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## FORWARD FOCUSED

Success is often based on timing. As in surfing, determining when to propel forward means identifying the best opportunities, gaining traction and expanding capabilities. As Bank of Hawaii continues to reposition itself for the future, the company's strength and longevity serve as the foundation for a steadfast commitment to upward mobility to ultimately help customers thrive in an ever-changing world.

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Bank of Hawaii proudly announces the launch of its first digital Summary Annual Report. Videos featuring our Chairman, clients, community and employees can be viewed at [boh.com/aboutus](http://boh.com/aboutus).



## Dear Fellow Shareholders,

Bank of Hawaii delivered another year of solid performance in 2016. We finished the year with the highest earnings per share, and largest total assets and deposit levels in our 119-year history. Our longstanding strategy of focusing on the island markets we know best was rewarded in 2016.

Our success would not be possible without the hard work of our 2,100 incredible employees who once again helped Bank of Hawaii earn recognition as Hawaii's Best Bank by the *Honolulu Star-Advertiser* and *Honolulu* magazine as voted by their readership. On the national level, Bank of Hawaii was recognized as one of the top 10 performing banks in the country by *Forbes* for the eighth consecutive year. As you know, risk and operational conservatism is core to our corporate strategy. We are proud to have our deposits rated Aa2 by Moody's Investor Services, one of the highest ratings nationally and globally as of Dec. 28, 2016.

I'll use the following text to expand a bit on our performance for the year, share with you the key drivers that enabled those results and discuss initiatives we believe critical to our future.

### Continued Financial Strength

Diluted earnings per share for 2016 were \$4.23 up 14.3 percent from 2015. We continued to show strong and balanced loan and deposit growth in 2016. Loans grew 13.6 percent to \$8.9 billion on the strength of 14.7 percent commercial loan growth and 12.8 percent consumer loan growth. Deposits grew 8.1 percent to \$14.3 billion reflecting 8.6 percent consumer deposit growth and 11.0 percent commercial deposit growth.

Return on equity for 2016 was 15.8 percent as compared to 14.8 percent the prior year. Tier one capital at year end was a healthy 13.2 percent, well ahead of regulatory requirements. Our Board approved two dividend increases in 2016. We continued with our share repurchase activity in 2016. From 2001 through 2016 we repurchased 53.6 million shares returning more than \$2 billion to our shareholders at an average price per share of \$37.84.

### Hawaii's Economy

Hawaii's economy continued to perform well in 2016. Our visitor industry achieved record arrival and spending results for the fifth consecutive year. Spending was up 4.2 percent in 2016 to \$15.7 billion. Arrivals increased 3 percent to 8.9 million visitors. The market was helped by balanced growth coming from both domestic and international markets. Tourism officials remain optimistic for the outlook in 2017.

The Hawaii real estate market continued its upward path. In 2016, the market enjoyed its fourth consecutive year of record median sale prices for Oahu homes. Single family home prices on Oahu reached \$735,000. Sales volume of single family Oahu homes increased 6.5 percent and sales of Oahu condominiums increased 8.4 percent in 2016. The inventory of homes for sale on Oahu remained low at the end of 2016 with Oahu single family inventory of 2.5 months and Oahu condominium inventory of 2.6 months. Real estate conditions on Kauai, Maui and the Hawaii Island trended positively as well in 2016.

The construction sector continued to expand in 2016 supported by both private as well as public projects. While activity in the luxury high rise condominium segment appears to be slowing, other construction sectors remain solid.

At year end, statewide seasonally adjusted unemployment stood at 2.9 percent in Hawaii, the lowest level since September 2007.

### Commitment to a Longstanding Strategy

Since 2000, Bank of Hawaii's corporate strategy has consistently been to take a laser focus on the markets we know best (Hawaii, Guam, Saipan and Palau) and to advance the value of our organization by providing outstanding products, service and value to the customers of those markets in an ever-efficient way. Another important component of our strategy is to actively engage the new ways in which customers use financial products.

2016 was a strong year for building our relationships with our customers. Bank of Hawaii accounted for approximately 40 percent and 42 percent of overall deposit and loan growth in the Hawaii bank market in 2016. These results are the product of a relentless focus on customer service and a diligent and never-ending approach to improving our products and services.

For instance, over the past few years, we have been busy converting our residential mortgage system to a paperless system from what was previously a paper-intensive system. The advantages created by our investment in this system along with the incredible commitment of our mortgage team helped us maintain the number one market share position in residential mortgages in the Hawaii market.

Our EASE account, launched last year, has become a customer favorite. This checkless checking account provides the community with a terrific alternative to prepaid card products providing unparalleled access and convenience. The product is now a meaningful proportion of our new account openings.

In 2016, we launched the first of our new format branches in Pearl City. The new branch occupies a third less square footage than its traditional predecessor, but renders roughly equivalent customer-serving space. Most of the reduction in overall square footage was taken from operational back room areas made possible by newer digital processing technology. We plan to open several additional new format branches in 2017.

### Our Customers

As noted above, we are making significant investment in our branches and digital networks. This is not merely a physical transformation, but also a transformation in how we engage with our customers. As digital formats like easy deposit ATMs and mobile phones increasingly take care of routine transactions, we intend to focus more of our team's efforts on building face-to-face relationships with our customers so as to better understand their challenges, aspirations and needs.

We like to say our new format branches are *"built for connection."* We have made the branch space a more inviting and welcoming environment for our customers. This is a response to customers' behavioral shifts. We need to remain relevant in a changing world. The future requires us to be nimble, responsive and predictive.

We strive to establish long-term, valued and trusted relationships with our customers. Our goal is to be a trusted advisor and enabler for our customers.

### Commitment to Community

We know we are only as strong as the communities we serve. One of the things that I am proudest of in our organization is our team's unwavering support of our communities. Our Bankoh Blue Crew generously gave more than 12,000 hours of their time and talent to 244 community activities and projects in 2016.

Since 2007, the combined efforts of our employees and retirees have resulted in \$5.5 million for 240 local nonprofits through our Live Kōkua Community Walk and Live Kōkua Giving Campaign. In 2016 alone, they donated nearly \$835,000 toward our two biggest annual giving efforts of the year.

In addition to donations and event participation, employees provide support by serving on a multitude of nonprofit boards, leading fundraising programs and events, and giving back through volunteer work.

Recognized for their combined efforts to improve the quality of life for individuals and families, Bank of Hawaii received the Financial Services Roundtable's Corporate Social Responsibility Leadership Award for the sixth consecutive year.

### Our Employees—Key to Our Success

Our employees are the key to our success. While it's clear we are a financial services company, and while it has become fashionable in the business world to brand one's self a *"technology"* company where possible, we see ourselves predominantly as a *"people company."* We know our success comes from great people doing great work for great customers.

We believe it is critical to support our team with ever-enhanced levels of knowledge and professional development. The 21st-century workplace is truly becoming one in which knowledgeable and enabled team members are the key to maintaining a competitive advantage. We engage our employees through programs that help them grow professionally and personally, knowing that their passion to learn lies at the heart of our success.

We believe that a well-educated workforce of tomorrow depends on accessible education today. In 2016, we established the Bank of Hawaii College Assistance Program, which provides tuition reimbursement and access to a college education for employees who do not have a bachelor's degree.

We have partnered with Chaminade University of Honolulu to develop an online program in which enrolled employees have the flexibility to choose from select majors, regardless of whether or not they relate to their role at the bank. Additionally, tutorial support is available to all participants in the program. Our long-term goal for this program is to have at least 5 percent of our workforce engaged in this program each year.

In 2016, Bank of Hawaii Foundation honored 35 children of bank employees with scholarships covering undergraduate studies—the most since the program's inception. Since 2014, more than \$300,000 has been awarded to 93 scholars, so they may continue their education at colleges here in Hawaii and across the country.

For the third year in a row, we were named among Hawaii's "Best Places to Work" by *Hawaii Business* magazine, and the No. 3 "Most Family-Friendly" large company in the state.

### Executive Appointments

I'm pleased to announce several executive appointments that are effective March 1, 2017. Kent Lucien, vice chair and chief financial officer, will become our chief strategy officer. Dean Shigemura, senior executive vice president, will be promoted from controller to chief financial officer, succeeding Kent. Brent Flygar, senior vice president, will be promoted from financial reporting manager and director of corporate tax to controller and principal accounting officer, succeeding Dean.

These appointments reflect our continued commitment to develop and prepare our people for ever-expanding roles and responsibilities within the organization. Effective leadership development and long-term career planning are critical to our success as an organization. I am incredibly excited for Kent, Dean and Brent in their new roles with the organization.

I want to extend my appreciation to our board of directors for their support, engagement and active involvement. They are truly a meaningful force in our success. I'm also grateful for the confidence our shareholders have shown in Bank of Hawaii. While we are proud of our achievements in 2016, our focus is not on our past, but rather on a future for which we are incredibly passionate and excited about.

Mahalo nui loa,



**Peter S. Ho**  
Chairman, President and CEO

## 2016 FINANCIAL SUMMARY

Bank of Hawaii Corporation and Subsidiaries (dollars in thousands, except per share amounts)

FOR THE YEAR ENDED DECEMBER 31

### Earnings Highlights and Performance Ratios

	2016	2015
Net Income	\$ 181,461	\$ 160,704
Basic Earnings Per Share	4.26	3.72
Diluted Earnings Per Share	4.23	3.70
Dividends Declared Per Share	1.89	1.80
Net Income to Average Total Assets (ROA)	1.15 %	1.06 %
Net Income to Average Shareholders' Equity (ROE)	15.79 %	14.82 %
Net Interest Margin <sup>1</sup>	2.83 %	2.81 %
Efficiency Ratio <sup>2</sup>	57.01 %	59.99 %
Market Price Per Share of Common Stock:		
Closing	\$ 88.69	\$ 62.90
High	89.72	70.07
Low	54.55	53.90

AS OF DECEMBER 31

### Statement of Condition Highlights and Performance Ratios

Loans and Leases	\$ 8,949,785	\$ 7,878,985
Total Assets	16,492,367	15,455,016
Total Deposits	14,320,240	13,251,103
Other Debt	267,938	245,786
Total Shareholders' Equity	1,161,537	1,116,260
Book Value Per Common Share	\$ 27.24	\$ 25.79
Allowance to Loans and Leases Outstanding	1.17 %	1.31 %
Full-Time Equivalent Employees	2,122	2,164
Branches and Offices	69	70

FOR THE QUARTER ENDED DECEMBER 31

### Earnings Highlights and Performance Ratios

Net Income	\$ 43,513	\$ 42,832
Basic Earnings Per Share	1.03	1.00
Diluted Earnings Per Share	1.02	0.99
Net Income to Average Total Assets (ROA)	1.07 %	1.11 %
Net Income to Average Shareholders' Equity (ROE)	14.90 %	15.41 %
Net Interest Margin <sup>1</sup>	2.83 %	2.85 %
Efficiency Ratio <sup>2</sup>	58.33 %	58.55 %

<sup>1</sup> Net interest margin is defined as net interest income, on a taxable-equivalent basis, as a percentage of average earning assets.

<sup>2</sup> Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and total noninterest income).

# FOCUSED ON YOU AND YOUR BUSINESS NOW AND FOR THE FUTURE



Bank of Hawaii's first "Branch of Tomorrow" at Pearl City opened for business in November 2016.

Bank of Hawaii is continually looking to the future, pursuing new ideas to make banking with us the best it can be. We are excited to be introducing new technology to our customers to make their everyday transactions easier and more convenient. We also utilize technology to enable our staff to be more personally available to our customers to provide for their changing needs over their lifetime and beyond. We cherish the trust that we have built with generations of Hawaii's families and businesses through our steadfast focus on providing the highest value to our shareholders, customers, employees and community.

The local and national recognition that we continue to receive is one way to get a snapshot of how well we're succeeding. Here are some of our accolades for 2016:

- Top 10 Performing Large U.S. Banks, eighth consecutive year by *Forbes*
- Hawaii SBA Lender of the Year — Category 1
- Corporate Social Responsibility Leadership Award, sixth consecutive year by Financial Services Roundtable
- Best Bank, by *Honolulu Star-Advertiser* readers
- Best Bank, by *Honolulu* magazine readers

## 21ST CENTURY BANKING & EXCEPTIONAL CUSTOMER SERVICE

Fulfilling our customers' needs to help them build an exciting future is at the heart of our business. With customer preferences and innovative technology driving shifts throughout service industries, Bank of Hawaii has taken a leadership role in providing the best possible 21st-century banking experience. Enhancements to our online and mobile banking options, deployment of our easy deposit ATMs and offering Cardless Cash are some of the many ways that digital improvements are bringing more convenience to our customers. At the same time, our extensive branch network offers further opportunities for us to consult with our clients and connect them with our personalized services that can help them meet their immediate and future needs.

### Today's Branch of Tomorrow

The 2016 reopening of our renovated Pearl City Branch on Oahu marked the official unveiling of our "Branch of Tomorrow," the first of more than 30 branch construction and renovation projects planned over the next five years. The new branch designs feature the warmth "of Hawaii," while offering more convenience to our customers and increasing the ways we can interact with them to give them peace of mind about their finances.

The initial customer response to our renovated 3,400-square-foot Pearl City Branch has been overwhelmingly positive, especially to the increased availability of our tellers. No longer seated behind a teller station, the branch's open-floor concept allows tellers greater mobility to assist customers with their everyday transactions using their tablets. Our branch staff are also available to meet privately in special consultation areas to help customers with more complex services, and to teach and empower customers to take advantage of some of our latest banking conveniences.

With the largest branch network in the state of Hawaii, plans are in place to continue implementation of our "Branch of Tomorrow" concept at seven locations in 2017. This includes the relocations of our Hawaii Kai, Pearlridge, Manoa and Marine Corps Base Hawaii-Kaneohe Bay branches on Oahu and our Kihei branch on Maui, in addition to renovations to our Main Branch and Safeway Hawaii Kai Branch.

#### **Digital Banking Solutions for Consumers**

Our customers' needs and requirements change over time, and so do our banking solutions. In order to make transactions easier and faster, we continue to make significant investments to increase security and add new features to our online and mobile banking solutions.

Launched in April 2015, EASE by Bank of Hawaii is our low-fee alternative to traditional checking accounts. With 2016 marking the first full year of offering EASE by Bank of Hawaii, we saw an increase in account openings of 125 percent compared to 2015. During the summer of 2016, Bank of Hawaii also added the ability for customers to open EASE accounts online, further enhancing the convenience of the electronic banking option that offers no overdraft fees or paper checks.

Online account opening continues to be a simple, secure and convenient method for customers to do their banking. In 2016, our total online deposits grew nearly 30 percent.

For Bank of Hawaii customers, their smartphone is becoming a virtual wallet

with new functionality added every year. In July, we launched Samsung Pay and Android Pay for all our debit card customers in the state of Hawaii. Together with our launch of Apple Pay in 2015, our monthly mobile wallet transactions have increased more than 200 percent in 2016 compared to 2015. Smartphones are now able to replace traditional debit and credit cards for most point-of-sale purchases, and these are safe and secure ways to pay for in-store or in-app purchases, utilizing tokenization technology to replace sensitive account information with a unique, one-time transaction code for each purchase.

Our investments also go into the unseen side of our applications, including protecting our customers' activities with industry-leading security features. In 2016, we expanded the use of Touch ID for our mobile app, a fingerprint identity sensor that adds a level of security, to authorize internal transfers and mobile deposits conducted on devices with Touch ID capabilities.

#### **ATMs**

In April 2016, we completed the installation of our easy deposit ATMs; they are now available at nearly all of our branches and select additional locations. Customers appreciate the convenience of making deposits with these envelope- and deposit-slip-free ATMs. We ended 2016 with 34 percent of all customer deposits coming from digital channels, which include our easy deposit ATMs and BOH Mobile Banking App.

In November, we became the first financial institution in Hawaii to add the Cardless Cash feature to our BOH Mobile Banking app, enabling customers to use their smartphones to withdraw cash from select ATMs without the use of a card. After selecting a withdrawal amount, customers then scan the one-time QR code at the ATM. The entire process takes about 15 seconds, and reduces the risk of customers' PINs being stolen.

We plan to continue expanding Cardless Cash locations, making it available throughout our entire ATM network in Hawaii and the West Pacific by the end of 2017.

#### **Mortgage, Consumer and Dealer Indirect Lending**

For many of our customers, a home is the biggest investment they will make in their lifetime. We are proud to be Hawaii's No. 1 residential lender for the fourth year in a row, both for number of residential loans recorded and total dollars loaned in 2016. The personalized service of our loan officers guided thousands of customers through the process of becoming first-time homeowners, in addition to helping thousands more improve their property and budgets through refinancing. We offer specialized financing options including construction loans, and we are focused on reinvigorating our mortgage lending for U.S. veterans and service members. Bank of Hawaii is also the only local lender that offers customized Department of Hawaiian Home Lands' homebuying programs for Native Hawaiians.

In 2016, we continued our focus on housing solutions by partnering with developers to finance affordable and workforce housing options that meet a range of community needs for local families and *kupuna* across the state of Hawaii and in the Western Pacific. Among them were three phases of Meheula Vista, 225 affordable rental housing units for low-income seniors developed by Catholic Charities Housing Development Corp. and located in Miilani Mauka on Oahu; Saipan Comfort Homes, 40 affordable housing units for families developed by Triple J Saipan and located near Northern Marianas College; and the renovation of 44 units at Kaneohe Elderly Apartments on



*By using the BOH Mobile Banking app and a Cardless Cash ATM, customers have an added layer of security by never having to insert a plastic card into the ATM.*



*Executive Loan Officer Jack Smyth conducts a First-Time Homebuyer SmartMoney Seminar, just one of 76 free-to-the-public seminars held at Bank of Hawaii locations in 2016.*

Oahu by Maeva/Fortino, affordable rentals for low-income seniors. Altogether Bank of Hawaii helped to finance the construction of nearly 800 affordable housing units in 2016, with more in the pipeline for 2017.

In 2016, we launched our online loan application for Bankoh Home EquityLines and other personal loans in our Consumer Lending Department. Personal loans through our new online application process reached \$5 million. This online convenience along with the availability of our loan specialists through our branch network are key reasons why Bank of Hawaii continues to be Hawaii's No. 1 home equity lender, helping customers leverage the equity in their homes to invest in other meaningful milestones on the way to a brighter future.

An increased focus on our partnerships with Hawaii auto dealers in 2016 has led to continued growth of loans and leases in our Dealer Indirect Lending Department. Because all of our loan servicing is handled locally, we can provide competitive and flexible financing programs to our partners. Our combined

auto loan and leasing portfolios grew from \$420 million in 2015 to \$507 million in 2016, making us the No. 2 lender in the state.

**PRIVATE BANKING**

For nearly 120 years, Bank of Hawaii has helped families and professionals build, manage and preserve their wealth to turn their vision for the future into reality. Because every client is unique, Bank of Hawaii's Private Banking takes a personal approach to offering the most comprehensive banking solutions in as convenient a manner as possible. By providing a dedicated relationship manager who is focused on his or her client's banking and borrowing needs, managing finances can be as easy as picking up the phone. One call to a relationship manager can streamline complex banking activities or bring in experts to collaborate from other areas of the bank. From this single point of contact, clients have access to a full array of services including basic banking; customized lending; investments; financial, estate and tax planning; charitable giving and trust services.

**Bankoh Investment Services, Inc.**

Our team of Financial Advisors takes the time to get to know each client's vision for his or her financial future, and helps create personalized plans to attain those goals. Helping clients achieve their goals at every stage of their lives, our team offers a broad array of specialized products and services including retirement, investment and education planning; and managed money, annuities, insurance and brokerage services. With a full spectrum of investment advisory and brokerage services, Bankoh Investment Services, Inc. is responsible for over \$2 billion in client assets.

**Estate Planning and Investment Services Group**

Bank of Hawaii knows that estate planning is a vital part of our customers' overall financial planning. Setting up a trust can give them greater control in leaving more of a legacy to loved ones and to the community. With Hawaii's growing aging population, we have seen a need to not only help customers with their estate plans, but also to support their heirs once they are gone. Specialized training, resources and tools were developed for our customer-facing employees to support customers during those challenging times.

Bank of Hawaii's trust services team can help ensure that a legacy is preserved, protected and transferred in a way that supports the people and institutions that our customers designate. With their priorities as a guide, we cultivate relationships as trusted partners to not only customers but also their advisors, family members and beneficiaries. Our capable trust and estate administration team includes planning, tax and investments specialists who can transition gifts in tax-efficient ways.

Bank of Hawaii is the premiere provider of fiduciary and investment services in Hawaii and the Pacific, and includes management of the oldest and largest Hawaii municipal bond in the state, the Hawaiian Tax Free Trust Fund. With a full spectrum of advisory and broker services, our trusted team of experts manages almost \$7 billion in assets.

## **BANKING FOR BUSINESSES**

Our tradition of helping businesses grow extends to businesses of all sizes. We understand the unique needs of large corporations, international business owners, healthcare businesses and small, family-owned businesses, and we have the expertise and resources to help them all succeed.

### **Digital Banking Solutions for Businesses**

We continue to invest in new technology that goes beyond traditional banking services to bring better solutions to meet the everyday needs of our business clients.

In the summer, we launched a purchase card (P-card) that can be personalized by the individual client. We're rapidly bringing this product to our corporate clients, who are realizing benefits from the ways they streamline the procure-to-pay process. P-cards can reduce transaction costs for both the supplier and the buyer by using electronic invoices and reducing the need for check disbursements; they can speed up payments and improve cash flow; and they can provide better tracking of expenses.

During the fourth quarter of 2016, we began to upgrade our online banking systems for businesses to improve the customer experience, enhance security and add capabilities. Bankoh Business Connections has specialized features for our commercial and corporate clients via BBC Pro that allow them to manage wire transfers, investments, reporting and merchant services from one login point, for example. Other features are geared for smaller business banking clients through BBC Express. The upgrade to dynamic display technology means that the user experience will be optimized for whatever device they use (computer, tablet or smartphone). And a special shadowing feature will allow our banking officers to view the same screen image as our customers when assisting them. The upgrade will continue into 2017.

In 2017, we will continue to invest in technology for our business clients, adding special capabilities through hundreds of

new apps. We also plan to launch new merchant service solutions that work for large and small businesses by offering mobile point-of-sale readers that do not need to be fastened to counters, and can securely process payments for Visa, MasterCard, AMEX, Discover, China UnionPay, JCB, PayPal, Apple Pay, Samsung Pay and Android Pay via swipes or dips.

### **Commercial/Corporate Banking**

Our commercial and corporate bankers are among Hawaii's most experienced financial services teams. Their expertise combined with our investments in leading edge technology offers our clients world-class solutions.

In 2016, we were the largest commercial mortgage lender in the state of Hawaii, thanks in part to our Fast Track Real Estate Loan Program. With a streamlined credit approval process and highly competitive rates, the highly effective loan program offers customized financial solutions for owners, developers and investors with multi-family, retail, industrial, office and mixed-use properties.

For the past 30 years, Bank of Hawaii has been a leader in the captive insurance industry, currently providing a full suite of banking and investment products to more than 80 diverse captive clients. We now oversee more than \$1 billion in investment assets and deposits for the Hawaii domicile captive insurance market. Our Captive Insurance team is one of the most dedicated in the market, serving a broad spectrum of businesses from a range of industries including healthcare, hospitality, energy, retail, construction and technology. Increasingly middle-market companies are pursuing the use of captives to manage the risks inherent to their operations. Bank of Hawaii is actively supporting current and prospective captive clients presently forming or exploring these opportunities, all the while remaining very focused on maintaining and growing this business with our existing core book of large corporate clients.

## **Business Banking**

In 2016, we earned the U.S. Small Business Administration Lender of the Year Award, recording 58 SBA guaranteed loans in Hawaii and Guam valued at \$17 million. We are proud to have received this prestigious award in 12 out of the past 14 years.

We recognize that small businesses and entrepreneurs make up the backbone of Hawaii's economy. Our local bankers understand the unique challenges of doing business in Hawaii and, in addition to providing the latest in technological advantages, are available to advise and support small-business owners to help them move forward now and for years to come.

### **Energy-Efficient Facilities**

Bank of Hawaii continues to improve facilities with eco-friendly innovations as part of our energy conservation program. We have significantly reduced energy expenses and consumption, in large part due to the installation of photovoltaic solar panels on 12 branches and two buildings so far. We switched on 348 PV panels and two high-efficiency air-conditioning chillers at our downtown Honolulu headquarters, for a combined reduction of over 10,000 barrels of oil. We will continue to strive toward investing in energy renewable projects as we renovate branches and facilities.

*A passion for helping customers is what motivates our teams. Because our customers say it better than anyone, please see the following pages where a few of them share how our services have improved their lives and businesses.*



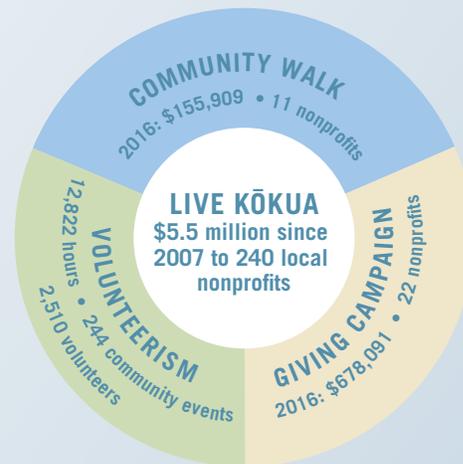
Read Bank of Hawaii's Summary Annual Report online, which includes extra video footage from our Chairman, clients, nonprofits and employees at [www.boh.com/aboutus](http://www.boh.com/aboutus).

# FOCUSED ON COMMUNITY

Bank of Hawaii, its Foundation & Employees contributed:	<b>\$10,575,218</b> in the past five years	<b>\$2,725,701</b> in 2016
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Bank of Hawaii's focus on the future includes working to ensure a brighter tomorrow for everyone in the community, including those who are most in need. It's a core value we cultivate by partnering to support the missions of more than 300 nonprofit agencies each year on all of the islands where we do business.

With Bank of Hawaii Foundation grants and event sponsorships, the volunteer expertise of our employees on many nonprofit boards, and the grassroots volunteerism and fundraising by our employees and retirees, we continually strive to strengthen the communities where we live and work. Here are a few examples of our community partnerships in 2016.



## EMPLOYEE GIVING



### Goodwill Hawaii

Goodwill Hawaii helps people with employment barriers to become self-sufficient. As a title sponsor for Goodwill Goes Glam, Goodwill Hawaii's annual fundraiser, Bank of Hawaii Foundation has supported the nonprofit's job placement and job training programs since 2012. Four dozen Bankoh Blue Crew volunteers also support the event each year, staffing tables and helping consumers find great deals while helping the community. Bank volunteers also provide free tax return services for low- to moderate-income households through the Volunteer Income Tax Assistance program. In 2016, 22 IRS-certified bank volunteers prepared 330 tax returns at Goodwill's offices, resulting in \$404,272 in refunds for individuals and families.

**Odie Rose**, Goodwill Hawaii support specialist, helps **Leann Bantolino** build new skills through the nonprofit's Program for Adults with Intellectual Disabilities. *Photo courtesy of Goodwill Hawaii.*

### HIKI NŌ, PBS Hawai'i

PBS Hawai'i's HIKI NŌ (the Hawaiian phrase for "can do") mentors students from 90 public, charter and private schools throughout the state of Hawaii, and guides students in sharing the unique stories of their communities, while teaching them 21st-century skills to succeed. Bank of Hawaii Foundation is proud to continue our support of PBS Hawai'i's HIKI NŌ. In 2016, the Bank of Hawaii Foundation provided a \$100,000 grant, and continues to be a major underwriter of the program since its inception in 2011.

Kauai High School sophomore **Leanna Thesken** captures a moment on camera for her 2016 HIKI NŌ segment, "Food Truck Owner." *Photo courtesy of PBS Hawai'i.*





#### EPIC 'Ohana's Hawaii Youth Opportunities Initiative

EPIC 'Ohana works to enhance the welfare of children and youth through transformative processes that are respectful, collaborative and solution-oriented. Since 2010, Bank of Hawaii has helped more than 500 foster youth in Hawaii open matched savings accounts, known as IDAs (Individual Development Accounts), and make important purchases totaling more than \$600,000. The accounts support young people who are transitioning out of the foster care system, with matching funds that are provided so they may make purchases to improve their futures, such as education, housing and transportation. To help these young people succeed, Bank of Hawaii employees also provide financial guidance and advice.

BOH's Kona Banking Center Assistant Manager **Melissa Takaki** opens up an Individual Development Account, or matched savings account, for **Christina Case** through EPIC 'Ohana's Hawaii Youth Opportunities Initiative. *Photo courtesy of EPIC 'Ohana.*



#### Institute for Human Services (IHS)

The Institute for Human Services is Hawaii's oldest and largest human service agency for ending and preventing homelessness. Helping Hawaii's homeless is a cause that is very important to Bank of Hawaii, who supports the nonprofit in a variety of ways. Bank of Hawaii Foundation provided \$25,000 to help fund the initial phase of the IHS rooftop employment training center, which has helped more than 400 clients acquire job skills and placed more than 150 people in jobs earning \$15 to \$20/hour. Employees raised more than \$130,000 for the first Live Kōkua Community Walk in 2007 to benefit IHS. Since then, employees have voted to include IHS as a Live Kōkua Giving Campaign beneficiary three times in the past six years, and Bankoh Blue Crew volunteers regularly serve breakfast twice a month at IHS shelters.

IHS's Kaaahi Women and Family Shelter is a 24/7 multi-service center for women and families with children. It houses up to 110 individuals in a safe and stable environment and is home to the nonprofit's rooftop garden, which serves as an employment training center. *Photo courtesy of IHS.*

## FOCUSED ON OUR EMPLOYEES

In today's world, the customer experience is more prominent than ever. With continued growth of technology in modern banking, our people are the key to providing our customers with the best 21st-century banking experience coupled with a personalized touch. Their extensive knowledge, combined with the ability to build long-lasting client relationships provides the baseline of our success.



**Above:** In its third year, Bank of Hawaii Foundation awarded 35 scholarships to children of bank employees. Seated, first row, from left: **Mary Elizabeth Pascual, Brittany Maze, Pu'uwaialoha Medina, Keri Togami, Aubree Kim, Megan Togami, Rachel Hillen, Rachel Newcomb** and **Anela Mattson**. Second row: **Jessica Lee, Nathan Lee, Nicole Wheatman, Kylie Nishino, Diamond Tuisano, Ashlynn Shiraishi, Kaitlin Tilitile, Ennah Cabading**. Standing: **Andrew Ines, Ashton Mayo, William Young, Eleu Akimseu, Keegan McCrary, Micah Miyasato, Elasia Hamilton** and **Mabel Cheng**. *Not pictured: Stephanie Aczon, Stephanie Balais, Lark Jason Canico, Kehaulani Esteban, Natalie Hajinelian, Devin Jandoc, Dylan Matsuda, Christen Miyasato, Kelsey Morihara and Tyler Trent.*



**Above Left:** BOH Corporate Trainer **Shauna Cabel** was part of the team to implement the Bank of Hawaii College Assistance Program, and later signed up for the program to earn her first bachelor's degree through Chaminade University's Professional and Continuing Education program. PACE Director **Michelle Cohen** discusses the program with Shauna during a one-on-one tutoring session via Skype.



**Above Right:** In addition to rotating through various bank divisions within six months, the Bank Associates cohort also organized two community service activities. On Nov. 5, nearly 95 Bankoh Blue Crew volunteers worked alongside the BAs to tackle five different activities at the HUGS House. Clockwise from left: **Laura Talaroc, Tina Nakahara** and BA **Patricia Lam** clean the children's playset.



**Left:** In February 2016, the Bankoh Rally drew hundreds of employees to the Hawaii Convention Center where new bank products, themes and initiatives were unveiled, including a preview of Bank of Hawaii's "Welcome to Tomorrow" commercial, which debuted during Super Bowl 50. From left: **Steve Franklin, Kevin Sakamoto, Jill Higa, Jason Sunahara, Ronald Chang** and **Ali Kang** pose with a "Welcome to Tomorrow" picture frame.

Bank of Hawaii is committed to hiring the best people and providing them with engaging careers that align to their values. Our employees' voices and overall satisfaction with their careers play a prominent role to the overall success of the bank. In 2016, Bank of Hawaii was once again recognized as one of Hawaii's "Best Places to Work" based on employee responses to a confidential survey.

As part of our extensive benefits, we offer multiple opportunities for employees' personal and professional education and development. In August 2016, we launched the College Assistance Program (CAP) to provide an opportunity for employees who are aspiring to obtain their first bachelor's degree. Bank of Hawaii's partnership with Chaminade University provides employees access to online classes where they can choose from a selection of majors. With a few employees having already completed the first term, an additional 18 participants are anticipated to enroll in the program in 2017.

One of our most successful development programs is our Pathways to Professional Excellence (PPE) program. The program is designed to provide a broader perspective on the complexity of the bank's multiple services, and introduce participants to senior leaders in areas outside their own business unit. In 2016, 23 participants graduated from the program during which they received valuable business and interpersonal skills training to better serve customers and improve teamwork with coworkers.

During 2016, we introduced a group of 31 paid interns to several of the opportunities at Bank of Hawaii that aligned with their career interests. The interns were provided with professional and on-the-job skills development opportunities. They worked in diverse areas such as Corporate Compliance, Private Banking and Commercial Credit.

Management training through Bank of Hawaii's Bank Associate (BA) program has propelled many of our current managers and executives into successful careers at the bank. This intensive six-month program has been

developing future leaders for over 50 years. In addition to their heavy participation in the community, the program is a great platform that provides BAs with an opportunity to acclimate to the bank's culture and develop key relationships with senior leaders across multiple business units. In 2016, we welcomed 10 new graduates from the program.

Bank of Hawaii is committed to a workplace where all employees are encouraged to pursue opportunities for learning and professional growth. The pursuit of self-improvement and skill development create unmatched value for our employees, allowing them to build career advancement opportunities across a lifetime.



Man in patterned shirt holding a dog

Woman in white blouse sitting at a table

Shelves with various decorative items and framed pictures

Window with a colorful stained glass design and a lamp on a table

Small dog sitting on the floor

## DR. TYRIE JENKINS AND GEORGE NORCROSS

**Dr. Tyrie Jenkins:** When I opened Jenkins Eye Care in 1992, I was starting it from scratch. So I went to a woman banker at Bank of Hawaii. I had very little collateral, although I had a history of a successful practice on the mainland. The bank took a chance on me and gave me a \$75,000 loan to start this practice, which is now almost 25 years old and one of the largest refractive and cataract ophthalmology practices in the state. That whole experience made me very fond of Bank of Hawaii.

**George Norcross:** When I graduated from 'Iolani, I opened up an account at the Waialae-Kahala Branch to deposit my checks when working summer construction jobs. After I met and married Ty, we did one of our mortgages with Bank of Hawaii when their rates became a little more competitive and never looked back. I also opened some accounts for my own small businesses there.

**Tyrie:** I've had multiple business banking relationships with Bank of Hawaii over the years, and I think that the latest iteration has been good because of its business professional relationships for doctors. Specific business needs for physicians are unique, and physicians are often poor business people because we aren't really taught how to conduct a business in medical school. I think the bank has recognized this niche market, and having financial professionals available who understand the needs for running a healthcare business is very helpful.

**George:** This is my only banking relationship, and it just keeps getting better and better all the time. My needs have grown from when I opened my first savings account. Our Private Banker Jared Kashiwabara has been fabulous; there's no one more helpful. The service that he provides is impeccable. It's really a concierge service.

**Tyrie:** The expense of running a small business in Hawaii is high, and sometimes cash flow is tight when we have to zero-out the account balances toward the end of the year. Many times I need to ask the bank for a short-term loan to handle the year-end expenses, and the service is fast and convenient. I appreciate that if I need something, I can call Jared, and he's right on it.

**George:** Having a bank here in Hawaii is how you're going to get the best service because you're here face-to-face. I also like the easy deposit ATMs, and I appreciate the Bankohana lines at the branches, which are often a bit shorter.

**Tyrie:** We also have a relationship with other bankers who check in on us regularly. I think it's nice that our bank is looking out for us. Sometimes we've discovered new services that we didn't even know we needed. They have introduced us to different types of loans or different types of savings accounts for better interest rates. It's nice to have them proactively pursuing us to provide the most cost-effective banking for our needs.

**George:** I've seen Bank of Hawaii change over the years, and it's great to see a local bank doing such a great job, rated as one of the top 10 since *Forbes* began its ranking. That's quite an accomplishment, quite a feat for a Hawaii business. The bank should be proud of it, and customers should be proud of it. It's nice to be part of a success that's part of Hawaii.

**Tyrie:** The name, Bank of Hawaii, says it all: locally owned, locally managed, with friendly customer-service oriented professionals that have a deep knowledge of banking issues and transactions. I feel comfortable that they have our best interests in mind.

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*Dr. Tyrie Jenkins, owner of Jenkins Eye Care, and her husband, retiree and small-business owner George Norcross.*



THE CLEAN ENERGY COMPANY  
hawaiigas.com

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## ALICIA MOY HAWAI'I GAS

**Alicia Moy:** Throughout our more than 100-year history as the state's only gas utility, Hawai'i Gas has delivered clean, reliable gas energy to homes and businesses statewide. Our customers depend on us to provide synthetic natural gas and propane for cooking, water heating, clothes drying and outdoor lighting.

As Hawaii moves toward a more renewable energy future, Hawai'i Gas is committed to doing our part to make a positive, sustainable impact on the state's energy landscape and provide leadership in this energy transformation.

Hawai'i Gas is investing in renewable natural gas, which can be captured from wastewater treatment plants and landfills or developed from energy crops. In 2016, we were awarded the contract to capture and process previously unutilized biogas from the City & County of Honolulu's Honouliuli Wastewater Treatment Plant. This will contribute up to 800,000 therms per year of biogas to our Oahu pipeline.

To further support the state's renewable energy goals, Hawai'i Gas dedicated the Waihonu Solar Farm, Oahu's largest active solar farm in 2016. With a combined output of six-and-a-half megawatts of electricity, it can power approximately 1,000 homes. This project represents an important milestone as Hawai'i Gas expands beyond gas energy to serve Hawaii.

Bank of Hawaii was one of the major financiers for the solar farm. John McKenna and the bank's corporate banking team have been very responsive to our needs as we continue to explore ways to incorporate renewable energy into our portfolio. Bank of Hawaii has partnered with Hawai'i Gas for more than 50 years, and we rely on them for a range of services, including commercial lending, employee-related benefits services, and cash management.

Hawai'i Gas and Bank of Hawaii both have long histories in the community. We share similar values and embrace doing all we can to facilitate positive change for current and future generations.

Hawai'i Gas' vision is to improve Hawaii's quality of life as a premier provider of gas and other clean energy solutions. We remain committed to diversifying our fuel mix and increasing supply reliability for our customers by using cleaner fuels like natural gas to supplement the synthetic natural gas that we manufacture and distribute.

The state's renewable energy vision impacts not only power generation, but also multiple sectors, including transportation, businesses and consumers. Making a positive long-term difference in Hawaii's renewable energy future requires partnership among all stakeholders and the community.

As a company with deep roots in the islands, we understand the importance of bringing people together in the spirit of collaboration to create innovative solutions for a brighter future for Hawaii. We will continue to look for opportunities to partner with others to advance renewable energy and sustainability for Hawaii. Hawai'i Gas has been here for residents, visitors and businesses of Hawaii since 1904, and we look forward to continuing to serve them for the next 100 years.

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*Hawai'i Gas President and CEO Alicia Moy.*



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## DR. TIMOTHY COTTRELL AND REID GUSHIKEN 'IOLANI SCHOOL

**Reid Gushiken:** 'Iolani School has been a client of Bank of Hawaii for more than 35 years. Bank of Hawaii has been the school's investment custodian from its inception decades ago. Along the way, Bank of Hawaii has also assumed management of the school's fixed income portfolio.

**Dr. Timothy Cottrell:** Bank of Hawaii has been the stabilizing presence in the growth of 'Iolani's endowment from modest beginnings to now exceeding \$170 million in total assets. The financial success of 'Iolani has gone hand-in-hand with our relationship with Bank of Hawaii. Their reliable and steady approach to helping us steward our endowment portfolio has allowed us to model the finances of the school with confidence and predictability.

**Reid:** Our endowment is one of our most important and sacred things to protect, and we trust Bank of Hawaii in helping us with that. We wouldn't entrust this business to just anyone.

**Timothy:** Consistent and steady growth of our endowment allows 'Iolani to deliver world leading academic programs for our students, while keeping tuition down. The actual costs of educating a child at 'Iolani School are significantly higher than the tuition we charge. Providing access to an 'Iolani education has been, and always will be, a top priority for us. In order to accomplish this, we try to keep our tuition as low as possible and we invest heavily in financial aid.

The history of 'Iolani is as a school for working class families who want to invest in the education of their children. The way we are affordable for middle-income families is by virtue of the amount of financial aid that we can provide. The investment gains generated from our endowment allow us to continue investing in financial aid. Over the last several years, we've been able to increase the amount we spend on financial aid at a rate that is double the rate of tuition increases.

What's really wonderful about the relationship we have with Bank of Hawaii is that they know us; they know how we've operated for decades.

**Reid:** The team that we work with is very service-oriented. I work with Jianna Chew, Janet Katakura and Steve Rodgers. They hear what our needs are, and are very supportive of the school's cause.

Also, they're very competent. They are smart, they know what they are talking about, and they've also done very well in managing our fixed income portfolio. The marketplace has been extremely volatile since 2008. Despite the uncertainty in the marketplace, we have been very pleased with Bank of Hawaii's ability to provide us with consistent returns at comfortable levels of risk.

I think Bank of Hawaii is unique in that they are a good fit in terms of both the quality of their work and the way they support their customers. We truly believe they have our best interest in mind and they work collaboratively with us to achieve our goals.

**Timothy:** Our goal is to deliver the greatest education in the world to our students, while allowing the school to remain accessible to working class families as we have done since the school was founded more than 150 years ago. Bank of Hawaii is a wonderful business partner. When we sit down, we genuinely feel like we are working toward the same goal. That is a wonderful relationship to have with a bank.

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*'Iolani's Head of School Timothy Cottrell, Ph.D., and Chief Financial Officer Reid Gushiken.*



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## MARY ANN AND RYAN SULLIVAN

**Ryan Sullivan:** Convenience is a big part of why we bank at Bank of Hawaii; I've had my account at Bank of Hawaii for 30 years. They are conveniently located, and they make it very easy with technology.

We use online banking, mobile banking, and easy deposit ATMs. Depositing a check using a smartphone camera is very easy—I don't think I've been into a branch for about two years now. Everything is on my phone, iPad or online, and we use our checkcard on a daily basis.

**Mary Ann Sullivan:** I'll actually go into a branch every now and then; I'm a little old school sometimes. I like to actually talk to someone and hand someone a check or money to deposit. Everyone we've come in contact with is very relatable and reliable, willing to work with what we have and to understand our situation.

**Ryan:** Ryson Matsumura is our relationship officer; he helped set us on the road to get our home construction loan. Ryson introduced us to Mark Inouye, who's an executive loan officer. Working with the two of them made the loan process very easy. Mark even went out of his way to meet me at my office on multiple occasions.

**Mary Ann:** Mark even drove to our house one weekend with papers to sign to make it more convenient. They definitely make it easy for us as clients, providing great service and always seeing what's important for us, which is time.

**Ryan:** We bought an old house on a great property in our ideal neighborhood. We decided to tear it down and in its place build a new, sustainable, eco-friendly house that would be our dream house for our growing family. We were able to do this by securing a construction loan through the bank.

I'd like to thank the bank for helping us realize our dream of building our own house. It's every architect's dream to design their own home, so we are very fortunate to be able to accomplish this at this time in our lives.

**Mary Ann:** Ryan's the designer and the project manager, overseeing the day-to-day construction. I'm looking forward to seeing the finished product—it's making good progress, and we are all really excited. This is probably our one-and-only opportunity for Ryan to build and design a house for us. It's pretty special, and we're extremely grateful.

**Ryan:** It's very important for us to work with a bank whose roots are in Hawaii. We know that our money is being reinvested in the islands; it's keeping the money here and supports the local economy.

**Mary Ann:** Between the amazing service, attention to detail and personal staff, it's our go-to bank. It's Hawaii's bank!

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*The Sullivan family in their soon-to-be completed Oahu home: Mary Ann, Ryan, Elin and Avery. Ryan, who is an architect at Group 70 International, designed the house and is overseeing its construction; Mary Ann is the Hawaii regional client development manager for Louis Vuitton.*



## GORDON MARK

**Gordon Mark:** I've been a Bank of Hawaii client for almost forever. When I was a student majoring in design at the University of Hawaii at Mānoa, I used to bank at the Bank of Hawaii Keeaumoku Branch because the location was convenient. My parents lived in Waipahu, so my mother banked at the Waipahu location.

The day after I got my BFA degree, I became the assistant chairman of the Fine Arts Department at the university. For nine years, while I was working at UH, I used to provide the dinner music at the Captain's Galley, a fine-dining restaurant at the Moana Surfrider Hotel in Waikiki. The university job paid for all the bills; the pay from the second job went to the bank.

When I retired from UH, I consolidated and kept everything at the Waipahu Branch with my parents. Now that I live in town, I visit the Ward Branch and that's where I first met Tomomi Kramer.

Tomomi is my personal banker, and she has been outstanding. She reminds me of an old-fashioned doctor, the ones who used to make house calls. She always goes above and beyond the call of duty to make life easier for me. I trust Tomomi implicitly, and I'm sure all her clients feel the same way.

I'm currently managing several accounts for my relatives and myself. Tomomi has to keep track of these various accounts for me, and when I go in to see her, I ask her about each one. And she knows exactly what I'm talking about.

I would never do my banking outside of Hawaii, because I need to be able to talk to someone face-to-face. For me, relationships and people-contact are essential. As my banking needs have changed over the years, Tomomi's been there to help me.

I look at myself as a Bank of Hawaii customer in a different way because I've also come to know other employees in different areas of the bank. Malcolm Lau, who's a senior vice president at Bank of Hawaii, has been my longest standing ukulele student and my protégé. Through Malcolm, I've come to meet other Bank of Hawaii people at functions, including Jon Murakami, senior vice president of the Private Banking Group, and Kimo Wong, the Chinatown Branch manager. When a relative recently passed away and I needed to find a Chinese priest to conduct special funeral services, I called Kimo at home on a Sunday to see if he could help. Rather than wait till Monday, Kimo immediately did some research and called me back with suggestions.

The bank also provided me with a brochure entitled, *When A Loved One Passes*, to help me with financial and other important items that needed to be addressed.

For me, I'm old fashioned, and I'm still "working" for fun. When it comes to my finances, I need to have peace of mind. Bank of Hawaii is a local bank with people from here that I can relate to, that I can trust, and people that I can call. The service is outstanding; it has the personal touch.

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*Retired University of Hawaii administrator and self-taught ukulele virtuoso Gordon Mark. In addition to teaching private students, Gordon also volunteers his time teaching ukulele to youngsters from Farrington High School and the Queen Lili'uokalani Children's Center.*



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## CONSOLIDATED STATEMENTS OF INCOME

Bank of Hawaii Corporation and Subsidiaries (dollars in thousands, except per share amounts)

FOR THE YEAR ENDED DECEMBER 31	2016	2015
<b>Interest Income</b>		
Interest and Fees on Loans and Leases	\$ 333,239	\$ 298,522
Income on Investment Securities		
Available-for-Sale	41,892	41,492
Held-to-Maturity	79,087	89,650
Deposits	9	8
Funds Sold	2,861	1,133
Other	812	1,305
Total Interest Income	<u>457,900</u>	<u>432,110</u>
<b>Interest Expense</b>		
Deposits	12,647	9,626
Securities Sold Under Agreements to Repurchase	23,406	25,364
Funds Purchased	12	12
Other Debt	4,256	3,021
Total Interest Expense	<u>40,321</u>	<u>38,023</u>
Net Interest Income	417,579	394,087
Provision for Credit Losses	4,750	1,000
Net Interest Income After Provision for Credit Losses	<u>412,829</u>	<u>393,087</u>
<b>Noninterest Income</b>		
Trust and Asset Management	46,203	47,685
Mortgage Banking	19,895	11,583
Service Charges on Deposit Accounts	33,654	34,072
Fees, Exchange, and Other Service Charges	55,176	53,353
Investment Securities Gains, Net	10,203	10,160
Annuity and Insurance	7,017	7,664
Bank-Owned Life Insurance	6,561	7,039
Other	18,634	14,663
Total Noninterest Income	<u>197,343</u>	<u>186,219</u>
<b>Noninterest Expense</b>		
Salaries and Benefits	201,150	191,963
Net Occupancy	30,252	30,217
Net Equipment	20,578	20,162
Data Processing	15,208	16,472
Professional Fees	10,072	9,660
FDIC Insurance	8,615	8,669
Other	64,703	70,961
Total Noninterest Expense	<u>350,578</u>	<u>348,104</u>
Income Before Provision for Income Taxes	259,594	231,202
Provision for Income Taxes	<u>78,133</u>	<u>70,498</u>
<b>Net Income</b>	<u>\$ 181,461</u>	<u>\$ 160,704</u>
Basic Earnings Per Share	\$ 4.26	\$ 3.72
Diluted Earnings Per Share	\$ 4.23	\$ 3.70
Dividends Declared Per Share	\$ 1.89	\$ 1.80
Basic Weighted Average Shares	42,644,100	43,217,818
Diluted Weighted Average Shares	42,879,783	43,454,877

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm, thereon.

## CONSOLIDATED STATEMENTS OF CONDITION

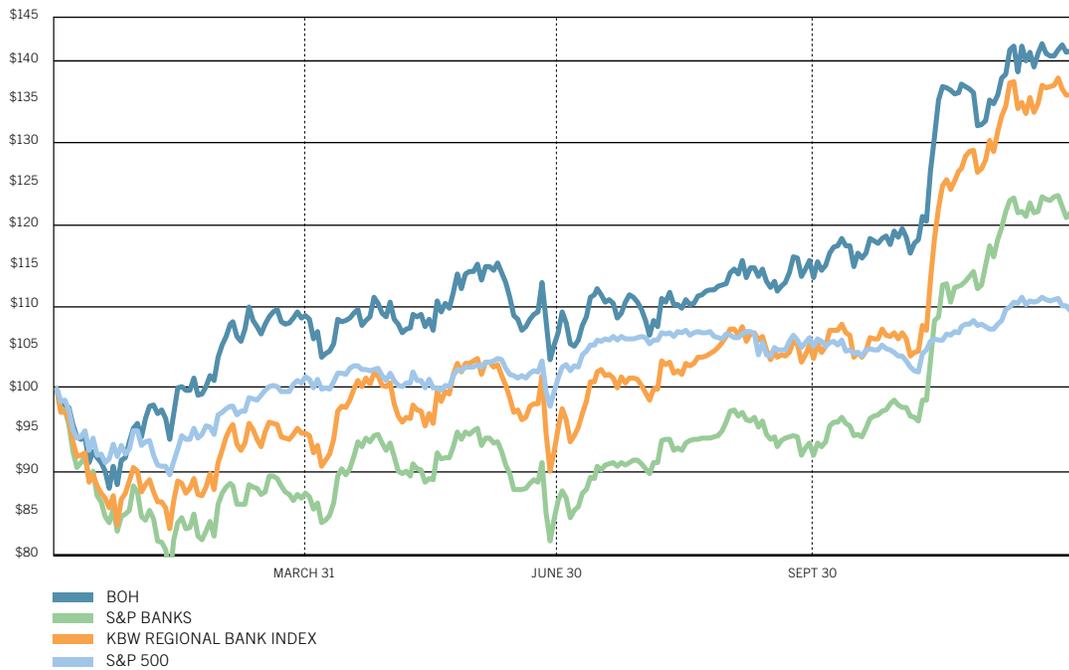
Bank of Hawaii Corporation and Subsidiaries (dollars in thousands)

AS OF DECEMBER 31	2016	2015
<b>Assets</b>		
Interest-Bearing Deposits in Other Banks	\$ 3,187	\$ 4,130
Funds Sold	707,343	592,892
Investment Securities		
Available-for-Sale	2,186,041	2,256,818
Held-to-Maturity (Fair Value of \$3,827,527 and \$4,006,412)	3,832,997	3,982,736
Loans Held for Sale	62,499	4,808
Loans and Leases	8,949,785	7,878,985
Allowance for Loan and Lease Losses	(104,273)	(102,880)
Net Loans and Leases	<u>8,845,512</u>	<u>7,776,105</u>
Total Earning Assets	<u>15,637,579</u>	<u>14,617,489</u>
Cash and Due From Banks	169,077	158,699
Premises and Equipment, Net	113,505	111,199
Accrued Interest Receivable	46,444	44,719
Foreclosed Real Estate	1,686	824
Mortgage Servicing Rights	23,663	23,002
Goodwill	31,517	31,517
Bank-Owned Life Insurance	274,188	268,175
Other Assets	194,708	199,392
<b>Total Assets</b>	<u>\$ 16,492,367</u>	<u>\$ 15,455,016</u>
<b>Liabilities</b>		
Deposits		
Noninterest-Bearing Demand	\$ 4,772,727	\$ 4,286,331
Interest-Bearing Demand	2,934,107	2,761,930
Savings	5,395,699	5,025,191
Time	<u>1,217,707</u>	<u>1,177,651</u>
Total Deposits	<u>14,320,240</u>	<u>13,251,103</u>
Funds Purchased	9,616	7,333
Securities Sold Under Agreements to Repurchase	523,378	628,857
Other Debt	267,938	245,786
Retirement Benefits Payable	48,451	47,374
Accrued Interest Payable	5,334	5,032
Taxes Payable and Deferred Taxes	21,674	17,737
Other Liabilities	<u>134,199</u>	<u>135,534</u>
<b>Total Liabilities</b>	<u>15,330,830</u>	<u>14,338,756</u>
<b>Shareholders' Equity</b>		
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: December 31, 2016 - 57,856,672 / 42,635,978 and December 31, 2015 - 57,749,071 / 43,282,153)	576	575
Capital Surplus	551,628	542,041
Accumulated Other Comprehensive Loss	(33,906)	(23,557)
Retained Earnings	1,415,440	1,316,260
Treasury Stock, at Cost (Shares: December 31, 2016 - 15,220,694 and December 31, 2015 - 14,466,918)	<u>(772,201)</u>	<u>(719,059)</u>
<b>Total Shareholders' Equity</b>	<u>1,161,537</u>	<u>1,116,260</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 16,492,367</u>	<u>\$ 15,455,016</u>

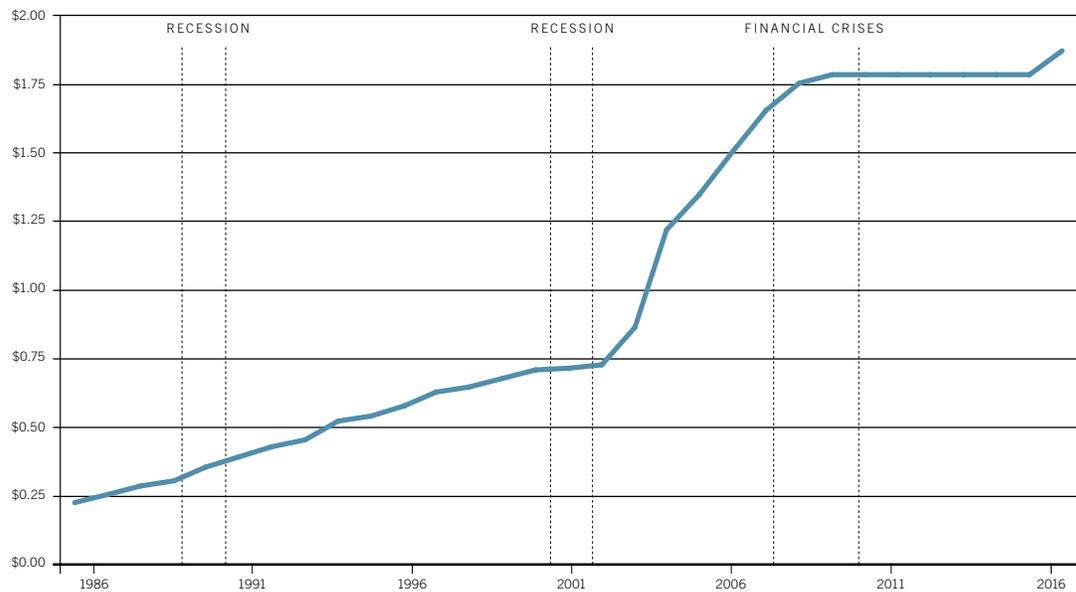
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### RELATIVE STOCK PRICE PERFORMANCE

For the Year Ended December 31, 2016



### UNBROKEN HISTORY OF DIVIDENDS



Historical Dividends Adjusted for Stock Splits

**Facts: Hawaii, Guam, American Samoa, Saipan and Palau**

**HAWAII**

*Hawaii business establishments in 2014:* 98.0 percent have fewer than 100 employees, 95.0 percent have fewer than 50 employees, and 56.6 percent have fewer than five employees. <sup>1</sup>

*Hawaii gross domestic product in 2015:* \$79.7 billion (in current dollars) <sup>2</sup>

- Government (federal civilian & military, and state and local): 21.6%
- Real estate, Rental and Leasing: 19.6%
- Accommodation and Food services: 8.5%
- Retail trade: 6.6%
- Health care and Social assistance: 6.5%
- Construction: 6.0%
- Transportation and Warehousing: 4.4%
- Professional and Technical services: 4.0%
- Finance and insurance: 3.4%

*Tourism's direct and indirect impact on Hawaii gross domestic product (in current dollars) in 2015:* 16.7% <sup>3</sup>

*State of Hawaii resident population as of July 1, 2016:* 1,428,557 <sup>4</sup>

**GUAM**

- U.S. Territory
- Capital: Hagatna (Agana)
- Resident population: July 2016 estimate 162,742 <sup>5</sup>
- Main industries: U.S. military and tourism

**AMERICAN SAMOA**

- U.S. Territory
- Capital: Pago Pago
- Resident population: July 2016 estimate 54,194 <sup>5</sup>
- Main industries: tuna canneries and handicrafts

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**

- Commonwealth in political union with the U.S.
- Capital: Saipan
- Resident population: July 2016 estimate 53,467 <sup>5</sup>
- Main industries: tourism, banking and construction

**PALAU**

- Constitutional government in free association with the U.S.
- Capital: Melekeok
- Resident population: July 2016 estimate 21,347 <sup>5</sup>
- Main industries: tourism, craft items and construction

**BANK OF HAWAII BRANCHES AND ATMS**

(As of December 31, 2016)

	Branches and In-Store Branches	ATMs
<b>State of Hawaii</b>	<b>64</b>	<b>399</b>
Island of Oahu	36	285
Island of Hawaii	11	49
Island of Maui	10	38
Island of Kauai	5	25
Island of Lanai	1	1
Island of Molokai	1	1
<b>West Pacific</b>	<b>5</b>	<b>40</b>
CNMI/Saipan	1	6
Guam	3	31
Palau	1	3
<b>American Samoa</b>	<b>1</b>	<b>5</b>
<b>Total</b>	<b>70</b>	<b>444</b>

<sup>1</sup> Table 12.29, Hawaii DBEDT *State of Hawaii Data Book 2014*, pg 89, 2014 *Employment and Payrolls in Hawaii*: [https://www.hiwi.org/admin/gsipub/htmlarea/uploads/LFR\\_QCEW\\_ES2014.pdf](https://www.hiwi.org/admin/gsipub/htmlarea/uploads/LFR_QCEW_ES2014.pdf)

<sup>2</sup> Table 13.05, Hawaii DBEDT *State of Hawaii Data Book 2015*, <http://files.hawaii.gov/dbedt/economic/databook/2015-individual/13/130515.xls> from the U.S. Bureau of Economic Analysis, Gross Domestic Product by Industry 1963 to 2015: [www.bea.gov/regional/index.htm](http://www.bea.gov/regional/index.htm)

<sup>3</sup> Calculation based on Tables 13.05 and 7.32, Hawaii DBEDT *State of Hawaii Data Book 2015*, <http://files.hawaii.gov/dbedt/economic/databook/2015-individual/07/073215.xls> and <http://files.hawaii.gov/dbedt/economic/databook/2015-individual/13/130513.xls>

<sup>4</sup> Table 1.04, Hawaii DBEDT *State of Hawaii Data Book 2016*, [http://files.hawaii.gov/dbedt/census/poestimate/2016\\_state\\_pop\\_hi/nst-est2016-01.xlsx](http://files.hawaii.gov/dbedt/census/poestimate/2016_state_pop_hi/nst-est2016-01.xlsx)

<sup>5</sup> Central Intelligence Agency (CIA), The World Factbook (2016).

MANAGING COMMITTEE

Bank of Hawaii Corporation / Bank of Hawaii



From left: Mary E. Sellers, Peter S. Ho, Kent T. Lucien and Mark A. Rossi

From left: Jill F.S. Higa, Derek J. Norris, James C. Polk, Donna A. Tanoue and Wayne Y. Hamano

**Peter S. Ho**  
Chairman, President and  
Chief Executive Officer

**Sharon M. Crofts**  
Vice Chair  
Client Solutions Group

**Wayne Y. Hamano**  
Vice Chair  
and Chief Commercial Officer

**Alton T. Kuiuoka**  
Vice Chair of Board of Directors  
of Bank of Hawaii

**Kent T. Lucien**  
Vice Chair  
and Chief Strategy Officer

**Derek J. Norris**  
Vice Chair  
Residential and Consumer Lending

**James C. Polk**  
Vice Chair  
Consumer Banking Group

**Mark A. Rossi**  
Vice Chair, Chief Administrative Officer,  
General Counsel & Corporate Secretary

**Mary E. Sellers**  
Vice Chair  
and Chief Risk Officer

**Donna A. Tanoue**  
Vice Chair  
Client and Community Relations



*From left: David Oyadomari, Kevin T. Sakamoto, Susan L. Ing and Vincent E. Barfield*

*From left: Dean Y. Shigemura, Sheh Bertram, Alton T. Kuioka and Sharon M. Crofts*

**Vincent E. Barfield**

Senior Executive Vice President  
Investment Services Group

**Sheh Bertram**

Senior Executive Vice President  
and Chief Information Officer

**Jill F.S. Higa**

Senior Executive Vice President  
Branch and Community Banking

**Susan L. Ing**

Senior Executive Vice President  
and Chief Marketing Officer

**David Oyadomari**

Senior Executive Vice President  
Digital Channels Division

**Kevin T. Sakamoto**

Senior Executive Vice President  
Branch Delivery

**Dean Y. Shigemura**

Senior Executive Vice President  
and Chief Financial Officer

BOARD OF DIRECTORS

Bank of Hawaii Corporation / Bank of Hawaii



Board of Directors (seated, from left): Victor K. Nichols, Mary G.F. Bitterman, Peter S. Ho, Barbara J. Tanabe and Kent T. Lucien. (standing from left): Donna A. Tanoue, Clinton R. Churchill, S. Haunani Apoliona, Robert W. Wo, Michael J. Chun, Raymond P. Vara, Mark A. Burak, Alton T. Kuioka and Robert A. Huret.

**S. Haunani Apoliona\***  
Trustee  
Office of Hawaiian Affairs

**Mary G.F. Bitterman\***  
President and Director  
The Bernard Osher  
Foundation

**Mark A. Burak\***  
Retired Executive  
Vice President  
Bank of America

**Michael J. Chun\***  
Retired President  
and Headmaster  
Kamehameha Schools-  
Kapalama

**Clinton R. Churchill\***  
Trustee  
The Estate of  
James Campbell

**Peter S. Ho\***  
Chairman, President and  
Chief Executive Officer  
Bank of Hawaii Corporation  
and Bank of Hawaii

**Robert A. Huret\***  
Managing Member  
FTV Management  
Company, LP

**Alton T. Kuioka**  
Vice Chair  
Client Relations  
Bank of Hawaii

**Kent T. Lucien\***  
Vice Chair and  
Chief Strategy Officer  
Bank of Hawaii Corporation  
and Bank of Hawaii

**Victor K. Nichols\***  
Former CEO of  
North America and  
President of Global  
Consumer Services  
Experian

**Barbara J. Tanabe\***  
Owner and Partner  
Ho'akea Communications LLC

**Donna A. Tanoue**  
Vice Chair  
Client and Community Relations  
Bank of Hawaii

**Raymond P. Vara\***  
President and  
Chief Executive Officer  
Hawai'i Pacific Health

**Robert W. Wo\***  
Owner and Director  
C.S. Wo & Sons, Ltd.

*\*Bank of Hawaii Corporation  
Board of Directors*

## SHAREHOLDER INFORMATION

### Corporate Headquarters

Bank of Hawaii Corporation  
130 Merchant Street  
Honolulu, Hawaii 96813

### Annual Meeting

The annual meeting of shareholders will be held on Friday, April 28, 2017, at 8:30 a.m. at the Bank of Hawaii Main Office, 5th Floor, 111 South King Street, Honolulu, Hawaii.

### Transfer Agent and Registrar

Computershare Investor Services, LLC  
250 Royall Street,  
Canton, MA 02021

### Common Stock Listing

NYSE: BOH

The common stock of Bank of Hawaii Corporation is traded on the New York Stock Exchange under the ticker symbol BOH and is quoted daily in leading financial publications as “Bank of Hawaii.”

### Dividend Reinvestment & Stock Purchase Plan (DRP)

Bank of Hawaii Corporation’s Dividend Reinvestment and Stock Purchase Plan (DRP) allows existing shareholders to purchase common shares of the company’s stock by either reinvesting their stock dividends or by optional cash payments.

- Individuals must possess at least one share of the company’s stock to participate in the DRP.
- Shares are purchased on the 10th business day of each month based on the average of five trading days ending on the day of purchase.
- Minimum payment for purchase of shares is \$25 and the maximum is \$5,000 per calendar quarter.
- There are no fees for purchasing shares or for the safekeeping of stock certificates. Fees are assessed on the sale of shares in the DRP.

### Inquiries

Shareholders with questions about stock transfer services, share holdings or dividend reinvestment may contact Computershare Investor Services, LLC at 1-888-660-5443 between 7:00 a.m. and 5:00 p.m. Central Standard Time.

### Investors and Analysts Seeking Financial Information

Cindy Wyrick  
Executive Vice President  
Investor Relations  
Phone: 1-808-694-8430

### For General Inquiries

Phone: 1-888-643-3888  
[www.boh.com](http://www.boh.com)

 Detailed information about Bank of Hawaii Corporation’s DRP can be found online at [www.boh.com](http://www.boh.com) or by calling Computershare Investor Services, LLC at 1-888-660-5443.

**Forward-Looking Statements** This report contains forward-looking statements concerning, among other things, the economic and business environment in our service area and elsewhere, credit quality and other financial and business matters in future periods. Our forward-looking statements are based on numerous assumptions, any of which could prove to be inaccurate and actual results may differ materially from those projected because of a variety of risks and uncertainties, including, but not limited to: 1) general economic conditions either nationally, internationally or locally may be different than expected, and particularly, any event that negatively impacts the tourism industry in Hawaii; 2) unanticipated changes in the securities markets, public debt markets, and other capital markets in the U.S. and internationally; 3) competitive pressures in the markets for financial services and products; 4) the impact of legislative and regulatory initiatives, particularly the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”); 5) changes in fiscal and monetary policies of the markets in which we operate; 6) the increased cost of maintaining or the Company’s ability to maintain adequate liquidity and capital, based on the requirements adopted by the Basel Committee on Banking Supervision and U.S. regulators; 7) actual or alleged conduct which could harm our reputation; 8) changes in accounting standards; 9) changes in tax laws or regulations or the interpretation of such laws and regulations; 10) changes in our credit quality or risk profile that may increase or decrease the required level of our reserve for credit losses; 11) changes in market interest rates that may affect credit markets and our ability to maintain our net interest margin; 12) the impact of litigation and regulatory investigations of the Company, including costs, expenses, settlements, and judgments; 13) any failure in or breach of our operational systems, information systems or infrastructure, or those of our merchants, third-party vendors and other service providers; 14) any interruption or breach of security of our information systems resulting in failures or disruptions in customer account management, general ledger processing, and loan or deposit systems; 15) changes to the amount and timing of proposed common stock repurchases; and 16) natural disasters, public unrest or adverse weather, public health, and other conditions impacting us and our customers’ operations. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. For a detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements please refer to the risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and any subsequently filed reports with the U.S. Securities and Exchange Commission. Words such as “believes,” “anticipates,” “expects,” “intends,” “targeted” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. We undertake no obligation to update forward-looking statements to reflect later events or circumstances.

*Bank of Hawaii Corporation is an independent 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 website, [www.boh.com](http://www.boh.com).*



BANK OF HAWAII CORPORATION

P.O. Box 2900  
Honolulu, Hawaii 96846