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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 JUNE 30, 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 July 31, 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)	June 30, 1997	December 31, 1996
ASSETS		
Cash and due from banks	$ 3,601	$ 3,323
Interest-bearing deposits	6,636	8,317
Cash and cash equivalents	10,237	11,640
Securities available for sale, at fair value	36,285	32,321
Loans, net of allowance for loan losses of $1,473,000 in 1997 and $1,393,000 in 1996	163,913	151,166
Banking premises and equipment, net	2,613	2,418
Accrued interest receivable	1,264	1,060
Deferred income tax asset, net	1,076	1,106
Federal Home Loan Bank stock, at cost	1,700	1,450
Other assets	498	425
Total assets	$ 217,586	$ 201,586
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	$ 158,115	$ 150,015
Federal Home Loan Bank advances	34,230	29,754
Other borrowed funds	213	188
Accrued interest payable	169	582
Mortgagors' escrow accounts	323	292
Due to brokers for investments purchased	2,998	-
Other liabilities	1,180	1,543
Total liabilities	197,228	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; 1,303,500 shares issued and outstanding at June 30, 1997 and 1,297,500 at December 31, 1996	1,304	1,298
Additional paid-in capital	8,693	8,616
Undivided profits	10,551	9,542
	20,548	19,456
Net unrealized loss on securities available for sale, after tax effect	(190)	(244)
Total stockholders' equity	20,358	19,212
Total liabilities and stockholders' equity	$ 217,586	$ 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 June 30, 1997	Three Months Ended June 30, 1996	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Interest and dividend income:				
Loans	$ 3,446	$ 2,755	$ 6,702	$ 5,324
Investment securities	536	565	1,051	1,143
Interest-bearing deposits	77	67	170	174
Total interest and dividend income	4,059	3,387	7,923	6,641
Interest expense:				
Deposits	1,548	1,391	3,051	2,742
Borrowed funds	447	288	864	592
Total interest expense	1,995	1,679	3,915	3,334
Net interest income	2,064	1,708	4,008	3,307
Provision for loan losses	39	30	78	39
Net interest income after provision for loan losses	2,025	1,678	3,930	3,268
Other income:				
Customer service fees on deposits	112	99	235	193
Other	45	58	101	100
Total other income	157	157	336	293
Operating expenses:				
Salaries and employee benefits	621	559	1,216	1,102
Data processing	85	75	168	157
Occupancy and equipment	141	116	270	240
Legal	4	3	11	10
Deposit insurance	6	1	11	2
Other	251	245	530	482
Total operating expenses	1,108	999	2,206	1,993
Income before income taxes	1,074	836	2,060	1,568
Income tax provision	411	349	763	652
Net income	$ 663	$ 487	1,297	$ 916
Earnings per common share	$ 0.51	$ 0.38	$ 1.00	$ 0.71
Cash dividends declared per common share	$ 0.12	$ 0.09	$ 0.22	$ 0.17
Weighted average shares outstanding	1,303	1,298	$ 1,300	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 Six Months Ended
June 30, 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	-	-	916	-	916
Change in net unrealized loss on securities available for sale, after tax effect	-	-	-	(308)	(308)
Stock options exercised, after tax effect	3	19	-	-	22
Cash dividends declared ($0.17 per share)	-	-	(221)	-	(221)
Balance at June 30, 1996	$ 1,298	$ 8,616	$ 8,777	$ (463)	$ 18,228
Balance at December 31, 1996	$ 1,298	$ 8,616	$ 9,542	$ (244)	$ 19,212
Net Income	-	-	1,297	-	1,297
Change in net unrealized loss on securities available for sale, after tax effect	-	-	-	54	54
Stock options exercised, after tax effect	6	77	-	-	83
Cash dividends declared ($0.22 per share)	-	-	(288)	-	(288)
Balance at June 30, 1997	$ 1,304	$ 8,693	$ 10,551	$ (190)	$ 20,358

See accompanying Notes to Unaudited Consolidated Financial Statements.

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In Thousands) (Unaudited)	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Cash flows from operating activities:		
Net income	$	$ 916
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses		39
Amortization of premium on investment securities, net of accretion		142
Amortization of deferred loan fees, net		(28)
Depreciation		96
Changes in operating assets and liabilities:		
Accrued interest receivable		(10)
Other assets		(158)
Accrued interest payable and other liabilities		(437)
Net cash provided by operating activities	0	560
Cash flows from investing activities:		
Purchase of securities available for sale		(3,991)
Proceeds from maturities of securities available for sale		3,946
Principal payments received on mortgage-backed securities		3,523
Loans originated, net of payments received		(17,481)
Additions to banking premises and equipment		(58)
Net cash used in investing activities	0	(14,061)

See accompanying Notes to Unaudited Consolidated Financial Statements.

(continued)

ITEM 1 - FINANCIAL STATEMENTS (continued)

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Consolidated Statements of Cash Flows (concluded)

(In Thousands) (Unaudited)	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Cash flows from financing activities:		
Increase in deposits, net	$	$ 10,945
Increase in mortgagors' escrow accounts		(12)
Proceeds from stock options exercised		10
Cash dividends paid on common stock		(311)
Proceeds from Federal Home Loan Bank advances with maturities of three months or more		8,500
Repayment of Federal Home Loan Bank advances with maturities of three months or more		(8,000)
Repayment of borrowed funds with maturities of less than three months		-
Net cash provided by financing activities	0	11,132
Net increase (decrease) in cash and cash equivalents		(2,369)
Cash and cash equivalents at beginning of year		10,586
Cash and cash equivalents at end of period	$ 0	$ 8,217
Supplementary information:		
Interest paid on deposit accounts	$	$ 2,738
Interest paid on borrowed funds		584
Income taxes paid		1,157

See accompanying Notes to Unaudited Consolidated Financial Statements.

HINGHAM INSTITUTION FOR SAVINGS AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

June 30, 1997 and 1996

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 June 30, 1997 and the results of operations and cash flows for the three and six month periods ended June 30, 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.

In June 1997, FASB issued SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 requires that comprehensive income, defined as the total of net income and all other nonowner changes in equity, be reported in interim and annual financial statements. The Statement is effective for fiscal years beginning after December 15, 1997 with earlier application permitted. The Bank intends to present its comprehensive income to conform with the provisions of this Statement beginning in fiscal year 1998.

COMMITMENTS

At June 30, 1997, there were outstanding commitments to advance construction funds and to originate loans in the amount of $9.8 million and commitments to advance existing home equity, letters of credit and other credit lines in the amount of $7.8 million.

DIVIDEND PAYMENT

On June 24, 1997, the Board of Directors declared a $0.12 cash dividend to all stockholders of record as of July 11, 1997, payable July 21, 1997.

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

RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED JUNE 30, 1997 AND 1996

GENERAL

The Bank reported net income of $663,000, or $0.51 per share for the quarter ended June 30, 1997 as compared with $487,000, or $0.38 per share for the same period in 1996. The improvement in net income is primarily attributable to a 21% increase in net interest income which resulted from asset growth and an 18 basis point increase in the net interest margin.

NET INTEREST INCOME

Net interest income increased by $356,000, to $2.1 million, for the second 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 80% of average total earning assets during the second quarter of 1997. In comparison in 1996, average loans were 75% of average total earning assets.

Three months ended June 30,	1997			1996		
	AVERAGE BALANCE	INTEREST	YIELD/ RATE	AVERAGE BALANCE	INTEREST	YIELD/ RATE
(In Thousands)						
Loans (1) (2)	$ 160,886	$ 3,446	8.57 %	$ 131,223	$ 2,755	8.40 %
Investment securities (3) (4)	35,682	536	6.01	38,606	565	5.85
Interest-earning balances	5,694	77	5.41	5,128	67	5.23
Total earning assets	202,262	4,059	8.03	174,957	3,387	7.74
Other assets	6,362			6,478		
Total assets	$ 208,624			$ 181,435		
Interest-bearing deposits (5)	$ 148,075	1,548	4.18	$ 134,275	1,391	4.14
Borrowed funds	30,512	447	5.86	19,585	288	5.88
Total interest-bearing liabilities	178,587	1,995	4.47	153,860	1,679	4.37
Demand deposits	8,795			8,125		
Other liabilities	1,124			1,213		
Total liabilities	188,506			163,198		
Stockholders' equity	20,118			18,237		
Total liabilities and stockholders' equity	$ 208,624			$ 181,435		
Net interest income		$ 2,064			$ 1,708	
Weighted average rate spread			3.56 %			3.37 %
Net interest margin (6)			4.08 %			3.90 %

(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 $672,000 for the second quarter of 1997 compared to the second quarter of 1996. This improvement is primarily attributable to an increase of approximately $27.3 million, or 16%, in the volume of average earning assets during the quarter ended June 30, 1997 compared to the quarter ended June 30, 1996. Interest income on loans increased by $691,000 over the same two periods primarily as a result of an increase of approximately $29.7 million in average loans outstanding and a 17 basis point increase in the average yield. Over the same two periods, interest and dividends on investments decreased by $29,000 due to maturities, calls and principal paydowns on investment securities partially offset by an increase in the weighted average yield from 5.85% to 6.01%. Interest income on interest-earning balances increased $10,000 over the two periods due to a $566,000 increase in average balances combined with an 18 basis point increase in the average yield. The yield on total interest-earning assets was 8.03% for the quarter ended June 30, 1997 as compared to 7.74% for the quarter ended June 30, 1996.

The average rate on interest-bearing liabilities rose by 10 basis points to 4.47% for the second quarter of 1997 as compared to the comparable quarter of 1996. Total interest expense increased $316,000 for the quarter ended June 30, 1997 compared to the quarter ended June 30, 1996. Interest on deposits increased by $157,000 primarily as a result of a $13.8 million increase in average interest-bearing deposit balances. Interest expense paid on borrowed funds for the second quarter of 1997 increased by $159,000 as compared to the same quarter in 1996 primarily as a result of a $10.9 million increase in average borrowings.

PROVISION FOR LOAN LOSSES

At June 30, 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 second quarter of 1997 as compared to a provision of $30,000 for the second quarter of 1996. During the second quarter of 1997, the Bank recovered approximately $2,000 of previously charged-off loans. The balance of the allowance for loan losses at June 30, 1997 was $1.5 million.

OTHER INCOME

Total other income was $157,000 for the quarters ended June 30, 1997 and June 30, 1996. Other income is comprised of customer service fees and other items.

OPERATING EXPENSES

Total operating expenses were $1.1 million for the quarter ended June 30, 1997 as compared to $999,000 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. Stated as a percentage of average total assets, annualized total operating expenses decreased to 2.12% for the second quarter of 1997 as compared to 2.20% for the second quarter of 1996.

INCOME TAXES

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

During the second quarter of 1997, the Bank recorded $411,000 in tax expense which resulted in an approximate effective rate of 38.3%. Comparably, in 1996, the Bank recorded $349,000 in tax expense resulting in an approximate effective rate of 41.7%. 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.

RESULTS OF OPERATIONS FOR THE SIX MONTH PERIODS ENDED JUNE 30, 1997 AND 1996

GENERAL

The Bank reported net income of $1.3 million, or $1.00 per share for the six months ended June 30, 1997 as compared with $916,000 or $0.71 per share for the same period in 1996. The improvement in net income is primarily attributable to a 21% increase in net interest income which resulted from asset growth and a 16 basis point increase in the net interest margin.

NET INTEREST INCOME

Net interest income increased to $4.0 million for the first half of 1997 from $3.3 million for the comparable period in 1996, a result of a 16% increase in average earnings assets. Contributing to the increase in earning assets was an improvement in the average interest rate spread which was 3.33% for the first half of 1996 as compared to 3.49% for the first half of 1997. Net interest margin, which is calculated by dividing net interest income by average earning assets increased to 4.00% for the first half of 1997 from 3.84% for the same period last year.

Six months ended June 30,	1997			1996		
	AVERAGE BALANCE	INTEREST	YIELD/ RATE	AVERAGE BALANCE	INTEREST	YIELD/ RATE
(In Thousands)						
Loans (1) (2)	$ 158,635	$ 6,702	8.45 %	$ 126,486	$ 5,324	8.42 %
Investment securities (3) (4)	35,220	1,051	5.97	39,032	1,143	5.86
Interest-earning balances	6,378	170	5.33	6,540	174	5.32
Total earning assets	200,233	7,923	7.91	172,058	6,641	7.72
Other assets	6,443			6,655		
Total assets	$ 206,676			$ 178,713		
Interest-bearing deposits (5)	$ 146,979	3,051	4.15	$ 131,939	2,742	4.16
Borrowed funds	30,157	864	5.73	19,982	592	5.93
Total interest-bearing liabilities	177,136	3,915	4.42	151,921	3,334	4.39
Demand deposits	8,367			7,315		
Other liabilities	1,324			1,346		
Total liabilities	186,827			160,582		
Stockholders' equity	19,849			18,131		
Total liabilities and stockholders' equity	$ 206,676			$ 178,713		
Net interest income		$ 4,008			$ 3,307	
Weighted average rate spread			3.49 %			3.33 %
Net interest margin (6)			4.00 %			3.84 %

(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 $1.3 million for the first six months of 1997 as compared to the same period in 1996. This increase is primarily attributable to an increase of approximately $28.2 million in the volume of average earning assets during the period ended June 30, 1997 compared to the period ended June 30, 1996 combined with a 19 basis point rise in the average yield over the same two periods. Interest income on loans increased by $1.4 million over the same two periods primarily as a result of an increase of approximately $32.1 million in average loans outstanding and an increase in yields from 8.42% to 8.45%. Over the same two periods, interest and dividends on investments decreased by $92,000, due to maturities, calls and principal paydowns on investment securities partially offset by an 11 basis point increase in the weighted average yield. Interest income on short-term investments declined $4,000 primarily due to a $162,000 decrease in average balances.

Total interest expense increased $581,000 for the six month period ended June 30, 1997 compared to the same period in 1996. Interest on deposits increased by $309,000 as a result of higher average balances and changes in the deposit mix. The deposit rate declined slightly from 4.16% to 4.15% while average balances increased from $131.9 million to $147.0 million. Interest expense on borrowed funds for the first half of 1997 increased by $272,000 as compared to the same period in 1996 primarily as a result of a $10.2 million increase in average borrowings offset by a 20 basis point decline in the weighted average rate. The average rate on interest-bearing liabilities increased to 4.42% for the first half of 1997 from 4.39% for the comparable period in 1996.

PROVISION FOR LOAN LOSSES

At June 30, 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. During the first half of 1997, the Bank recovered approximately $2,000 in loans previously charged off and a $78,000 provision for loan losses was charged to operations. During the first half of 1996, the Bank charged off approximately $23,000 in loans and a $39,000 provision was charged to operations. The balance of the allowance for loan losses at June 30, 1997 was $1.5 million.

OTHER INCOME

Total other income was $336,000 for the six months ended June 30, 1997 as compared to $293,000 for the same period in 1996, an increase of $43,000 which is primarily attributable to an increase in the number of deposit accounts, increased fee-based activity, and a modest rise in the Bank's service fee schedule.

OPERATING EXPENSES

Total operating expenses were $2.2 million, or an annualized 2.13% of average total assets, for the six months ended June 30, 1997 as compared to $2.0 million, or 2.2%, for the same period in 1996. This $213,000 increase was due primarily to salaries and employee benefits expenses which increased as a result of annual performance-based salary increases. Also contributing to the rise in expenses were costs incurred in the collection of delinquent loans and an increase in Federal Deposit Insurance Corporation deposit insurance premiums.

INCOME TAXES

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

During the first half of 1997, the Bank recorded $763,000 in tax expense as compared to $652,000 recorded in 1996. For 1997, the Bank was taxed at an approximate effective rate of 37.0%, as compared to 41.6% for 1996. 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 JUNE 30, 1997 TO

DECEMBER 31, 1996

Assets totaled $217.6 million at June 30, 1997, as compared to $201.6 million at December 31, 1996, an increase of 8%.

INVESTMENT SECURITIES

Investment securities were $36.3 million, or 17% of total assets, at June 30, 1997, an increase of $4.0 million from $32.3 million at December 31, 1996. During the first half of 1997 there were purchases of $8.2 million in agency securities offset by $1.9 million in calls and maturities and $2.2 million in principal paydowns.

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 56% of the portfolio at June 30, 1997 as compared to 72% at December 31, 1996.

At June 30, 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 $190,000 at June 30, 1997, a change of $54,000 from December 31, 1996, a result of an improvement in the bond market. The fair value of securities fluctuates with the movement of interest rates. Generally, during periods of falling interest rates, the fair values improve whereas the opposite may hold true during an increasing interest rate environment.

LOANS

During the first six months of 1997, total loans outstanding increased by $12.7 million to $163.9 million on June 30, 1997, from $151.2 million at December 31, 1996 attributable primarily to $28.1 million originated loans offset by amortization and payoffs. On June 30, 1997 and December 31, 1996, loans outstanding represented 75% of total assets.

Loan Balances by Type

(In Thousands)	June 30, 1997	December 31, 1996
Mortgage loans:		
Residential	$ 72,531	$ 71,409
Commercial	79,200	65,839
Construction	7,628	9,252
Equity lines-of-credit	6,864	7,842
Second mortgages	309	167
	166,532	154,509
Less unadvanced loan funds	(2,513)	(3,831)
Total mortgage loans, net	164,019	150,678
Commercial loans:		
Secured (1)	-	1,169
Unsecured	164	48
Total commercial loans	164	1,217
Consumer loans:		
Personal installment	1,298	819
Education	12	14
Revolving credit	64	57
Total consumer loans	1,374	890
Total loans	165,557	152,785
Less: Allowance for loan losses	(1,473)	(1,393)
Net deferred interest and loan fees	(171)	(226)
Loans, net	$ 163,913	$ 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 $892,000 at June 30, 1997 and $1.2 million at December 31, 1996.

(1) Reflects a reclassification of loans secured by mortgages.

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 June 30, 1997 and December 31, 1996, the allowance had a balance of $1.5 million and $1.4 million, respectively, 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 $276,000 to $892,000 at June 30, 1997 from $1.2 million at December 31, 1996. At June 30, 1997 and December 31, 1996, the Bank held no foreclosed assets. At June 30, 1997, non-performing assets were 0.41% of total assets.

Non-Performing Assets

(In Thousands)	June 30, 1997	December 31, 1996
Non-accrual loans:		
Mortgage loans (1)	$892	$1,168
Total non-accrual loans	892	1,168
Foreclosed real estate, net	—	—
Total non-performing assets	$892	$1,168
Percentage of non-accrual loans to:		
Loans, net	0.54%	0.77%
Total assets	0.41%	0.58%
Percentage of non-performing assets, net to:		
Loans, net and foreclosed real estate, net	0.54%	0.77%
Total assets	0.41%	0.58%

(1) Includes home equity loans.

DEPOSITS

Deposits increased by $8.1 million to $158.1 million at June 30, 1997 from $150.0 million at December 31, 1996. Core deposits, which include regular, money market, NOW and demand deposits, were $74.3 million, or 47.0% of total deposits, at June 30, 1997 an increase of $3.0 million, or 4%, during the first half of 1997. Certificate accounts were $83.8 million at June 30, 1997, an increase of $5.1 million over the $78.7 million at December 31, 1996.

Deposit Balances by Type

(Dollars in Thousands)	June 30, 1997	% of Total	December 31, 1996	% of Total
Non-certificate accounts:				
Regular	$31,672	20.0%	$ 30,989	20.6%
Money market deposits	20,371	12.9	20,991	14.0
NOW	12,793	8.1	12,589	8.4
Demand	9,513	6.0	6,732	4.5
Total non-certificate accounts	74,349	47.0	71,301	47.5
Term certificates less than $100,000	63,335	40.0	59,126	39.4
Term certificates $100,000 or more	20,431	13.0	19,588	13.1
Total certificate accounts	83,766	53.0	78,714	52.5
Total deposits	$158,115	100.00%	$150,015	100.0%

BORROWINGS

Federal Home Loan Bank of Boston (FHLB) advances were $34.2 million at June 30, 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 half of 1997 there were $5.0 million in new FHLB advances and $11.0 million in maturing advances were re-financed. 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 $213,000 and $188,000 at June 30, 1997 and December 31, 1996, respectively.

CAPITAL

During the six month period ended June 30, 1997, stockholders' equity increased by $1.1 million to $20.4 million, due to net income for the period of $1.3 million, the exercise of stock options and an increase in the value of securities available for sale offset by the declaration of $0.22 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 June 30, 1997, the Bank held $36.3 million in available-for-sale securities and during the first half of 1997 the Bank received $2.2 million in principal payments on its investment portfolio. Deposits increased by $8.1 million for the first half of the year.

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 June 30, 1997, the Bank had $34.2 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 June 30, 1997, the Bank had no repurchase agreements outstanding.

At June 30, 1997, the Bank had capital of $20.4 million, or 9.4% 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)

	June 30, 1997	December 31, 1996	Minimum Regulatory Ratios
Tier 1 Capital as a Percentage of Risk-Weighted Assets	14.62%	15.04%	4.00%
Total Capital as a Percentage of Risk-Weighted Assets	15.67%	16.12%	8.00%
Leverage Ratio	9.83%	9.90%	3.00-5.00%
Total Risk-Weighted Assets	$140,555	$129,335	

At June 30, 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: August 13, 1997

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

Date: August 13, 1997

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

SIGNATURES

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

HINGHAM INSTITUTION FOR SAVINGS

Date: August 13, 1997

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

Date: August 13, 1997

Deborah J. Jackson
Senior Vice President & Treasurer