FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20492

FORM F-2

ANNUAL REPORT UNDER SECTION 13 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended
December 31, 1995

FDIC Certificate
No. 90211-0

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

Massachusetts
(State or other jurisdiction of
incorporation or organization)

04-1442480
(I.R.S.Employer
IdentificationNo.)

55 Main Street, Hingham, Massachusetts 02043
(Address of principal office) (Zip Code)

(617) 749-2200
(Bank's telephone number, including area code)

Securities Registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act
Common Stock, $1.00 par value per share

Indicate by check mark if disclosure of delinquent filers pursuant to Item 10 is not contained herein, and will not be contained, to the best of the Bank's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form F-2 or any amendment of this Form F-2.

[ ]

Indicate by check mark whether the Bank (1) has filed all reports required to be filed by section 13 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. Yes X No __

The aggregate market value of the voting stock held by non-affiliates of the bank based on the closing sale price for the Bank's Common Stock on February 28, 1996 as reported by NASDAQ was $11,109,780.00.

The number of shares outstanding of each of the Bank's classes of Common Stock, as of the latest practicable date is:

Class: Common Stock $1.00 par value per share
Outstanding as of February 28, 1996: 1,297,500 shares

Documents Incorporated by Reference

Portions of the Hingham Institution for Savings Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 1996 are incorporated by reference into Parts I and III. Portions of the Annual Report to Stockholders for fiscal year ended December 31, 1995 are incorporated by reference into Parts I and II of this Form F-2.

PART I

Item 1. Business

General

Hingham Institution for Savings (the "Bank") is a Massachusetts-Chartered Savings Bank headquartered in Hingham, Massachusetts. The Bank was originally chartered in 1834, which makes it the oldest financial institution headquartered in Hingham. In addition to its main office and loan office in Hingham, with a nearby drive-up facility on Central Street, banking offices are located in South Hingham, Hull, Scituate and Cohasset, Massachusetts. At December 31, 1995 the Bank had total assets of $175.4 million, total deposits of $133.0 million and total stockholders' equity of $17.8 million.

On December 20, 1988, the Bank converted from a Massachusetts-Chartered Savings Bank in mutual form to a Massachusetts-Chartered Savings Bank in stock form by the sale of 1,250,000 shares of common stock at an initial offering price of $8.50 per share.

The Bank is engaged principally in the business of attracting deposits from the general public through its banking offices, and investing those deposits in real estate mortgages, commercial, consumer and real estate construction loans. The Bank also invests in securities issued by the United States Government and agencies thereof, including mortgage-backed securities. At December 31, 1995, the loan portfolio was $119.5 million, or 68.1% of total assets.

At December 31, 1995, approximately 62.2% of the Bank's total loan portfolio was invested in residential mortgages (including home equity, second mortgages and construction loans, net of unadvanced funds), 36.1% in commercial real estate, 0.8% in commercial loans and 0.9 % in consumer loans. The Bank intends to focus on the origination of residential real estate loans and commercial real estate loans in its primary market area.

The Bank offers a variety of deposit accounts to individuals and commercial customers. The Bank's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $100,000 per separately insured depositor and by the Depositors Insurance Fund for that portion of deposits in excess of $100,000.

The Bank's primary market area consists of Hingham and its surrounding communities, which include the towns of Cohasset, Hanover, Hull, Norwell, Scituate, Rockland and Weymouth, Massachusetts. Hingham, with approximately 20,000 residents, is located approximately 16 miles south of Boston in an area commonly known as the "South Shore".

Supervision and Regulation. As a savings bank organized under Chapter 168 and operating under Chapters 168 and 172 of the Massachusetts General Laws, the deposits of which are insured by the FDIC, the Bank is subject to regulation, supervision and examination by the Massachusetts Commissioner of Banks and the FDIC. While the Bank is not a member of the Federal Reserve System, it is nonetheless subject to certain provisions of the Federal Reserve Act and regulations issued thereunder.

The regulations of these agencies govern many aspects of the Bank's business, including required reserves on deposits, permitted investments, the opening and closing of branches, the amount of loans which can be made to a single borrower, mergers, appointment and conduct of officers and directors, and capital levels in relation to assets. Federal and state regulators can impose sanctions on the Bank and its management if the Bank engages in unsafe and unsound practices, or otherwise fails to comply with regulatory standards. Various other federal and state laws and regulations, such as truth-in-lending statutes, the Equal Credit Opportunity Act, the Real Estate Settlement Procedures Act and the Community Reinvestment Act, also govern the Bank's activities.

In March of 1992, the Bank's Board of Directors entered into a Memorandum of Understanding ("Memorandum") with the FDIC and the Massachusetts Commissioner of Banks. Based on the December 27, 1994 Regulatory Report of Examination, the Bank was found to be in general compliance with the provisions contained in the Memorandum and material improvement in the Bank's financial condition was noted. As a result, the Commissioner of Banks and the FDIC removed the Memorandum effective May 8, 1995.

Under Massachusetts law, the Bank's Board of Directors is generally empowered to pay dividends on its capital stock out of its net profits, to the extent that the Board of Directors consider such payment advisable. Massachusetts law also imposes various specific restrictions upon the payment of dividends, including the requirement that, absent certain exceptions, on the day a dividend is declared, a Bank's capital and surplus must equal at least 10% of its deposit liability or a sufficient amount is transferred from net profits prior to payment of such dividend. The Federal Deposit Insurance Corporation Act of 1991 ("FDICIA"), which went into effect on December 19, 1992, also prohibits a bank from paying any dividends on its capital stock in the event that the Bank is in default on the payment of any assessment to the FDIC.

The laws and regulations governing the banking industry and the competition between banks and non-bank financial services institutions have been the subject of ongoing political debate, as evidenced on the Federal level by the passage on December 19, 1991 of the FDICIA and by the passage in September, 1994 of The Riegle-Neal Interstate Bank and Branching Efficiency Act of 1994 (the "Interstate Banking Act"). FDICIA provides for, among other things, additional borrowing authority for the FDIC, which may result in increased bank insurance premiums, specific degrees of regulatory supervision based on the Bank's capital levels, increased regulatory restrictions on the Bank's business and operations and various additional accounting, auditing and reporting requirements. National reciprocal interstate banking became effective in Massachusetts in 1990. This legislation permits an out-of-state bank holding company to acquire control of a Massachusetts bank or bank holding company, subject to the approval of the Office of the Banking Commissioner of Massachusetts, if the law of the state in which the out-of-state bank or bank holding company has its greatest concentration of deposits permits reciprocal acquisitions by Massachusetts institutions.

The Interstate Banking Act will eliminate many barriers to: (i) interstate acquisitions by bank holding companies commencing in 1995, and (ii) interstate branching commencing in 1997, subject, in each case, to the right of individual states to opt out of certain provisions of the Interstate Banking Act in these regards.

Commencing in September 1995, bank holding companies which meet specified capital and management adequacy standards will be eligible to acquire banks in other states. Until 1997, an interstate holding company system will need to retain a separate bank charter in each state where its subsidiaries conduct a banking business.

Various restrictions on such acquisitions will still apply after 1995, including (i) federal and state antitrust laws, as currently in effect; (ii) prohibitions on a single holding company system accounting for more than 10% of all deposits nationwide or, subject to various opt-in and opt-out provisions for individual states on a nondiscriminatory basis, accounting for 30% or more of deposits in any state; (iii) state-imposed prohibitions on acquiring banks within up to five years after they commence operations; and (iv) compliance by the acquirer with CRA and fair lending laws.

Commencing on June 1, 1997, banks will be permitted to cross state lines to merge with other banks, subject to individual states' ability to adopt various nondiscriminatory opt-in and opt-out provisions. It is not yet known whether Massachusetts will elect to accelerate the effective dates of this provision or to delay such date indefinitely. Antitrust and anticoncentration restrictions will apply as described above. It will not be necessary to keep multiple state charters in effect or to have a holding company system. Generally, all banks that are parties to a proposed post-1997 merger must satisfy applicable CRA, management quality and capital adequacy standards.

De novo branching across state lines will be permissible if the host state has a law expressly permitting out-of-state banks to establish *de novo* branches in such state, commencing in 1997, state laws restricting branching within a state will continue to apply to both federally chartered and state chartered institutions. States may also impose instate standards in such areas as CRA, fair lending and consumer protection.

Massachusetts and federal legislation may significantly increase the competition faced by the Bank over time.

Monetary and fiscal policies of the United States Government and its instrumentalities, including the Board of Governors of the Federal Reserve System, can also significantly influence the level and type of the Bank's loans, mortgage-backed securities, other investments and deposits. As inflation and employment rates respond to monetary and fiscal stimuli, the business of the Bank is affected.

Lending Activities

General. At December 31, 1995, the Bank's net loan portfolio totaled $119.5 million, representing approximately 68.1% of its total assets. The categories of loans in the Bank's portfolio are residential real estate loans secured primarily by single-family owner occupied residences, commercial real estate loans secured by commercial property, commercial business loans and consumer loans. The Bank's lending activities are generally conducted in its primary market area.

On January 1, 1995, the Bank adopted Statement of Financial Accounting Standards ("SFAS") No. 114 "Accounting by Creditors for Impairment of a Loan." The statement requires that impaired loans be 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. SFAS No. 114 also limits the classification of loans as in-substance foreclosures to situations where the creditor actually receives physical possession of the debtor's assets. There were $129,000 in properties which were reclassified to loans from foreclosed real estate pursuant to the adoption of this accounting standard.

Residential Real Estate and Construction Loans. The Bank originates both fixed and adjustable-rate loans on one-to-four family residential properties with loan-to-value ratios of up to 90% of the properties' appraised values. As of December 31, 1995, residential mortgage loans were $75.3 million and represented 62.2% of the Bank's total loan portfolio.

Variable rate loans currently originated by the Bank have up to 30-year terms and an interest rate which adjusts from one to three years in accordance with an index based on securities issued by the United States Government. There is a 2% cap on any increase or decrease in the interest rate per year and there is a 6% lifetime interest rate cap for one-year indexed variable rate loans. The three-year indexed variable rate loan has a 2% cap on any increase or decrease in the interest rate and a 6% lifetime cap. The Bank offers an initial discount on the interest rate of its adjustable-rate mortgage loan products of up to 200 basis points. Such discounts generally remain in effect until the first adjustment date.

Home equity loans are written at a variable rate, generally at the Wall Street Journal Prime. The maximum loan amount is $200,000 subject to 75% of the appraised value of the collateral, less the first mortgage loan. The term of these loans is ten years.

As of December 31, 1995, residential construction loans generally consisted of single-family homes at various stages of completion.

Commercial Real Estate Loans. The Bank originates mortgage loans for acquisition and/or renovation of existing commercial real estate properties such as apartments, offices, manufacturing and industrial complexes, small retail shopping centers and various special purpose properties. Although terms vary, commercial real estate loans generally have maturities of 10 years or less at floating interest rates which adjust in accordance with a designated index, with no limit to the increase or decrease in the annual interest rate adjustment. The Bank also offers commercial mortgages with rates fixed for an initial period of up to five years and subject to a floating rate thereafter. Generally, loan amounts do not exceed 75% of the appraised value of the collateral nor are the loan amounts in excess of $2.5 million to any one borrower. At December 31, 1995, commercial mortgages totaled $43.7 million and represented 36.1% of the Bank's total loan portfolio.

Commercial Lending. The Bank originates loans to local businesses in its market area primarily on a secured basis with personal guarantees from the principals of any borrowing entity. Generally, commercial loans have maturities of five years or less at floating interest rates. At December 31, 1995, commercial loans totaled $978,000 and represented 0.8% of the Bank's total loan portfolio.

Consumer Lending. The Bank offers personal installment (secured and unsecured), revolving credit loans and passbook and stock secured loans. Unsecured loans do not exceed $15,000 and have a maximum term of three years. At December 31, 1995 consumer loans totaled $1.0 million and represented 0.9% of the Bank's total loan portfolio.

Origination of Loans. Applications for all types of loans offered by the Bank are taken at all of the Bank's offices. The processing of all loan applications is centralized at the Bank's loan office in Hingham. Loan applications come from a number of sources, including depositors, existing borrowers, walk-in customers and others responding to the Bank's advertising program.

Loan Rates and Fees. Interest rates and fees charged by the Bank on its loan products are based upon the type of loan, the degree of risk, competitive market rates, and the underlying collateral. Fees are subject to the limitations imposed by the regulations of the Commissioner of Banks of the Commonwealth of Massachusetts. Loan origination and commitment fees, net of direct loan origination costs, are deferred, and are recognized as adjustments to loan interest income. The Bank amortizes these amounts over the contractual life of the related loans using the level-yield method.

Asset Quality. It is the Bank's policy to evaluate its loan portfolio so as to recognize problem loans at an early stage and thereby minimize losses. As a matter of policy, the Bank commences collection procedures on real estate and commercial loans once a loan payment is 15 days past-due and on other loans once a loan payment is more than 10 days past-due. A detailed list of loans 60 days or more contractually past due is reported to the Board of Directors at their monthly meeting. Interest is not accrued on loans past-due 90 days or more or when, in the opinion of management, the collectibility of interest becomes doubtful. Once a loan is placed in a non-accrual status, it remains in that status until the customer has demonstrated an ability to keep the loan current.

In 1993, the Bank initiated a formal loan review and credit-risk rating program. All loans exceeding $250,000 or loans aggregated under the "one obligor" concept totaling $250,000 (or greater) are analyzed and risk rated by an independent consultant. All classified loans receive the same scrutiny. This loan review process is conducted quarterly and the results of the reviews are submitted to the Audit Committee.

Investment Activities

The Bank invests in United States Treasury and Government agency obligations, mortgage-backed securities, money market instruments and other authorized investments. The Bank's investment portfolio is managed by the Bank's senior officers in accordance with the investment policy approved by the Board of Directors. Investment strategies are reviewed by the Board periodically. At December 31, 1995, the Bank's investment portfolio totaled $39.2 million which represented 22.3% of the Bank's total assets.

Effective December 31, 1993, the Bank adopted the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities". The Statement establishes standards for all debt securities and for equity securities that have readily determinable fair values. As required under SFAS No. 115, prior year financial statements were not restated.

SFAS No. 115 requires investments in debt securities that management has the positive intent and ability to hold to maturity, be classified as "held to maturity" and reflected at amortized cost. Investments not classified as "held to maturity" are classified as "available for sale" and reflected on the balance sheet at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of stockholders' equity. The cumulative effect of the change in accounting principle at December 31, 1993 was to increase stockholders' equity by $52,000. There was no effect on net income for the year ended December 31, 1993 relating to the adoption of SFAS No. 115.

Since the establishment of SFAS No. 115, the FDIC has contemplated the treatment of unrealized gains and losses on available-for-sale securities for regulatory capital calculations. Effective January 27, 1995, the FDIC issued a final rule which allowed member banks to exclude any unrealized gains and losses from the definition of Tier 1 Capital. Subsequently, in November, 1995, the Financial Accounting Standards Board, ("FASB") allowed companies to reassess their investment classifications during the period November 15, 1995 to December 31, 1995.

On December 31, 1995 the Bank opted to classify its entire portfolio as available for sale. In comparison, the portfolio consisted of $13.9 million in available-for-sale securities and $29.1 million in held-to-maturity securities at December 31, 1994. There were no securities classified as trading in either year.

Sources of Funds

General. Deposit accounts of all types have historically constituted the primary source of funds for the Bank's lending and investment activities. To a lesser extent, the Bank also derives funds from amortization and prepayment of loans and mortgage-backed securities, sales of loans and investment securities, and borrowings from the Federal Home Loan Bank of Boston ("FHLBB"). The availability of funds is influenced by prevailing interest rates, competition, and other market conditions.

Deposits. The Bank's current deposit products include savings accounts, demand accounts, NOW accounts, money-market accounts and certificates of deposit ranging in terms from ninety-one days to five years. Included among these deposit products are Individual Retirement Account certificates and Keogh Retirement certificates (collectively "Retirement Accounts"). The Bank also accepts deposits through its six ATMs. It is also a member of three ATM networks which have over 20,000 ATMs located throughout the United States and Canada. However, the Bank does not receive deposits by way of this network. The Bank does not solicit deposits outside its market area or accept deposits from money brokers to attract deposits.

The deregulation of various controls on insured deposits has allowed the Bank to be more competitive in obtaining funds. While it has given the Bank greater flexibility to reduce deposit outflows, it has also resulted in a more volatile cost of funds. The Bank's cost of funds, and its ability to attract and maintain deposits, have been, and will continue to be, significantly affected by economic and competitive conditions.

Borrowings. At December 31, 1995, the Bank had $22.0 million in borrowings from the FHLBB. The Bank's maximum borrowing capacity at the FHLBB is limited to the Bank's qualified collateral, which is defined principally as 95% of the fair value of certain U.S. Government and federal agency obligations and 75% of the carrying values of certain residential mortgage loans. At December 31, 1995 the Bank's maximum borrowing capacity was $89.7 million.

Competition

Competition for deposits has traditionally come from other thrift institutions, mutual funds, credit unions and commercial banks located in the Bank's market area. The Bank retains its strong competitive position by providing a full range of deposit products, offering competitive rates, and by supporting a network of conveniently located branches with extended banking hours. The Bank has a competitive advantage over commercial banks and various other financial institutions because its depositors' funds are fully insured by the FDIC and the Depositors Insurance Fund.

Competition for real estate loans is based primarily on interest rates, fees, and the quality of service provided to borrowers and real estate brokers. Principal competitors for loan originations are savings banks, mortgage banking companies, and commercial banks. The Bank is recognized in Hingham as a major provider of mortgage funds. Competition for consumer and commercial loans comes from commercial banks, savings banks, and other financial service organizations.

Although recent legislation and regulations have expanded the activities in which savings institutions may engage, the same legislation has reduced or eliminated some of the competitive advantages which savings institutions formerly held over commercial banks, such as interest rate differentials which permitted savings institutions to offer a higher rate of interest to attract deposits.

Personnel

At December 31, 1995, the Bank had 52 full-time employees and 14 part-time employees. The Bank provides its full-time employees with a comprehensive range of employee benefit programs, including a pension plan, life, health, travel accident and long-term disability insurance and a stock option plan for officers, other employees and certain directors as the Stock Option Committee of the Board may determine. None of the employees of the Bank are represented by a labor union or other collective bargaining group, and management believes that its employee relations are very good.

Item 2. Properties

The following table sets forth certain information relating to Bank's premises at December 31, 1995.

	Location	Year Acquired
Main Office: 55 Main Street Hingham, MA 02043	Hingham	1950
Loan Office: 49 Main Street Hingham, MA 02043	Hingham	1990
Branch Offices: 37 Whiting Street Hingham, MA 02043	South Hingham	1979
401 Nantasket Avenue Hull, MA 02045	Hull	1976
400 Gannett Road North Scituate, MA 02060	North Scituate	1995
13 Elm Street Cohasset, MA 02025	Cohasset	1995
Drive-up: Central Street Hingham, MA 02043	Hingham	1974

Item 3. Legal Proceedings

The response to this Item is incorporated herein by reference to the information which appears on page 37 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995 under the caption titled "Litigation".

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The response to this Item is incorporated herein by reference to the information which appears on pages 11 and 12 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 1996 under the caption titled "Principal Stockholders; Securities Ownership of Management".

PART II

Item 5. Market for the Bank's Common Stock and Related Security Holder Matters

The response to this Item is incorporated herein by reference to the information which appears on page 44 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995 under the caption titled "Stock Data".

The Board of Directors declared cash dividends totalling $0.35 per share during 1995, which included a special dividend of $0.08 per share declared in the fourth quarter of 1995. All further dividends will be determined on the basis of the Bank's ability to earn said dividend on a quarterly basis. The Bank may not declare or pay cash dividends on its shares of common stock if the effects thereof would cause stockholders' equity to be reduced below applicable capital maintenance requirements or below the balance of the liquidation account, or if such declaration and payments would otherwise violate regulatory requirements.

Item 6. Selected Financial Data

The response to this Item is incorporated herein by reference to the information which appears on page 5 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The response to this Item is incorporated herein by reference to the information which appears on pages 10 through 16 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995 under the caption titled "Management's Discussion and Analysis".

Additionally, statistical information required by this item appears on the following pages.

I. *Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rates and Interest Differential*

Average Balance Sheets

	Years Ended December 31,		
	1995	1994	1993
(In Thousands)			
ASSETS			
Cash and due from banks	$ 2,773	$ 2,706	$ 2,456
Interest-bearing deposits	4,232	2,795	4,483
Investment securities, net	41,284	50,998	63,443
Loans, net	108,265	87,185	68,637
Foreclosed real estate and real estate held for investment, net	269	1,730	4,299
Banking premises and equipment, net	2,043	1,621	1,582
Accrued interest receivable	946	870	930
Deferred income tax asset, net	1,449	1,035	401
Federal Home Loan Bank stock	1,049	994	999
Other assets	413	545	733
Total assets	$ 162,723	$ 150,479	$ 147,963
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Regular	$ 30,956	$ 35,814	$ 34,577
NOW and demand	16,932	17,227	15,203
Money-market deposits	20,392	28,744	35,262
Term Certificates	55,213	36,757	33,220
Total deposits	123,493	118,542	118,262
Federal Home Loan Bank advances	20,181	16,032	15,000
Accrued interest payable	36	44	33
Mortgagors' escrow accounts	221	202	202
Other liabilities	1,636	704	385
Total liabilities	145,567	135,524	133,882
Stockholders' equity:			
Common stock	1,294	1,284	1,268
Additional paid-in capital	8,590	8,497	8,425
Undivided profits	7,517	5,649	4,394
	17,401	15,430	14,087
Net unrealized gain (loss) on securities available for sale and marketable equity securities	(245)	(475)	(6)
Total stockholders' equity	17,156	14,955	14,081
Total liabilities and stockholders' equity	$ 162,723	$ 150,479	$ 147,963

(Based on average daily balances)

Information regarding interest rates and interest differential is incorporated herein by reference to the tables which appear on pages 10 and 11 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995.

II. *Investment Portfolio*

Securities by Type

	December 31,					
	1995		1994		1993	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
(In Thousands)						
U.S. Treasury securities	$ –	$ –	$ 1,012	$ 983	$ 4,031	$ 4,031
U.S. Government agency obligations	8,708	8,708	12,227	11,915	17,438	17,435
Mortgage-backed securities:						
Issued by FNMA and FHLMC	28,589	28,589	28,050	26,543	34,661	34,587
Issued by GNMA	–	–	–	–	–	–
Mortgaged-backed securities CMOs and REMICs:						
Issued by FNMA and FHLMC	1,855	1,855	1,641	1,641	2,774	2,774
Equity securities	–	–	–	–	–	–
Total	$ 39,152	$ 39,152	$ 42,930	$ 41,082	$ 58,904	$ 58,827

Investment Portfolio by Maturity

	(In Thousands/Percentages to the nearest tenth of a percent)						
	1 Year or less (including assets with immediately adjustable interest rates)	Over 1 Year through 2 Years	Over 2 Years through 3 Years	Over 3 Years through 5 Years	Over 5 Years through 10 Years	Over 10 Years	Total Amount to be Reported
December 31, 1995							
Debt Securities							
a. U.S. Government-issued and private certificates of participation in pools of residential mortgages	$ 10,429	$ 3,441	$ 2,334	$ 9,890	$ 1,914	$ 581	$ 28,589
Weighted average interest rate	6.8%	7.1%	5.9%	6.7%	6.8%	7.3%	
b. All other debt securities	$ 2,855	$ 1,141	$ 4,037	$ –	$ 2,530	$ –	$ 10,563
Weighted average interest rate	6.2%	6.2%	6.2%	– %	7.3%	– %	
All other interest-bearing assets	$ 6,071	$ –	$ –	$ –	$ –	$ –	$ 6,071
Weighted average interest rate	5.7%	– %	– %	– %	– %	– %	
December 31, 1994							
Debt Securities							
a. U.S. Government-issued and private certificates of participation in pools of residential mortgages	$ 6,075	$ 1,137	$ 4,091	$ 8,174	$ 7,956	$ 617	$ 28,050
Weighted average interest rate	5.2%	8.4%	7.0%	6.7%	6.5%	7.2%	
b. All other debt securities	$ 8,589	$ 1,000	$ –	$ 2,833	$ 2,458	$ –	$ 14,880
Weighted average interest rate	5.9%	6.0%	– %	5.0%	7.2%	– %	
All other interest-bearing assets	$ 11	$ –	$ –	$ –	$ –	$ –	$ 11
Weighted average interest rate	4.9%	– %	– %	– %	– %	– %	
December 31, 1993							
Debt Securities							
a. U.S. Government-issued and private certificates of participation in pools of residential mortgages	$ 6,175	$ –	$ 2,132	$ 9,849	$ 15,662	$ 843	$ 34,661
Weighted average interest rate	5.1%	– %	8.5%	7.0%	7.0%	7.5%	
b. All other debt securities	$ 6,795	$ 7,133	$ 1,087	$ 5,558	$ 3,670	$ –	$ 24,243
Weighted average interest rate	4.6%	5.3%	8.0%	5.6%	7.3%	– %	
All other interest-bearing assets	$ 1,617	$ –	$ –	$ –	$ –	$ –	$ 1,617
Weighted average interest rate	2.9%	– %	– %	– %	– %	– %	

At December 31, 1995, 1994 and 1993 securities available for sale were carried at fair value and securities held to maturity were carried at amortized cost, in accordance with SFAS No. 115.

At December 31, 1995, there were no bond obligations or marketable equity securities from any single issuer, excluding the U.S. Government, or its agencies, exceeding 10% of stockholders' equity.

III. Loan Portfolio

Loans by Type

(In Thousands)	December 31, 1995	1994	1993
1. Loans secured by real estate:			
a. Construction and land development	$ 5,888	$ 4,761	$ 2,105
b. Secured by farmland (including farm residential and other improvements)	--	--	--
c. Secured by 1-4 family residential properties:			
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	5,698	3,687	4,263
(2) All other loans secured by 1-4 family residential properties	63,189	56,931	48,132
d. Secured by multifamily (5 or more) residential properties	983	989	1,296
e. Secured by nonfarm nonresidential properties	43,285	33,651	20,381
2. Loans to depository institutions:			
a. To commercial banks in the U.S.			
(1) To U.S. branches and agencies of foreign banks	--	--	--
(2) To other commercial banks in the U.S.	--	--	--
b. To other depository institutions in the U.S.	--	--	--
c. To banks in foreign countries			
(1) To foreign branches of other U.S. banks	--	--	--
(2) To other banks in foreign countries	--	--	--
3. Loans to finance agriculture production and other loans to farmers	--	--	--
4. Commercial and industrial loans			
a. To U.S. addressees (domicile)	978	959	695
b. To non-U.S. addressees (domicile)	--	--	--
5. Acceptances of other banks	--	--	--
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			
a. Credit cards and related plans (includes check credit and other revolving credit plans)	65	81	95
b. Other (includes single payment, installment, and all student loans)	956	964	1,331
7. Loans to foreign governments and official institutions (including foreign central banks)	--	--	--
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	--	--	--
9. Other loans:			
a. Loans for purchasing or carrying securities (secured and unsecured)	--	--	--
b. All other loans (exclude consumer loans)	--	--	--
10. Lease financing receivables (net of unearned income)			
11. Less: Any unearned income on loans reflected in items 1-9 above	(293)	(287)	(171)
12. Total loans and leases, net of unearned income (sum of items 1 thru 10 minus item 11)	$ 120,749	$ 101,736	$ 78,127

Loans by Maturity

(In Thousands / Percentages to the nearest tenth of a percent)

	1 Year or less (including assets with immediately adjustable interest rates)	Over 1 Year through 2 Years	Over 2 Years through 3 Years	Over 3 Years through 5 Years	Over 5 Years through 10 Years	Over 10 Years	Total Amount to be Reported
December 31, 1995							
1. Loans secured by 1-4 family residential properties:							
a. Fixed rate	$ 184	$ 240	$ 258	$ 506	$ 5,174	$ 20,597	$ 26,959
Weighted average interest rate	9.7%	7.0%	8.7%	8.8%	7.5%	7.7%	
b. Adjustable rate	$ 14,963	$ 12,394	$ 10,271	$ 1,863	$ 1,820	$ 203	$ 41,514
Weighted average interest rate	8.7%	7.2%	8.3%	8.2%	7.7%	7.3%	
2. All other loans secured by real estate:							
a. Fixed rate	$ 90	$ 1,768	$ --	$ 45	$ 30	$ 530	$ 2,463
Weigted average interest rate	8.5%	8.0%	-- %	9.3%	9.5%	9.7%	
b. Adjustable rate	$ 18,840	$ 9,688	$ 8,044	$ 10,739	$ 44	$ 122	$ 47,477
Weighted average interest rate	9.4%	8.7%	9.0%	8.9%	7.5%	7.0%	
3. Other loans and all leases	$ 1,231	$ 158	$ 138	$ 306	$ 158	$ --	$ 1,991
Weighted average interest rate	9.7%	9.4%	10.4%	7.8%	8.8%	-- %	
December 31, 1994							
1. Loans secured by 1-4 family residential properties:							
a. Fixed rate	$ 654	$ 90	$ 347	$ 463	$ 5,666	$ 19,050	$ 26,270
Weighted average interest rate	8.7%	8.0%	7.3%	8.6%	7.6%	7.6%	
b. Adjustable rate	$ 12,902	$ 7,266	$ 11,974	$ 1,774	$ --	$ --	$ 33,916
Weighted average interest rate	8.5%	8.0%	7.2%	7.9%	-- %	-- %	
2. All other loans secured by real estate:							
a. Fixed rate	$ 376	$ --	$ 1,819	$ --	$ 34	$ 428	$ 2,657
Weigted average interest rate	9.7%	-- %	8.0%	-- %	9.5%	9.5%	
b. Adjustable rate	$ 9,681	$ 7,813	$ 7,983	$ 10,942	$ --	$ 325	$ 36,744
Weighted average interest rate	9.0%	8.4%	8.7%	8.7%	-- %	8.1%	
3. Other loans and all leases	$ 1,439	$ 60	$ 187	$ 66	$ 179	$ --	$ 1,931
Weighted average interest rate	9.3%	11.6%	10.9%	10.3%	8.4%	-- %	
December 31, 1993							
1. Loans secured by 1-4 family residential properties:							
a. Fixed rate	$ 518	$ 48	$ 148	$ 741	$ 2,353	$ 12,186	$ 15,994
Weighted average interest rate	10.1%	9.6%	8.0%	7.8%	8.9%	8.1%	
b. Adjustable rate	$ 16,127	$ 4,564	$ 7,165	$ 1,891	$ 1,281	$ 5,373	$ 36,401
Weighted average interest rate	7.8%	8.4%	7.8%	6.5%	7.7%	7.1%	
2. All other loans secured by real estate:							
a. Fixed rate	$ 162	$ --	$ --	$ 100	$ 37	$ 2,995	$ 3,294
Weigted average interest rate	9.3%	-- %	-- %	6.0%	9.5%	9.6%	
b. Adjustable rate	$ 12,384	$ 2,252	$ 3,576	$ 438	$ --	$ 1,552	$ 20,202
Weighted average interest rate	8.1%	9.1%	8.4%	8.3%	-- %	7.7%	
3. Other loans and all leases	$ 1,235	$ 374	$ 120	$ 165	$ 163	$ 64	$ 2,121
Weighted average interest rate	9.0%	9.0%	10.5%	10.5%	10.5%	7.0%	

(Excludes assets in non-accrual status)

Nonaccrual, Past-Due and Restructured Loans

(In Thousands)	Troubled debt restructuring	Past-due 30 thru 89 days and still accruing	Past-due 90 or more days and still accruing	Nonaccrual
December 31, 1995				
1. Real estate loans	$ --	$ 1,998	$ --	$ 630
2. Installment loans	--	6	--	2
3. Credit cards and related plans	--	--	--	--
4. Commercial (time and demand) and all other loans	--	11	--	6
5. Lease financing receivables	--	--	--	--
6. Total (sum of items 1 through 5)	$ --	$ 2,015	$ --	$ 638
December 31, 1994				
1. Real estate loans	$ 1,107	$ 924	$ --	$ 432
2. Installment loans	--	7	--	25
3. Credit cards and related plans	--	3	--	--
4. Commercial (time and demand) and all other loans	--	1	--	--
5. Lease financing receivables	--	--	--	48
6. Total (sum of items 1 through 5)	$ 1,107	$ 935	$ --	$ 505
December 31, 1993				
1. Real estate loans	$ 2,862	$ 1,672	$ 938	$ 286
2. Installment loans	--	37	--	--
3. Credit cards and related plans	--	--	20	--
4. Commercial (time and demand) and all other loans	--	1	--	--
5. Lease financing receivables	--	--	--	--
6. Total (sum of items 1 through 5)	$ 2,862	$ 1,710	$ 958	$ 286

At December 31, 1993, the above table includes a loan in the amount of $938,000 for which the note had matured. This loan was current with regard to interest payments.

Interest is not accrued on loans past-due 90 days or more or when, in the opinion of management, the collectibility of interest becomes doubtful. Loans classified as non-accrual remain in this status until the borrower is current and has demonstrated an ability to remain current.

For loans classified as non-accrual at December 31, 1995, 1994 and 1993, the gross interest income that would have been recorded during the years then ended if the loans had been in accordance with their original terms was $76,000, $49,000 and $46,000, respectively. The amount of interest income on these loans that was included in net income for the same three periods was $61,000, $40,000 and $0, respectively.

For loans classified as troubled debt restructuring at December 31, 1994 and 1993, the gross interest income that would have been recorded during the years then ended if the loans had been current in accordance with their original terms was $101,000 and $193,000, respectively. The amount of interest income on these loans was included in net income for the same periods was $83,000 and $152,000, respectively.

IV. Summary of Loss Experience

Analysis of the Allowance for Loan Losses

	Years Ended December 31,					
	1995		1994		1993	
(In Thousands)	Charge-Offs	Recoveries	Charge-Offs	Recoveries	Charge-Offs	Recoveries
Real estate construction	$ –	$ 3	$ –	$ 93	$ 147	$ 3
Real estate mortgage	76	1	74	5	256	32
Commercial and all other loans	47	1	–	–	–	–
Installment loans	–	2	15	34	8	3
Credit cards and related plans	65	–	16	–	–	–
Total	$ 188	$ 7	$ 105	$ 132	$ 411	$ 38
Net charge-offs	$181		$(27)		$373	
Ratio of net charge-offs to average total loans	0.17%		(0.03)%		0.53%	

Allowance for Loan Losses Activity

	Years Ended December 31,		
(In Thousands)	1995	1994	1993
Balance at beginning of year	$ 1,338	$ 1,191	$ 1,501
Provision for loan losses	120	120	63
	1,458	1,311	1,564
Loans charged-off	(188)	(105)	(411)
Recoveries on loans previously charged-off	7	132	38
Balance at end of year	$ 1,277	$ 1,338	$ 1,191

The allowance for loan losses is maintained at a level which management considers adequate to provide for losses based upon an evaluation of risk in the loan portfolio. Such evaluation includes a review of overall portfolio size, quality, composition, and an assessment of existing economic conditions. While management uses available information in establishing the allowance for loan losses, future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used in making the evaluations. Additions to the allowance are charged to earnings; realized losses, net of recoveries, are charged to the allowance. Management believes that the allowance for loan losses is adequate.

Various regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance based on their judgment of information available to them at their examination date.

Allocation of the Allowance for Loan Losses

	December 31, 1995		December 31, 1994	
(Dollars in Thousands)	Amount	Percent of Loans in each Category to Total Loans	Amount	Percent of Loans in each Category to Total Loans
Mortgage loans:				
Residential	$ 483	53 %	$ 472	57 %
Residential contruction, net	18	4	21	4
Commercial	470	36	408	33
Home equity	87	5	52	4
Consumer loans	14	1	27	1
Commercial loans	16	1	30	1
Unallocated	189	–	328	–
Total	$ 1,277	100 %	$ 1,338	100 %

Loan losses may occur over a period, the duration of which is not presently determinable. The allocation is based in part on evaluations of specific loans and past experience. Since the evaluation of these factors is subject to change as the result of, among other things, varying business and economic conditions within particular industries or geographical areas, the amounts so allocated may not necessarily be representative of the amounts or distribution of future losses.

V. *Deposits*

Average Deposits and Average Rate Paid by Type

(Dollars In Thousands)	1995 Average Balance	1995 Interest	1995 Rate	1994 Average Balance	1994 Interest	1994 Rate	1993 Average Balance	1993 Interest	1993 Rate
Deposits:									
Demand deposits	$ 6,572	$ --	-- %	$ 6,540	$ --	-- %	$ 5,171	$ --	-- %
Regular, club, etc	30,956	775	2.50	35,814	929	2.59	34,577	1,061	3.07
NOW, mortgagor's escrow accounts	10,581	157	1.48	10,889	171	1.57	10,234	246	2.40
Money market deposits	20,392	603	2.96	28,744	795	2.77	35,262	1,066	3.02
Term certificates	55,213	3,104	5.62	36,757	1,630	4.43	33,220	1,548	4.66
Total deposits and escrow	$ 123,714	$ 4,639	3.75 %	$ 118,744	$ 3,525	2.97 %	$ 118,464	$ 3,921	3.31 %

(Based on average daily balances)

Years Ended December 31,

Term Certificates of $100,000 or More

(In Thousands)	December 31, 1995
Less than 3 months	$ 1,968
3 to 6 months	3,685
6 to 12 months	4,577
More than 12 months	3,211
	$ 13,441

VI. *Return on Equity and Assets*

Selected Ratios

	Years Ended December 31, 1995	1994	1993
Return on average assets	1.17 %	1.70 %	0.13 %
Return on average equity	11.11	17.09	1.34
Average equity to average assets ratio	10.54	9.94	9.52
Dividend payout ratio	23.81	8.54	None

VII. *Short-Term Borrowings*

During the years ended December 31, 1995, 1994 and 1993 the Bank had no short-term borrowings that were specified to be disclosed within this reporting requirement.

Item 8. Financial Statements and Supplementary Data

The response to this Item is incorporated herein by reference to the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995 under the following captions:

Caption	Page(s)
Consolidated Balance Sheets	18
Consolidated Statements of Income	19
Consolidated Statements of Changes in Stockholders' Equity	20
Consolidated Statements of Cash Flows	21 - 22
Notes to Consolidated Financial Statements	23 - 43

The following schedules which are required under this item are incorporated herein by reference to the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995 on the pages noted, as follows:

Schedule	Page(s)
II. Loans to Officers, Directors, Principal Security Holders, and any Associates of the Foregoing Persons	41
IV. Bank Premises and Equipment	32

The following schedules which are required under this item have been omitted because the information has been presented elsewhere within this document, as follows:

Schedule	Page(s)
I. Securities	10
III. Loans and Lease Financing Receivables	11
VI. Allowances for Loan Losses	14

Schedule V. Investments in, Income from Dividends, and Equity in Earnings or Losses of Subsidiaries and Associated Companies

At or for the Year Ended December 31, 1995,

Name of Issuer	Percent of voting stock owned	Total investment	Equity in underlying net assets at balance sheet date	Amount of dividends	Banks proportionate part of earnings or loss for the period
(Dollars in Thousands)					
Subsidiaries Consolidated:					
Hingham Motel Corp.	100%	$ 940	$ 11	$ ---	$ (2)
Hingham Securities Corp.	100%	11,024	12,088	---	597
		$11,964	$12,099	$ ---	$595

PART III

Item 9. Directors and Principal Officers of the Bank

The response to this Item is incorporated herein by reference to the information which appears on pages 3 through 6 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 1996 under the captions titled "Election of Directors" and "Directors Not Standing for Election".

Principal Officers of the Bank are as follows:

Name and Age	Positions with the Bank and Principal Occupation	Term of Office
Robert H. Gaughen, Jr. [1] Age - 47	President and Chief Executive Officer	1993 to Present
Deborah J. Jackson [2] Age - 38	Vice President and Treasurer	1994 to Present
William M. Donovan, Jr. [3] Age - 47	Vice President - Administration	1990 to Present
Peter R. Smollett [4] Age - 48	Vice President -Senior Lending Officer	1993 to Present
Michael J. Sinclair [5] Age - 33	Retail Lending Officer	1995 to Present
Edward P. Zec [6] Age - 56	Vice President Branch Operations	1985 to Present

1 Mr. Gaughen, Jr. has served as a member of the Board of Directors since May 1991 and became President and Chief Executive Officer on April 29, 1993. Previously Mr. Gaughen was President and Chief Executive Officer of East Weymouth Savings Bank.

2 Ms. Jackson joined the Bank in 1994 as the Bank's Treasurer. Prior to joining the Bank she served as the Controller of Sterling Bank and as an Accounting Manager at State Street Bank and Trust, Co.

3 Mr. Donovan joined the Bank in 1990 as Assistant Vice President/Accounting Officer and was promoted to Vice President - Administration in June of 1993. Before joining the Bank Mr. Donovan was the Accounting/Operations Officer for East Weymouth Savings Bank.

4 Mr. Smollett joined the Bank in May 1993 as the Bank's Senior Lending Officer. Previously Mr. Smollett had gained extensive experience while serving in various lending capacities with US Trust, Baybank, Bank of Braintree and Bank of New England.

[5] Mr. Sinclair joined the Bank in 1995 as Retail Lending Officer. Previously, he served as Vice President at Abington Savings Bank and Assistant Vice President at Quincy Savings Bank.

[6] Mr. Zec joined the Bank in 1985 as Branch Manager and was promoted to Vice President - Branch Operations in 1990. Prior to joining the Bank he served as Operations Manager at Boston Financial Data Services.

Item 10. Management Compensation and Transactions

The response to this Item is incorporated herein by reference to the information which appears on pages 6 through 11 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 1996 under the captions titled "Executive Compensation", "Summary Compensation Table", "Option Grants in Last Fiscal Year", "Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values", " Employee Benefit Plans", and "Certain Transactions with Management and Associates".

PART IV

Item 11. Exhibits, Financial Statement Schedules and Reports on Form F-3

(a) Contents

Financial statements and financial statement schedules appear in the Hingham Institution for Savings Annual Report to Stockholders for the fiscal year ended December 31, 1995.

(b) Reports on Form F-3

No Reports on Form F-3 were filed during the fourth quarter of 1995.

(c) Exhibits:

Exhibit 1. Articles of Incorporation and By-Laws

Amended and Restated Charter and By-Laws of Hingham Institution for Savings are incorporated herein by reference from Exhibits (A)(1)(a) and (A)(1)(b) to the Bank's Registration Statement on Form F-1 as filed with the FDIC on December 7, 1988, and as amended on December 29, 1988 ("Form F-1").

Exhibit 2. Instruments Defining the Rights of Security Holders, Including Indentures

None.

Exhibit 3. Material Contracts

Hingham Institution for Savings 1988 Stock Option Plan is incorporated herein by reference from Exhibit (A)(5) to the Bank's Form F-1.

Hingham Institution for Savings 1996 Stock Option Plan is incorporated by reference to the information which appears on pages 13 - 16 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 1996 under the captions titled "The 1996 Stock Option Plan" and "New Plan Benefits".

Employment contracts are incorporated by reference to the information which appears on page 8 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 1996 under the caption titled "Employment Agreements and Special Termination Agreements".

Exhibit 4. Statement re Computation of Per Share Earnings

Not applicable, as the required information can be clearly determined from the information contained in the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1995.

Exhibit 5. Statements re Computation of Ratios

Not applicable.

Exhibit 6. Annual Report to Security Holders

Hingham Institution for Savings Annual Report to Stockholders for the fiscal year ended December 31, 1995 which, except for those portions expressly incorporated herein by reference, is furnished only for information of the Federal Deposit Insurance Corporation and is not deemed to be filed.

Exhibit 7. Letter re Change in Accounting Principles

None.

Exhibit 8. Previously Unfiled Documents

Not Applicable.

Exhibit 9. Subsidiaries of Hingham Institution for Savings

The Bank maintains two wholly-owned Massachusetts subsidiaries incorporated as the Hingham Securities Corporation and the Hingham Motel Corporation.

SIGNATURES

Pursuant to the requirements of Section 13 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

March 27, 1996

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Bank and in the capacities and on the dates indicated.

/s/ Robert H. Gaughen, Jr.	President, Chief Executive Officer and Director	3/27/96 Date
/s/ Deborah J. Jackson	Vice President and Treasurer	3/27/96 Date
/s/ Marion J. Fahey	Clerk of the Board and Director	3/27/96 Date
/s/ James V. Consentino	Director	3/27/96 Date
/s/ Ronald D. Falcione	Director	3/27/96 Date
/s/ Kevin W. Gaughen	Director	3/27/96 Date
/s/ Robert H. Gaughen	Director	3/27/96 Date
/s/ Julio R. Hernando	Director	3/27/96 Date
/s/ Robert A. Lane	Director	3/27/96 Date

/s/ Warren B. Noble	Director	3/27/96 Date
/s/ Stacey M. Page	Director	3/27/96 Date
/s/ Edward L. Sparda	Director	3/27/96 Date
/s/ Donald E. Staszko	Director	3/27/96 Date
/s/ Donald M. Tardiff, M.D.	Director	3/27/96 Date
/s/ James R. White	Director	3/27/96 Date
/s/ Geoffrey C. Wilkinson, Sr.	Director	3/27/96 Date
/s/ Thomas H. Youngworth, Sr.	Director	3/27/96 Date