FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20492

FORM 10-K

(Mark one)

[X] ANNUAL REPORT UNDER SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1997

FDIC Certificate No. 90211-0

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

Massachusetts
(State or other jurisdiction of incorporation or organization)

04-1442480
(I.R.S.Employer Identification No.)

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

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

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

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

Indicate by check mark whether the registrant (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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K.

[ ]

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant based on the closing sale price for the registrant's Common Stock on February 28, 1998 as reported by Nasdaq was $26,760,789.

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, 1998:1,303,500 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 30, 1998 are incorporated by reference into Part III. Portions of the Annual Report to Stockholders for fiscal year ended December 31, 1997 are incorporated by reference into Parts I and II of this Form 10-K.

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, 1997, the Bank had total assets of $222.6 million, total deposits of $160.5 million and total stockholders' equity of $21.4 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, real estate construction, and consumer and commercial loans. The Bank also invests in securities issued by the United States Government and agencies thereof, including mortgage-backed securities. At December 31, 1997, the loan portfolio was $172.8 million or 78% of total assets.

At December 31, 1997, approximately 51% of the Bank's total loan portfolio was invested in residential mortgages (including home equity, second mortgages and construction loans, net of unadvanced funds), 48% in multifamily and commercial real estate and 1% in commercial and 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.

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") 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 service institutions have been the subject of ongoing political debate, as evidenced on the Federal level by the passage of FDICIA and for many years by the passage of The Riegle-Neal Interstate Bank and Branching Efficiency Act of 1994 (the "Interstate Banking Act"). Among other things, FDICIA imposed 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.

The Interstate Banking Act eliminated many barriers to interstate acquisitions by bank holding companies and interstate branching, 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 1997, bank holding companies which meet specified capital and management adequacy standards are eligible to acquire banks in other states without retaining a separate bank charter in each state where its subsidiaries conduct a banking business. Various restrictions on such acquisitions include (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.

Banks are also permitted to cross state lines to merge with other banks, subject to individual state's ability to adopt various nondiscriminatory opt-in and opt-out provisions. Antitrust and anticoncentration restrictions will apply as described above. It is not necessary to keep multiple state charters in effect or to have a holding company system. Generally, all banks that are parties to a proposed merger must satisfy applicable CRA, management quality and capital adequacy standards.

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

Further, 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, 1997, the Bank's net loan portfolio totaled $172.8 million, representing approximately 78% 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 multifamily or commercial property, commercial business loans and consumer loans. The Bank's lending activities are generally conducted in its primary market area.

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, 1997, residential mortgage loans were $88.9 million and represented 51% 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 seven 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. In addition, the Bank offers a three-year indexed variable rate loan with a 3% cap on any increase or decrease in the interest rate and a 6% lifetime cap, following an initial fixed period of seven years. 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 assessed value of the collateral, less the first mortgage loan. The term of these loans is ten years.

As of December 31, 1997, residential construction loans generally consisted of single-family homes at various stages of completion. The Bank offers fixed rate loans and prime-based adjustable rate loans. The term of these loans is generally one year.

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, 1997, commercial mortgages totaled $84.4 million and represented 48% 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, 1997, commercial loans totaled $247,000 and represented less than one percent of the Bank's total loan portfolio.

Consumer Lending. The Bank offers personal installment (secured and unsecured) loans, revolving credit loans and passbook and stock secured loans. Unsecured loans generally do not exceed $15,000 and have a maximum term of three years. At December 31, 1997 consumer loans totaled $962,000 and represented less than 1% 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 30 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 (from the last paid date) or earlier if, 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. In 1996, to supplement this process, the Bank initiated the practice of authorizing the independent consultant to regularly secure additional appraisals on a certain percentage of newly originated commercial real estate loans, to verify the accuracy of loan-to-value ratios.

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, 1997, the Bank's investment portfolio totaled $35.4 million which represented 16% of the Bank's total assets.

All investment securities are classified as available for sale and are 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, after tax effect. At December 31, 1997, net unrealized losses related to the investment portfolio, after tax effect, were $50,000.

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, borrowings from the Federal Home Loan Bank of Boston ("FHLBB") and as a note option depository for treasury, tax and loan deposits. 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 eight 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.

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, 1997, the Bank had $38.1 million in borrowings from the FHLBB. The Bank can borrow up to approximately $62.8 million based on the Bank's qualified collateral, which is defined principally as 75% of the carrying values of certain residential mortgage loans. Upon specific approval from the FHLBB, the Bank may also pledge securities and other mortgages as collateral to secure as much as $51.7 million in additional borrowings.

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 the towns in which it maintains offices 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, 1997, the Bank had 53 full-time employees and 19 part-time employees. The Bank provides its full-time employees with a comprehensive range of employee benefit programs, including a pension plan, 401(k) 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 excellent.

Item 2. Properties.

The following table sets forth certain information relating to the Bank's premises at December 31, 1997.

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

Item 3. Legal Proceedings.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Executive Officers of the Registrant

Name and Age	Positions with the Bank and Principal Occupation	Term of Office
Robert H. Gaughen, Jr. [1] Age - 49	President and Chief Executive Officer	1993 to Present
Deborah J. Jackson [2] Age - 40	Senior Vice President and Treasurer	1994 to Present

William M. Donovan, Jr. [3] Age - 49	Vice President - Administration	1990 to Present
Peter R. Smollett [4] Age - 50	Vice President -Senior Lending Officer	1993 to Present
Michael J. Sinclair [5] Age - 35	Retail Lending Officer	1995 to Present
Edward P. Zec [6] Age - 58	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 U.S. 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.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters.

The response to this Item is incorporated herein by reference to the information which appears on the inside back cover of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1997 under the caption titled "Stock Data."

The Board of Directors declared cash dividends totaling $0.59 per share during 1997, which included a special dividend of $0.13 per share declared in the fourth quarter of 1997. In 1996, the Board of Directors declared cash dividends totaling $0.45 per share, which included a special dividend of $0.10 per share declared in the fourth quarter. See Item 1 - Business-General-Supervision and Regulation.

Item 6. Selected Financial Data.

The response to this Item is incorporated herein by reference to the information which appears on page 11 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1997.

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 12 through 18 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1997 under the caption titled "Management's Discussion and Analysis."

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The response to this Item is incorporated herein by reference to the information which appears on page 18 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1997 under the caption titled "Asset Liability Management."

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, 1997 under the following captions:

Caption	Page(s)
Consolidated Balance Sheets	20
Consolidated Statements of Income	21
Consolidated Statements of Changes in Stockholders' Equity	22
Consolidated Statements of Cash Flows	23-24
Notes to Consolidated Financial Statements	25-44

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

The response to this Item is incorporated by reference to the information which appears on page 12 and 13 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1997.

II. *Investment Portfolio*

Investment Portfolio by Type

	December 31,		
	1997	1996	1995
(Dollars in Thousands)	Book Value	Book Value	Book Value
U.S. Government agency obligations	$ 18,072	8,979	8,708
Mortgage-backed securities issued by FNMA and FHLMC	17,297	23,342	30,444
Total	$ 35,369	$ 32,321	$ 39,152

Investment Portfolio by Maturity

(Dollars in Thousands)	1 Year or less	Over 1 Year through 5 Years	Over 5 Years through 10 Years	Over 10 Years	Total
December 31, 1997					
Debt Securities:					
U.S. Government agency obligations	$ 4,004	$ 13,070	$ 998	$ --	$ 18,072
Weighted average yield	5.78 %	6.21 %	7.00 %	-- %	
Mortgage-backed securities issued by FNMA and FHLMC	$ 1,323	$ 7,416	$ 708	$ 7,850	$ 17,297
Weighted average yield	5.48 %	6.03 %	6.13 %	6.58 %	

III. *Loan Portfolio*

The remainder of the response to this Item is incorporated by reference to the information which appears on page 11 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31,1997.

Non-accrual, Past-Due and Restructured Loans

(In Thousands)	Troubled debt restructuring	Past-due 90 or more days and still accruing	Non-accrual
December 31, 1997			
1. Real estate loans	$ --	$ --	$ 1,702
2. Installment loans	--	--	--
3. Credit cards and related plans	--	--	1
4. Commercial (time and demand) and all other loans	--	--	5
5. Lease financing receivables	--	--	--
6. Total	$ --	$ --	$ 1,708
December 31, 1996			
1. Real estate loans	$ --	$ --	$ 1,168
2. Installment loans	--	--	--
3. Credit cards and related plans	--	--	--
4. Commercial (time and demand) and all other loans	--	--	--
5. Lease financing receivables	--	--	--
6. Total	$ --	$ --	$ 1,168
December 31, 1995			
1. Real estate loans	$ --	$ --	$ 630
2. Installment loans	--	--	2
3. Credit cards and related plans	--	--	--
4. Commercial (time and demand) and all other loans	--	--	6
5. Lease financing receivables	--	--	--
6. Total	$ --	$ --	$ 638
December 31, 1994			
1. Real estate loans	$ 1,107	$ --	$ 432
2. Installment loans	--	--	25
3. Credit cards and related plans	--	--	--
4. Commercial (time and demand) and all other loans	--	--	--
5. Lease financing receivables	--	--	48
6. Total	$ 1,107	$ --	$ 505
December 31, 1993			
1. Real estate loans	$ 2,862	$ 938	$ 286
2. Installment loans	--	--	--
3. Credit cards and related plans	--	20	--
4. Commercial (time and demand) and all other loans	--	--	--
5. Lease financing receivables	--	--	--
6. Total	$ 2,862	$ 958	$ 286

For loans classified as non-accrual at December 31, 1997, the gross interest income that would have been recorded during the year then ended if the loans had been paid in accordance with their original terms was $152,000, and the amount of interest income on such loans that was included in net income for the year was $97,000.

IV. *Summary of Loan Loss Experience*

Analysis of the Allowance for Loan Losses

(In Thousands)	1997	1996	1995	1994	1993
	Years ended December 31,				
Balance at beginning of period	$ 1,393	$ 1,277	$ 1,338	$ 1,191	$ 1,501
Charge-offs:					
Domestic:					
Commercial loans	11	--	47	16	--
Real estate construction	--	--	--	--	147
Real estate mortgage	--	44	76	93	256
Installment loans	2	4	65	15	8
Total	$ 13	$ 48	$ 188	$ 124	$ 411
Recoveries:					
Domestic:					
Commercial loans	3	--	1	--	--
Real estate construction	3	33	--	93	3
Real estate mortgage	--	24	4	24	32
Installment loans	--	--	2	34	3
Total	$ 6	$ 57	$ 7	$ 151	$ 38
Net charge-offs	7	(9)	181	(27)	373
Additions charged to operations	174	107	120	120	63
Balance at end of period	$ 1,560	$ 1,393	$ 1,277	$ 1,338	$ 1,191
Ratio of net charge-offs during the period to average loans outstanding during the period	-- %	(0.01) %	0.16 %	(0.03) %	0.53 %

Allocation of the Allowance for Loan Losses

	December 31, 1997									
	1997		1996		1995		1994		1993	
(Dollars in Thousands)	Amount	Percent *	Amount	Percent *	Amount	Percent *	Amount	Percent *	Amount	Percent *
Construction loans, net	$ 63	3 %	$ 64	3 %	$ 73	4 %	$ 63	5 %	$ 7	2 %
Mortgage loans	1,309	96	1,088	96	985	95	890	94	1,033	96
Consumer loans	21	1	10	1	14	1	27	1	16	2
Commercial loans	5	0	12	0	16	0	30	0	13	0
Unallocated	162	--	219	--	189	--	328	--	122	--
Total	$ 1,560	100 %	$ 1,393	100 %	$ 1,277	100 %	$ 1,338	100 %	$ 1,191	100 %

* Percent of loans in each category to total loans

V. *Deposits*

The remainder of the response to this Item is incorporated by reference to the information which appears on page 13 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1997.

Term Certificates of $100,000 or More

(In Thousands)	December 31, 1997
Remaining Maturity:	
3 months or less	$ 6,918
Over 3 through 6 months	6,130
Over 6 through 12 months	5,338
Over 12 months	4,425
	$ 22,811

VI. *Return on Equity and Assets*

The response to this Item is incorporated by reference to the information which appears on page 11 of the Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1997.

VII. *Short-Term Borrowings*

Disclosure under this Item is not required.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The response to this Item is incorporated herein by reference to the information which appears on pages 3 through 5 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 1998 under the captions titled "Election of Directors" and "Directors Not Standing for Election."

Item 11. Executive Compensation.

The response to this Item is incorporated herein by reference to the information which appears on pages 6 through 9 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 1998 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," and " Employee Benefit Plans."

Item 12. 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 through 13 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 1998 under the caption titled "Principal Stockholders: Securities Ownership of Management."

Item 13. Certain Relationships and Related Transactions.

The response to this Item is incorporated herein by reference to the information which appears on page 11 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 1998 under the caption titled "Certain Transactions with Management and Associates."

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) The following documents are filed as part of this report:

All other schedules are omitted because they are not applicable, not required, or the required information is shown in the financial statements or notes thereto.

(b) Reports on Form 8-K

No Reports on Form 8-K were filed during the fourth quarter of 1997.

(c) Exhibits:

Exhibit 3i and 3ii. Articles of Incorporation and Bylaws

Amended and Restated Charter and Bylaws 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 10. 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 appeared on pages 13 - 16 of the Bank's Proxy Statement for the Annual Meeting of Stockholders which was 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 pages 7 and 8 of the Bank's Proxy Statement for the Annual Meeting of Stockholders to be held on April 30, 1998 under the caption titled "Employment Agreements and Special Termination Agreements."

Exhibit 13. Annual Report to Security Holders

Hingham Institution for Savings Annual Report to Stockholders for the fiscal year ended December 31, 1997 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 21. 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 25, 1998

/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	3/25/98 Date
/s/ Deborah J. Jackson	Senior Vice President and Treasurer, Chief Financial and Accounting Officer	3/25/98 Date
/s/ Marion J. Fahey	Clerk of the Board and Director	3/25/98 Date
/s/ James V. Consentino	Director	3/25/98 Date
/s/ Ronald D. Falcione	Director	3/25/98 Date
/s/ Kevin W. Gaughen	Director	3/25/98 Date
/s/ Julio R. Hernando	Director	3/25/98 Date
/s/ Robert A. Lane	Director	3/25/98 Date

/s/ Warren B. Noble	Director	3/25/98 Date
/s/ Stacey M. Page	Director	3/25/98 Date
/s/ Donald E. Staszko	Director	3/25/98 Date
/s/ Donald M. Tardiff, M.D.	Director	3/25/98 Date
/s/ James R. White	Director	3/25/98 Date
/s/ Geoffrey C. Wilkinson, Sr.	Director	3/25/98 Date
/s/ Jacqueline M. Youngworth	Director	3/25/98 Date