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, 1996

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) 847-8888
(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, 1996 - 40,866,346 shares

BANCORP HAWAII, INC. and subsidiaries
March 31, 1996

PART I. - Financial Information

Item 1. Financial Statements

The consolidated statements of condition as of March 31, 1996 and 1995, and December 31, 1995 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. Certain accounts have been reclassified to conform with the 1996 presentation.

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.

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

(in thousands of dollars)	March 31 1996	December 31 1995	March 31 1995
Assets			
Interest-Bearing Deposits	$656,292	$789,050	$532,726
Investment Securities - Held to Maturity			
(Market Value of $815,718, $1,135,364 and $1,445,735 respectively	817,733	1,129,251	1,475,666
Investment Securities - Available for Sale	2,365,855	2,230,902	1,676,852
	--	--	--
Funds Sold	64,922	116,173	79,755
Loans	8,247,669	8,152,406	7,756,208
Unearned Income	(145,924)	(147,404)	(141,860)
Reserve for Possible Loan Losses	(152,053)	(151,979)	(150,377)
Net Loans	7,949,692	7,853,023	7,463,971
Total Earning Assets	11,854,494	12,118,399	11,228,970
Cash and Non-Interest Bearing Deposits	430,859	469,031	387,505
Premises and Equipment	252,600	246,515	227,700
Customers' Acceptance Liability	18,719	16,825	21,037
Accrued Interest Receivable	76,471	84,669	72,470
Other Real Estate	9,171	9,306	638
Intangibles, including Goodwill	86,180	87,673	93,512
Trading Securities	33	29	14,115
Other Assets	176,606	174,337	151,902
Total Assets	$12,905,133	$13,206,784	$12,197,849
Liabilities			
Domestic Deposits			
Demand - Non-Interest Bearing	$1,341,678	$1,549,302	$1,357,837
- Interest-Bearing	1,655,638	1,592,533	1,628,719
Savings	984,709	1,004,550	1,085,263
Time	2,265,413	2,204,242	1,765,615
Foreign Deposits	1,070,759	1,226,143	938,699
Total Deposits	7,318,197	7,576,770	6,776,133
Securities Sold Under Agreements to Repurchase	1,988,960	1,926,540	2,139,973
Funds Purchased	605,980	787,437	489,549
Short-Term Borrowings	462,895	476,867	574,148
Bank's Acceptances Outstanding	18,719	16,825	21,037
Accrued Pension Costs	24,052	21,145	23,576
Accrued Interest Payable	60,093	49,473	64,335
Accrued Taxes Payable	165,055	160,306	158,483
Other Liabilities	72,407	73,549	85,788
Long-Term Debt	1,142,111	1,063,436	862,445
Total Liabilities	11,858,469	12,152,348	11,195,467
Shareholders' Equity			
Common Stock ($2 par value), authorized 100,000,000 shares; outstanding, March 1996 - 40,805,147; December 1995 - 41,340,817; March 1995 - 41,908,241;	81,610	82,682	83,816
Surplus	222,573	240,080	261,003
Unrealized Valuation Adjustments	3,541	13,902	(977)
Retained Earnings	738,940	717,772	658,540
Total Shareholders' Equity	1,046,664	1,054,436	1,002,382
Total Liabilities and Shareholders' Equity	$12,905,133	$13,206,784	$12,197,849

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

(in thousands of dollars except per share amounts)	1996	1995
Interest Income		
Interest on Loans	$157,799	$147,144
Loan Fees	8,294	7,022
Income on Lease Financing	3,034	2,992

Interest and Dividends on Investment Securities		
Taxable	14,616	23,030
Non-taxable	311	368
Income on Investment Securities Available for Sale	36,864	24,867
Interest on Deposits	9,007	8,205
Interest on Security Resale Agreements	--	--
Interest on Funds Sold	1,162	957
Total Interest Income	231,087	214,585
Interest Expense		
Interest on Deposits	63,002	54,992
Interest on Security Repurchase Agreements	25,343	29,933
Interest on Funds Purchased	7,366	8,134
Interest on Short-Term Borrowings	6,144	5,678
Interest on Long-Term Debt	16,395	13,527
Total Interest Expense	118,250	112,264
Net Interest Income	112,837	102,321
Provision for Possible Loan Losses	4,424	4,453
Net Interest Income After Provision for Possible Loan Losses	108,413	97,868
Non-Interest Income		
Trust Income	12,904	13,391
Service Charges on Deposit Accounts	6,561	6,660
Fees, Exchange, and Other Service Charges	11,959	12,357
Other Operating Income	6,331	5,572
Investment Securities Gains (Losses)	(129)	1,831
Total Non-Interest Income	37,626	39,811
Non-Interest Expense		
Salaries	36,620	35,597
Pensions and Other Employee Benefits	13,409	11,257
Net Occupancy Expense of Premises	10,782	10,212
Net Equipment Expense	7,757	7,741
Other Operating Expense	29,010	26,248
Total Non-Interest Expense	97,578	91,055
Income Before Income Taxes	48,461	46,624
Provision for Income Taxes	15,751	18,376
Net Income	$32,710	$28,248
Earnings Per Common Share and Common Share Equivalents	$0.79	$0.67
Average Common Shares and Common Share Equivalents Outstanding	41,546,033	42,137,738

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, 1995	$1,054,436	$82,682	$240,080	$13,902	$717,772
Net Income	32,710	-	-	-	32,710
Sale of Common Stock					
30,986 Profit Sharing Plan	1,056	62	994	-	-
24,851 Stock Option Plan	538	50	488	-	-
50,393 Dividend Reinvestment Plan	2,116	100	2,016	-	-
Stock Repurchased	(22,289)	(1,284)	(21,005)	-	-
Unrealized Valuation Adjustments					
Investment Securities	(8,363)	-	-	(8,363)	-
Foreign Exchange Translation Adjustment	(1,998)	-	-	(1,998)	-
Cash Dividends Paid of $.28 Per Share	(11,542)	-	-	-	(11,542)
Balance at March 31, 1996	$1,046,664	$81,610	$222,573	$3,541	$738,940
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

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

Three Months Ended March 31 (in thousands of dollars)	1996	1995
Operating Activities		

Net Income	$32,710	$28,248
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses, depreciation, and amortization of income and expense	3,970	2,482
Deferred income taxes	(4,711)	703
Realized and unrealized investment security gains	139,338	1,412
Net decrease in trading securities	(4)	(419)
Other assets and liabilities, net	32,600	10,412
Net cash provided by operating activities	203,903	42,838
Investing Activities		
Proceeds from redemptions of investment securities held to maturity	360,056	458,030
Purchases of investment securities held to maturity	(48,538)	(147,736)
Proceeds from sales of investment securities available for sale	345,457	31,594
Purchases of investment securities available for sale	(633,686)	(321,908)
Net decrease in interest-bearing deposits placed in other banks	132,758	194,290
Net decrease (increase) in funds sold	51,251	(25,588)
Net increase in loans and lease financing	(91,906)	144,098
Premises and equipment, net	(12,441)	(11,481)
Purchase of minority interest of Banque D'Hawaii (Vanuatu), Ltd., net of cash and non-interest bearing deposits acquired	--	6,808
Net cash provided by investing activities	102,951	328,107
Financing Activities		
Net increase in demand, savings, and time deposits	(258,573)	(350,150)
Proceeds from lines of credit and long-term debt	286,634	873
Principal payments on lines of credit and long-term debt	(207,959)	--
Net decrease in short-term borrowings	(133,009)	(136,583)
Proceeds from sale (repurchase) of stock	(18,579)	1,076
Cash dividends	(11,542)	(10,875)
Net cash used by financing activities	(343,028)	(495,659)
Effect of exchange rate changes on cash	(1,998)	3,457
Decrease in cash and non-interest bearing deposits	(38,172)	(121,257)
Cash and non-interest bearing deposits at beginning of year	469,031	508,762
Cash and non-interest bearing deposits at end of period	$430,859	$387,505

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 1996 of $32.7 million, an increase of 15.8% over the earnings reported for the first quarter of 1995. On a per share basis, earnings were $0.79 for the first quarter of 1996, compared with $0.67 for the same quarter a year ago. The improvement in net income reflects a stronger net interest margin and higher level of earning assets comparing the first quarters of 1995 and 1996. Although earnings have improved, Bancorp continues to be affected by the Hawaii economy, which is Bancorp's main market.

Bancorp's annualized Return on Average Assets and Return on Average Equity were 1.03% and 12.32%, respectively for the first quarter of 1996. These ratios compare with 0.98% and 11.87%, respectively for the twelve months ended December 31, 1995. The ratio of average equity to average assets has increased to 8.33% for the first quarter of 1996, compared with 8.27% for all of 1995.

Total assets decreased 2.3% from year-end 1995 to $12.9 billion as of March 31, 1996. Compared to the asset balances at March 31, 1995, assets have increased 5.8%. Net loans outstanding increased modestly from year-end 1995 to $7.9 billion and reported a 6.5% increase from March 31, 1995. The increase from March 31, 1995 reflects the change due to the securitization of $412 million in mortgage loans during that quarter. Deposits and securities sold under agreements to repurchase (Repos) decreased from year-end 1995 by 2.1%, but increased by 4.4% from March 31, 1995 to end March 31, 1996 at $9.3 billion.

Non-performing assets (NPA) increased to $62.9 million at March 31, 1996. Comparing year-end 1995 and March 31, 1995, NPA balances reflect an increase from $56.9 million and $52.3 million, respectively. A further discussion on NPAs and the Reserve for Loan Loss follows later in this report.

Total non-interest expense was $97.6 million for the first quarter of 1996 compared with $91.0 million for the same quarter in 1995. A significant part of the increase in non-interest expense was due to the early termination of a leveraged lease resulting in a one time loss of $2.8 million for the quarter. Tax benefits associated with the lease transaction neutralized the impact on net income. The growth in total non-interest expense remained at levels in line with Bancorp's expectations. A further discussion on non-interest expense follows.

Non-interest income, compared with the same quarter last year, was down 5.5% to $37.6 million for the first quarter of 1996. This decline is primarily due to the $1.8 million securities gain recognized in the first quarter of 1995. Excluding securities transactions, non-interest income for the first quarter of 1996 would have been only 0.6% lower than non-interest income for the same quarter in 1995. Efforts in the non-interest income categories continue to be important to Bancorp. However, improvements are being hampered by the competitive marketplace and the Hawaiian economy. A further discussion follows later in this report.

On May 2, 1996, Bancorp increased its shareholding in Banque de Tahiti from 38% to 86% and its shareholding in Banque de Nouvelle Caledonie from 21% to 75%. The shares were acquired from Credit Lyonnais who will retain 3% ownership of each company. All regulatory approvals have been received. The assets of Banque de Tahiti and Banque de Nouvelle Caledonie will be included in the consolidated results of Bancorp in its June 30, 1996 reports. Banque de Tahiti and Banque de Nouvelle Caledonie have assets in U.S. dollars equivalent of approximately $800 million and $230 million, respectively.

Risk Elements in Lending Activities

At March 31, 1996, total loans were $8.2 billion, a 1.2% increase from year-end 1995 and 6.3% above total loan balances on March 31, 1995. 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.

Loan Portfolio Balances Bancorp Hawaii, Inc., and subsidiaries

(in millions of dollars)	March 31 1996	December 31 1995	March 31 1995
Domestic Loans			
Commercial and Industrial	$1,857.8	$1,902.2	$1,980.3
Real Estate			
Construction -- Commercial	207.0	198.5	118.1
-- Residential	8.4	9.8	18.5
Mortgage -- Commercial	1,308.2	1,308.8	1,235.3
-- Residential	2,800.9	2,727.4	2,501.3
Installment	816.7	817.3	747.7
Lease Financing	388.8	392.9	377.1
Total Domestic	7,387.8	7,356.9	6,978.3

Foreign Loans	859.9	795.5	777.9
Total Loans	$8,247.7	$8,152.4	$7,756.2

Commercial and Industrial Loans

Commercial and Industrial loans outstanding were $1.9 billion as of March 31, 1996 compared with $1.9 billion at year-end 1995 and $2.0 billion at March 31, 1995. The mix of lending in this category remains much as reported at year-end 1995.

Real Estate Loans

Total real estate loans at March 31, 1996 totaled $4.3 billion, up from year-end 1995. Total real estate loans were $3.9 billion as of March 31, 1995 and $4.2 billion at year-end 1995. 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 has slowed. Commercial real estate balances (excluding construction) on March 31, 1996 totaled $1.3 billion, increasing from $1.2 billion on March 31, 1995 and level with $1.3 billion at year-end 1995. Residential mortgage balances on March 31, 1995 totaled $2.5 billion, and increased to $2.8 billion at March 31, 1996. Construction loan balances have increased to $215.4 million on March 31, 1996 from $208.3 million at year-end 1995, and $136.6 million reported at March 31, 1995.

Other Lending

Installment loans and leases have remained close to year-end 1995 balances. At March 31, 1996, total installment loans were $816.7 million, compared with $817.3 million reported at year-end 1995. Compared with the same date in 1995 when installment loan balances were $747.7 million, installment loan balances are up 9.2%. Total leases declined to $388.8 million from $392.9 million at year-end 1995, but increased from $377.1 million at March 31, 1995.

Foreign loan balances grew to $859.9 million, reflecting an increase of 8.1% from year-end 1995, and 10.5% above March 31, 1995 balances. The rise in the foreign loan total since year-end reflects increased trade financing activity in the Asian branches. The foreign loan total includes $1.0 million in outstanding credits and $199.3 million in confirmed letters of credit and banker's acceptances to Less Developed Countries (LDC) at March 31, 1996. All LDC exposure is in the Philippines.

Non-Performing Assets and Past Due Loans

Bancorp's non-performing assets (NPA) include non-accrual loans and foreclosed real estate. NPA totaled $62.9 million, representing 0.76% of total loans outstanding at March 31, 1996. This ratio compares with 0.67% at the end of the first quarter 1995 and 0.70% at year-end 1995.

Non-accrual loans increased during the quarter to $53.7 million from $47.6 million at year-end 1995 and from $51.7 million on March 31, 1995. 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 installment and residential real estate loan categories. Installment loans past due 90 days increased to $11.5 million, 1.4% of total installment loans at March 31, 1996. Residential mortgage loans past due 90 days increased to $6.1 million, 0.2% of total residential mortgage loans. Accruing 90 day past due loans in total have increased from $20.7 million at year-end 1995 to $21.3 million at March 31, 1996. Comparatively, $17.7 million in accruing 90 day past due loans were reported at March 31, 1995. The foreclosed real estate category remained level with year-end 1995, totaling $9.2 million at March 31, 1996. There were only 20 properties in Other Real Estate at the quarter-end, the largest single property valued at $6.6 million. Total non-performing assets, including loans 90 days past due, increased to 1.02% of loans outstanding from 0.95% at year-end 1995 and 0.90% at March 31, 1995.

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 1996	December 31 1995	March 31 1995
Non-Accrual Loans			
Commercial	$16.8	$16.9	$19.3
Real Estate			
Construction	0.1	0.3	1.0
Commercial	14.5	14.9	15.3
Residential	18.0	14.7	15.4
Installment	0.9	0.8	0.6
Leases	1.9	--	0.1
Foreign	1.5	--	--
Subtotal	53.7	47.6	51.7
Restructured Loans	--	--	--
Foreclosed Real Estate			
Domestic	9.2	9.3	0.6
Foreign	0.0	--	--
Subtotal	9.2	9.3	0.6
Total Non-Performing Assets	62.9	56.9	52.3
Accruing Loans Past Due 90 Days or More			
Commercial	1.1	1.8	1.6
Real Estate			
Construction	0.0	--	0.8
Commercial	2.5	2.4	1.9
Residential	6.1	5.8	6.6
Installment	11.5	10.5	6.8
Leases	0.1	0.2	--
Foreign	0.0	--	--
Subtotal	21.3	20.7	17.7
Total	$84.2	$77.6	$70.0
Ratio of Non-Performing Assets to Total Loans	0.76%	0.70%	0.67%
Ratio of Non-Performing Assets and Accruing Loans Past Due			

90 Days or More to Total Loans	1.02%	0.95%	0.90%

/TABLE

Summary of Loan Loss Experience

The reserve for loan losses was at $152.1 million at March 31, 1996, representing 1.88% of loans outstanding. Comparatively, the ratio of reserves to loans outstanding on March 31, 1995 was 1.97% and 1.90% at year-end 1995. The modest decrease in this ratio reflects the growth in loans.

Loan loss provisions were $4.4 million for the first quarter of 1996, compared with $4.5 million reported for the first quarter of 1995. Charge-offs totaled $6.9 million for both the first quarters of 1995 and 1996, compared to the $6.3 million reported for the fourth quarter of 1995. Recoveries totaled $2.6 million for the first quarter of 1996, compared to $4.3 million and $3.4 million for the first and fourth quarters of 1995, respectively. Net charge-offs for the first quarter of 1996 were $4.3 million compared to $2.6 million during the same period in 1995. The annualized ratio of net charge-offs to average loans outstanding for the first quarter of 1996 was 0.21% compared to the ratio of 0.14% for the same period in 1995.

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

<TABLE>

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

(in millions of dollars)	First Quarter 1996	Year Ended 12/31/95	First Quarter 1995
Average Loans Outstanding	$8,019.9	$7,654.9	$7,610.5
Balance of Reserve for Possible Loan Losses			
at Beginning of Period	$152.0	$148.5	$148.5
Loans Charged Off			
Commercial and Industrial	1.4	7.8	2.0
Real Estate - Construction	--	2.1	2.1
Real Estate - Mortgage			
Commercial	0.5	2.3	0.1
Residential	0.2	1.1	--
Installment	4.6	13.3	2.7
Foreign	--	0.9	--
Leases	0.2	0.4	--
Total Charged Off	6.9	27.9	6.9
Recoveries on Loans Previously Charged Off			
Commercial and Industrial	0.6	6.5	3.2
Real Estate - Construction	0.7	--	--
Real Estate - Mortgage			
Commercial	--	1.4	--
Residential	0.1	0.1	--
Installment	1.0	3.3	0.8
Foreign	--	2.1	--
Leases	0.2	1.0	0.3
Total Recoveries	2.6	14.4	4.3
Net Charge Offs (Recoveries)	4.3	13.5	2.6
Provision Charged to Operating Expenses	4.4	17.0	4.5

Reserves Acquired (Sold)	--	--	
Balance at End of Period	$152.1	$152.0	$150.4
Ratio of Net Charge Offs (Recoveries) to Average Loans Outstanding (annualized)	0.21%	0.18%	0.14%
Ratio of Reserve to Loans Outstanding	1.88%	1.90%	1.97%

/TABLE

Capital

Bancorp's total capital at March 31, 1996 totaled $1.0 billion. New shares issued for the profit sharing, stock option and dividend reinvestment plans increased capital by $3.7 million during the quarter. Under Bancorp's stock repurchase programs, $22.3 million in shares were repurchased during the first quarter of 1996. Dividends for the quarter were $11.5 million, compared with $10.9 million for the first quarter of 1995. Dividends paid were $.28 per share for the first quarter of 1996 and $0.26 per share for the first quarter of 1995.

Regulatory risk-based capital remains well above minimum guidelines. Bancorp's Total Capital and Tier 1 Capital ratios were 12.58% and 10.11%, respectively. This compares with year-end 1995, when the Total Capital Ratio was 12.74% and the Tier 1 Capital Ratio was 10.25%. 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 7.72% at March 31, 1996, compared to 7.55% at March 31, 1995 and 7.82% at year-end 1995. 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 1996 was 3.80%, an increase from the 3.62% reported for the same period in 1995, and also an increase from the 3.72% reported for the fourth quarter of 1995. Net interest margin for all of 1995 was 3.72%. The growth in earning assets and the changes in interest rates have helped improve the spread.

The earning asset yield was 7.77% for the first quarter of 1996, compared with the fourth quarter 1995 yield of 7.87% and the first quarter of 1995 of 7.58%. The cost of funds rate for the first quarter of 1996 was 4.67%, level with the same quarter a year ago and 4.87% reported for the fourth quarter of 1995. These changes reflect the movement in interest rates stimulated by the Federal Reserve over the last twelve months.

<TABLE>

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

(in millions of dollars)	Three Months Ended March 31, 1996 Average Balance	Income/Expense	Yield/Rate	Three Months Ended March 31, 1995 Average Balance	Income/Expense	Yield/Rate
Earning Assets						
Interest Bearing Deposits	$631.3	$9.0	5.74%	$620.5	$8.2	5.36%
Investment Securities						
-Taxable	926.4	14.6	6.35	1,604.6	23.0	5.82
-Tax-Exempt	13.8	0.5	13.95	17.6	0.6	13.06
	2,303.5	36.9	6.44	1,583.6	24.9	6.37
Funds Sold	84.3	1.2	5.54	67.4	1.0	5.76
Net Loans						
-Domestic	7,191.5	147.1	8.23	6,911.5	137.9	8.09
-Foreign	828.4	13.9	6.77	699.0	12.5	7.25
Loan Fees		8.3			7.0	
Total Earning Assets	11,979.2	231.5	7.77	11,504.2	215.1	7.58
Cash and Due From Banks	427.3			481.3		
Other Assets	416.1			372.4		
Total Assets	$12,822.6			$12,357.9		
Interest Bearing Liabilities						
Domestic Deposits - Demand	$1,742.7	11.8	2.73	$1,813.7	13.0	2.90
- Savings	999.9	6.4	2.59	1,113.0	7.5	2.74
- Time	2,212.2	30.1	5.47	1,688.2	20.4	4.89
Total Domestic	4,954.8	48.3	3.92	4,614.9	40.9	3.59
Total Foreign	1,111.7	14.7	5.30	927.3	14.1	6.18
Total Deposits	6,066.5	63.0	4.18	5,542.2	55.0	4.02
Short-Term Borrowings	2,886.4	38.9	5.41	3,233.6	43.8	5.49
Long-Term Debt	1,221.2	16.4	5.40	978.1	13.5	5.61
Total Interest Bearing Liabilities	10,174.1	118.3	4.67	9,753.9	112.3	4.67
Net Interest Income		113.2	3.10		102.8	2.91
Average Spread on Earning Assets			3.80%			3.62%
Demand Deposits	1,411.8			1,436.7		
Other Liabilities	169.2			180.7		
Shareholders' Equity	1,067.5			986.6		
Total Liabilities and Shareholders' Equity	$12,822.6			$12,357.9		
Provision for Possible Losses		4.4			4.5	
Net Overhead		60.0			51.2	
Income Before Income Taxes		48.8			47.1	
Provision for Income Taxes		15.7			18.4	
Tax-Equivalent Adjustment		0.4			0.5	
Net Income		$32.7			$28.2	

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

(in millions of dollars)	Three Months Ended December 31, 1995 Average Balance	Income/Expense	Yield/Rate	Twelve Months Ended December 31, 1995 Average Balance	Income/Expense	Yield/Rate
Earning Assets						
Interest Bearing Deposits	$700.9	$10.7	6.06%	$661.4	$39.4	5.97%
Investment Securities						
-Taxable	1,431.1	22.2	6.15	1,516.5	92.3	6.09
-Tax-Exempt	14.2	0.5	13.91	15.9	2.1	13.25
	1,784.2	29.7	6.61	1,639.0	107.9	6.58
Funds Sold	76.2	1.3	6.59	68.5	3.8	5.57
Net Loans						
-Domestic	7,028.7	148.1	8.36	6,908.9	572.8	8.29
-Foreign	779.0	14.1	7.21	746.0	51.5	6.90
Loan Fees		7.6			28.5	
Total Earning Assets	11,814.3	234.2	7.87	11,556.2	898.3	7.77

Cash and Due From Banks	429.7			460.6		
Other Assets	390.1			389.1		
Total Assets	$12,634.1			$12,405.9		
Interest Bearing Liabilities						
Domestic Deposits - Demand	$1,732.4	12.1	2.78	$1,752.4	50.9	2.91
- Savings	1,016.0	7.5	2.92	1,058.5	30.6	2.89
- Time	2,032.7	28.8	5.62	1,839.9	98.5	5.36
Total Domestic	4,781.1	48.4	4.02	4,650.8	180.0	3.87
Total Foreign	1,181.7	17.2	5.77	982.2	59.5	6.06
Total Deposits	5,962.8	65.6	4.37	5,633.0	239.5	4.25
Short-Term Borrowings	3,111.6	44.5	5.68	3,155.1	174.0	5.52
Long-Term Debt	969.4	13.2	5.40	983.8	54.6	5.55
Total Interest Bearing Liabilities	10,043.8	123.3	4.87	9,771.9	468.1	4.79
Net Interest Income		110.9	3.00		430.2	2.98
Average Spread on Earning Assets			3.72%			3.72%
Demand Deposits	1,399.7			1,403.4		
Other Liabilities	131.6			204.6		
Shareholders' Equity	1,059.0			1,026.0		
Total Liabilities and Shareholders' Equity	$12,634.1			$12,405.9		
Provision for Possible Losses		4.0			17.0	
Net Overhead		56.8			217.7	
Income Before Income Taxes		50.1			195.5	
Provision for Income Taxes		17.7			72.0	
Tax-Equivalent Adjustment		0.3			1.7	
Net Income		$32.1			$121.8	

Interest Rate Risk and Derivatives

As discussed in Bancorp's 1995 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, 1996. As the table indicates, Bancorp's one year cumulative liability sensitivity gap totaled $0.2 billion, representing 1.26% of total assets. Comparatively, the one year cumulative gap was $0.1 billion at year-end 1995, 0.97% of total assets.

Bancorp uses swaps as a cost effective risk management tool for dealing with interest rate risk. Swap activity during the first quarter of 1996 was limited to maturities of existing swap agreements. At March 31, 1996, the notional amount of swaps totaled $974.6 million, compared with $1.1 billion at year-end 1995. Net expense on interest rate swap agreements totaled $1.2 million for the first quarter of 1996. Comparatively, net expense of $11.7 million was recognized for all of 1995.

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

MARCH 31, 1996 (in millions of dollars)	0 - 90 DAYS	91-365 DAYS	1 - 5 YEARS	OVER 5 YEARS	NON-INTEREST BEARING
ASSETS (1)					
INVESTMENT SECURITIES	965.0	940.8	741.7	536.1	-
SHORT TERM INVESTMENTS	53.8	11.1	-	-	-
INTERNATIONAL ASSETS	1,105.2	224.4	32.6	0.6	2.0
DOMESTIC LOANS (2)	2,653.6	2,236.1	1,642.8	801.1	53.5

TRADING SECURITIES	-	-	-	-	-
OTHER ASSETS	77.6	77.6	275.7	-	473.8
TOTAL ASSETS	4,855.2	3,490.0	2,692.8	1,337.8	529.3
LIABILITIES AND CAPITAL (1)					
NON-INT BEARING DEMAND (3)	241.5	241.5	858.7	-	-
INT BEARING DEMAND (3)	331.1	331.1	993.4	-	-
SAVINGS (3)	216.6	216.6	551.4	-	-
TIME DEPOSITS	649.7	1,068.1	491.0	56.7	-
FOREIGN DEPOSITS	961.1	77.4	0.5	-	31.7
S/T BORROWINGS	2,238.6	752.3	-	-	-
LONG-TERM DEBT	459.9	249.5	380.3	119.4	-
OTHER LIABILITIES	-	-	-	-	340.3
CAPITAL	-	-	-	-	1,046.7
TOTAL LIABILITIES AND CAPITAL	5,098.5	2,936.5	3,275.3	176.1	1,418.7
INTEREST RATE SWAPS	-735.7	263.0	472.7	-	-
INTEREST SENSITIVITY GAP	-979.0	816.5	-109.8	1161.7	-889.4
CUMULATIVE GAP	-979.0	-162.5	-272.3	889.4	-
PERCENTAGE OF TOTAL ASSETS	-7.59%	-1.26%	-2.11%	6.89%	-

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.

/TABLE

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 1995 Annual Report and remains in place.

At March 31, 1996, deposits were $7.3 billion, compared to $7.6 billion and $6.8 billion reported at year-end 1995 and March 31, 1995, 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 $2.0 billion at March 31, 1996, compared to $2.1 billion on March 31, 1995, and $1.9 billion at year-end 1995.

Short term borrowings, including Fed Funds, decreased to $1.1 billion at March 31, 1996, compared with $1.3 billion at year-end 1995 and $1.1 billion at March 31, 1995. Long term debt remained level at $1.1 billion at both March 31, 1996 and year-end 1995.

Net Overhead

The net overhead ratio at Bancorp is defined as the ratio of non-interest expense to non-interest income before securities transactions. 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 1996 was 2.58, compared to 2.40 for the first quarter of 1995 and 2.53 for all of 1995.

Non-interest income for the first quarter was $37.6 million, a 5.5% decrease from the same quarter in 1995. For the first quarter of 1995, Bancorp reported a securities gain of $1.8 million, compared to a loss of $0.1 million for the same period in 1996. These gains and losses remained at modest levels. Trust income reported $12.9 million for the quarter, down 3.6% from the same period last year. Service charges on deposit accounts for the first quarter of 1996 were $6.6 million, compared to $6.7 million for the like period last year. Fees, exchange and other service charges for the first quarter of 1996 were $12.0 million compared to $12.4 million for the same period in 1995. Other operating income totaled $6.3 million for the first quarter of 1996, compared with $5.6 million for the same quarter last year.

Non-interest expense in the first quarter was $97.6 million, an increase of 7.2% over the same period in 1995. In the first quarter of 1995, Bancorp announced an early retirement option resulting from a restructuring of its retirement programs. During much of 1995 qualifying staff members electing the retirement option left Bancorp providing the opportunity to reduce staff counts and control salary expenses. Reflecting this process, salary and benefit expense for the first quarter of 1996 totaled $50.0 million compared with $46.9 million for the same quarter of 1995. The increase in expense has been driven by greater profit sharing and incentive accruals caused by improved reported earnings. Additionally, new products and initiatives like Bank of Hawaii Contiki VISA card program and outsourcing of certain back office functions have increased expenses.

Premises and equipment expenses totaled $18.5 million for the first quarter of 1996, an increase from the $18.0 million for the same period of 1995. 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 10.5% over last year during the same period. The increase reflects the leasing transaction mentioned earlier.

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ART 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 10, 1996

BANCORP HAWAII, INC.

/s/ Richard J. Dahl
(Signature)

Richard J. Dahl
President and Chief
Operating Officer

/s/ David A. Houle
(Signature)
David A. Houle
Senior Vice President
and Chief Financial
Officer

<TABLE>

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

	Primary	Fully Diluted
1996		
Net Income	$32,710,000	$32,710,000
Daily Average Shares Outstanding	41,149,618	41,149,618
Shares Assumed Issued for Stock Options	396,415	404,395
	41,546,033	41,554,013
Earnings Per Common Share and Common Share Equivalents	$0.79	$0.79
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

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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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