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FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C. 204529

FORM F - 4

QUARTERLY REPORT UNDER SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934 FOR

THE QUARTER ENDED MARCH 31, 1997

FDIC CERTIFICATE NUMBER - 90211-0

HINGHAM INSTITUTION FOR SAVINGS
(Exact name of bank 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)

(617) 749-2200
(Bank'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 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 the number of shares outstanding of each of the bank's classes of common stock, as of the latest practicable date:

At April 30, 1997 there were 1,303,500 shares of common stock outstanding.

ITEM 1 - FINANCIAL STATEMENTS

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Balance Sheets

(In Thousands) (Unaudited)	March 31, 1997	December 31, 1996
ASSETS		
Cash and due from banks	$ 3,156	$ 3,323
Interest-bearing deposits	7,373	8,317
Cash and cash equivalents	10,529	11,640
Securities available for sale, at fair value	32,295	32,321
Loans, net of allowance for loan losses of $1,432,000 in 1997 and $1,393,000 in 1996	156,009	151,166
Banking premises and equipment, net	2,545	2,418
Accrued interest receivable	1,180	1,060
Deferred income tax asset	1,219	1,106
Federal Home Loan Bank stock, at cost	1,450	1,450
Other assets	440	425
Total assets	$ 205,667	$ 201,586
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	$ 154,518	$ 150,015
Federal Home Loan Bank advances	29,000	29,754
Other borrowed funds	112	188
Accrued interest payable	605	582
Mortgagors' escrow accounts	417	292
Other liabilities	1,373	1,543
Total liabilities	186,025	182,374
Commitments and contingencies		
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; 1,301,500 shares issued and outstanding at March 31, 1997 and 1,297,500 at December 31, 1996	1,302	1,298
Additional paid-in capital	8,668	8,616
Undivided profits	10,046	9,542
	20,016	19,456
Net unrealized loss on securities available for sale, after tax effect	(374)	(244)
Total stockholders' equity	19,642	19,212
Total liabilities and stockholders' equity	$ 205,667	$ 201,586

See accompanying Notes to Unaudited Consolidated Financial Statements.

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
Interest and dividend income:		
Loans	$ 3,256	$ 2,569
Investment securities	515	578
Interest-earning balances	93	107
Total interest and dividend income	3,864	3,254
Interest expense:		
Deposits	1,503	1,351
Borrowed funds	417	304
Total interest expense	1,920	1,655
Net interest income	1,944	1,599
Provision for loan losses	39	9
Net interest income after provision for loan losses	1,905	1,590
Other income:		
Customer service fees on deposits	123	94
Other	56	42
Total other income	179	136
Operating expenses:		
Salaries and employee benefits	595	543
Data processing	83	82
Occupancy and equipment	129	124
Foreclosed and other real estate, net	23	-
Legal	7	7
Deposit insurance	5	1
Other	256	237
Total operating expenses	1,098	994
Income before income taxes	986	732
Income tax provision	352	303
Net income	$ 634	$ 429
Earnings per common share	$ 0.49	$ 0.33
Cash dividends declared per common share	$ 0.10	$ 0.08
Weighted average shares outstanding	1,298	1,297

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 Three Months Ended
March 31, 1997 and 1996

(In Thousands) (Unaudited)	Common Stock	Additional Paid-In Capital	Undivided Profits	Net Unrealized Loss on Securities Available for Sale	Total Stockholde Equity
Balance at December 31, 1995	$ 1,295	$ 8,597	$ 8,082	$ (155)	$ 17,819
Net Income	-	-	429	-	429
Change in net unrealized loss on securities available for sale, after tax effect	-	-	-	(158)	(158)
Stock options exercised, after tax effect	2	19	-	-	21
Cash dividends declared ($0.08 per share)	-	-	(105)	-	(105)
Balance at March 31, 1996	$ 1,297	$ 8,616	$ 8,406	$ (313)	$ 18,006
Balance at December 31, 1996	$ 1,298	$ 8,616	$ 9,542	$ (244)	$ 19,212
Net Income	-	-	634	-	634
Change in net unrealized loss on securities available for sale, after tax effect	-	-	-	(130)	(130)
Stock options exercised, after tax effect	4	52	-	-	56
Cash dividends declared ($0.10 per share)	-	-	(130)	-	(130)
Balance at March 31, 1997	$ 1,302	$ 8,668	$ 10,046	$ (374)	$ 19,642

See accompanying Notes to Unaudited Consolidated Financial Statements.

ITEM 1 - FINANCIAL STATEMENTS (continued)

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In Thousands) (Unaudited)	Three Months Ended March 31, 1997	 1996
Cash flows from operating activities:		
Net income	$ 634	$ 429
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	39	9
Amortization of premium on investment securities, net of accretion	43	74
Amortization of deferred loan fees, net	(12)	(18)
Depreciation	54	48
Changes in operating assets and liabilities:		
Accrued interest receivable	(120)	(45)
Other assets	(15)	(114)
Accrued interest payable and other liabilities	(30)	(382)
Net cash provided by operating activities	593	1
Cash flows from investing activities:		
Purchase of securities available for sale	(2,002)	(3,991)
Proceeds from maturities of securities available for sale	703	3,276
Principal payments received on mortgage-backed securities	1,049	1,741
Loans originated, net of payments received	(4,870)	(4,956)
Additions to banking premises and equipment	(181)	(51)
Net cash used in investing activities	(5,301)	(3,981)

See accompanying Notes to Unaudited Consolidated Financial Statements.

(continued)

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Cash Flows (concluded)

(In Thousands) (Unaudited)	Three Months Ended March 31, 1997	1996
Cash flows from financing activities:		
Increase in deposits, net	$ 4,503	$ 7,694
Increase in mortgagors' escrow accounts	125	83
Proceeds from stock options exercised	46	10
Cash dividends paid on common stock	(247)	(207)
Proceeds from Federal Home Loan Bank advances with maturities of three months or more	5,000	4,500
Repayment of Federal Home Loan Bank advances with maturities of three months or more	(2,500)	(8,000)
Repayment of borrowed funds with maturities of less than three months	(3,330)	-
Net cash provided by financing activities	3,597	4,080
Net increase (decrease) in cash and cash equivalents	(1,111)	100
Cash and cash equivalents at beginning of year	11,640	10,586
Cash and cash equivalents at end of period	$ 10,529	$ 10,686
Supplementary information:		
Interest paid on deposit accounts	$ 1,490	$ 1,335
Interest paid on borrowed funds	407	313
Income taxes paid	377	682

See accompanying Notes to Unaudited Consolidated Financial Statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements of Hingham Institution for Savings presented herein should be read in conjunction with the consolidated financial statements of Hingham Institution for Savings for the year ended December 31, 1996 filed on Form F-2.

Financial information as of March 31, 1997 and the results of operations and cash flows for the three month periods ended March 31, 1997 and 1996 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.

Certain amounts in prior year financial statements have been reclassified to reflect the current year's presentation.

ACCOUNTING POLICY CHANGES

In February 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share." SFAS No. 128 requires presentation of basic and diluted earnings per share by all entities that have issued common stock or potential common stock (that is, securities such as options, warrants, convertible securities, or contingent stock agreements) if those securities trade in a public market. The Statement is effective for financial statements for both interim and annual periods ending after December 31, 1997. Earlier application is not permitted. After the effective date, the Bank intends to present all prior period restated earnings per share data to conform with the provisions of this Statement.

COMMITMENTS

At March 31, 1997, there were outstanding commitments to advance construction funds and to originate loans in the amount of $12.8 million and commitments to advance existing home equity, letters of credit and other credit lines in the amount of $6.7 million.

DIVIDEND PAYMENT

On March 27, 1997, the Board of Directors declared a $0.10 cash dividend to all stockholders of record as of April 10, 1997, payable April 21, 1997.

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

RESULTS OF OPERATIONS FOR THE THREE MONTH PERIODS ENDED MARCH 31, 1997 AND 1996

GENERAL

The Bank reported net income of $634,000, or $0.49 per share for the quarter ended March 31, 1997 as compared with $429,000, or $0.33 per share for the same period in 1996. On a pre-tax basis, the Bank reported income of $986,000 for the first quarter of 1997 as compared to $732,000 for the first quarter of 1996, an increase of 35%.

NET INTEREST INCOME

Net interest income increased by $345,000, to $1.9 million, for the first quarter of 1997 from the comparable quarter in 1996. Contributing to this increase was an improvement in the mix of earning assets. Average loans were 79% of average total earning assets during the first quarter of 1997. In comparison in 1996, average loans were 72% of average total earning assets.

Three months ended March 31,	1997			1996		
	AVERAGE BALANCE	INTEREST	YIELD/ RATE	AVERAGE BALANCE	INTEREST	YIELD/ RATE
(In Thousands)						
Loans (1) (2)	$ 154,608	$ 3,256	8.42 %	$ 121,749	$ 2,569	8.44 %
Investment securities (3) (4)	34,576	515	5.96	39,458	578	5.86
Interest-earning balances	7,216	93	5.16	8,090	107	5.29
Total earning assets	196,400	3,864	7.87	169,297	3,254	7.69
Other assets	6,508			6,694		
Total assets	$ 202,908			$ 175,991		
Interest-bearing deposits (5)	$ 145,155	1,503	4.14	$ 129,598	1,351	4.17
Borrowed funds	29,120	417	5.73	20,380	304	5.97
Total interest-bearing liabilities	174,275	1,920	4.41	149,978	1,655	4.41
Demand deposits	7,617			6,504		
Other liabilities	1,437			1,485		
Total liabilities	183,329			157,967		
Stockholders' equity	19,579			18,024		
Total liabilities and stockholders' equity	$ 202,908			$ 175,991		
Net interest income		$ 1,944			$ 1,599	
Weighted average rate spread			3.46 %			3.28 %
Net interest margin (6)			3.96 %			3.78 %

(1) Gross of allowance for loan losses.

(2) Includes average non-accrual loans.

(3) Excludes the impact of the average net unrealized 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 increased by $610,000 for the first quarter of 1997 compared to the first quarter of 1996. This improvement is primarily attributable to an increase of approximately $27.1 million, or 16%, in the volume of average earning assets during the quarter ended March 31, 1997 compared to the quarter ended March 31, 1996. Interest income on loans increased by $687,000 over the same two periods primarily as a result of an increase of approximately $32.9 million in average loans outstanding partially offset by a 2 basis point decrease in the average yield. Over the same two periods, interest and dividends on investments decreased by $63,000 due to maturities, calls and principal paydowns on investment securities partially offset by an increase in the weighted average yield from 5.86% to 5.96%. Interest income on interest-earning balances decreased $14,000 over the two periods due to a $874,000 decrease in average balances combined with a 13 basis point reduction in the average yield. The yield on total interest-earning assets was 7.87% for the quarter ended March 31, 1997 as compared to 7.69% for the quarter ended March 31, 1996.

The average rate on interest-bearing liabilities remained at 4.4% for the first quarter of 1997 and the comparable quarter of 1996. Total interest expense increased $265,000 for the quarter ended March 31, 1997 compared to the quarter ended March 31, 1996. Interest on deposits increased by $152,000 primarily as a result of a $15.6 million increase in average interest-bearing deposit balances. Interest expense paid on borrowed funds for the first quarter of 1997 increased by $113,000 as compared to the same quarter in 1996 as a result of a $8.7 million increase in average borrowings partially offset by a 24 basis point reduction in the weighted average rate.

PROVISION FOR LOAN LOSSES

At March 31, 1997 and 1996, management's review of the allowance for loan losses concluded that the balance was adequate to provide for potential losses based upon evaluation of risk in the loan portfolio. A $39,000 provision for loan losses was charged to operations for the first quarter of 1997 as compared to a provision of $9,000 for the first-quarter of 1996. During the first quarter of 1996, the Bank recovered approximately $24,000 of previously charged-off loans. The balance of the allowance for loan losses at March 31, 1997 was $1.4 million.

OTHER INCOME

Total other income was $179,000 for the quarter ended March 31, 1997 as compared to $136,000 for the same quarter of 1996, an increase of $43,000, or 32%. Other income is comprised of customer service fees and other items. Contributing to the increase in other income was growth of $29,000 in customer service fees resulting primarily from an increase in the number of customer accounts and a modest rise in the Bank's fee schedule.

OPERATING EXPENSES

Total operating expenses were $1.1 million, or an annualized 2.16% of average total assets, for the quarter ended March 31, 1997 as compared to $994,000, or 2.26%, for the same quarter of 1996. Salaries and employee benefits expense increased when comparing the two quarters primarily as a result of annual performance salary increases. During the first quarter of 1997, the Bank began foreclosure proceedings on several loans in non-accrual status. As a result, foreclosed and other real estate, net expense increased to $23,000. All other expense categories remained relatively unchanged.

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 quarter of 1997, the Bank recorded $352,000 in tax expense which resulted in an approximate effective rate of 36%. Comparably, in 1996, the Bank recorded $303,000 in tax expense resulting in an approximate effective rate of 41%. Beginning in the fourth quarter of 1996, the Bank employed strategies based on recent tax law changes which had the effect of lowering the Bank's effective tax rate.

BALANCE SHEET ANALYSIS - COMPARISON AT MARCH 31, 1997 TO DECEMBER 31, 1996

Assets totaled $205.7 million at March 31, 1997, as compared to $201.6 million at December 31, 1996, an increase of 2%.

INVESTMENT SECURITIES

Investment securities were $32.3 million, or 16% of total assets, at March 31, 1997, a decrease of $26,000 from $32.3 million at December 31, 1996. During the first quarter of 1997 there were $703,000 in calls and maturities and $1.0 million in principal paydowns offset by the purchase of $2.0 million in agency securities.

The investment portfolio is comprised of U.S. Government and federal agency obligations and mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA). Mortgage-backed issues comprised 66% of the portfolio at March 31, 1997 and 72% at December 31, 1996.

At March 31, 1997 and December 31, 1996, the Bank's entire investment portfolio was 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, net of tax effect. The net unrealized loss on securities available for sale, net of tax was $374,000 at March 31, 1997, a change of $130,000 from December 31, 1996, a result of deterioration in the bond market. The fair value of securities fluctuates with the movement of interest rates. Generally, during periods of rising interest rates, the fair values decline whereas the opposite may hold true during a decreasing interest rate environment.

LOANS

During the first three months of 1997, total loans outstanding increased by $4.8 million to $156.0 million on March 31, 1997, from $151.2 million at December 31, 1996 attributable primarily to $11.5 million originated loans offset by amortization and payoffs. On March 31, 1997 and December 31, 1996, loans outstanding represented 76% and 75% of total assets, respectively.

Loan Balances by Type

(In Thousands)	March 31, 1997	December 31, 1996
Mortgage loans:		
Residential	$ 72,912	$ 71,409
Commercial	69,709	65,839
Construction	8,130	9,252
Equity lines-of-credit	7,774	7,842
Second mortgages	132	167
	158,657	154,509
Less unadvanced loan funds	(3,307)	(3,831)
Total mortgage loans, net	155,350	150,678
Commercial loans:		
Secured	1,410	1,169
Unsecured	43	48
Total commercial loans	1,453	1,217
Consumer loans:		
Personal installment	756	819
Education	13	14
Revolving credit	54	57
Total consumer loans	823	890
Total loans	157,626	152,785
Less: Allowance for loan losses	(1,432)	(1,393)
Net deferred interest and loan fees	(185)	(226)
Loans, net	$ 156,009	$ 151,166

Included in the above table are loans which have been classified as impaired pursuant to the adoption of SFAS No. 114 in the amounts of $1.1 million at March 31, 1997 and $1.2 million at December 31, 1996.

Loans are carried net of the allowance for loan losses. The allowance is maintained at a level to absorb possible losses within the loan portfolio. At March 31, 1997 and December 31, 1996, the allowance had a balance of $1.4 million, which included $41,000 and $46,000, respectively, allocated to loans classified as impaired pursuant to the adoption of SFAS No. 114.

Non-accrual loans decreased by $28,000 to $1.1 million at March 31, 1997 from $1.2 million at December 31, 1996. At March 31, 1997 and December 31, 1996, the Bank held no foreclosed assets. At March 31, 1997, non-performing assets were 0.55% of total assets.

Non-Performing Assets

(In Thousands)	March 31, 1997	December 31, 1996
Non-accrual loans:		
Mortgage loans (1)	$1,140	$1,168
Total non-accrual loans	1,140	1,168
Foreclosed real estate, net	—	—
Total non-performing assets	$1,140	$1,168
Percentage of non-accrual loans to:		
Loans, net	0.73%	0.77%
Total assets	0.55%	0.58%
Percentage of non-performing assets, net to:		
Loans, net and foreclosed real estate, net	0.73%	0.77%
Total assets	0.55%	0.58%

(1) Includes home equity loans.

DEPOSITS

Deposits increased by $4.5 million to $154.5 million at March 31, 1997 from $150.0 million at December 31, 1996. Core deposits, which include regular, money market, NOW and demand deposits, were $71.9 million, or 47% of total deposits, at March 31, 1997. Core deposits were 48% of total deposits at December 31, 1996. Certificate accounts were $82.6 million at March 31, 1997, an increase of $3.9 million over the $78.7 million at December 31, 1996.

Deposit Balances by Type

(Dollars in Thousands)	March 31, 1997	% of Total	December 31, 1996	% of Total
Non-certificate accounts:				
Regular	$30,525	19.7%	$ 30,989	20.6%
Money market deposits	21,293	13.8	20,991	14.0
NOW	12,501	8.1	12,589	8.4
Demand	7,601	4.9	6,732	4.5
Total non-certificate accounts	71,920	46.5	71,301	47.5
Term certificates less than $100,000	62,576	40.5	59,126	39.4
Term certificates $100,000 or more	20,022	13.0	19,588	13.1
Total certificate accounts	82,598	53.5	78,714	52.5
Total deposits	$154,518	100.0%	$150,015	100.0%

BORROWINGS

Federal Home Loan Bank of Boston (FHLB) advances were $29.0 million at March 31, 1997 as compared to $29.8 million at December 31, 1996. These advances are fixed rate in nature and have remaining maturities of less than two years. During the first quarter of 1997, $5.0 million in maturing advances were re-financed at the FHLB. Other borrowed funds represent the balance held in treasury, tax and loan deposits under the Bank's note option depository agreement. These borrowings amounted to $112,000 and $188,000 at March 31, 1997 and December 31, 1996, respectively.

CAPITAL

During the three month period ended March 31, 1997, stockholders' equity increased by $430,000 to $19.6 million, due to net income for the period of $634,000 and the exercise of stock options, offset by the decrease in the value of securities available for sale and the declaration of $0.10 per share in cash dividends.

LIQUIDITY AND CAPITAL RESOURCES

The Bank's primary sources of liquidity are deposit balances, available-for-sale securities, principal and interest payments on loans and investment securities and FHLB advances.

At March 31, 1997, the Bank held $32.3 million in available-for-sale securities and during the first quarter of 1997 the Bank received $1.0 million in principal payments on its investment portfolio. Deposits increased by $4.5 million over the quarter.

The Bank is a member of the Federal Home Loan Bank of Boston and is eligible to obtain both short and long term credit advances. Borrowing capacity is limited to the Bank's available qualified collateral which consists primarily of certain 1-4 family residential mortgages and certain investment securities. At December 31, 1996, the Bank's qualified collateral totalled $100.9 million. At March 31, 1997, the Bank had $29.0 million in credit advances outstanding with remaining maturities of less than two years.

The Bank is a note option depository for treasury, tax and loan deposits, which provide the Bank with an additional source of funding, up to $500,000, at a preferred interest rate.

The Bank can also enter into repurchase agreement transactions should the need for additional liquidity arise. At March 31, 1997, the Bank had no repurchase agreements outstanding.

At March 31, 1997, the Bank had capital of $19.6 million, or 9.6% of total assets, as compared to $19.2 million, or 9.5%, at December 31, 1996. 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.

At March 31, 1997, the Bank had capital of $19.6 million, or 9.6% of total assets, as compared to $19.2 million, or 9.5%, at December 31, 1996. 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.

Regulatory Capital

(Dollars in Thousands)

	March 31, 1997	December 31, 1996	Minimum Regulatory Ratios
Tier 1 Capital as a Percentage of Risk-Weighted Assets	15.07%	15.04%	4.00%
Total Capital as a Percentage of Risk-Weighted Assets	16.15%	16.12%	8.00%
Leverage Ratio	9.85%	9.90%	3.00-5.00%
Total Risk-Weighted Assets	$132,777	$129,335	

At March 31, 1997 and December 31, 1996, the Bank exceeded all of the minimum regulatory capital ratio requirements.

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: May 9, 1997

/s/ Robert H. Gaughen
President & Chief Executive Officer

Date: May 9, 1997

/s/ Deborah J. Jackson
Senior Vice President & Treasurer