 or 17%, when comparing the two periods. Foreclosure expenses increased by $86,000 due to recent foreclosure activity and marketing related expenses increased by $63,000 due to additional marketing initiatives.

INCOME TAXES

The Bank recognizes income taxes under the asset and liability method established in Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes". Under this method, deferred tax assets and liabilities are established for the temporary difference between the accounting basis and the tax basis of the Bank's assets and liabilities at enacted tax rates expected to be in effect when the amounts related to such temporary differences are realized or settled. The Bank's deferred tax asset is reviewed quarterly and adjustments to such asset are recognized as deferred income tax expense or benefit based on management's judgment relating to the realizability of such asset.

During the first half of 2009, the Bank recorded $2.2 million, or 38.0% of pre-tax income, in tax expense as compared to $1.5 million, or 36.0%, for the same period in 2008. Changes in the Bank's tax rate are due primarily to changes in the yields earned on assets subject to preferential tax treatment as well as higher projected net income before tax in 2009 such that these assets have a lower impact on the effective tax rate.

BALANCE SHEET ANALYSIS - COMPARISON AT JUNE 30, 2009 TO DECEMBER 31, 2008

Assets totaled $862.0 million at June 30, 2009, as compared to $806.2 million at December 31, 2008, an increase of $55.8 million, or 7%.

SECURITIES

Securities were $92.7 million at June 30, 2009, an increase of 6% when compared to the $87.4 million at December 31, 2008. During the first six months of 2009, there were $33.7 million in securities purchased offset by $27.8 million in maturities, calls and principal paydowns. Net proceeds from securities transactions were reinvested in a combination of short-term investments and new securities.

Beginning in the second half of 2008 and continuing through June 30, 2009, there has been a significant inflow of deposits. These funds were temporarily held by the Bank in short-term investments until such time as they could be used to reduce borrowed funds, or used to fund loan production.

At June 30, 2009 and December 31, 2008, the Bank's entire securities portfolio was classified as available for sale and reflected on the balance sheet at fair value with unrealized gains and losses, net of tax effect, excluded from earnings and reported in accumulated other comprehensive loss. The net unrealized gain on securities available for sale, net of tax, was $653,000 at June 30, 2009 as compared to $770,000 at December 31, 2008. The fair value of securities fluctuates with the movement of interest rates. Generally, during periods of falling interest rates, the fair values increase whereas the opposite may hold true during a rising interest rate environment.

The securities portfolio is comprised primarily of bonds issued by government-sponsored enterprises and mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA). At June 30, 2009, approximately 90% of the portfolio consisted of fixed-rate agency bond issues. In September 2008, the U.S. government placed FNMA and FHLMC in conservatorship under the Federal Housing Financing Agency ("FHFA"). While equity investors in these two entities were negatively impacted, bond holders have, thus far, been unaffected. Mortgage-backed issues, which are guaranteed by FNMA and FHLMC, comprised 7% of the portfolio. Repayment of these issues is anticipated from payments made on the underlying mortgages. The majority of the bond and mortgage-backed holdings are short-term in nature with nearly the entire portfolio maturing in three years or less.

At June 30, 2009, the Bank held $3.0 million, or 3% of the portfolio, in the CRA Fund, an equity security which invests in local community-related projects.

The Bank held an investment of $13.4 million in FDIC-insured certificates of deposit issued by other financial institutions at June 30, 2009. Generally, the Bank invests in such certificates due to the increase in yield over comparably-termed bonds issued by government-sponsored enterprises at time of purchase.

As a member of the FHLBB, the Bank is required to hold a Membership Stock Investment plus an Activity-based Stock Investment in the FHLBB, which is based primarily on the amount of FHLBB borrowings. In late 2008, the FHLBB announced a moratorium on all excess stock repurchases and subsequently in early 2009, FHLBB announced that it has suspended its dividend payment. It is uncertain when the FHLBB will resume paying a dividend and re-establish their program of redeeming excess stock. At June 30, 2009 and December 31, 2008, the Bank held $13.4 million in FHLBB stock.

LOANS

During the first six months of 2009, total loans outstanding increased by $45.0 million to $692.3 million, from $647.3 million at December 31, 2008, attributable primarily to originated loans of $122.5 million offset by payoffs and amortization. Comparably, loan originations for the same period in 2008 were $77.1 million. On June 30, 2009 and December 31, 2008, net loans outstanding represented 80% of assets. Mortgage loans continue to account for more than 99% of the loan portfolio.

	Loan Balances by Type	
(In thousands)	June 30, 2009	December 31, 2008
Mortgage loans:		
Residential	$ 312,868	$ 271,473
Commercial	326,457	317,162
Construction	27,184	33,315
Equity lines-of-credit	21,987	20,591
Second mortgages	7,643	7,802
Total mortgage loans	696,139	650,343
Other loans:		
Personal installment	294	357
Commercial loans	237	198
Revolving credit	432	244
Total other loans	963	799
Total loans	697,102	651,142
Allowance for loan losses	(5,550)	(4,530)
Net deferred loan origination costs	722	643
Loans, net	$ 692,274	$ 647,255

Loans are carried net of the allowance for loan losses. The allowance is maintained at a level to absorb losses within the loan portfolio. At June 30, 2009, the allowance had a balance of $5.5 million as compared to $4.5 million at December 31, 2008. At June 30, 2009, the Bank allocated $420,000 to loans classified as impaired pursuant to SFAS No. 114. At December 31, 2008, $31,000 was allocated to impaired loans.

The Bank works closely with delinquent mortgagors to bring their loans current and foreclosure proceedings commence if the mortgagor is unable to satisfy their outstanding obligation. In 2008, the Commonwealth of Massachusetts enacted a law which grants a mortgagor a 90-day right to cure a default on residential real property mortgages. Land court filings, which are part of the foreclosure process in Massachusetts, experienced a 90-day backlog due to the volume of foreclosure filings in the state. This resulted in a delay in the Bank's collection process.

At June 30, 2009, there were 21 loans classified as non-accrual totaling $13.0 million as compared to 16 non-accrual loans totaling $7.1 million at December 31, 2008. At June 30, 2009, the Bank held no foreclosed assets. At December 31, 2008, the Bank held $280,000 in foreclosed assets. At June 30, 2009, non-performing assets were 1.51% of total assets as compared to 0.91% at December 31, 2008. Management believes that its loans classified as non-accrual are significantly collateralized, pose minimal risk of loss to the Bank, and the allowance for loan losses is sufficient to absorb such losses, if any.

Non-Performing Assets

(In thousands)	June 30, 2009	December 31, 2008
Non-accrual loans:		
Residential mortgages	$ 5,394	$ 5.587
Commercial mortgages	7,503	1,498
Commercial equity loans	94	--
Installment loans	1	--
Total non-accrual loans	12,992	7,085
Other real estate owned	--	280
Total non-performing assets	$ 12,992	$ 7,365
Percent of non-accrual loans to:		
Loans, net	1.87 %	1.09 %
Total Assets	1.51 %	0.88 %
Percent of non-performing assets, net to:		
Loans, net	1.87 %	1.13 %
Total Assets	1.51 %	0.91 %
Allowance for loan losses to total loans, net	0.80 %	0.70 %

All non-accrual loan amounts listed above, except $1,000 at June 30, 2009, were also considered impaired pursuant to SFAS No. 114 at June 30, 2009 and December 31, 2008.

BANK-OWNED LIFE INSURANCE

At June 30, 2009 and December 31, 2008, the Bank reported $13.4 million and $13.2 million, respectively, in the cash value of life insurance. The policies, which insure the lives of certain current and former Bank officers, accrete at a variable rate of interest with minimum stated guaranteed rates.

DEPOSITS

Deposits increased by $60.6 million to $585.9 million at June 30, 2009 from $525.3 million at December 31, 2008. Core deposits, which include regular, money market, NOW and demand deposits, increased $61 million over the December 31, 2008 balance, reflecting increases in all categories. Certificate accounts were $307.7 million, or 53% of total deposits, at June 30, 2009, as compared to $308.2 million, or 59% of total deposits, at December 31, 2008.

During late 2008, national and international financial markets became increasingly volatile. The NYSE reported large declines in the trading prices of equity securities and several financial services companies were in severe distress. Combined, these events concerned consumers and small business owners, a number of whom ultimately transferred their funds from affected markets into premium money market and certificate of deposit accounts at the Bank. The Bank offers FDIC insurance, which generally provides protection for up to $100,000 in separately insured deposit accounts, and DIF insurance for all deposits in excess of this amount. In October 2008, the FDIC began offering insurance protection for up to $250,000 in separately insured deposit accounts and in June 2009 announced an extension of the additional coverage through December 31, 2013. Volatility continues in the stock market and the Bank continues to experience an influx of deposits, although not to the same extent since this regulation was enacted.

The Bank's newest branch, in the Assinippi section of Norwell/Hanover, Massachusetts, commenced operation in June 2008. Thus far, deposit growth has exceeded management's expectations. Deposit growth over the first half of 2009 was used to fund growth in the loan portfolio.

	Deposit Balances by Type			
	June 30, 2009	% of Total	December 31, 2008	% of Total
(Dollars in thousands)				
Non-certificate accounts				
Regular	$ 47,068	8.0 %	$ 42,576	8.1 %
Money market deposits	153,795	26.3	108,729	20.7
NOW	28,320	4.8	24,504	4.6
Demand	48,989	8.4	41,360	7.9
Total non-certificate accounts	278,172	47.5	217,169	41.3
Term certificates less than $100,000	163,174	27.8	159,144	30.3
Term certificates $100,000 or more	144,568	24.7	149,021	28.4
Total certificate accounts	307,742	52.5	308,165	58.7
Total deposits	$ 585,914	100.0 %	$ 525,334	100.0 %

BORROWINGS

Federal Home Loan Bank of Boston (FHLB) advances were $207.1 million at June 30, 2009 as compared to $215.0 million at December 31, 2008. These advances are predominately fixed rate in nature with 23% scheduled to mature in the next twelve months. During the first six months of 2009, total borrowings declined by $7.9 million as proceeds from deposit growth were used to pay down maturities.

LIQUIDITY AND CAPITAL RESOURCES

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 the Bank's investment portfolio was fixed with respect to rate and maturity date. The remaining securities can be called at the discretion of the issuer. Mortgage-backed securities, which comprised 7% of the portfolio, are subject to repayment at the discretion of the underlying borrower.

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.

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.

Approximately 72% of the Bank’s borrowings were fixed in term of rate and maturity. Approximately 28% or $57.5 million can be called for earlier repayment at the discretion of the issuer. It is considered unlikely that these borrowings will be called by the issuer in the near term.

The Bank also monitors its off-balance sheet items. See “Commitments” appearing within the “Notes to Unaudited Consolidated Financial Statements” section of this document which begins on Page 8. At June 30, 2009, the Bank had $89.6 million in commitments to extend credit as compared to $59.4 million at December 31, 2008.

The Bank considers the above information when measuring its liquidity position. Specific measurements include the Bank’s cash flow position at both the 30 day, 60 day and 90 day horizon and the level of volatile assets on earning assets. At June 30, 2009, each measurement was within pre-defined Bank 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 $318.3 million to meet its borrowing needs, based on the Bank's available qualified collateral which consists primarily of 1-4 family residential mortgages, five or more family residential mortgages, the majority of the Bank’s investment in securities issued by government-sponsored enterprises and certain commercial mortgages. The Bank can pledge other mortgages and assets as collateral to secure as much as $106.6 million in additional borrowings. At June 30, 2009, the Bank had $207.1 million in advances outstanding.

At June, 2009, the Bank had capital of $62.5 million, or 7.2% of total assets, as compared to $59.8 million, or 7.4%, at December 31, 2008. During the six months ended June 30, 2009, stockholders' equity increased by $2.6 million due primarily to net income for the period of $3.6 million, partially offset by the declaration of dividends of $0.42 per share, which reduced capital by $892,000. Stock option activity during the first six months of 2009 contributed $50,000 to capital.

Total capital is adjusted by the unrealized gains or 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. At June 30, 2009, the Bank's entire securities portfolio was classified as available for sale which had the effect of decreasing capital over the six-month period by $117,000.

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 following table details the Bank's actual capital ratios and minimum regulatory ratios.

(Dollars in thousands)	Actual Regulatory Capital Ratios			
	June 30, 2009	December 31, 2008	Minimum Capital Requirement Ratios	Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions Ratios
Tier 1 Capital as a Percentage of Risk-Weighted Assets	11.38%	11.24%	4.0%	6.0%
Total Capital as a Percentage of Risk-Weighted Assets	12.40%	12.10%	8.0%	10.0%
Tier 1 Capital to Average Assets	7.31%	7.39%	4.0%	5.0%
Total Risk-Weighted Assets	$543,243	$525,321		

At June 30, 2009 and December 31, 2008, the Bank exceeded all of the minimum regulatory capital ratio requirements.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

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 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, interest rate environments, balance sheet growth and deposit elasticity. To a significantly lesser degree, the Bank also utilizes GAP analysis which involves comparing the difference between interest-rate sensitive assets and liabilities that mature or reprice during a given period of time. The analyses indicate that the Bank's interest rate risk exposure continues to be well managed and within pre-defined limits.

During the first six months of 2009, interest rate declines proved to be beneficial to the Bank’s earnings despite the fact that both the investment portfolio, consisting largely of shorter term investments, and adjustable loans that reset in 2008 and through the first six months of 2009 were negatively impacted by lower yields. Yields on other earning assets also saw modest declines, however. The cost of deposits and borrowings declined dramatically over last half of 2008 and the first six months of the year as market rates fell. Some maturing borrowings were refinanced at longer terms and at lower rates than the maturing advance.

In early 2009, the U. S. Treasury has taken action to attempt to lower longer-term rates as a means to stimulate economic activity. This includes having U. S. government agencies purchase longer-term investment products to artificially lower rates through increased demand. Although this has not had a significant impact on the Bank’s portfolio through June 30, 2009, management has reviewed current loan production and decided, in April 2009, to sell a portion of current production as a means of reducing future interest rate risk. In late April 2009, $10.9 million in 30-year, fixed rate loans were packaged and sold in the secondary market.

ITEM 4 – CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Bank's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness, as of June 30, 2009, of the Bank's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended. The term "disclosure controls and procedures" is defined to mean controls and other procedures that are designed to ensure that information required to be disclosed by the Bank in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and is made known to the Bank's CEO and CFO by others within the Bank, particularly during the period in which this report was being prepared, as appropriate to allow timely decisions regarding required disclosure.

The CEO and CFO recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and such officers necessarily apply their judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on their evaluation of the Bank's disclosure controls and procedures as of June 30, 2009, the CEO and CFO concluded that, as of such date, the Bank's disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in Internal Control

There were no significant changes in the Bank's internal control over financial reporting, as defined in Rules 13a-15(e) and 15d-15(e), during the fiscal quarter ended June 30 , 2009 that have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

Not applicable

ITEM 1A – RISK FACTORS

There have been no material changes to the risk factors previously disclosed in the Bank's most recently filed Form 10K.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

Not applicable

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On April 30, 2009, the Bank held an Annual Meeting of Stockholders. There were two matters voted upon at the meeting.

The first matter was "to elect five Class III Directors of the Bank, each to hold office until the 2012 Annual Meeting of Stockholders of the Bank and until his or her respective successor is duly elected and qualified." The following Directors were elected at the meeting:

	Voting Results	
Director	For	Against or Withheld
Ronald D. Falcione	1,916,306	11,713
Robert H. Gaughen, Jr.	1,918,310	9,709
Robert A. Lane	1,907,752	20,267
Scott L. Moser	1,925,832	2,187
Jacqueline M. Youngworth	1,918,308	9,711

The second matter was "to elect a Clerk of the Bank, to hold office until the next Annual Meeting of Stockholders of the Bank and until his or her successor is elected and qualified." Marion J. Fahey was elected as Clerk with 1,914,989 votes cast for; 13,030 votes against or withheld; and no abstentions.

ITEM 5 - OTHER INFORMATION

Not applicable

ITEM 6 – EXHIBITS

Exhibit No.	
31.3	Certifications – Chief Executive Officer
31.4	Certifications – Chief Financial Officer
32.3	Certification Pursuant to 18 U.S.C. §1350 – Chief Executive Officer
32.4	Certification Pursuant to 18 U.S.C. §1350 – Chief Financial Officer

SIGNATURES

Under the requirements of the Securities Exchange Act of 1934, the Bank has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HINGHAM INSTITUTION FOR SAVINGS

Date: August 12, 2009

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

Date: August 12, 2009

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Robert A. Bogart
Vice President & Treasurer

CERTIFICATIONS EXHIBIT 31.1

I, Robert H. Gaughen, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Hingham Institution for Savings;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)] for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the audit committee of the registrant's board of directors:

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2009 ______________________________

Robert H. Gaughen, Jr.
Chief Executive Officer

CERTIFICATIONS EXHIBIT 31.2

I, Robert A. Bogart, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Hingham Institution for Savings;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)] for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the audit committee of the registrant's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2009

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Robert A. Bogart
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Hingham Institution for Savings (the “Bank”) for the quarter ended June 30, 2009, as filed with the Federal Deposit Insurance Corporation on the date hereof (the “Report”), the undersigned Robert H. Gaughen, Jr., Chief Executive Officer of the Bank, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly present, in all material respects, the financial condition and results of operations of the Bank.

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Robert H. Gaughen, Jr.
Chief Executive Officer

Date: August 12, 2009

EXHIBIT 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Hingham Institution for Savings (the “Bank”) for the quarter ended June 30, 2009, as filed with the Federal Deposit Insurance Corporation on the date hereof (the “Report”), the undersigned Deborah J. Jackson, Chief Financial Officer of the Bank, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly present, in all material respects, the financial condition and results of operations of the Bank.

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Robert A. Bogart
Vice President and Treasurer
Chief Financial Officer

Date: August 12, 2009