

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report  
(Date of earliest event reported) April 24, 2017

**BANK OF HAWAII CORPORATION**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State of Incorporation)

**1-6887**  
(Commission  
File Number)

**99-0148992**  
(IRS Employer  
Identification No.)

**130 Merchant Street, Honolulu, Hawaii**  
(Address of principal executive offices)

**96813**  
(Zip Code)

(Registrant's telephone number,  
including area code)

**(888) 643-3888**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
  - If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
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**Item 2.02. Results of Operations and Financial Condition.**

On April 24, 2017, Bank of Hawaii Corporation announced its results of operations for the quarter ended March 31, 2017. The public announcement was made by means of a press release, the text of which is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.

99.1 April 24, 2017 Press Release: Bank of Hawaii Corporation First Quarter 2017 Financial Results. Any internet addresses provided in this release are for informational purposes only and are not intended to be hyperlinks. Furnished herewith.

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**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 24, 2017

Bank of Hawaii Corporation

By: /s/ Mark A. Rossi

Mark A. Rossi

Vice Chairman and Corporate Secretary



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## Bank of Hawaii Corporation First Quarter 2017 Financial Results

- ☒ **Diluted Earnings Per Share \$1.20**
- ☒ **Net Income \$51.2 Million**
- ☒ **Board of Directors Authorizes Dividend of \$0.50 Per Share**

### FOR IMMEDIATE RELEASE

**HONOLULU, HI** (April 24, 2017) -- Bank of Hawaii Corporation (NYSE: BOH) today reported diluted earnings per share of \$1.20 for the first quarter of 2017, up from \$1.02 in the previous quarter and up from \$1.16 in the same quarter last year. Net income for the first quarter of 2017 was \$51.2 million, an increase of \$7.7 million compared with net income of \$43.5 million in the fourth quarter of 2016 and up \$1.0 million from net income of \$50.2 million in the first quarter of 2016.

Loan and lease balances increased to \$9.1 billion at March 31, 2017, up 1.8 percent from December 31, 2016 and 13.0 percent compared with March 31, 2016. Deposit growth remained strong during the quarter, increasing 1.1 percent from December 31, 2016 and 7.3 percent from March 31, 2016.

"Bank of Hawaii Corporation began 2017 with good financial performance in the first quarter," said Peter S. Ho, Chairman, President, and CEO. "Our balance sheet growth remained strong and we maintained our disciplined approach to risk and capital management. During the quarter we sold \$12.5 million in Visa Class B shares, our margin expanded to 2.89 percent and our asset quality continued its stable trend."

The return on average assets for the first quarter of 2017 was 1.26 percent, an increase from 1.07 percent during the previous quarter and down from 1.30 percent in the same quarter last year. The return on average equity for the first quarter of 2017 was 17.63 percent, up from 14.90 percent in the fourth quarter of 2016 and down slightly from 17.88 percent in the first quarter of 2016. The efficiency ratio during the first quarter of 2017 was 53.42 percent, an improvement from 58.33 percent in the previous quarter and 54.88 percent in the same quarter last year.

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### Financial Highlights

Net interest income, on a taxable-equivalent basis, for the first quarter of 2017 was \$112.9 million, up \$2.8 million from net interest income of \$110.1 million in the fourth quarter of 2016 and up \$6.9 million from net interest income of \$106.0 million in the first quarter of 2016. Net interest income in the first quarter of 2016 included interest recoveries of \$1.3 million related to one commercial client in Guam. The net interest margin was 2.89 percent for the first quarter of 2017, up 6 basis points compared with the previous quarter and up 3 basis points from the first quarter last year. Analyses of the changes in net interest income are included in Tables 8a and 8b.

Results for the first quarter of 2017 included a provision for credit losses of \$4.4 million due to continued growth of loans and leases. Results for the fourth quarter of 2016 included a provision for credit losses of \$3.3 million. Results for the first quarter of 2016 included a negative provision for credit losses of \$2.0 million largely due to a recovery of loans previously charged off related to the previously mentioned commercial client.

Noninterest income was \$55.9 million in the first quarter of 2017, an increase of \$9.4 million compared with noninterest income of \$46.5 million in the fourth quarter of 2016 and a decrease of \$0.3 million compared with noninterest income of \$56.2 million in the first quarter of 2016. Noninterest income in the first quarter of 2017 included a gain of \$12.5 million resulting from the sale of 90,000 Visa Class B shares. There were no significant items in noninterest income during the fourth quarter of 2016. Noninterest income in the first quarter of 2016 included a gain of \$11.4 million resulting from the sale of 100,000 Visa Class B shares and net gains of \$1.9 million related to sales of leased assets. As of March 31, 2017, the Company has 90,914 Visa Class B shares remaining. Mortgage banking income totaled \$3.3 million in the first quarter of 2017 compared with \$6.3 million in the previous quarter and \$3.2 million in the same quarter last year.

Noninterest expense was \$88.6 million in the first quarter of 2017, down \$1.0 million from noninterest expense of \$89.6 million in the fourth quarter of 2016 and up \$1.2 million from noninterest expense of \$87.4 million in the same quarter last year. Noninterest expense in the first quarter of 2017 included seasonal payroll expenses of approximately \$2.5 million. Noninterest expense in the fourth quarter of 2016 included expenses of \$1.3 million in compensation related to the increase in the stock price during the quarter partially offset by a net gain of \$1.0 million on the sale of a branch building. Noninterest expense in the first quarter of 2016 included seasonal payroll-related expenses of approximately \$2.5 million and an increase of \$0.5 million to the provision for unfunded commitments partially offset by a net gain of \$1.5 million for the sale of a real estate property in Guam.

The effective tax rate for the first quarter of 2017 was 29.72 percent compared with 28.38 percent in the previous quarter and 32.01 percent during the same quarter last year.

The Company's business segments are defined as Retail Banking, Commercial Banking, Investment Services, and Treasury & Other. Results for the business segments are determined based on the Company's internal financial management reporting process and organizational structure. Selected financial information for the business segments is included in Table 13.

### Asset Quality

The Company's asset quality remained solid during the first quarter of 2017. Total non-performing assets decreased to \$19.0 million at March 31, 2017, down from non-performing assets of \$19.8 million at December 31, 2016 and \$22.0 million at March 31, 2016. As a percentage of total loans and leases, including foreclosed real estate, non-performing assets were 0.21 percent at the end of the first quarter of 2017, down from 0.22 percent at the end of the fourth quarter of 2016 and 0.27 percent at the end of the first quarter last year.

Accruing loans and leases past due 90 days or more were \$5.9 million at March 31, 2017, down from \$7.1 million at December 31, 2016 and \$7.9 million at March 31, 2016. Restructured loans not included in non-accrual loans or accruing loans past due 90 days or more were \$53.0 million at March 31, 2017, up from \$52.2 million at December 31, 2016 and \$50.7 million at March 31, 2016. More information on non-performing assets and accruing loans and leases past due 90 days or more is presented in Table 11.

Net loans and leases charged off during the first quarter of 2017 were \$3.6 million or 0.16 percent annualized of total average loans and leases outstanding. Loan and lease charge-offs of \$5.7 million during the quarter were partially offset by recoveries of \$2.1 million. Net charge-offs during the fourth quarter of 2016 were \$3.0 million or 0.14 percent annualized of total average loans and leases outstanding and were comprised of \$5.0 million in charge-offs partially offset by recoveries of \$1.9 million. The Company recorded a net recovery of loans and leases previously charged off of \$3.8 million during the first quarter of 2016 as charge-offs of \$4.9 million were more than offset by recoveries of \$8.7 million.

The allowance for loan and lease losses was \$105.1 million at March 31, 2017, an increase from \$104.3 million at December 31, 2016 and \$104.7 million at March 31, 2016. The ratio of the allowance for loan and lease losses to total loans and leases outstanding was 1.15 percent at March 31, 2017 compared with 1.17 percent at December 31, 2016 and 1.30 percent at March 31, 2016. The reserve for unfunded commitments was \$6.6 million at March 31, 2017 unchanged from December 31, 2016 and March 31, 2016. Details of loan and lease charge-offs, recoveries, and the components of the total reserve for credit losses are summarized in Table 12.

### Other Financial Highlights

Total assets were \$16.66 billion at March 31, 2017, up from \$16.49 billion at December 31, 2016 and \$15.65 billion at March 31, 2016. Average total assets were \$16.43 billion during the first quarter of 2017, an increase from average total assets of \$16.21 billion during the previous quarter and \$15.54 billion during the same quarter last year.

The investment securities portfolio was \$6.19 billion at March 31, 2017 compared with \$6.02 billion at December 31, 2016 and \$6.21 billion at March 31, 2016. The portfolio at March 31, 2017 remains largely comprised of securities issued by U. S. government agencies and includes \$3.85 billion in securities held to maturity and \$2.34 billion in securities available for sale.

Total loans and leases were \$9.11 billion at March 31, 2017, up from \$8.95 billion at December 31, 2016 and \$8.07 billion at March 31, 2016. Average total loans and leases were \$9.02 billion during the first quarter of 2017, up from \$8.81 billion during the fourth quarter of 2016 and \$7.94 billion during the same quarter last year.

The commercial loan portfolio was \$3.63 billion at the end of the first quarter of 2017, up slightly from commercial loans of \$3.62 billion at the end of the fourth quarter of 2016 and up 11.5 percent from commercial loans of \$3.26 billion at the end of the same quarter last year. The consumer loan portfolio increased to \$5.48 billion at the end of the first quarter of 2017, up 2.8 percent from consumer loans of \$5.33 billion at the end of the fourth quarter of 2016 and up 14.0 percent from \$4.81 billion at the end of the same quarter last year. Loan and lease portfolio balances are summarized in Table 10.

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Total deposits increased to \$14.48 billion at March 31, 2017 compared with \$14.32 billion at December 31, 2016 and \$13.49 billion at March 31, 2016. Average total deposits were \$14.22 billion during the first quarter of 2017, up from \$14.00 billion during the previous quarter and \$13.33 billion during the same quarter last year.

Consumer deposits increased to \$7.20 billion at the end of the first quarter of 2017, up 2.8 percent from the previous quarter and up 9.6 percent compared with the first quarter last year. Commercial deposits were \$6.05 billion at the end of the first quarter of 2017, down 1.0 percent from the previous quarter and up 6.6 percent compared with the first quarter last year. Other deposits, including public funds, were \$1.23 billion at the end of the first quarter, up 1.3 percent from the previous quarter and down 1.1 percent compared with the same quarter last year. Deposit balances are summarized in Tables 7 and 10.

Total shareholders' equity increased to \$1.19 billion at March 31, 2017 compared with \$1.16 billion at December 31, 2016 and \$1.14 billion at March 31, 2016. The Tier 1 Capital Ratio was 13.41 percent at March 31, 2017 compared with 13.24 percent at December 31, 2016 and 13.85 percent at March 31, 2016. The Tier 1 Leverage Ratio at March 31, 2017 was 7.29 percent compared with 7.21 percent at December 31, 2016 and 7.25 percent at March 31, 2016.

During the first quarter of 2017, the Company repurchased 114.0 thousand shares of common stock at a total cost of \$9.6 million under its share repurchase program. The average cost was \$84.53 per share repurchased. From the beginning of the share repurchase program initiated during July 2001 through March 31, 2017, the Company has repurchased 53.8 million shares and returned over \$2.0 billion to shareholders at an average cost of \$37.94 per share. Remaining buyback authority under the share repurchase program was \$55.4 million at March 31, 2017. From April 1 through April 21, 2017 the Company repurchased an additional 31.3 thousand shares of common stock at an average cost of \$79.97 per share.

The Company's Board of Directors declared a quarterly cash dividend of \$0.50 per share on the Company's outstanding shares. The dividend will be payable on June 14, 2017 to shareholders of record at the close of business on May 31, 2017.

### **Hawaii Economy**

General economic conditions in Hawaii remained positive during the first quarter of 2017 due to a continuation of the strong tourism market, active construction industry, low unemployment, and robust real estate market. For the first two months of 2017, total visitor arrivals increased 3.3 percent and visitor spending increased 9.0 percent compared to the same period in 2016. The statewide seasonally-adjusted unemployment rate was 2.7 percent in March 2017 compared to 4.5 percent nationally.

For the first quarter of 2017, the volume of single-family home sales on Oahu increased 1.0 percent and the volume of condominium sales on Oahu increased 7.1 percent compared with the same period last year. During the first quarter of 2017, the median sales price of a single-family home on Oahu increased 3.5 percent and the median sales price of a condominium on Oahu increased 2.6 percent compared with the same period last year. As of March 31, 2017, months of inventory of single-family homes and condominiums on Oahu were at 2.7 months. More information on current Hawaii economic trends is presented in Table 15.

### Conference Call Information

The Company will review its first quarter financial results today at 2:00 p.m. Eastern Daylight Time (8:00 a.m. Hawaii Time). The call will be accessible via teleconference and via the investor relations link of Bank of Hawaii Corporation's website, [www.boh.com](http://www.boh.com). The toll-free number is 1 (844) 543-5235 in the United States and 1 (703) 318-2209 for international callers. Use the pass code "Bank of Hawaii" to access the call. A replay will be available for one week beginning approximately 11:00 a.m. Hawaii Time on Monday, April 24, 2017. The replay number is 1 (855) 859-2056 in the United States and 1 (404) 537-3406 from international locations. Enter the pass code 4087401 when prompted. Participants can also dial 1 (800) 585-8367 to access the replay. In addition, a replay will be available on the Company's website, [www.boh.com](http://www.boh.com).

### Forward-Looking Statements

This news release, and other statements made by the Company in connection with it may contain "forward-looking statements", such as forecasts of our financial results and condition, expectations for our operations and business prospects, and our assumptions used in those forecasts and expectations. Do not unduly rely on forward-looking statements. Actual results might differ significantly from our forecasts and expectations because of a variety of factors. More information about these factors is contained in Bank of Hawaii Corporation's Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the U.S. Securities and Exchange Commission. We have not committed to update forward-looking statements to reflect later events or circumstances.

*Bank of Hawaii Corporation is a regional financial services company serving businesses, consumers and governments in Hawaii, American Samoa and the West Pacific. The Company's principal subsidiary, Bank of Hawaii, was founded in 1897. For more information about Bank of Hawaii Corporation, see the Company's web site, [www.boh.com](http://www.boh.com).*

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**Bank of Hawaii Corporation and Subsidiaries**  
**Financial Highlights**

**Table 1**

	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
(dollars in thousands, except per share amounts)			
<b>For the Period:</b>			
<b>Operating Results</b>			
Net Interest Income	\$ 109,872	\$ 107,093	\$ 103,024
Provision for Credit Losses	4,400	3,250	(2,000)
Total Noninterest Income	55,916	46,503	56,207
Total Noninterest Expense	88,568	89,589	87,386
Net Income	51,176	43,513	50,210
Basic Earnings Per Share	1.21	1.03	1.17
Diluted Earnings Per Share	1.20	1.02	1.16
Dividends Declared Per Share	0.50	0.48	0.45
<b>Performance Ratios</b>			
Return on Average Assets	1.26 %	1.07 %	1.30 %
Return on Average Shareholders' Equity	17.63	14.90	17.88
Efficiency Ratio <sup>1</sup>	53.42	58.33	54.88
Net Interest Margin <sup>2</sup>	2.89	2.83	2.86
Dividend Payout Ratio <sup>3</sup>	41.32	46.60	38.46
Average Shareholders' Equity to Average Assets	7.16	7.17	7.27
<b>Average Balances</b>			
Average Loans and Leases	\$ 9,020,351	\$ 8,813,755	\$ 7,940,097
Average Assets	16,434,606	16,212,940	15,537,073
Average Deposits	14,218,886	13,997,318	13,334,550
Average Shareholders' Equity	1,177,326	1,161,967	1,129,561
<b>Per Share of Common Stock</b>			
<b>Book Value</b>	\$ 27.92	\$ 27.24	\$ 26.43
<b>Tangible Book Value</b>	27.18	26.50	25.70
<b>Market Value</b>			
Closing	82.36	88.69	68.28
High	90.80	89.72	69.37
Low	77.03	71.73	54.55
	<b>March 31, 2017</b>	<b>December 31, 2016</b>	<b>March 31, 2016</b>
<b>As of Period End:</b>			
<b>Balance Sheet Totals</b>			
Loans and Leases	\$ 9,113,809	\$ 8,949,785	\$ 8,065,610
Total Assets	16,664,215	16,492,367	15,654,695
Total Deposits	14,476,533	14,320,240	13,488,892
Other Debt	267,921	267,938	220,771
Total Shareholders' Equity	1,193,137	1,161,537	1,138,753
<b>Asset Quality</b>			
Non-Performing Assets	\$ 19,003	\$ 19,761	\$ 22,015
Allowance for Loan and Lease Losses	105,064	104,273	104,677
Allowance to Loans and Leases Outstanding	1.15 %	1.17 %	1.30 %
<b>Capital Ratios</b>			
Common Equity Tier 1 Capital Ratio	13.41 %	13.24 %	13.85 %
Tier 1 Capital Ratio	13.41	13.24	13.85
Total Capital Ratio	14.66	14.49	15.10
Tier 1 Leverage Ratio	7.29	7.21	7.25
Total Shareholders' Equity to Total Assets	7.16	7.04	7.27
Tangible Common Equity to Tangible Assets <sup>4</sup>	6.98	6.86	7.09
Tangible Common Equity to Risk-Weighted Assets <sup>4</sup>	13.04	12.81	13.62

**Non-Financial Data**

Full-Time Equivalent Employees	2,115	2,122	2,139
Branches	69	69	70
ATMs	441	449	452

<sup>1</sup> Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and total noninterest income).

<sup>2</sup> Net interest margin is defined as net interest income, on a taxable-equivalent basis, as a percentage of average earning assets.

<sup>3</sup> Dividend payout ratio is defined as dividends declared per share divided by basic earnings per share.

<sup>4</sup> Tangible common equity to tangible assets and tangible common equity to risk-weighted assets are Non-GAAP financial measures. See Table 2 "Reconciliation of Non-GAAP Financial Measures."

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**Bank of Hawaii Corporation and Subsidiaries****Reconciliation of Non-GAAP Financial Measures****Table 2**

(dollars in thousands)		<b>March 31,</b>		<b>December 31,</b>		<b>March 31,</b>
		<b>2017</b>		<b>2016</b>		<b>2016</b>
Total Shareholders' Equity	\$	1,193,137	\$	1,161,537	\$	1,138,753
Less: Goodwill		31,517		31,517		31,517
Tangible Common Equity	\$	1,161,620	\$	1,130,020	\$	1,107,236
Total Assets	\$	16,664,215	\$	16,492,367	\$	15,654,695
Less: Goodwill		31,517		31,517		31,517
Tangible Assets	\$	16,632,698	\$	16,460,850	\$	15,623,178
Risk-Weighted Assets, determined in accordance with prescribed regulatory requirements	\$	8,908,024	\$	8,823,485	\$	8,130,093
Total Shareholders' Equity to Total Assets		7.16%		7.04%		7.27%
Tangible Common Equity to Tangible Assets (Non-GAAP)		6.98%		6.86%		7.09%
Tier 1 Capital Ratio		13.41%		13.24%		13.85%
Tangible Common Equity to Risk-Weighted Assets (Non-GAAP)		13.04%		12.81%		13.62%

**Bank of Hawaii Corporation and Subsidiaries**  
**Consolidated Statements of Income**

**Table 3**

	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
(dollars in thousands, except per share amounts)			
<b>Interest Income</b>			
Interest and Fees on Loans and Leases	\$ 87,937	\$ 86,532	\$ 80,895
<b>Income on Investment Securities</b>			
Available-for-Sale	11,084	10,244	10,814
Held-to-Maturity	19,706	19,213	20,391
Deposits	5	2	4
Funds Sold	890	795	753
Other	230	281	212
<b>Total Interest Income</b>	<b>119,852</b>	<b>117,067</b>	<b>113,069</b>
<b>Interest Expense</b>			
Deposits	3,691	3,448	2,886
Securities Sold Under Agreements to Repurchase	5,185	5,406	6,153
Funds Purchased	3	3	3
Other Debt	1,101	1,117	1,003
<b>Total Interest Expense</b>	<b>9,980</b>	<b>9,974</b>	<b>10,045</b>
<b>Net Interest Income</b>	<b>109,872</b>	<b>107,093</b>	<b>103,024</b>
Provision for Credit Losses	4,400	3,250	(2,000)
<b>Net Interest Income After Provision for Credit Losses</b>	<b>105,472</b>	<b>103,843</b>	<b>105,024</b>
<b>Noninterest Income</b>			
Trust and Asset Management	11,479	11,232	11,256
Mortgage Banking	3,300	6,256	3,189
Service Charges on Deposit Accounts	8,325	8,537	8,443
Fees, Exchange, and Other Service Charges	13,332	13,731	13,444
Investment Securities Gains (Losses), Net	12,133	(337)	11,180
Annuity and Insurance	1,995	1,457	1,901
Bank-Owned Life Insurance	1,497	1,551	1,548
Other	3,855	4,076	5,246
<b>Total Noninterest Income</b>	<b>55,916</b>	<b>46,503</b>	<b>56,207</b>
<b>Noninterest Expense</b>			
Salaries and Benefits	51,602	50,622	50,514
Net Occupancy	8,168	7,581	7,003
Net Equipment	5,501	5,191	5,409
Data Processing	3,410	3,665	3,951
Professional Fees	2,779	2,990	2,639
FDIC Insurance	2,209	2,015	2,352
Other	14,899	17,525	15,518
<b>Total Noninterest Expense</b>	<b>88,568</b>	<b>89,589</b>	<b>87,386</b>
<b>Income Before Provision for Income Taxes</b>	<b>72,820</b>	<b>60,757</b>	<b>73,845</b>
Provision for Income Taxes	21,644	17,244	23,635
<b>Net Income</b>	<b>\$ 51,176</b>	<b>\$ 43,513</b>	<b>\$ 50,210</b>
Basic Earnings Per Share	\$ 1.21	\$ 1.03	\$ 1.17
Diluted Earnings Per Share	\$ 1.20	\$ 1.02	\$ 1.16
Dividends Declared Per Share	\$ 0.50	\$ 0.48	\$ 0.45
Basic Weighted Average Shares	42,406,006	42,386,480	42,920,794
Diluted Weighted Average Shares	42,749,866	42,672,470	43,126,526

**Bank of Hawaii Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**

**Table 4**

	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
(dollars in thousands)			
Net Income	\$ 51,176	\$ 43,513	\$ 50,210
Other Comprehensive Income (Loss), Net of Tax:			
Net Unrealized Gains (Losses) on Investment Securities	4,894	(18,641)	8,694
Defined Benefit Plans	146	(453)	141
Total Other Comprehensive Income (Loss)	5,040	(19,094)	8,835
Comprehensive Income	\$ 56,216	\$ 24,419	\$ 59,045

**Bank of Hawaii Corporation and Subsidiaries**  
**Consolidated Statements of Condition**

**Table 5**

(dollars in thousands)	March 31, 2017	December 31, 2016	March 31, 2016
<b>Assets</b>			
Interest-Bearing Deposits in Other Banks	\$ 3,486	\$ 3,187	\$ 4,453
Funds Sold	620,065	707,343	626,206
<b>Investment Securities</b>			
Available-for-Sale	2,341,570	2,186,041	2,293,751
Held-to-Maturity (Fair Value of \$3,848,609; \$3,827,527; and \$3,981,830)	3,848,088	3,832,997	3,911,703
Loans Held for Sale	20,899	62,499	16,854
Loans and Leases	9,113,809	8,949,785	8,065,610
Allowance for Loan and Lease Losses	(105,064)	(104,273)	(104,677)
Net Loans and Leases	9,008,745	8,845,512	7,960,933
<b>Total Earning Assets</b>	<b>15,842,853</b>	<b>15,637,579</b>	<b>14,813,900</b>
Cash and Due from Banks	119,972	169,077	164,012
Premises and Equipment, Net	114,865	113,505	111,086
Accrued Interest Receivable	48,654	46,444	47,504
Foreclosed Real Estate	2,529	1,686	1,728
Mortgage Servicing Rights	24,291	23,663	22,663
Goodwill	31,517	31,517	31,517
Bank-Owned Life Insurance	275,685	274,188	269,723
Other Assets	203,849	194,708	192,562
<b>Total Assets</b>	<b>\$ 16,664,215</b>	<b>\$ 16,492,367</b>	<b>\$ 15,654,695</b>
<b>Liabilities</b>			
<b>Deposits</b>			
Noninterest-Bearing Demand	\$ 4,593,783	\$ 4,772,727	\$ 4,329,321
Interest-Bearing Demand	2,886,573	2,934,107	2,759,357
Savings	5,596,080	5,395,699	5,172,206
Time	1,400,097	1,217,707	1,228,008
<b>Total Deposits</b>	<b>14,476,533</b>	<b>14,320,240</b>	<b>13,488,892</b>
Funds Purchased	4,616	9,616	7,333
Short-Term Borrowings	—	—	408
Securities Sold Under Agreements to Repurchase	505,292	523,378	586,785
Other Debt	267,921	267,938	220,771
Retirement Benefits Payable	48,436	48,451	47,408
Accrued Interest Payable	6,410	5,334	5,661
Taxes Payable and Deferred Taxes	42,046	21,674	43,134
Other Liabilities	119,824	134,199	115,550
<b>Total Liabilities</b>	<b>15,471,078</b>	<b>15,330,830</b>	<b>14,515,942</b>
<b>Shareholders' Equity</b>			
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: March 31, 2017 - 57,962,462 / 42,736,032; December 31, 2016 - 57,856,672 / 42,635,978; and March 31, 2016 - 57,849,536 / 43,080,503)			
	576	576	576
Capital Surplus	553,898	551,628	544,267
Accumulated Other Comprehensive Loss	(28,866)	(33,906)	(14,722)
Retained Earnings	1,444,495	1,415,440	1,347,374
Treasury Stock, at Cost (Shares: March 31, 2017 - 15,226,430; December 31, 2016 - 15,220,694; and March 31, 2016 - 14,769,033)			
	(776,966)	(772,201)	(738,742)
<b>Total Shareholders' Equity</b>	<b>1,193,137</b>	<b>1,161,537</b>	<b>1,138,753</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 16,664,215</b>	<b>\$ 16,492,367</b>	<b>\$ 15,654,695</b>

**Bank of Hawaii Corporation and Subsidiaries**  
**Consolidated Statements of Shareholders' Equity**

**Table 6**

	Common Shares Outstanding	Common Stock	Capital Surplus	Accum. Other Compre- hensive Income (Loss)	Retained Earnings	Treasury Stock	Total
<i>(dollars in thousands)</i>							
<b>Balance as of December 31, 2016</b>	42,635,978	\$ 576	\$ 551,628	\$ (33,906)	\$ 1,415,440	\$ (772,201)	\$ 1,161,537
Net Income	—	—	—	—	51,176	—	51,176
Other Comprehensive Income	—	—	—	5,040	—	—	5,040
Share-Based Compensation	—	—	1,735	—	—	—	1,735
<b>Common Stock Issued under Purchase and Equity</b>							
Compensation Plans and Related Tax Benefits	235,803	—	535	—	(702)	6,744	6,577
Common Stock Repurchased	(135,749)	—	—	—	—	(11,509)	(11,509)
Cash Dividends Declared (\$0.50 per share)	—	—	—	—	(21,419)	—	(21,419)
<b>Balance as of March 31, 2017</b>	42,736,032	\$ 576	\$ 553,898	\$ (28,866)	\$ 1,444,495	\$ (776,966)	\$ 1,193,137
<b>Balance as of December 31, 2015</b>	43,282,153	\$ 575	\$ 542,041	\$ (23,557)	\$ 1,316,260	\$ (719,059)	\$ 1,116,260
Net Income	—	—	—	—	50,210	—	50,210
Other Comprehensive Income	—	—	—	8,835	—	—	8,835
Share-Based Compensation	—	—	1,599	—	—	—	1,599
<b>Common Stock Issued under Purchase and Equity</b>							
Compensation Plans and Related Tax Benefits	141,083	1	627	—	368	1,775	2,771
Common Stock Repurchased	(342,733)	—	—	—	—	(21,458)	(21,458)
Cash Dividends Declared (\$0.45 per share)	—	—	—	—	(19,464)	—	(19,464)
<b>Balance as of March 31, 2016</b>	43,080,503	\$ 576	\$ 544,267	\$ (14,722)	\$ 1,347,374	\$ (738,742)	\$ 1,138,753

# Bank of Hawaii Corporation and Subsidiaries

## Average Balances and Interest Rates - Taxable-Equivalent Basis

Table 7

(dollars in millions)	Three Months Ended			Three Months Ended			Three Months Ended		
	March 31, 2017			December 31, 2016			March 31, 2016		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
<b>Earning Assets</b>									
Interest-Bearing Deposits in Other Banks	\$ 3.3	\$ —	0.57 %	\$ 4.0	\$ —	0.10 %	\$ 4.4	\$ —	0.41 %
Funds Sold	544.1	0.9	0.65	622.8	0.8	0.50	647.7	0.8	0.46
Investment Securities									
Available-for-Sale									
Taxable	1,625.4	7.5	1.87	1,533.8	6.7	1.76	1,588.5	7.2	1.80
Non-Taxable	660.7	5.4	3.26	668.7	5.4	3.21	715.0	5.6	3.15
Held-to-Maturity									
Taxable	3,589.8	18.2	2.03	3,579.1	17.7	1.97	3,679.6	18.8	2.05
Non-Taxable	241.8	2.4	3.89	242.7	2.4	3.89	245.5	2.4	3.91
Total Investment Securities	6,117.7	33.5	2.19	6,024.3	32.2	2.13	6,228.6	34.0	2.19
Loans Held for Sale	30.4	0.3	3.99	39.1	0.3	3.61	12.2	0.1	3.89
Loans and Leases <sup>1</sup>									
Commercial and Industrial	1,263.7	10.5	3.38	1,223.6	10.0	3.25	1,127.4	10.8	3.84
Commercial Mortgage	1,881.5	17.5	3.76	1,833.8	17.0	3.68	1,689.2	15.7	3.74
Construction	259.1	2.9	4.54	276.0	3.0	4.36	170.0	2.0	4.63
Commercial Lease Financing	208.7	1.1	2.18	204.0	1.1	2.17	198.9	1.3	2.69
Residential Mortgage	3,201.7	30.9	3.86	3,139.4	30.6	3.90	2,918.5	29.6	4.05
Home Equity	1,367.4	12.0	3.56	1,317.1	11.7	3.54	1,103.5	10.1	3.69
Automobile	461.7	5.8	5.04	446.0	5.8	5.14	388.6	5.0	5.19
Other <sup>2</sup>	376.6	7.3	7.89	373.9	7.3	7.76	344.0	6.5	7.64
Total Loans and Leases	9,020.4	88.0	3.94	8,813.8	86.5	3.91	7,940.1	81.0	4.09
Other	40.1	0.2	2.30	40.1	0.3	2.80	38.4	0.2	2.21
<b>Total Earning Assets</b> <sup>3</sup>	<b>15,756.0</b>	<b>122.9</b>	<b>3.14</b>	<b>15,544.1</b>	<b>120.1</b>	<b>3.08</b>	<b>14,871.4</b>	<b>116.1</b>	<b>3.13</b>
Cash and Due from Banks	132.2			131.5			131.0		
Other Assets	546.4			537.3			534.7		
<b>Total Assets</b>	<b>\$ 16,434.6</b>			<b>\$ 16,212.9</b>			<b>\$ 15,537.1</b>		
<b>Interest-Bearing Liabilities</b>									
Interest-Bearing Deposits									
Demand	\$ 2,866.4	0.3	0.04	\$ 2,760.5	0.3	0.04	\$ 2,761.6	0.3	0.04
Savings	5,406.2	1.3	0.09	5,339.5	1.2	0.09	5,137.6	1.1	0.09
Time	1,313.7	2.1	0.65	1,322.7	2.0	0.60	1,208.4	1.5	0.50
Total Interest-Bearing Deposits	9,586.3	3.7	0.16	9,422.7	3.5	0.15	9,107.6	2.9	0.13
Short-Term Borrowings	9.5	—	0.15	9.6	—	0.15	7.8	—	0.14
Securities Sold Under Agreements to Repurchase	512.2	5.2	4.05	533.7	5.4	3.96	602.9	6.2	4.04
Other Debt	267.9	1.1	1.66	267.9	1.1	1.66	232.3	1.0	1.73
<b>Total Interest-Bearing Liabilities</b>	<b>10,375.9</b>	<b>10.0</b>	<b>0.39</b>	<b>10,233.9</b>	<b>10.0</b>	<b>0.38</b>	<b>9,950.6</b>	<b>10.1</b>	<b>0.40</b>
<b>Net Interest Income</b>		<b>\$ 112.9</b>			<b>\$ 110.1</b>			<b>\$ 106.0</b>	
Interest Rate Spread			2.75 %			2.70 %			2.73 %
Net Interest Margin			2.89 %			2.83 %			2.86 %
Noninterest-Bearing Demand Deposits	4,632.6			4,574.6			4,227.0		
Other Liabilities	248.8			242.4			229.9		
Shareholders' Equity	1,177.3			1,162.0			1,129.6		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 16,434.6</b>			<b>\$ 16,212.9</b>			<b>\$ 15,537.1</b>		

<sup>1</sup> Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

<sup>3</sup> Interest income includes taxable-equivalent basis adjustments, based upon a federal statutory tax rate of 35%, of of \$3,061,000, \$3,034,000 and \$3,013,000 for the three months ended March 31, 2017, December 31, 2016, and March 31, 2016, respectively.





**Bank of Hawaii Corporation and Subsidiaries**
**Analysis of Change in Net Interest Income - Taxable-Equivalent Basis**
**Table 8a**

(dollars in millions)	Three Months Ended March 31, 2017		
	Compared to December 31, 2016		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
<b>Change in Interest Income:</b>			
Funds Sold	\$ (0.1)	\$ 0.2	\$ 0.1
<b>Investment Securities</b>			
Available-for-Sale			
Taxable	0.4	0.4	0.8
Non-Taxable	(0.1)	0.1	—
Held-to-Maturity			
Taxable	—	0.5	0.5
<b>Total Investment Securities</b>	<b>0.3</b>	<b>1.0</b>	<b>1.3</b>
<b>Loans Held for Sale</b>			
<b>Loans and Leases</b>			
Commercial and Industrial	0.2	0.3	0.5
Commercial Mortgage	0.3	0.2	0.5
Construction	(0.2)	0.1	(0.1)
Residential Mortgage	0.6	(0.3)	0.3
Home Equity	0.3	—	0.3
Automobile	0.1	(0.1)	—
<b>Total Loans and Leases</b>	<b>1.3</b>	<b>0.2</b>	<b>1.5</b>
Other	—	(0.1)	(0.1)
<b>Total Change in Interest Income</b>	<b>1.5</b>	<b>1.3</b>	<b>2.8</b>
<b>Change in Interest Expense:</b>			
<b>Interest-Bearing Deposits</b>			
Savings	—	0.1	0.1
Time	—	0.1	0.1
<b>Total Interest-Bearing Deposits</b>	<b>—</b>	<b>0.2</b>	<b>0.2</b>
Securities Sold Under Agreements to Repurchase	(0.3)	0.1	(0.2)
<b>Total Change in Interest Expense</b>	<b>(0.3)</b>	<b>0.3</b>	<b>—</b>
<b>Change in Net Interest Income</b>	<b>\$ 1.8</b>	<b>\$ 1.0</b>	<b>\$ 2.8</b>

<sup>1</sup> The change in interest income and expense not solely due to changes in volume or rate has been allocated on a pro-rata basis to the volume and rate columns.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

**Bank of Hawaii Corporation and Subsidiaries**
**Analysis of Change in Net Interest Income - Taxable-Equivalent Basis**
**Table 8b**

(dollars in millions)	Three Months Ended March 31, 2017		
	Compared to March 31, 2016		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
<b>Change in Interest Income:</b>			
Funds Sold	\$ (0.1)	\$ 0.2	0.1
<b>Investment Securities</b>			
Available-for-Sale			
Taxable	0.1	0.2	0.3
Non-Taxable	(0.4)	0.2	(0.2)
<b>Held-to-Maturity</b>			
Taxable	(0.5)	(0.1)	(0.6)
<b>Total Investment Securities</b>	<b>(0.8)</b>	<b>0.3</b>	<b>(0.5)</b>
Loans Held for Sale	0.2	—	0.2
<b>Loans and Leases</b>			
Commercial and Industrial	1.1	(1.4)	(0.3)
Commercial Mortgage	1.7	0.1	1.8
Construction	0.9	—	0.9
Commercial Lease Financing	0.1	(0.3)	(0.2)
Residential Mortgage	2.7	(1.4)	1.3
Home Equity	2.3	(0.4)	1.9
Automobile	0.9	(0.1)	0.8
Other <sup>2</sup>	0.6	0.2	0.8
<b>Total Loans and Leases</b>	<b>10.3</b>	<b>(3.3)</b>	<b>7.0</b>
<b>Total Change in Interest Income</b>	<b>9.6</b>	<b>(2.8)</b>	<b>6.8</b>
<b>Change in Interest Expense:</b>			
<b>Interest-Bearing Deposits</b>			
Savings	0.1	0.1	0.2
Time	0.1	0.5	0.6
<b>Total Interest-Bearing Deposits</b>	<b>0.2</b>	<b>0.6</b>	<b>0.8</b>
Securities Sold Under Agreements to Repurchase	(1.0)	—	(1.0)
Other Debt	0.1	—	0.1
<b>Total Change in Interest Expense</b>	<b>(0.7)</b>	<b>0.6</b>	<b>(0.1)</b>
<b>Change in Net Interest Income</b>	<b>\$ 10.3</b>	<b>\$ (3.4)</b>	<b>6.9</b>

<sup>1</sup> The change in interest income and expense not solely due to changes in volume or rate has been allocated on a pro-rata basis to the volume and rate columns.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

**Bank of Hawaii Corporation and Subsidiaries****Salaries and Benefits**

Table 9

	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
(dollars in thousands)			
Salaries	\$ 29,425	\$ 29,382	\$ 29,141
Incentive Compensation	5,774	5,784	5,965
Share-Based Compensation	2,303	4,126	2,310
Commission Expense	1,836	1,955	1,357
Retirement and Other Benefits	5,041	4,350	4,954
Payroll Taxes	3,944	2,044	3,577
Medical, Dental, and Life Insurance	3,279	2,908	2,892
Separation Expense	—	73	318
<b>Total Salaries and Benefits</b>	<b>\$ 51,602</b>	<b>\$ 50,622</b>	<b>\$ 50,514</b>

**Bank of Hawaii Corporation and Subsidiaries**
**Loan and Lease Portfolio Balances**
**Table 10**

(dollars in thousands)	<b>March 31, 2017</b>	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>	<b>March 31, 2016</b>
<b>Commercial</b>					
Commercial and Industrial	\$ 1,250,006	\$ 1,249,791	\$ 1,217,849	\$ 1,174,879	\$ 1,180,341
Commercial Mortgage	1,909,064	1,889,551	1,807,190	1,712,271	1,687,199
Construction	262,660	270,018	263,079	226,062	192,909
Lease Financing	208,765	208,332	201,436	192,630	195,804
<b>Total Commercial</b>	<b>3,630,495</b>	<b>3,617,692</b>	<b>3,489,554</b>	<b>3,305,842</b>	<b>3,256,253</b>
<b>Consumer</b>					
Residential Mortgage	3,224,206	3,163,073	3,098,936	3,032,981	2,929,388
Home Equity	1,411,489	1,334,163	1,295,993	1,213,154	1,131,796
Automobile	468,078	454,333	437,659	417,017	399,825
Other <sup>1</sup>	379,541	380,524	371,955	362,475	348,348
<b>Total Consumer</b>	<b>5,483,314</b>	<b>5,332,093</b>	<b>5,204,543</b>	<b>5,025,627</b>	<b>4,809,357</b>
<b>Total Loans and Leases</b>	<b>\$ 9,113,809</b>	<b>\$ 8,949,785</b>	<b>\$ 8,694,097</b>	<b>\$ 8,331,469</b>	<b>\$ 8,065,610</b>

**Deposits**

(dollars in thousands)	<b>March 31, 2017</b>	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>	<b>March 31, 2016</b>
Consumer	\$ 7,196,781	\$ 6,997,482	\$ 6,781,371	\$ 6,618,164	\$ 6,568,651
Commercial	6,051,721	6,110,189	5,751,184	5,697,490	5,678,987
Public and Other	1,228,031	1,212,569	1,275,810	1,328,153	1,241,254
<b>Total Deposits</b>	<b>\$ 14,476,533</b>	<b>\$ 14,320,240</b>	<b>\$ 13,808,365</b>	<b>\$ 13,643,807</b>	<b>\$ 13,488,892</b>

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

# Bank of Hawaii Corporation and Subsidiaries

## Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More

Table 11

(dollars in thousands)	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>Non-Performing Assets</b>					
Non-Accrual Loans and Leases					
Commercial					
Commercial and Industrial	\$ 228	\$ 151	\$ 201	\$ 269	\$ 666
Commercial Mortgage	973	997	1,023	1,194	3,401
Total Commercial	1,201	1,148	1,224	1,463	4,067
Consumer					
Residential Mortgage	11,756	13,780	12,735	9,979	13,719
Home Equity	3,517	3,147	2,966	3,110	2,501
Total Consumer	15,273	16,927	15,701	13,089	16,220
Total Non-Accrual Loans and Leases	16,474	18,075	16,925	14,552	20,287
Foreclosed Real Estate	2,529	1,686	1,747	1,728	1,728
<b>Total Non-Performing Assets</b>	<b>\$ 19,003</b>	<b>\$ 19,761</b>	<b>\$ 18,672</b>	<b>\$ 16,280</b>	<b>\$ 22,015</b>
<b>Accruing Loans and Leases Past Due 90 Days or More</b>					
Consumer					
Residential Mortgage	\$ 2,313	\$ 3,127	\$ 2,583	\$ 5,640	\$ 4,219
Home Equity	1,133	1,457	1,210	1,128	2,096
Automobile	673	894	578	464	524
Other <sup>1</sup>	1,738	1,592	1,273	1,518	1,099
Total Consumer	5,857	7,070	5,644	8,750	7,938
<b>Total Accruing Loans and Leases Past Due 90 Days or More</b>	<b>\$ 5,857</b>	<b>\$ 7,070</b>	<b>\$ 5,644</b>	<b>\$ 8,750</b>	<b>\$ 7,938</b>
<b>Restructured Loans on Accrual Status and Not Past Due 90 Days or More</b>					
	\$ 52,965	\$ 52,208	\$ 52,095	\$ 52,173	\$ 50,707
<b>Total Loans and Leases</b>	<b>\$ 9,113,809</b>	<b>\$ 8,949,785</b>	<b>\$ 8,694,097</b>	<b>\$ 8,331,469</b>	<b>\$ 8,065,610</b>
Ratio of Non-Accrual Loans and Leases to Total Loans and Leases	0.18%	0.20%	0.19%	0.17%	0.25%
Ratio of Non-Performing Assets to Total Loans and Leases and Foreclosed Real Estate	0.21%	0.22%	0.21%	0.20%	0.27%
Ratio of Commercial Non-Performing Assets to Total Commercial Loans and Leases and Commercial Foreclosed Real Estate	0.03%	0.03%	0.04%	0.04%	0.12%
Ratio of Consumer Non-Performing Assets to Total Consumer Loans and Leases and Consumer Foreclosed Real Estate	0.32%	0.35%	0.34%	0.29%	0.37%
Ratio of Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More to Total Loans and Leases and Foreclosed Real Estate	0.27%	0.30%	0.28%	0.30%	0.37%
<b>Quarter to Quarter Changes in Non-Performing Assets</b>					
<b>Balance at Beginning of Quarter</b>	<b>\$ 19,761</b>	<b>\$ 18,672</b>	<b>\$ 16,280</b>	<b>\$ 22,015</b>	<b>\$ 28,801</b>
Additions	1,221	2,142	3,730	1,300	4,002
Reductions					
Payments	(1,017)	(252)	(501)	(3,401)	(6,012)
Return to Accrual Status	(645)	(653)	(701)	(3,560)	(4,272)
Sales of Foreclosed Real Estate	—	(61)	—	—	(248)
Charge-offs/Write-downs	(317)	(87)	(136)	(74)	(256)
Total Reductions	(1,979)	(1,053)	(1,338)	(7,035)	(10,788)
<b>Balance at End of Quarter</b>	<b>\$ 19,003</b>	<b>\$ 19,761</b>	<b>\$ 18,672</b>	<b>\$ 16,280</b>	<b>\$ 22,015</b>

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

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**Bank of Hawaii Corporation and Subsidiaries**
**Reserve for Credit Losses**
**Table 12**

	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
(dollars in thousands)			
<b>Balance at Beginning of Period</b>	\$ 110,845	\$ 110,605	\$ 108,952
Loans and Leases Charged-Off			
Commercial			
Commercial and Industrial	(174)	(195)	(257)
Consumer			
Residential Mortgage	(183)	(335)	(205)
Home Equity	(363)	(256)	(643)
Automobile	(2,290)	(1,720)	(1,560)
Other <sup>1</sup>	(2,694)	(2,445)	(2,222)
<b>Total Loans and Leases Charged-Off</b>	<b>(5,704)</b>	<b>(4,951)</b>	<b>(4,887)</b>
Recoveries on Loans and Leases Previously Charged-Off			
Commercial			
Commercial and Industrial	336	506	6,867
Commercial Mortgage	—	11	14
Construction	—	—	23
Lease Financing	—	1	1
Consumer			
Residential Mortgage	104	154	201
Home Equity	508	323	513
Automobile	620	459	592
Other <sup>1</sup>	527	487	473
<b>Total Recoveries on Loans and Leases Previously Charged-Off</b>	<b>2,095</b>	<b>1,941</b>	<b>8,684</b>
Net Loans and Leases Recovered (Charged-Off)	(3,609)	(3,010)	3,797
Provision for Credit Losses	4,400	3,250	(2,000)
Provision for Unfunded Commitments	—	—	500
<b>Balance at End of Period <sup>2</sup></b>	<b>\$ 111,636</b>	<b>\$ 110,845</b>	<b>\$ 111,249</b>
<b>Components</b>			
Allowance for Loan and Lease Losses	\$ 105,064	\$ 104,273	\$ 104,677
Reserve for Unfunded Commitments	6,572	6,572	6,572
<b>Total Reserve for Credit Losses</b>	<b>\$ 111,636</b>	<b>\$ 110,845</b>	<b>\$ 111,249</b>
<b>Average Loans and Leases Outstanding</b>	<b>\$ 9,020,351</b>	<b>\$ 8,813,755</b>	<b>\$ 7,940,097</b>
Ratio of Net Loans and Leases Charged-Off (Recovered) to			
Average Loans and Leases Outstanding (annualized)	0.16%	0.14%	-0.19 %
Ratio of Allowance for Loan and Lease Losses to Loans and Leases Outstanding	1.15%	1.17%	1.30 %

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

<sup>2</sup> Included in this analysis is activity related to the Company's reserve for unfunded commitments, which is separately recorded in other liabilities in the Consolidated Statements of Condition.



**Bank of Hawaii Corporation and Subsidiaries**
**Business Segments Selected Financial Information**
**Table 13**

(dollars in thousands)	<b>Retail Banking</b>	<b>Commercial Banking</b>	<b>Investment Services</b>	<b>Treasury and Other</b>	<b>Consolidated Total</b>
<b>Three Months Ended March 31, 2017</b>					
Net Interest Income	\$ 65,158	\$ 41,931	\$ 6,650	\$ (3,867)	\$ 109,872
Provision for Credit Losses	3,801	(188)	(5)	792	4,400
Net Interest Income After Provision for Credit Losses	61,357	42,119	6,655	(4,659)	105,472
Noninterest Income	20,925	5,438	14,549	15,004	55,916
Noninterest Expense	(52,260)	(18,355)	(15,471)	(2,482)	(88,568)
Income Before Provision for Income Taxes	30,022	29,202	5,733	7,863	72,820
Provision for Income Taxes	(10,673)	(10,256)	(2,121)	1,406	(21,644)
<b>Net Income</b>	<b>\$ 19,349</b>	<b>\$ 18,946</b>	<b>\$ 3,612</b>	<b>\$ 9,269</b>	<b>\$ 51,176</b>
<b>Total Assets as of March 31, 2017</b>	<b>\$ 5,438,421</b>	<b>\$ 3,577,524</b>	<b>\$ 288,178</b>	<b>\$ 7,360,092</b>	<b>\$ 16,664,215</b>
<b>Three Months Ended March 31, 2016</b>					
Net Interest Income	\$ 58,010	\$ 38,348	\$ 6,452	\$ 214	\$ 103,024
Provision for Credit Losses	2,835	(6,626)	(6)	1,797	(2,000)
Net Interest Income After Provision for Credit Losses	55,175	44,974	6,458	(1,583)	105,024
Noninterest Income	20,807	7,600	14,024	13,776	56,207
Noninterest Expense	(52,741)	(17,268)	(15,427)	(1,950)	(87,386)
Income Before Provision for Income Taxes	23,241	35,306	5,055	10,243	73,845
Provision for Income Taxes	(8,227)	(12,656)	(1,870)	(882)	(23,635)
<b>Net Income</b>	<b>\$ 15,014</b>	<b>\$ 22,650</b>	<b>\$ 3,185</b>	<b>\$ 9,361</b>	<b>\$ 50,210</b>
<b>Total Assets as of March 31, 2016</b>	<b>\$ 4,763,749</b>	<b>\$ 3,196,413</b>	<b>\$ 284,891</b>	<b>\$ 7,409,642</b>	<b>\$ 15,654,695</b>

**Bank of Hawaii Corporation and Subsidiaries**  
**Selected Quarterly Financial Data**

**Table 14**

	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
(dollars in thousands, except per share amounts)					
<b>Quarterly Operating Results</b>					
Interest Income					
Interest and Fees on Loans and Leases	\$ 87,937	\$ 86,532	\$ 83,489	\$ 82,323	\$ 80,895
Income on Investment Securities					
Available-for-Sale	11,084	10,244	10,313	10,521	10,814
Held-to-Maturity	19,706	19,213	19,315	20,168	20,391
Deposits	5	2	1	2	4
Funds Sold	890	795	695	618	753
Other	230	281	166	153	212
<b>Total Interest Income</b>	<b>119,852</b>	<b>117,067</b>	<b>113,979</b>	<b>113,785</b>	<b>113,069</b>
Interest Expense					
Deposits	3,691	3,448	3,232	3,081	2,886
Securities Sold Under Agreements to Repurchase	5,185	5,406	5,713	6,134	6,153
Funds Purchased	3	3	3	3	3
Other Debt	1,101	1,117	1,119	1,017	1,003
<b>Total Interest Expense</b>	<b>9,980</b>	<b>9,974</b>	<b>10,067</b>	<b>10,235</b>	<b>10,045</b>
<b>Net Interest Income</b>	<b>109,872</b>	<b>107,093</b>	<b>103,912</b>	<b>103,550</b>	<b>103,024</b>
Provision for Credit Losses	4,400	3,250	2,500	1,000	(2,000)
<b>Net Interest Income After Provision for Credit Losses</b>	<b>105,472</b>	<b>103,843</b>	<b>101,412</b>	<b>102,550</b>	<b>105,024</b>
Noninterest Income					
Trust and Asset Management	11,479	11,232	11,008	12,707	11,256
Mortgage Banking	3,300	6,256	6,362	4,088	3,189
Service Charges on Deposit Accounts	8,325	8,537	8,524	8,150	8,443
Fees, Exchange, and Other Service Charges	13,332	13,731	14,023	13,978	13,444
Investment Securities Gains (Losses), Net	12,133	(337)	(328)	(312)	11,180
Annuity and Insurance	1,995	1,457	1,653	2,006	1,901
Bank-Owned Life Insurance	1,497	1,551	1,911	1,551	1,548
Other	3,855	4,076	4,961	4,351	5,246
<b>Total Noninterest Income</b>	<b>55,916</b>	<b>46,503</b>	<b>48,114</b>	<b>46,519</b>	<b>56,207</b>
Noninterest Expense					
Salaries and Benefits	51,602	50,622	49,725	50,289	50,514
Net Occupancy	8,168	7,581	8,510	7,158	7,003
Net Equipment	5,501	5,191	4,913	5,065	5,409
Data Processing	3,410	3,665	3,620	3,972	3,951
Professional Fees	2,779	2,990	2,396	2,047	2,639
FDIC Insurance	2,209	2,015	2,104	2,144	2,352
Other	14,899	17,525	16,264	15,396	15,518
<b>Total Noninterest Expense</b>	<b>88,568</b>	<b>89,589</b>	<b>87,532</b>	<b>86,071</b>	<b>87,386</b>
Income Before Provision for Income Taxes	72,820	60,757	61,994	62,998	73,845
Provision for Income Taxes	21,644	17,244	18,501	18,753	23,635
<b>Net Income</b>	<b>\$ 51,176</b>	<b>\$ 43,513</b>	<b>\$ 43,493</b>	<b>\$ 44,245</b>	<b>\$ 50,210</b>
Basic Earnings Per Share					
Basic Earnings Per Share	\$ 1.21	\$ 1.03	\$ 1.02	\$ 1.04	\$ 1.17
Diluted Earnings Per Share					
Diluted Earnings Per Share	\$ 1.20	\$ 1.02	\$ 1.02	\$ 1.03	\$ 1.16
<b>Balance Sheet Totals</b>					
Loans and Leases	\$ 9,113,809	\$ 8,949,785	\$ 8,694,097	\$ 8,331,469	\$ 8,065,610
Total Assets	16,664,215	16,492,367	16,014,643	15,860,901	15,654,695
Total Deposits	14,476,533	14,320,240	13,808,365	13,643,807	13,488,892
Total Shareholders' Equity	1,193,137	1,161,537	1,163,859	1,157,219	1,138,753
<b>Performance Ratios</b>					
Return on Average Assets	1.26 %	1.07 %	1.09 %	1.14 %	1.30 %

Return on Average Shareholders' Equity	17.63	14.90	14.89	15.56	17.88
Efficiency Ratio <sup>1</sup>	53.42	58.33	57.58	57.35	54.88
Net Interest Margin <sup>2</sup>	2.89	2.83	2.80	2.85	2.86

<sup>1</sup> Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and noninterest income).

<sup>2</sup> Net interest margin is defined as net interest income, on a taxable-equivalent basis, as a percentage of average earning assets.

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<sup>3</sup> Source: Hawaii Department of Labor and Industrial Relations, County jobs data not seasonally adjusted.

<sup>4</sup> Source: Honolulu Board of REALTORS

<sup>5</sup> Source: Hawaii Tourism Authority

Note: Certain prior period seasonally adjusted information has been revised.