U N I T E D   S T A T E S

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 September 30, 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

B A N C O R P   H A W A I I,   I N C.
(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 October 31, 1996 - 40,563,426 shares

BANCORP HAWAII, INC. and subsidiaries
September 30, 1996

PART I. - Financial Information

Item 1. Financial Statements

The consolidated statements of condition as of September 30, 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.

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 1996 presentation.

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

(in thousands of dollars)	September 30 1996	December 31 1995	September 30 1995
Assets			
Interest-Bearing Deposits	$623,592	$789,050	$612,864
Investment Securities - Held to Maturity			
(Market Value of $1,266,815, $1,135,364 and $1,540,450 respectively)	1,272,910	1,129,251	1,544,403
Investment Securities - Available for Sale	2,340,746	2,230,902	1,683,968
Funds Sold	88,224	116,173	56,660
Loans	8,683,244	8,152,406	7,893,978
Unearned Income	(181,719)	(147,404)	(142,515)
Reserve for Possible Loan Losses	(167,770)	(151,979)	(150,931)
Net Loans	8,333,755	7,853,023	7,600,532
Total Earning Assets	12,659,227	12,118,399	11,498,427
Cash and Non-Interest Bearing Deposits	457,116	469,031	433,665
Premises and Equipment	273,075	246,515	237,962
Customers' Acceptance Liability	27,323	16,825	13,382
Accrued Interest Receivable	85,095	84,669	79,657
Other Real Estate	8,901	9,306	3,823
Intangibles, including Goodwill	96,427	87,673	89,434
Trading Securities	1,449	29	113
Other Assets	171,860	174,337	140,155
Total Assets	$13,780,473	$13,206,784	$12,496,618
Liabilities			
Domestic Deposits			
Demand - Non-Interest Bearing	$1,319,369	$1,549,302	$1,379,789
- Interest-Bearing	1,648,312	1,592,533	1,555,068
Savings	889,874	1,004,550	1,025,868
Time	2,586,714	2,204,242	1,908,192
Foreign Deposits	1,974,221	1,226,143	1,077,974
Total Deposits	8,418,490	7,576,770	6,946,891
Securities Sold Under Agreements to Repurchase	1,996,536	1,926,540	2,262,197
Funds Purchased	479,538	787,437	537,268
Short-Term Borrowings	489,061	476,867	480,857
Bank's Acceptances Outstanding	27,323	16,825	13,382
Accrued Pension Costs	20,341	21,145	26,527
Accrued Interest Payable	75,294	49,473	55,120
Accrued Taxes Payable	151,530	160,306	160,606
Minority Interest	9,352	2,961	2,470
Other Liabilities	90,828	70,588	72,604
Long-Term Debt	957,431	1,063,436	897,837
Total Liabilities	12,715,724	12,152,348	11,455,759
Shareholders' Equity			
Common Stock ($2 par value), authorized 100,000,000 shares; outstanding, September 1996 - 40,661,103; December 1995 - 41,340,817; September 1995 - 41,579,607;	81,322	82,682	83,159
Surplus	215,014	240,080	248,818
Unrealized Valuation Adjustments	(12,759)	13,902	11,581
Retained Earnings	781,172	717,772	697,301
Total Shareholders' Equity	1,064,749	1,054,436	1,040,859
Total Liabilities and Shareholders' Equity	$13,780,473	$13,206,784	$12,496,618

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

(in thousands of dollars except per share amounts)	3 Months Ended September 30 1996	3 Months Ended September 30 1995	9 Months Ended September 30 1996	9 Months Ended September 30 1995
Interest Income				
Interest on Loans	$168,290	$153,465	$493,549	$451,770
Loan Fees	6,381	7,809	22,958	20,918

Income on Lease Financing	8,793	3,372	18,467	9,464
Interest and Dividends on Investment Securities				
Taxable	20,542	23,347	49,703	70,111
Non-taxable	292	329	901	1,048
Income on Investment Securities Available for Sale	35,910	26,936	108,769	78,140
Interest on Deposits	9,219	10,379	28,127	28,753
Interest on Security Resale Agreements	--	72	--	205
Interest on Funds Sold	828	628	2,906	2,343
Total Interest Income	250,255	226,337	725,380	662,752
Interest Expense				
Interest on Deposits	76,389	59,939	209,751	173,908
Interest on Security Repurchase Agreements	23,780	32,137	73,705	92,403
Interest on Funds Purchased	7,323	7,496	22,041	22,645
Interest on Short-Term Borrowings	5,254	4,276	16,726	14,480
Interest on Long-Term Debt	15,191	14,017	47,173	41,376
Total Interest Expense	127,937	117,865	369,396	344,812
Net Interest Income	122,318	108,472	355,984	317,940
Provision for Possible Loan Losses	3,733	4,377	12,320	12,950
Net Interest Income After Provision for Possible Loan Losses	118,585	104,095	343,664	304,990
Non-Interest Income				
Trust Income	12,349	11,879	37,067	37,405
Service Charges on Deposit Accounts	7,417	6,491	21,368	19,331
Fees, Exchange, and Other Service Charges	15,280	12,072	40,665	36,857
Other Operating Income	8,199	5,288	24,499	15,822
Investment Securities Gains (Losses)	291	176	229	2,280
Total Non-Interest Income	43,536	35,906	123,828	111,695
Non-Interest Expense				
Salaries	40,727	35,038	118,246	106,043
Pensions and Other Employee Benefits	12,020	10,653	37,500	32,806
Net Occupancy Expense of Premises	10,510	10,150	29,954	30,402
Net Equipment Expense	8,789	7,012	25,343	23,786
Other Operating Expense	40,041	24,734	101,752	78,813
Minority Interest	524	288	1,181	769
Total Non-Interest Expense	112,611	87,875	313,976	272,619
Income Before Income Taxes	49,510	52,126	153,516	144,066
Provision for Income Taxes	18,182	19,206	54,865	54,350
Net Income	$31,328	$32,920	$98,651	$89,716
Earnings Per Common Share and Common Share Equivalents	$0.76	$0.78	$2.39	$2.13
Average Common Shares and Common Share Equivalents Outstanding	41,182,809	41,955,136	41,334,572	42,070,392

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	98,651	-	-	-	98,651
Sale of Common Stock					
35,803 Profit Sharing Plan	1,231	72	1,159	-	-
201,176 Stock Option Plan	4,629	402	4,227	-	-
133,207 Dividend Reinvestment Plan	5,200	265	4,935	-	-
1,800 Restricted Share Plan	64	4	60	-	-
Stock Repurchased	(37,550)	(2,103)	(35,447)	-	-
Unrealized Valuation Adjustments					
Investment Securities	(19,116)	-	-	(19,116)	-
Foreign Exchange Translation Adjustment	(7,545)	-	-	(7,545)	-
Cash Dividends Paid of $.86 Per Share	(35,251)	-	-	-	(35,251)
Balance at September 30, 1996	$1,064,749	$81,322	$215,014	($12,759)	$781,172
Balance at December 31, 1994	$966,788	$83,703	$260,040	($18,122)	$641,167
Net Income	89,716	-	-	-	89,716
Sale of Common Stock					
96,251 Profit Sharing Plan	2,638	193	2,445	-	-
84,332 Stock Option Plan	8,315	782	7,533	-	-
132,374 Dividend Reinvestment Plan	5,391	361	5,030	-	-
Stock Repurchased	(28,110)	(1,880)	(26,230)	-	-
Unrealized Valuation Adjustments					
Investment Securities	26,021	-	-	26,021	-
Foreign Exchange Translation Adjustment	3,682	-	-	3,682	-
Cash Dividends Paid of $.81 Per Share	(33,582)	-	-	-	(33,582)
Balance at September 30, 1995	$1,040,859	$83,159	$248,818	$11,581	$697,301

/TABLE

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Nine Months Ended September 30 (in thousands of dollars)	1996	1995
Operating Activities		
Net Income	$98,651	$89,716
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses, depreciation, and amortization of income and expense	10,796	8,430
Deferred income taxes	5,638	916
Realized and unrealized investment security gains	(8,294)	(1,373)
Net increase in trading securities	1,420	13,583
Other assets and liabilities, net	4,931	(12,221)
Net cash provided by operating activities	113,142	99,051
Investing Activities		
Proceeds from redemptions of investment securities held to maturity	459,823	634,489
Purchases of investment securities held to maturity	(581,374)	(392,932)
Proceeds from sales of investment securities available for sale	734,695	346,666
Purchases of investment securities available for sale	(868,188)	(620,756)
Net decrease in interest-bearing deposits placed in other banks	421,546	114,152
Net decrease (increase) in funds sold	27,949	(2,493)
Net decrease in loans and lease financing	113,310	17,622
Premises and equipment, net	(29,062)	(32,980)
Purchase of additional interest:		
Banque D'Hawaii (Vanuatu), Ltd.	--	6,808
Credipac Polynesie and Credipac Nouvelle Caledonie	(4,114)	--
Purchase of majority interest of Banque de Tahiti & New Caledonie net of cash and non-interest bearing deposits acquired	18,090	--
Net cash provided by investing activities	292,675	70,576
Financing Activities		
Net increase in demand, savings, and time deposits	(16,796)	(179,392)
Proceeds from lines of credit and long-term debt	1,059,468	226,204
Principal payments on lines of credit and long-term debt	(1,165,473)	(189,939)
Net decrease in short-term borrowings	(225,709)	(59,931)
Proceeds from sale (repurchase) of stock	(26,426)	(11,766)
Cash dividends	(35,251)	(33,582)
Net cash used by financing activities	(410,187)	(248,406)
Effect of exchange rate changes on cash	(7,545)	3,682
Decrease in cash and non-interest bearing deposits	(11,915)	(75,097)
Cash and non-interest bearing deposits at beginning of year	469,031	508,762
Cash and non-interest bearing deposits at end of period	$457,116	$433,665

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 nine months ending September 30, 1996 of $98.7 million, an increase of 10.0% from the same period in 1995. On a per share basis, earnings were $2.39 and $2.13 for the year-to-date in 1996 and 1995, respectively.

Bancorp's earnings for the third quarter of 1996 were $31.3 million, down 4.8% from the same period last year. Earnings per share for the third quarter of 1996 were $0.76 compared with $0.78 for the same quarter last year. Comparatively, for the first and second quarters of 1996, earnings per share were $0.79 and $0.84, respectively.

Results for the nine months of 1996 have been affected by two significant events. As reported in the second quarter, Bancorp, through its lead bank subsidiary, Bank of Hawaii, purchased a majority ownership in Banque de Tahiti (BDT) and Banque de Nouvelle Caledonie (BNC) from Credit Lyonnais. Bank of Hawaii further increased its ownership in these two Banks by purchasing remaining minority interests during the third quarter. At September 30, 1996, Bank of Hawaii's ownership in BDT and BNC was 92.4% and 91.5%, respectively. Earnings for BDT and BNC since May 1996 have been included in Bancorp's consolidated financial reports. The second event was the special Savings Association Insurance Fund (SAIF) assessment accrued by Bancorp as of September 30, 1996. The SAIF assessment for Bancorp's savings and loan subsidiaries was $5.0 million pre-tax and $3.0 million after tax which impacted third quarter results.

Performance ratios through September 30, 1996 remained short of Bancorp's long term objective of 1.2% and 17.5% for return on average assets (ROAA) and return on average equity (ROAE), respectively. On an annualized basis, ROAA was 0.99% and ROAE was 12.35% through September 30, 1996. Although not approaching target levels, the 1996 results are improving compared to the 1995 ROAA and ROAE ratios which were 0.98% and 11.87%, respectively.

Total assets were $13.8 billion as of September 30, 1996, up significantly from the $12.5 billion reported at September 30, 1995 and from $13.2 billion at December 31, 1995. Net loans outstanding increased to $8.3 billion at September 30, 1996, compared with $7.6 billion and $7.9 billion at September 30, 1995 and December 31, 1995, respectively. Total investment securities stood at $3.6 billion at September 30, 1996, an increase of 11.9% from the same date in 1995 and a 7.5% increase from December 31, 1995. The increase reflects the securitization of more than $350 million of adjustable rate mortgage loans in the second quarter of 1996.

Total deposits increased to $8.4 billion at the end of September 1996. Comparatively, deposits were $7.6 billion and $6.9 billion at year-end and September 30, 1995, respectively. Securities sold under repurchase agreements (Repos) totaled $2.0 billion at September 30, 1996, increasing 3.6% from the year-end balance outstanding of $1.9 billion.

The year-to-year changes were affected by the BDT and BNC acquisition. As of September 30, 1996, BDT and BNC reported total assets of $966.2 million, net loans of $607.8 million and other earning assets of $246.7 million. Deposits at September 30, 1996 were $866.7 million for BDT and BNC.

Risk Elements in Lending Activities

Total loans outstanding were $8.7 billion as of September 30, 1996, an increase of 6.5% over year-end 1995, and 10.0% above loans outstanding at September 30, 1995. The growth reflects the loan portfolios of BDT and BNC which were acquired and the securitization of $350 million in mortgage loans both during the second quarter of 1996. All of the BDT and BNC loans are included in the foreign category. Excluding the impact of these two transactions, loan growth between year-end 1995 and September 30, 1996 would have been 6.6%. The following table presents Bancorp's total loan portfolio for the periods indicated. Growth in the portfolio since September 1995 has been largely in the foreign loans category reflecting the BDT and BNC acquisition.

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

(in millions of dollars)	September 30 1996	December 31 1995	September 30 1995
Domestic Loans			
Commercial and Industrial	$1,806.6	$1,902.2	$1,863.0
Real Estate			
Construction -- Commercial	216.2	199.6	177.3
-- Residential	28.0	33.7	31.2
Mortgage -- Commercial	1,262.3	1,308.8	1,261.5
-- Residential	2,613.9	2,702.4	2,609.5

Installment	826.4	817.3	774.5
Lease Financing	424.4	392.9	384.6
Total Domestic	7,177.8	7,356.9	7,101.6
Foreign Loans	1,505.4	795.5	792.4
Total Loans	$8,683.2	$8,152.4	$7,894.0

Commercial and Industrial Loans

Commercial and Industrial (C & I) loans ended September 30, 1996 at $1.8 billion. Decreases of 5.0% and 3.0% are reported for C & I loans, compared with year-end 1995 and September 30, 1995, respectively. The decline was the result of large loan payoffs and limited volume of new loan activity. Lending to the cable television and media industry continues to play an important role. Loans to the cable television and media industries totaled $626.5 million, up from $588.0 million and $615.9 million at year-end 1995 and September 30, 1995, respectively.

Real Estate Loans

Real estate loans, as a group, remain the largest segment of the loan portfolio. As of September 30, 1996, real estate loans represented 47.4% of total loans. The table above reports the details of the loans in the real estate group. As the table reflects, residential mortgage loans continue to represent the majority of the real estate loans. As of September 30, 1996, residential mortgages totaled $2.6 billion, compared with $2.7 billion at December 31, 1995 and $2.6 billion at September 30, 1995. The decrease from year-end 1995 resulted from the securitization of $350 million in residential mortgages in the second quarter of this year.

Commercial mortgage loans totaled $1.5 billion at September 30, 1996, similar to the $1.5 billion at year-end 1995 and $1.4 billion at September 30, 1995. Commercial mortgage loans are generally secured by real estate located in Hawaii, although commercial mortgage loans totaling approximately $48.4 million are outstanding in Arizona, largely at First National Bank of Arizona (FNBA) and approximately $182.1 million are outstanding in Guam at Bank of Hawaii and First Savings and Loan Association of America. As reported in Bancorp's 1995 Annual Report to shareholders, the properties securing these loans remain diversified. Properties include shopping centers, commercial/industrial/warehouse facilities, and office buildings. These loans secured by commercial/industrial/warehouse and office buildings are generally partially occupied by the owners.

Construction loans represent 5.9% of the real estate portfolio. As of September 30, 1996, total construction loans (both residential and commercial) totaled $244.2 million, an increase of 4.7% and 17.1% over year-end 1995 and September 30, 1995, respectively. These loans tend to be short-term in nature with permanent take out financing commitments in place before the construction begins.

Other Lending

Other lending includes installment loans, leasing activities and foreign loans. Installment loans increased ending the third quarter of 1996 at $826.4 million, compared with $817.3 million at year-end 1995 and $774.5 million at September 30, 1995.

Credit cards (included in the installment totals) have grown to $268.0 million as of September 30, 1996, up 2.4% from year-end 1995 and 12.7% from the same date a year ago. This growth results from the expansion of credit card activity in the Bank of Hawaii with its Contiki Card, co-branded Continental Airlines Card in Micronesia and the MasterCard programs all introduced in 1995. Also included in installment loans are consumer installment loans which totaled $483.9 million at September 30, 1996, compared with $457.8 million at December 31, 1995 and $437.4 million on September 30, 1995. These consumer installment loans consist mainly of auto loans (direct and indirect), unsecured creditlines, and guaranteed student loans.

Leasing activity has increased 8% since year-end 1995. At September 30, 1996, total leases outstanding were $424.4 million compared with $392.9 million at year-end 1995 and $384.6 million September 30, 1995.

Foreign loans totaled $1.5 billion at September 30, 1996, almost double the outstanding balances at year-end 1995 and September 30, 1995. The increase reflects the acquisition of the loan portfolios of BDT and BNC in the second quarter of 1996. BDT and BNC reported total loans of $617.6 million at September 30, 1996, more than half of which was in the C & I category.

Non-Performing Assets and Past Due Loans

Total non-performing assets (NPA) which include non-accrual loans and foreclosed real estate totaled $98.6 million or 1.14% of total loans outstanding as of September 30, 1996. This ratio has grown from 0.70% at both year-end 1995 and September 30, 1995. Total non-performing assets have increased with the acquisition of BDT and BNC who reported $21.5 million in NPA as of September 30, 1996.

Non-accrual loans increased during the quarter ending September 30, 1996 to $89.7 million. Comparatively, non-accrual loans totaled $51.6 million at September 30, 1995, $47.6 million at year-end 1995, and $74.4 million at June 30, 1996. The large increase reflected the non-accrual loans from BDT and BNC and larger loans (two in the commercial category and two in the commercial real estate category) aggregating $9.0 million placed on non-accrual during the third quarter of 1996. Non-accrual residential real estate loans have increased to $23.9 million at September 30, 1996 from $14.7 million at year-end 1995 and $19.0 million a year ago.

Foreclosed real estate has decreased slightly from year-end to $8.9 million. There were less than 20 properties in the foreclosed real estate category as of September 30, 1996. Foreclosed real estate remains at low levels representing 0.06% of total assets as of September 30, 1996.

Accruing loans past due 90 days or more increased from $20.7 million at year-end 1995 to $35.4 million at September 30, 1996. Accruing loans past due 90 days were $21.3 million and $35.0 million at the ends of the first and second quarters of 1996, respectively. As the table below shows, much of the increase has been in the foreign category reflecting the acquisition of the banks in the South Pacific. There is also, however, an increase in the level of installment loan delinquencies which has followed a trend experienced by other banks on the U. S. mainland.

Total NPAs and loans 90 days past due totaled $134.0 million at September 30, 1996, compared with $77.6 million and $71.4 million at year-end 1995 and September 30, 1995, respectively. Total NPAs and loans 90 days past due represented 1.54% of total loans outstanding at September 30, 1996, compared with 0.95% at year-end 1995 and 0.90% at September 30, 1995.

The following table presents NPAs and loans past due 90 days for the periods indicated.

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

(in millions of dollars)	September 30 1996	December 31 1995	September 30 1995
Non-Accrual Loans			
Commercial	$23.3	$16.9	$15.4
Real Estate			
Construction	0.3	0.3	0.5
Commercial	18.0	14.9	15.8
Residential	23.9	14.7	19.0
Installment	2.2	0.8	0.9
Leases	--	--	--
Foreign	21.4	--	--
Subtotal	89.1	47.6	51.6
Foreclosed Real Estate			
Domestic	8.9	9.3	3.8
Foreign	--	--	--
Subtotal	8.9	9.3	3.8
Total Non-Performing Assets	98.0	56.9	55.4
Accruing Loans Past Due 90 Days or More			
Commercial	11.6	1.8	1.2
Real Estate			
Construction	0.3	--	--
Commercial	5.3	2.4	0.1
Residential	7.7	5.8	7.5
Installment	9.7	10.5	7.1
Leases	0.3	0.2	0.1
Foreign	--	--	--
Subtotal	34.9	20.7	16.0
Total	$132.9	$77.6	$71.4
Ratio of Non-Performing Assets to Total Loans	1.13%	0.70%	0.70%
Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loans	1.53%	0.95%	0.90%

Summary of Loan Loss Experience

The reserve for loan losses totaled $167.8 million, 1.97% of loans outstanding as of September 30, 1996. Comparatively, this ratio was 1.95% at September 30, 1995 and 1.90% at year-end 1995.

The provision for losses for the third quarter of 1996 was

$3.7 million, bringing the year-to-date loss provision to $12.3 million. Comparatively, the year-to-date provision for losses was $13.0 million as of this date in 1995. Net recoveries of $0.8 million was recognized for the third quarter which brings year-to-date net charge-offs to $3.4 million through September 30, 1996.

Gross charge-offs for the third quarter were $9.1 million, resulting in year-to-date charge-offs of $30.0 million. Gross charge-offs were $21.6 million for the first nine months of 1995. Recoveries have been strong during the year, partly due to the recovery of $7.0 million on loans secured by commercial leasehold property charged-off in 1992 and 1993. For the year-to-date, $26.6 million has been recorded as recoveries.

The year-to-date annualized ratio of net charge-offs to average loans outstanding at September 30, 1996 was -0.04%, compared with 0.18% at year-end 1995 and 0.19% at September 30, 1995.

A detailed breakdown of the loan loss reserve including charge-offs and recoveries by category is presented in the following table.

Summary of Loss Experience — Bancorp Hawaii, Inc.

(in millions of dollars)	Third Quarter 1996	Third Quarter 1995	First Nine Months 1996	First Nine Months 1995
Average Loans Outstanding	$8,467.4	$7,611.8	$8,317.5	$7,603.4
Balance of Reserve for Possible Loan Losses at Beginning of Period	$163.3	$150.3	$152.0	$148.5
Loans Charged Off				
Commercial and Industrial	2.1	0.8	6.0	7.4
Real Estate - Construction	--	--	--	2.1
Real Estate - Mortgage				
Commercial	1.5	1.0	2.8	1.5
Residential	0.1	0.5	1.0	0.7
Installment	5.3	3.2	19.9	9.6
Foreign	--	--	--	--
Leases	0.1	0.2	0.3	0.3
Total Charged Off	9.1	5.7	30.0	21.6
Recoveries on Loans Previously Charged Off				
Commercial and Industrial	8.1	0.4	21.3	5.9
Real Estate - Construction	--	--	0.7	--
Real Estate - Mortgage				
Commercial	--	0.1	0.1	0.1
Residential	0.2	0.1	0.4	0.1
Installment	1.4	0.7	3.5	2.4
Foreign	0.1	0.3	0.1	1.6
Leases	0.1	0.3	0.5	0.9
Total Recoveries	9.9	1.9	26.6	11.0
Net Charge Offs (Recoveries)	(0.8)	3.8	3.4	10.6
Provision Charged to Operating Expenses	3.7	4.4	12.3	13.0
Reserves Acquired (Sold)	--	--	6.9	--
Balance at End of Period	$167.8	$150.9	$167.8	$150.9
Ratio of Net Charge Offs (Recoveries) to Average Loans Outstanding (annualized)	-0.04%	0.20%	0.05%	0.19%
Ratio of Reserve to Loans Outstanding	1.97%	1.95%	1.97%	1.95%

Capital

Bancorp's total capital at September 30, 1996 totaled $1.1 billion. New shares issued for the profit-sharing, stock option and dividend reinvestment plans increased capital by $2.6 million during the quarter, $11.1 million from these sources for the year-to-date. Under Bancorp's continuing stock repurchase programs, $9.9 million of shares were repurchased during the third quarter of 1996. Dividends for the quarter increased to $12.3 million, compared with $11.3 million for the third quarter of 1995. The dividends were paid at $0.30 per share for the third quarter of 1996.

Regulatory risk-based capital remained well above minimum guidelines. At September 30, 1996, Bancorp's Total Capital and Tier 1 Capital ratios were 11.95% and 9.57%, 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 quarterly average assets, was 7.41% at September 30, 1996, compared to 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 third quarter of 1996 was 3.80%, an increase from the 3.74% reported for the same quarter in 1995 and a decrease from the 3.91% reported for the second quarter of 1996. Year-to-date spread for 1996 was 3.83% compared with 3.72% for the same period in 1995 and the full year. Although spread has decreased between the second and third quarters of 1996 with the increase in average earning assets reported during the quarter, net interest income increased $1.6 million on a taxable equivalent basis.

The yield on earning assets for the third quarter of 1996 was 7.76%, decreasing from the 7.88% reported for the second quarter of 1996, and the 7.80% for the third quarter of 1995. The yield on earnings assets was 7.77% for all of 1995. The cost of funds rate was 4.60% for the quarter ended September 30, 1996, compared with the 4.76% reported for the second quarter of 1996. Comparatively, the cost of funds rate was 4.82% for the third quarter of 1995 and 4.79% for all of 1995.

Average earning assets for the third quarter of 1996 were $12.8 billion, compared with $12.5 billion for the second quarter and $12.4 billion for the year-to-date.

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

	Three Months Ended September 30, 1996			Three Months Ended September 30, 1995		
(in millions of dollars)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$786.1	$9.2	4.67%	$695.9	$10.4	5.92%
Investment Securities						
-Taxable	1,261.8	20.5	6.48	1,550.0	23.4	5.98
-Tax-Exempt	12.7	0.5	14.12	15.3	0.5	13.16
	2,229.4	35.9	6.41	1,587.8	26.9	6.73
Funds Sold	90.7	0.8	3.63	72.6	0.7	3.83
Net Loans						
-Domestic	6,990.3	142.4	8.10	6,843.0	143.5	8.32
-Foreign	1,477.1	34.8	9.37	768.8	13.5	6.97
Loan Fees		6.4			7.8	
Total Earning Assets	12,848.1	250.5	7.76	11,533.4	226.7	7.80

Cash and Due From Banks	463.7			457.9		
Other Assets	438.2			405.3		
Total Assets	$13,750.0			$12,396.6		
Interest Bearing Liabilities						
Domestic Deposits - Demand	$1,764.1	11.7	2.65	$1,717.6	12.9	2.98
- Savings	913.4	5.8	2.51	1,036.4	7.7	2.95
- Time	2,620.1	35.5	5.40	1,829.8	23.7	5.14
Total Domestic	5,297.6	53.0	3.98	4,583.8	44.3	3.84
Total Foreign	1,915.8	23.4	4.85	913.2	15.6	6.78
Total Deposits	7,213.4	76.4	4.21	5,497.0	59.9	4.33
Short-Term Borrowings	2,727.4	36.3	5.30	3,199.2	43.9	5.45
Long-Term Debt	1,120.1	15.2	5.40	1,003.7	14.0	5.54
Total Interest Bearing Liabilities	11,060.9	127.9	4.60	9,699.9	117.8	4.82
Net Interest Income		122.6	3.16		108.9	2.98
Average Spread on Earning Assets			3.80%			3.74%
Demand Deposits	1,364.3			1,406.8		
Other Liabilities	254.5			252.1		
Shareholders' Equity	1,070.3			1,037.8		
Total Liabilities and Shareholders' Equity	$13,750.0			$12,396.6		
Provision for Possible Losses		3.7			4.4	
Net Overhead		69.1			52.0	
Income Before Income Taxes		49.8			52.5	
Provision for Income Taxes		18.2			19.2	
Tax-Equivalent Adjustment		0.3			0.4	
Net Income		$31.3			$32.9	

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

(in millions of dollars)	Nine Months Ended September 30, 1996 Average Balance	Income/ Expense	Yield/ Rate	Nine Months Ended September 30, 1995 Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$730.8	$28.1	5.14%	$648.1	$28.8	5.93%
Investment Securities						
-Taxable	1,026.4	49.7	6.47	1,545.3	70.1	6.07
-Tax-Exempt	13.2	1.4	14.06	16.5	1.6	13.06
	2,262.7	108.8	6.42	1,590.1	78.2	6.57
Funds Sold	87.5	2.9	4.43	65.9	2.5	5.17
Net Loans						
-Domestic	7,132.3	438.3	8.21	6,868.5	424.7	8.27
-Foreign	1,185.2	74.1	8.36	734.8	37.3	6.79
Loan Fees		23.0			20.9	
Total Earning Assets	12,438.1	726.3	7.80	11,469.2	664.1	7.74
Cash and Due From Banks	455.5			471.1		
Other Assets	429.7			388.7		
Total Assets	$13,323.3			$12,329.0		
Interest Bearing Liabilities						
Domestic Deposits - Demand	$1,726.4	35.5	2.74	$1,759.1	38.7	2.95
- Savings	956.5	18.1	2.53	1,072.8	23.1	2.88
- Time	2,398.4	97.2	5.41	1,774.9	72.3	5.44
Total Domestic	5,081.3	150.8	3.96	4,606.8	134.1	3.89
Total Foreign	1,566.3	58.9	5.03	915.1	39.8	5.82
Total Deposits	6,647.6	209.7	4.21	5,521.9	173.9	4.21
Short-Term Borrowings	2,827.3	112.5	5.31	3,169.7	129.5	5.46
Long-Term Debt	1,174.0	47.2	5.37	988.6	41.4	5.60
Total Interest Bearing Liabilities	10,648.9	369.4	4.63	9,680.2	344.8	4.76
Net Interest Income		356.9	3.17		319.3	2.98
Average Spread on Earning Assets			3.83%			3.72%

Demand Deposits	1,380.1	1,404.7
Other Liabilities	227.0	229.2
Shareholders' Equity	1,067.3	1,014.9
Total Liabilities and Shareholders' Equity	$13,323.3	$12,329.0

Provision for Possible Losses	12.3	13.0
Net Overhead	190.1	160.9
Income Before Income Taxes	154.5	145.4
Provision for Income Taxes	54.9	54.4
Tax-Equivalent Adjustment	0.9	1.3
Net Income	$98.7	$89.7

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 as of September 30, 1996. The distribution of assets and liabilities in this table is generally made using a combination of maturities, call provisions, repricing frequency, prepayment patterns all of which are further adjusted for historic trends and tendencies. Bancorp analyzes historic data trends for balance sheet items and makes adjustments for interest rate sensitivity characteristics as necessary. For example, a portion of Bancorp's interest bearing demand and savings balances are relatively insensitive to changes in interest rates. Consequently, Bancorp has allocated portions of those balances to longer term interest rate sensitivity periods. As the table indicates, Bancorp's one-year cumulative asset sensitive gap totaled $267.4 million, representing 1.94% of total assets. Comparatively, the one-year cumulative gap was $127.6 million liability sensitive at year-end 1995, or 0.97% of total assets.

Bancorp uses interest rate swaps as a cost effective risk management tool for dealing with interest rate risk. Swap activity remains limited and during the first nine months of 1996 only reflected maturities of existing swap agreements. At September 30, 1996, the notional amount of swaps totaled $0.7 billion compared with $1.1 billion at year-end 1995. Net expense on interest rate swap agreements totaled $1.0 million for the third quarter of 1996 and $3.2 million through September 30, 1996. Comparatively, net expense of $11.7 million was recognized for all of 1995.

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

SEPTEMBER 30, 1996 (in millions of dollars)	0 - 90 DAYS	91-365 DAYS	1 - 5 YEARS	OVER 5 YEARS	NON-INTEREST BEARING
ASSETS (1)					
INVESTMENT SECURITIES	1,432.5	863.6	881.6	436.0	-
SHORT TERM INVESTMENTS	78.2	10.0	-	-	-
INTERNATIONAL ASSETS	901.0	311.0	22.7	24.7	23.1
DOMESTIC LOANS (2)	2,884.2	2,140.9	1,952.7	812.2	66.5
TRADING SECURITIES	-	-	1.4	-	-
OTHER ASSETS	73.1	36.6	256.0	-	572.4
TOTAL ASSETS	5,369.0	3,362.1	3,114.4	1,272.9	662.0
LIABILITIES AND CAPITAL (1)					
NON-INT BEARING DEMAND (3)	250.1	165.9	639.5	263.9	-
INT BEARING DEMAND (3)	247.2	247.2	824.2	329.7	-
SAVINGS (3)	106.8	106.8	498.3	178.0	-
TIME DEPOSITS	756.7	1,166.5	622.4	41.1	-
FOREIGN DEPOSITS	1,312.6	279.0	47.2	-	335.4
S/T BORROWINGS	2,064.0	825.8	75.3	-	-

LONG-TERM DEBT	212.1	286.6	339.3	119.4	-
OTHER LIABILITIES	-	-	-	-	374.7
CAPITAL	-	-	-	-	1,064.7
TOTAL LIABILITIES AND CAPIT	4,949.5	3,077.8	3,046.2	932.1	1,774.8
INTEREST RATE SWAPS	-519.7	83.3	436.4	-	-
INTEREST SENSITIVITY GAP	-100.2	367.6	504.6	340.8	-1112.8
CUMULATIVE GAP	-100.2	267.4	772.0	1112.8	-
PERCENTAGE OF TOTAL ASSETS	-0.73%	1.94%	5.60%	8.08%	-

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 as described in Bancorp's 1995 Annual Report remains in place.

At September 30, 1996, deposits were $8.4 billion, compared to $8.4 billion and $7.6 billion reported at June 30, 1996 and year-end 1995, respectively. The growth in deposits is largely reflected in the Foreign category which was due to the acquisition of BDT and BNC earlier this year. The foreign deposit category is generally made up of larger inter-bank deposits, except in the case of the BDT and BNC deposits which were $0.9 billion at September 30, 1996. BDT and BNC deposits are comprised largely of retail type deposits, including demand, savings and time deposits. The competition for deposits not only by banks and saving 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 September 30, 1996, compared to $1.7 billion and $1.9 billion at June 30, 1996, and year-end 1995, respectively.

Short term borrowing, including Fed Funds, decreased to $1.0 billion at the end of September 1996 from $1.1 billion at June 30, 1996 and $1.3 billion at year-end 1995. Long-term debt has decreased from $1.1 billion at year-end 1995 to $1.0 billion at the end of September 1996, reflecting maturities. During the quarter no new debt was issued under Bank of Hawaii's $1 billion "revolving" Bank Note program. At September 30, 1996, Bank Notes issued by Bank of Hawaii totaled $600.0 million, compared to $849.6 million outstanding at year-end 1995.

Net Overhead

Bancorp manages its net overhead by focusing on the ratio of non-interest expense to non-interest income. Bancorp's long term goal, as stated in its 1995 Annual Report 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 year-to-date through September 30, 1996 was 2.53, the same ratio for all of 1995.

Bancorp's efficiency ratio was 65.5% for the first nine months of 1996. This productivity indicator expressed as a percentage is non-interest expense divided by net operating revenue (net interest income plus non-interest income before securities transactions). Comparatively, the annual efficiency ratios for 1995 and 1994 were 63.6% and 60.5 %, respectively.

Non-interest income for the third quarter of 1996 was $43.5 million, an increase of 21.2% over the similar quarter of 1995 and up 2.0% over the second quarter of 1996. For the year-to-date, non-interest income totaled $123.8 million, up 10.9% compared with the same period last year. For the year-to-date, BDT and BNC contributed $7.8 million in non-interest income driving the increase. Trust income for the first nine months totaled $37.1 million, down 0.9% compared with the same period a year ago. Service charges on deposit accounts are reporting growth of 10.5% year over year through September 30. Fees, exchange, and other service charges through September 30, 1996 totaled $40.7 million, a 10.3% increase compared with the same period a year ago. The increase was largely due to the BDT and BNC fees and increases in ATM fees and mortgage servicing fees. Other operating income for the year-to-date was $24.5 million through September, an increase from the $15.8 million reported for the same period in 1995. The increase was due to the fees reported by BDT and BNC ($3.3 million for the year-to-date), higher earnings of the remaining affiliates, interest earned on a cash basis, and income from Bank owned life insurance policies.

Investment Securities net gains and losses for 1996 through September were $0.2 million gain, compared with $2.3 million gain in 1995 for the same period. The gains in the prior year were largely due to the liquidation of securities held by Bancorp Hawaii Small Business Investment Corporation.

Non-interest expense for the third quarter of 1996 totaled $112.6 million, compared with $87.9 million for the same period in 1995. Non-interest expenses for the first two quarters of 1996 were $97.6 million and $103.8 million, respectively, the increase between the first and second quarters reflecting the acquisition of BDT and BNC. The increase for the third quarter resulted from a full quarter of expenses for BDT and BNC and the SAIF expense mentioned earlier.

Salaries and benefits totaled $52.7 million for the third quarter of 1996 compared with $45.7 million for the same quarter a year ago. The increase is primarily due to the consolidation of BDT and BNC into Bancorp's totals. BDT and BNC reported salaries and benefits of $4.6 million for the quarter. For the year-to-date, Bancorp's salary and benefits totaled $155.7 million compared with $138.8 million for the same period in 1995. Again, the increase is partly due to the BDT and BNC salary and benefit expenses. The remaining increase is attributed to higher compensation expenses that are driven by the profitability of the company; expenses such as profit-sharing and incentive compensation are greater than in the prior year.

Net occupancy and equipment expense for the third quarter totaled $19.3 million, compared to $17.2 million for the same quarter in 1995, an increase of 12.4%. For the year-to-date, net occupancy and equipment expense totaled $55.3 million, an increase of 2.0%, compared with the same period in 1995.

Other operating expenses for the third quarter totaled $40.0 million, an increase from the $24.7 million reported for the same quarter in 1995. For the year-to-date, other operating expense totaled $101.8 million in 1996, compared with $78.8 million in 1995. The increase in this expense was driven by the expenses for BDT and BNC ($10.3 million), the special SAIF assessment of $5.0 million and the loss on the early disposition of leased equipment recorded in the first quarter of $2.8 million.

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 #20 - Report furnished to shareholders for the quarter ended June 30, 1996.

Exhibit #27 - Financial Data Schedule.

(b) There were no reports on Form 8-K filed during the quarter ended September 30, 1996.

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 November 13, 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,
Treasurer and Chief Financial Officer

Bancorp Hawaii, Inc.
Exhibit 11 - Statement Regarding Computation of Per Share Earnings
Nine Months Ended September 30

	Primary	Fully Diluted
1996		
Net Income	$98,651,000	$98,651,000
Daily Average Shares Outstanding	40,939,442	40,939,442
Shares Assumed Issued for Stock Options	395,130	395,130
	41,334,572	41,334,572
Earnings Per Common Share and Common Share Equivalents	$2.39	$2.39
1995		
Net Income	$89,716,000	$89,716,000
Daily Average Shares Outstanding	41,730,453	41,730,453
Shares Assumed Issued for Stock Options	339,939	380,520
	42,070,392	42,110,973
Earnings Per Common Share and Common Share Equivalents	$2.13	$2.13

To Our Shareholders:

Hawaii's strengthening economy and an improved interest rate environment gave rise to Bancorp Hawaii's higher profits and strong earnings growth this quarter. Your company reported second quarter earnings of $34.6 million, 21.2 percent above last year's second quarter and 5.8 percent above the first quarter of 1996. Earnings per share for the second quarter were $0.84, an increase of 23.5 percent over the $0.68 reported for the second quarter of 1995.

Through the first six months of 1996 Bancorp's earnings were $67.3 million, an 18.5 percent increase from $56.8 million reported for the first half of 1995. Year-to-date earnings per share of $1.63 were 20.7 percent higher than the $1.35 reported for the first six months of 1995. Deposits and repurchase agreements reached $10.1 billion, up from $9.3 billion for the same period last year. Net loans increased to $8.2 billion, up from $7.4 billion reported at June 30, 1995. Year-to-date return on average assets was 1.03 percent, and return on average equity was 12.70 percent.

Your company's results for the second quarter reflect its focus on improving asset mix and building core earnings. Diligent efforts in collection of loans previously charged-off resulted in recoveries of more than $14 million for the second quarter allowing loan loss provisions to remain at slightly over $4 million.

Activities in Bancorp's overseas markets also exerted a positive impact on the company's quarterly results. The acquisition of majority holding in Banque de Tahiti and Banque de Nouvelle Caledonie was finalized in May, and the operating results of these institutions are included in Bancorp's consolidated financial statements for the second quarter. These markets have excellent potential for growth, and we anticipate that our subsidiaries and branches throughout the South and West Pacific will continue to perform well.

In June Bank of Hawaii upgraded its representative office in Taipei to a full service branch specializing in corporate services, trade-related finance, and intra-Pacific investment. Taiwan's thriving market offers Bancorp tremendous growth opportunities.

The quarter also saw the opening of First National Bank of Arizona's (FNBA's) 6th office in the Phoenix metropolitan area. FNBA, Bancorp's U.S. Mainland subsidiary, turned in an excellent performance in terms of growth and profitability. In addition, Bank of Hawaii opened its first in-store branch on Maui at Star Markets in Kihei last month and introduced a number of new products for customers-both business clients and consumers-including the innovative Bankoh Mileage Access debit card, the second of its kind in the nation, and the Bankoh Business Service Center, a unique breakthrough approach to merchant servicing.

On July 26 your Board of Directors declared a quarterly dividend of 30 cents per share on the outstanding common stock representing an increase of 7.1 percent from 28 cents per share. Bancorp last increased its dividend in October 1995 when the board approved a 3/4 cent per share increase. The dividend will be payable on September 13, 1996 to shareholders of record at the close of business on August 19, 1996.

We are encouraged by Bancorp's performance for the first half of 1996 and staunchly confident in the economic potential of your company's franchise. These results assure us that we are on the right track for success as we continue to seek new opportunities to develop and grow within our markets. We count your support and confidence among our most valuable assets.

Sincerely,

LAWRENCE M. JOHNSON

Lawrence M. Johnson
Chairman and Chief Executive Officer

Corporate Offices:
Financial Plaza of the Pacific
130 Merchant Street
Honolulu, Hawaii 96813

Investor or Analyst Inquiries:
David A. Houle
Senior Vice President, Treasurer and Chief Financial Officer
(808) 537-8288

or

Sharlene K. Bliss
Investor Relations Officer
(808) 537-8037

or

Cori C. Weston
Corporate Secretary
(808) 537-8272

Highlights (Unaudited) Bancorp Hawaii, Inc., and subsidiaries

	June 30 1996	June 30 1995
Return on Average Assets	1.03%	0.93%
Return on Average Equity	12.70%	11.42%
Average Spread on Earning Assets	3.85%	3.71%
Book Value Per Common Share	$25.71	$24.59
Loss Reserve/Loans and Leases Outstanding	1.95%	1.99%
Average Equity/Average Assets	8.14%	8.16%

Common Stock Price Range	High	Low	Dividend
1995................................	$37.13	$24.88	$1.08
1996 First Quarter............	$36.25	$33.25	$0.28
Second Quarter................	$37.63	$33.13	$0.28

Consolidated Statements of Income (Unaudited)

(in thousands of dollars except per share amounts)	3 Months Ended June 30 1996	3 Months Ended June 30 1995	6 Months Ended June 30 1996	6 Months Ended June 30 1995
Total Interest Income	$244,038	$221,830	$475,125	$436,415
Total Interest Expense	123,209	114,683	241,459	226,947
Net Interest Income	120,829	107,147	233,666	209,468
Provision for Possible Loan Losses	4,163	4,120	8,587	8,573
Net Interest Income After Provision for Possible Loan Losses	116,666	103,027	225,079	200,895
Total Non-Interest Income	42,666	35,978	80,292	75,789
Total Non-Interest Expense	103,787	93,689	201,365	184,744

Income Before Income Taxes	55,545	45,316	104,006	91,940
Provision for Income Taxes	20,932	16,768	36,683	35,144
Net Income	$34,613	$28,548	$67,323	$56,796
Earnings Per Common Share and Common Share Equivalents	$0.84	$0.68	$1.63	$1.35
Average Common Shares and Common Share Equivalents Outstanding	41,276,498	42,121,368	41,411,266	42,129,385

Consolidated Statements of Condition (Unaudited)

	June 30 1996	December 31 1995	June 30 1995
Assets			
Interest-Bearing Deposits	$638,204	$789,050	$752,923
Investment Securities (Market Value of $3,465,850, $3,366,266 and $3,108,419 respectively)	3,498,246	3,360,153	3,117,484
Securities Purchased Under Agreements to Resell	--	--	90,000
Funds Sold	218,628	116,173	144,900
Loans	8,549,043	8,152,406	7,704,174
Unearned Income	(177,225)	(147,404)	(142,084)
Reserve for Possible Loan Losses	(163,266)	(151,979)	(150,302)
Net Loans	8,208,552	7,853,023	7,411,788
Total Earning Assets	12,563,630	12,118,399	11,517,095
Cash and Non-Interest Bearing Deposits	482,067	469,031	474,554
Premises and Equipment	271,762	246,515	231,978
Other Assets	372,695	372,839	350,024
Total Assets	$13,690,154	$13,206,784	$12,573,651
Liabilities			
Deposits	$8,422,821	$7,576,770	$7,003,918
Securities Sold Under Agreements to Repurchase	1,695,907	1,926,540	2,250,738
Funds Purchased	600,232	787,437	379,473
Short-Term Borrowings	499,580	476,867	655,652
Other Liabilities	364,489	321,298	385,362
Long-Term Debt	1,057,225	1,063,436	877,640
Total Liabilities	12,640,254	12,152,348	11,552,783
Shareholders' Equity			
Common Stock ($2 par value), authorized 100,000,000 shares; outstanding, June 1996 - 40,830,130; December 1995 - 41,340,817; June 1995 - 41,520,923;	81,660	82,682	83,042
Surplus	221,897	240,080	249,718
Unrealized Valuation Adjustments	(15,760)	13,902	12,410
Retained Earnings	762,103	717,772	675,698
Total Shareholders' Equity	1,049,900	1,054,436	1,020,868
Total Liabilities and Shareholders' Equity	$13,690,154	$13,206,784	$12,573,651

<ARTICLE> 9
<LEGEND>
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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