UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 1995

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ____________ to ____________

Commission File Number 1-6887

BANCORP HAWAII, INC.
(Exact name of registrant as specified in its charter)

Hawaii	99-0148992
(State of incorporation)	(IRS Employer Identification No.)

130 Merchant Street, Honolulu, Hawaii	96813
(Address of principal executive offices)	(Zip Code)

(808) 537-8111
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $2 Par Value; outstanding at April 30, 1995 - 41,926,747 shares

BANCORP HAWAII, INC. and subsidiaries
March 31, 1995

PART I. - Financial Information

Item 1. Financial Statements

The consolidated statements of condition as of March 31, 1995 and 1994, and December 31, 1994 and related statements of income, shareholders' equity, and cash flows are included herein.

The unaudited financial statements listed above have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles.

The financial statements reflect all adjustments of a normal and recurring nature which are, in the opinion of management, necessary to a fair statement of the results for the interim periods. Certain accounts have been reclassified to conform with the 1995 presentation.

Consolidated Statements of Condition (Unaudited) — Bancorp Hawaii, Inc. and subsidiaries

(in thousands of dollars)	March 31 1995	December 31 1994	March 31 1994
Assets			
Interest-Bearing Deposits	$532,726	$727,016	$999,991
Investment Securities - Held to Maturity			
(Market Value of $1,445,735, $1,736,659 and $2,663,837, respectively)	1,475,666	1,785,960	2,652,355
Investment Securities - Available for Sale	1,676,852	1,364,925	929,722
Funds Sold	79,755	54,167	115,747
Loans	7,756,208	7,891,993	7,366,639
Unearned Income	(141,860)	(144,034)	(146,610)
Reserve for Possible Loan Losses	(150,377)	(148,508)	(130,064)
Net Loans	7,463,971	7,599,451	7,089,965
Total Earning Assets	11,228,970	11,531,519	11,787,780
Cash and Non-Interest Bearing Deposits	387,505	508,762	596,504
Premises and Equipment	227,700	221,806	176,765
Customers' Acceptance Liability	21,037	17,776	14,437
Accrued Interest Receivable	72,470	77,340	78,588
Other Real Estate	638	594	4,026
Intangibles, including Goodwill	93,512	94,515	103,903
Trading Securities	14,115	13,696	14,067
Other Assets	151,902	120,342	101,813
Total Assets	$12,197,849	$12,586,350	$12,877,883
Liabilities			
Domestic Deposits			
Demand - Non-Interest Bearing	$1,357,837	$1,436,794	$1,326,211
- Interest-Bearing	1,628,719	1,747,514	1,864,532
Savings	1,085,263	1,140,402	1,284,824
Time	1,765,615	1,639,497	1,526,535
Foreign Deposits	938,699	1,150,847	1,337,831
Total Deposits	6,776,133	7,115,054	7,339,933
Securities Sold Under Agreements to Repurchase	2,139,973	2,136,204	2,500,148
Funds Purchased	489,549	609,574	610,471
Short-Term Borrowings	574,148	594,475	766,177
Bank's Acceptances Outstanding	21,037	17,776	14,437
Accrued Pension Costs	23,576	23,510	24,492
Accrued Interest Payable	64,335	49,253	46,680
Accrued Taxes Payable	158,483	133,720	155,095
Other Liabilities	85,788	78,424	77,306
Long-Term Debt	862,445	861,572	389,882
Total Liabilities	11,195,467	11,619,562	11,924,621
Shareholders' Equity			
Common Stock ($2 par value), authorized 100,000,000 shares; outstanding, March 1995 - 41,908,241; December 1994 - 41,851,466; March 1994 - 42,564,920;	83,816	83,703	85,130
Surplus	261,003	260,040	282,280
Unrealized Valuation Adjustments	(977)	(18,122)	(4,995)
Retained Earnings	658,540	641,167	590,847
Total Shareholders' Equity	1,002,382	966,788	953,262
Total Liabilities and Shareholders' Equity	$12,197,849	$12,586,350	$12,877,883

Consolidated Statements of Income (Unaudited) — Bancorp Hawaii, Inc. and subsidiaries

Three Months Ended Marsh 31 (in thousands of dollars except per share amounts)	1995	1994
Interest Income		
Interest on Loans	$147,144	$124,810
Loan Fees	7,022	8,941
Income on Lease Financing	2,992	3,738
Interest and Dividends on Investment Securities		
Taxable	23,030	38,236
Non-taxable	368	440
Income on Investment Securities Available for Sale	24,867	9,447
Interest on Deposits	8,205	7,669

Interest on Funds Sold	957	415
Total Interest Income	214,585	193,696
Interest Expense		
Interest on Deposits	54,992	42,193
Interest on Security Repurchase Agreements	29,933	21,630
Interest on Funds Purchased	8,134	4,699
Interest on Short-Term Borrowings	5,678	3,968
Interest on Long-Term Debt	13,527	5,299
Total Interest Expense	112,264	77,789
Net Interest Income	102,321	115,907
Provision for Possible Loan Losses	4,453	8,258
Net Interest Income After Provision for Possible Loan Losses	97,868	107,649
Non-Interest Income		
Trust Income	13,391	12,109
Service Charges on Deposit Accounts	6,660	6,981
Fees, Exchange, and Other Service Charges	12,357	10,198
Other Operating Income	5,572	7,629
Investment Securities Gains (Losses)	1,831	(1,043)
Total Non-Interest Income	39,811	35,874
Non-Interest Expense		
Salaries	35,597	35,040
Pensions and Other Employee Benefits	11,257	12,016
Net Occupancy Expense of Premises	10,212	9,207
Net Equipment Expense	7,741	6,816
Other Operating Expense	26,248	25,165
Total Non-Interest Expense	91,055	88,244
Income Before Income Taxes	46,624	55,279
Provision for Income Taxes	18,376	20,887
Net Income	$28,248	$34,392
Earnings Per Common Share and Common Share Equivalents	$0.67	$0.80
Average Common Shares and Common Share Equivalents Outstanding	42,137,738	42,943,711

Consolidated Statements of Shareholders' Equity (Unaudited) Bancorp Hawaii, Inc. and subsidiaries

(in thousands of dollars except per share amounts)	Total	Common Stock	Surplus	Unrealized Valuation Adj.	Retained Earnings
Balance at December 31, 1994	$966,788	$83,703	$260,040	($18,122)	$641,167
Net Income	28,248	-	-	-	28,248
Sale of Common Stock					
89,527 Profit Sharing Plan	2,444	179	2,265	-	-
47,039 Stock Option Plan	827	94	733	-	-
73,509 Dividend Reinvestment Plan	1,994	147	1,847	-	-
Stock Repurchased	(4,189)	(307)	(3,882)	-	-
Unrealized Valuation Adjustments					
Investment Securities	13,688	-	-	13,688	-
Foreign Exchange Translation Adjustment	3,457	-	-	3,457	-
Cash Dividends Paid of $.26 Per Share	(10,875)	-	-	-	(10,875)
Balance at March 31, 1995	$1,002,382	$83,816	$261,003	($977)	$658,540
Balance at December 31, 1993	$938,104	$56,850	$284,886	$537	$595,831
Net Income	34,392	-	-	-	34,392
Sale of Common Stock					
96,443 Profit Sharing Plan	3,090	193	2,897	-	-
47,981 Stock Option Plan	811	96	715	-	-
51,336 Dividend Reinvestment Plan	1,767	103	1,664	-	-
Stock Repurchased	(8,282)	(400)	(7,882)	-	-
Unrealized Valuation Adjustments					
Investment Securities	(6,190)	-	-	(6,190)	-
Foreign Exchange Translation Adjustment	658	-	-	658	-
50 Percent Stock Dividend	(59)	28,288	-	-	(28,347)
Cash Dividends Paid of $.26 Per Share	(11,029)	-	-	-	(11,029)
Balance at March 31, 1994	$953,262	$85,130	$282,280	($4,995)	$590,847

Consolidated Statements of Cash Flows (Unaudited) Bancorp Hawaii, Inc. and subsidiaries

(in thousands of dollars)	1995	1994
Operating Activities		
Net Income	$28,248	$34,392
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses, depreciation, and amortization of income and expense	2,482	8,467
Deferred income taxes	703	1,001
Realized and unrealized investment security gains	1,412	(565)
Net (increase) decrease in trading securities	(419)	284
Other assets and liabilities, net	10,412	4,333
Net cash provided by operating activities	42,838	47,912

Investing Activities		
Proceeds from redemptions of investment securities held to maturity	458,030	474,680
Purchases of investment securities held to maturity	(147,736)	(379,635)
Proceeds from sales of investment securities available for sale	31,594	134,156
Purchases of investment securities available for sale	(321,908)	(109,860)
Net (increase) decrease in interest-bearing deposits placed in other banks	194,290	(162,287)
Net decrease in funds sold	(25,588)	(58,048)
Net (increase) decrease in loans and lease financing	144,098	(111,133)
Premises and equipment, net	(11,481)	(11,587)
Purchase of minority interest of Banque D'Hawaii (Vanuatu), Ltd., net of cash and non-interest bearing deposits acquired	6,808	--
Net cash provided (used) by investing activities	328,107	(223,714)
Financing Activities		
Net decrease in demand, savings, and time deposits	(350,150)	334,958
Proceeds from lines of credit and long-term debt	873	111,625
Principal payments on lines of credit and long-term debt	--	--
Net decrease in short-term borrowings	(136,583)	(56,548)
Proceeds from sale of stock	1,076	(2,614)
Cash dividends	(10,875)	(11,088)
Net cash provided (used) by financing activities	(495,659)	376,333
Effect of exchange rate changes on cash	3,457	658
Increase (decrease) in cash and non-interest bearing deposits	(121,257)	201,189
Cash and non-interest bearing deposits at beginning of year	508,762	395,315
Cash and non-interest bearing deposits at end of period	$387,505	$596,504

/TABLE

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Review

Performance Highlights

Bancorp Hawaii, Inc. (Bancorp) reported earnings for the first quarter of 1995 of $28.2 million, 17.9% below earnings for the first quarter last year. On a per share basis, earnings were $0.67 for the first quarter of 1995, compared with $0.80 for the same quarter a year ago. The decline in net income reflects the impact of the continuing increase in interest rates and the slowdown in the Hawaii economy, which is Bancorp's main market.

Bancorp's annualized Return on Average Assets and Return on Average Equity were 0.93% and 11.61%, respectively for the first quarter of 1995. These ratios compare with 0.93% and 12.13%, respectively for the twelve months ended December 31, 1994. The ratio of average equity to average assets has improved to 7.99% for the first quarter of 1995, compared with 7.71% for all of 1994.

Total assets declined 3.1% from year-end 1994 to $12.2 billion as of March 31, 1995. Compared to the asset balances at March 31, 1994, assets have decreased 5.3%. Net loans outstanding decreased from year-end 1994 by 1.8%, but increased by 5.3% from March 31, 1994. Deposits and securities sold under agreements to repurchase (Repos) declined from year-end 1994 and March 31, 1994 by 3.6% and 9.4%, respectively to $8.9 billion at March 31, 1995.

Non-performing assets (NPA) decreased to $52.3 million at March 31, 1995. Comparison with year-end 1994 NPA balances reflect a modest decline from $53.2 million, but 21.7% below the $66.8 reported at this time last year. A further discussion on NPAs and the Reserve for Loan Loss follows later in this report.

As Bancorp anticipated the decline in net interest margins, its focus on fee income generation and cost control became much more significant. So far in 1995, progress has been made in both efforts. Non-interest income compared with the same quarter last year is up 10.9% to $39.8 million for the first quarter of 1995. Non-interest expense for the first quarter of 1995 was $91.0 million, an increase of only 3.2% over the same period of 1994. This growth in non-interest expense has not yet been affected by the early retirement option offered to certain staff members during the first quarter. A further discussion on net overhead follows later in this report.

Risk Elements in Lending Activities

At March 31, 1995, total loans were $7.8 billion, a 1.7% decrease from year-end 1994 and 5.3% above total loan balances on March 31, 1994. The decrease in balances since year-end 1994 reflects Bank of Hawaii's securitization of $412.2 million in floating rate residential mortgage loans during the first quarter of 1995. When considering this in determining the change in loan outstandings, Bancorp would have reported an increase in loans of 3.5% from year-end 1994. The changes in other components of the portfolio are discussed in the following section. The following table presents Bancorp's total loan portfolio balances for the periods indicated.

<TABLE>

Loan Portfolio Balance — Bancorp Hawaii, Inc., and subsidiaries

(in millions of dollars)	March 31 1995	December 31 1994	March 31 1994
Domestic Loans			
Commercial and Industrial	$1,980.3	$1,830.8	$1,685.3
Real Estate			
Construction -- Commercial	118.1	113.1	140.8
-- Residential	18.5	17.9	36.2
Mortgage -- Commercial	1,235.3	1,241.0	1,241.8
-- Residential	2,501.3	2,872.8	2,523.4
Installment	747.7	741.6	675.0
Lease Financing	377.1	378.1	392.3
Total Domestic	6,978.3	7,195.3	6,694.8
Foreign Loans	777.9	696.7	671.8
Total Loans	$7,756.2	$7,892.0	$7,366.6

Commercial and Industrial Loans

Commercial and Industrial loans outstanding were $2.0

billion as of March 31, 1995, an increase from both year-end 1994 and March 31, 1994 of 8.2% and 17.5%, respectively. The growth in loans since year-end was largely reflected in the communications and media portfolio. The communications and media portfolio has increased from $526.4 million at year-end 1994 to $615.2 million at March 31, 1995. Communications and media lending continues to be a niche market for Bancorp in its lending activities.

Real Estate Loans

As a result of the securitization mentioned earlier, total real estate loans at March 31, 1995 declined to $3.9 billion, down 8.7% from year-end 1994. Total real estate loans were $3.9 billion as of March 31, 1994. A detailed distribution of the real estate loan portfolio is presented in the Loan Portfolio Balance Table. The growth in commercial and residential mortgage balances have also slowed, affected by the state of the Hawaii economy. Commercial real estate balances (excluding construction) on March 31, 1995 totaled $1.2 billion, level with balances on March 31, 1994 and year-end 1994. Reflecting the securitization, residential mortgage balances on March 31, 1995 totaled $2.5 billion, a decrease from year-end 1994 and March 31, 1994 of 12.9% and 0.9%, respectively. Residential loan volume has slowed as a result of increased interest rates. Construction loan balances have increased to $136.6 million on March 31, 1995 from $131.0 million at year-end 1994, but a decline from $177.0 reported at March 31, 1994.

Other Lending

Installment loans and leases have increased modestly from year-end 1994. At March 31, 1995, total installment loans were $747.7 million, up 0.8% from $741.6 million reported at year-end 1994. Compared with the same date in 1994 when installment loan balances were $675.0 million, installment loan balances are up 10.8%. Total leases declined to $377.1 million from $378.1 million at year-end 1994 and $392.3 million at March 31, 1994.

Foreign loan balances grew to $777.9 million, reflecting an increase of 11.7% from year-end 1994, and 15.8% above March 31, 1994 balances. The rise in the foreign loan total since year-end largely reflects the movement of exchange rates against the U.S. dollar. The foreign loan total includes outstanding credits to Less Developed Countries (LDC). LDC exposure remains very limited at $1.0 million in outstanding credits and $100.0 million in confirmed letters of credit and banker's acceptances at March 31, 1995. All LDC exposure is in the Philippines.

Non-Performing Assets and Past Due Loans

Bancorp's NPA include non-accrual loans and foreclosed real estate. NPA totaled $52.3 million, representing 0.67% of total loans outstanding at March 31, 1995. This ratio compares with 0.91% at the end of the first quarter 1994 and 0.67% at year-end 1994.

During the quarter, Bancorp implemented the provisions of FAS 114, Accounting by Creditors for Impairment of a Loan. The implementation did not have a material impact on the provision for loan loss or the allocation of the reserve for loan losses.

Non-accrual loans decreased during the quarter to $51.7 million from $52.6 million at year-end 1994 and decreased 10.3% from $57.6 million on March 31, 1994. The distribution of the non-accrual loans by category is disclosed in the table following.

Since year-end, past due loans have increased particularly in the residential and commercial real estate loan category. Residential mortgage loans past due 90 days increased to $6.6 million, 0.3% of total residential mortgage loans, while past due commercial mortgage loans increased to $1.9 million, 0.2% of total commercial real estate loans. Both these ratios remain very modest. Accruing 90 day past due loans have increased from $11.6 million at year-end 1994 to $17.7 million at March 31, 1995. Comparatively, $10.0 million in accruing 90 day past due loans were reported at March 31, 1994. The foreclosed real estate category remained level with year-end 1994, totaling $0.6 million at March 31, 1995. There were only six properties in Other Real Estate at the quarter-end. Total non-performing assets and loans 90 days past due increased to 0.90% of loans outstanding from 0.82% at year-end 1994, but improving from the 1.04% at March 31, 1994.

The following table presents NPA and past due loans for the periods indicated.

Bancorp Hawaii, Inc.
Consolidated Non-Performing Assets and Accruing Loans Past Due 90 Days or More

(in millions of dollars)	March 31 1995	December 31 1994	March 31 1994
Non-Accrual Loans			
Commercial	$19.3	$20.3	$12.9
Real Estate			
Construction	1.0	1.5	20.2
Commercial	15.3	14.1	8.1
Residential	15.4	15.1	15.5
Installment	0.6	0.5	0.7
Leases	0.1	0.8	0.2
Other	--	--	--
Foreign	0.0	0.3	--
Subtotal	51.7	52.6	57.6
Restructured Loans			
Commercial	--	--	--
Real Estate			
Construction	--	--	--
Commercial	--	--	5.2
Residential	--	--	--
Installment	--	--	--
Leases	--	--	--
Other	--	--	--
Foreign	--	--	--
Subtotal	--	--	5.2
Foreclosed Real Estate			
Domestic	0.6	0.6	4.0
Foreign	--	--	--
Subtotal	0.6	0.6	4.0
Total Non-Performing Assets	52.3	53.2	66.8

Accruing Loans Past Due 90 Days or More			
Commercial	1.5	1.0	1.3
Real Estate			
Construction	0.8	--	0.2
Commercial	1.9	0.7	1.6
Residential	6.6	3.9	2.6
Installment	6.8	5.9	4.2
Leases	--	--	0.1
Other	0.1	0.1	--
Foreign	--	--	--
Subtotal	17.7	11.6	10.0
Total	$70.0	$64.8	$76.8
Ratio of Non-Performing Assets to Total Loans	0.67%	0.67%	0.91%
Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loans	0.90%	0.82%	1.04%

Summary of Loan Loss Experience

The reserve for loan losses stood at $150.4 million at March 31, 1995, representing 1.97% of loans outstanding. Comparatively, the ratio of reserves to loans outstanding on March 31, 1994 was 1.80% and 1.92% at year-end 1994. The improvement in this ratio reflects the securitization of the $412.2 million in mortgage loans during the quarter.

Loan loss provisions were $4.5 million for the first quarter of 1995, compared with $8.3 million reported for the first quarter of 1994. Charge-offs totaled $6.9 million for the first quarter of 1995, compared to the $7.1 million reported for the first quarter of 1994 and the $5.5 million reported during the fourth quarter of 1994. Recoveries totaled $4.3 million for the first quarter of 1995, compared to $3.6 million and $4.9 million for the first and fourth quarters of 1994, respectively. Net charge-offs for the first quarter of 1995 declined to $2.6 million compared to $3.5 million during the same period in 1994. The annualized ratio of net charge-offs to average loans outstanding for the first quarter of 1995 improved to 0.14% compared to the ratio of 0.19% for the same period in 1994.

The detailed breakdown of the charge-off and recoveries by loan category is presented in the table following.

Summary of Loss Experience — Bancorp Hawaii, Inc., and subsidiaries

(in millions of dollars)	First Quarter 1995	Year Ended 12/31/94	First Quarter 1994
Average Loans Outstanding	$7,610.5	$7,393.7	$7,182.7
Balance of Reserve for Possible Loan Losses at Beginning of Period	$148.5	$125.3	$125.3
Loans Charged Off			
Commercial and Industrial	2.0	11.3	5.2
Real Estate - Construction	2.1	0.1	--
Real Estate - Mortgage			
Commercial	0.1	3.5	--
Residential	--	0.7	--
Installment	2.7	8.7	1.9

Foreign	--	0.7	--
Leases	--	0.4	--
Total Charged Off	6.9	25.4	7.1
Recoveries on Loans Previously Charged Off			
Commercial and Industrial	3.2	20.0	2.7
Real Estate - Construction	--	0.2	--
Real Estate - Mortgage			
Commercial	--	0.9	--
Residential	--	0.2	0.1
Installment	0.8	3.2	0.8
Foreign	--	--	--
Leases	0.3	0.8	--
Total Recoveries	4.3	25.3	3.6
Net Charge Offs	(2.6)	(0.1)	(3.5)
Provision Charged to Operating Expenses	4.5	21.9	8.3
Reserves Acquired (Sold)	--	1.4	--
Balance at End of Period	$150.4	$148.5	$130.1
Ratio of Net Charge Offs to Average Loans Outstanding (annualized)	0.14%	--	0.19%
Ratio of Reserve to Loans Outstanding	1.97%	1.92%	1.80%

Capital

Bancorp continues to manage its capital levels through the target ratios outlined in Bancorp's 1994 Annual Report. The target of a minimum 6% ratio of average equity to average assets keeps both objectives of a return on assets of 1% and a return on equity of 16% in reasonable balance. Bancorp's average equity to average assets ratio for the first quarter of 1995 was 7.99%, an increase from the 7.71% reported for 1994 and 7.57% for the first quarter of 1994.

Bancorp's total capital at March 31, 1995 totaled $1.0 billion, the highest level in its history. New shares issued for the profit sharing, stock option and dividend reinvestment plans increased capital by $5.3 million during the quarter. Under Bancorp's stock repurchase programs, $4.2 million in shares were repurchased during the first quarter of 1995. Dividends for the quarter were $10.9 million, compared with $11.0 million for the first quarter of 1994, both dividends paid at $.26 per share.

Regulatory risk-based capital remain well above minimum guidelines. Bancorp's Total Capital and Tier 1 Capital ratios were 13.19% and 10.60%, respectively. This compares with year-end 1994, when the Total Capital Ratio was 12.99% and the Tier 1 Capital Ratio was 10.39%. Regulatory guidelines prescribe a minimum Total Capital Ratio of 10.00% and a Tier 1 Capital Ratio of 6.00% for an institution to qualify as well capitalized. Bancorp's strategy is to maintain its capital ratios at levels to meet this qualification to benefit from the financial and regulatory incentives provided to well capitalized companies.

In addition, the leverage ratio, which represents the ratio of Tier 1 Capital to Total Average Assets, was 7.55% at March 31, 1995, compared to 7.06% at March 31, 1994 and 7.28% at year-end 1994. The required minimum ratio is 5.00%, to qualify an institution as well capitalized.

Spread Management

The average net interest margin or spread on earning assets for the first quarter of 1995 was 3.62%, a decrease from the 3.99% reported for the same period in 1994, and almost level with the 3.61% reported for the fourth quarter of 1994. Net interest margin for all of 1994 was 3.82%. The continuing increase in interest rates has compressed Bancorp's net interest margin. The cost of funds rate for the first quarter of 1995 was 4.67%, an increase from both the 3.13% reported for the same quarter a year ago and 4.19% reported for the fourth quarter of 1994. These increases reflect the movement in interest rates stimulated by the Federal Reserve over the last twelve months.

The earning asset yield was 7.58% for the first quarter of 1995, an increase over both the fourth quarter 1994 yield of 7.17% and the first quarter of 1994 of 6.66%.

Consolidated Average Balances and Interest Rates Taxable Equivalent Bancorp Hawaii, Inc. and subsidiaries

	Three Months Ended March 31, 1995			Three Months Ended March 31, 1994		
(in millions of dollars)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$620.5	$8.2	5.36%	$869.0	$7.7	3.58%
Investment Securities						
-Taxable	1,604.6	23.0	5.82	2,776.2	38.2	5.59
-Tax-Exempt	17.6	0.6	13.06	20.1	0.7	13.68
	1,583.6	24.9	6.37	922.5	9.4	4.15
Funds Sold	67.4	1.0	5.76	42.0	0.4	4.01
Net Loans						
-Domestic	6,911.5	137.9	8.09	6,533.6	122.0	7.57
-Foreign	699.0	12.5	7.25	649.2	6.7	4.20
Loan Fees		7.0			9.0	
Total Earning Assets	11,504.2	215.1	7.58	11,812.6	194.1	6.66
Cash and Due From Banks	481.3			444.8		
Other Assets	372.4			341.2		
Total Assets	$12,357.9			$12,598.6		
Interest Bearing Liabilities						
Domestic Deposits - Demand	$1,813.7	13.0	2.90	$1,964.6	9.5	1.95
- Savings	1,113.0	7.5	2.74	1,261.9	7.1	2.27
- Time	1,688.2	19.2	4.60	1,549.8	16.0	4.20
Total Domestic	4,614.9	39.7	3.49	4,776.3	32.6	2.76
Total Foreign	927.3	15.3	6.71	1,185.1	9.6	3.30
Total Deposits	5,542.2	55.0	4.02	5,961.4	42.2	2.87
Short-Term Borrowings	3,233.6	43.8	5.49	3,732.7	30.3	3.29
Long-Term Debt	978.1	13.5	5.61	382.2	5.3	5.62
Total Interest Bearing Liabilities	9,753.9	112.3	4.67	10,076.3	77.8	3.13
Net Interest Income		102.8	2.91		116.3	3.53
Average Spread on Earning Assets			3.62%			3.99%
Demand Deposits	1,414.0			1,396.4		
Other Liabilities	203.2			172.7		
Shareholders' Equity	986.8			953.2		
Total Liabilities and Shareholders' Equity	$12,357.9			$12,598.6		
Provision for Possible Losses		4.5			8.3	
Net Overhead		51.2			52.3	
Income Before Income Taxes		47.1			55.7	
Provision for Income Taxes		18.4			20.9	
Tax-Equivalent Adjustment		0.5			0.4	
Net Income		$28.2			$34.4	

Consolidated Average Balances and Interest Rates Taxable Equivalent Bancorp Hawaii, Inc. and subsidiaries

	Three Months Ended December 31, 1994			Twelve Months Ended December 31, 1994		
(in millions of dollars)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate

Earning Assets						
Interest Bearing Deposits	$732.7	$10.6	5.76%	$812.6	$36.4	4.48%
Investment Securities						
-Taxable	2,003.3	28.1	5.57	2,463.3	135.0	5.48
-Tax-Exempt	18.1	0.7	14.80	18.7	2.6	14.03
	1,343.1	17.6	5.19	1,064.0	54.0	5.07
Funds Sold	99.3	1.0	4.15	52.5	2.3	4.33
Net Loans						
-Domestic	6,904.3	137.3	7.89	6,725.9	517.6	7.70
-Foreign	735.3	11.5	6.21	667.8	35.2	5.27
Loan Fees		7.2			31.7	
Total Earning Assets	11,836.1	214.0	7.17	11,804.8	814.8	6.90
Cash and Due From Banks	508.3			449.1		
Other Assets	354.7			342.7		
Total Assets	$12,699.1			$12,596.6		
Interest Bearing Liabilities						
Domestic Deposits - Demand	$1,871.5	12.1	2.58	$1,895.4	41.1	2.17
- Savings	1,181.5	7.6	2.54	1,232.3	29.1	2.36
- Time	1,591.1	18.2	4.54	1,544.8	65.9	4.27
Total Domestic	4,644.1	37.9	3.24	4,672.5	136.1	2.91
Total Foreign	1,304.5	16.7	5.07	1,236.7	53.4	4.32
Total Deposits	5,948.6	54.6	3.64	5,909.2	189.5	3.21
Short-Term Borrowings	3,374.5	40.7	4.79	3,600.6	143.9	4.00
Long-Term Debt	724.2	10.9	5.95	526.8	30.3	5.76
Total Interest Bearing Liabilities	10,047.3	106.2	4.19	10,036.6	363.7	3.62
Net Interest Income		107.8	2.98		451.1	3.28
Average Spread on Earning Assets			3.61%			3.82%
Demand Deposits	1,429.6			1,386.0		
Other Liabilities	236.3			203.1		
Shareholders' Equity	985.9			970.9		
Total Liabilities and Shareholders' Equity	$12,699.1			$12,596.6		
Provision for Possible Losses		4.6			21.9	
Net Overhead		71.3			232.0	
Income Before Income Taxes		31.9			197.2	
Provision for Income Taxes		14.2			77.7	
Tax-Equivalent Adjustment		0.5			1.8	
Net Income		$17.2			$117.7	

/TABLE

Interest Rate Risk and Derivatives

As discussed in Bancorp's 1994 Annual Report, Bancorp utilizes interest rate sensitivity analysis and computer simulation techniques to measure the exposure of its earnings to interest rate movements. The objective of the process is to position its balance sheet to optimize earnings without unduly increasing risk. The Interest Rate Sensitivity Table presents the possible exposure to interest rate movements for various time frames at March 31, 1995. As the table indicates, Bancorp's one year cumulative liability sensitivity gap totaled $0.05 billion, representing 0.39% of total assets. Comparatively, the one year cumulative gap was $0.2 billion at year-end 1994, 1.8% of total assets. This reflects a move closer to neutrality at the one year time frame.

Bancorp uses swaps as a cost effective risk management tool for dealing with interest rate risk. Swap activity during the first quarter of 1995 was limited to maturities of existing swap agreements. At March 31, 1995, the notional amount of swaps totaled $1.4 billion, compared with $1.6 billion at year-end 1994. Net expense on interest rate swap agreements totaled $4.1 million for the first quarter of 1995. Comparatively, net revenue of $7.7 million was recognized for all of 1994.

<TABLE>

Interest Rate Sensitivity Table — Bancorp Hawaii, Inc. and subsidiaries

MARCH 31, 1995 (in millions of dollars)	0-90 DAYS	91-365 DAYS	1-5 YEARS	OVER 5 YEARS	NON-INTEREST BEARING
ASSETS (1)					
INVESTMENT SECURITIES	$1,473.1	$935.3	$607.5	$136.6	-
SHORT TERM INVESTMENTS	79.8	-	-	-	-
INTERNATIONAL ASSETS	910.6	289.1	65.2	-	-
DOMESTIC LOANS (2)	2,826.3	2,001.3	1,487.9	494.7	-
TRADING SECURITIES	-	-	0.4	13.7	-
OTHER ASSETS	-	-	-	-	$876.3
TOTAL ASSETS	$5,289.8	$3,225.7	$2,161.1	$644.9	$876.3
LIABILITIES AND CAPITAL (1)					
NON-INT BEARING DEMAND (3)	$244.4	$244.4	$869.0	-	-
INT-BEARING DEMAND (3)	343.2	343.2	942.3	-	-
SAVINGS (3)	238.8	238.8	607.7	-	-
TIME DEPOSITS	491.3	663.3	543.3	$67.7	-
FOREIGN DEPOSITS	858.6	469.5	83.4	-	-
S/T BORROWINGS	2,268.1	611.3	-	-	-
LONG-TERM DEBT	512.5	34.2	18.0	118.6	-
OTHER LIABILITIES	-	-	102.7	-	$281.2
CAPITAL	-	-	-	-	1,002.4
TOTAL LIABILITIES AND CAPITAL	$4,956.9	$2,604.6	$3,166.4	$186.4	$1,283.6
INTEREST RATE SWAPS	($973.0)	$66.3	$906.7	-	-
INTEREST SENSITIVITY GAP	($640.0)	$687.4	($98.6)	$458.6	($407.3)
CUMULATIVE GAP	($640.0)	$47.4	($51.3)	$407.3	-
PERCENTAGE OF TOTAL ASSETS	(5.25)%	0.39%	(.42)%	3.34%	-

Assumptions used:
(1) Based on repricing date.
(2) Includes the effect of estimated amortization.
(3) Historical analysis shows that these deposit categories, while technically subject to immediate withdrawal, actually display sensitivity characteristics that generally fall within one and five years. The allocation presented is based on that historic analysis.

Liquidity

The ability to meet day-to-day financial needs of Bancorp's customer base is essential. Much of the strategy of meeting liquidity needs was described in Bancorp Hawaii's 1994 Annual Report and remains in place.

At March 31, 1995, deposits were $6.8 billion, compared to $7.1 billion and $7.3 billion reported at year-end 1994 and March 31, 1994, respectively. The competition for deposits, not only by banks and savings and loan companies, but also by securities brokerage firms continues to impact the level of deposits. Repos which are offered to government depositors as an alternative to deposits were $2.1 billion at March 31, 1995, compared to $2.5 billion on March 31, 1994, and $2.1 billion at year-end 1994.

Short term borrowings, including Fed Funds, decreased to $1.1 billion at March 31, 1995, compared with $1.2 billion at year-end 1994 and $1.4 billion at March 31, 1994. Long term debt remained level at $0.9 billion at both March 31, 1995 and year-end 1994.

Net Overhead

Bancorp manages net overhead by focusing on its net overhead ratio. The net overhead ratio at Bancorp is defined as the ratio of non-interest expense to non-interest income. Bancorp's long term goal is to have a ratio of 2 to 1, where fee income offsets at least half of the cost of operations. The ratio for the first quarter of 1995 was 2.29, compared to 2.46 for the first quarter of 1994 and 2.81 for all of 1994.

Additionally, Bancorp's management places an emphasis on the amount of net income generated per full-time equivalent staff (FTE) with the objective of improving net income with existing or lesser staff levels. For the first quarter of 1995, net income per FTE (excluding securities gains (losses)), was $6,040, or $24,500 on an annualized basis. This compares to $29,700 and $29,500 reported for the full years of 1994 and 1993, respectively.

Non-interest income for the first quarter was $39.8 million, a 10.9% increase over the same quarter in 1994. Trust income was $13.4 million, up 10.6% from the same period last year. The increase includes the additional income from fees earned on the proprietary Pacific Capital Management family of mutual funds introduced in 1994. Service charges on deposit accounts for the first quarter of 1995 was $6.7 million, compared to $7.0 million for the like period last year. Fees, exchange and other service charges for the first quarter of 1995 increased to $12.4 million compared to $10.2 million for the same period in 1994. Other operating income totaled $5.6 million for the first quarter of 1995, compared with $7.6 million for the same quarter last year.

For the first quarter of 1995, Bancorp reported a securities gain of $1.8 million, compared to a loss of $1.0 million for the same period in 1994. These gains and losses remained at modest levels.

Bancorp continues to emphasize the importance of control over non-interest expenses as a key factor in its effort to remain competitive among its peers. The continuing compression of net interest margins further stresses the importance of success in controlling expenses. Non-interest expense in the first quarter was $91.0 million, an increase of 3.2% over the same period in 1994.

Salary and benefit expenses totaled $46.9 million for the first quarter of 1994, level with the $47.0 million for the first quarter of 1994. During the quarter, Bancorp announced a restructuring of its retirement plans, including an early retirement option for certain qualifying staff and a curtailment of its defined benefit plan. The first group of staff members electing the option will be retiring during the second quarter. The final group will be retiring in the third quarter. Pursuant to accounting rules, since a loss on this curtailment is not expected, the final financial impact will be determined later this year.

Premises and equipment expenses totaled $17.9 million for the first quarter of 1995, an increase from the $16.0 million for the same period of 1994. Bancorp continues to invest in technology as more efficient operations with existing staff counts become increasingly important. Other operating expenses for the first quarter increased 4.3% over last year during the same period.

PART II. - Other Information

Items 1 to 5 omitted pursuant to instructions.

Item 6 - Exhibits and Reports on Form 8-K

(a) The following exhibits are filed herewith:

Exhibit #11 - Statement regarding computation of per share earnings.

Exhibit #27 - Financial Data Schedule.

(b) No Form 8-K was filed during the quarter.

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 thereunto duly authorized.

Date May 12, 1995 BANCORP HAWAII, INC.

RICHARD J. DAHL
(Signature)

Richard J. Dahl
President

DAVID A. HOULE
(Signature)

David A. Houle
Senior Vice President and
Chief Financial Officer

Bancorp Hawaii, Inc.
Exhibit 11 - Statement Regarding Computation of Per Share Earnings
Three Months Ended March 31

	Primary	Fully Diluted
1995		
Net Income	$28,248,000	$28,248,000
Daily Average Shares Outstanding	41,844,805	41,844,805
Shares Assumed Issued for Stock Options	292,933	342,317
	42,137,738	42,187,122
Earnings Per Common Share and Common Share Equivalents	$0.67	$0.67
1994		
Net Income	$34,392,000	$34,392,000
Daily Average Shares Outstanding	42,467,686	42,467,686
Shares Assumed Issued for Stock Options	476,025	490,705
	42,943,711	42,958,391
Earnings Per Common Share amd Common Share Equivalents	$0.80	$0.80

<ARTICLE> 9
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
THE CONSOLIDATED STATEMENTS OF CONDITION AND CONSOLIDATED
STATEMENTS OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS.
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