

An underwater photograph of a person's face, likely a diver, with a snorkel mask. The person's eyes are closed, and the mask is visible over their nose and mouth. The water is clear and blue, with light filtering through from above, creating a serene and peaceful atmosphere. The person's skin appears slightly reddish, possibly from the water or the lighting.

# Purpose, Progress, Possibilities

WORKING TOGETHER  
WITH YOU

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### **Purpose, Progress, Possibilities Working Together With You**

Bank of Hawaii understands there is no one-size-fits-all solution to banking. Our employees work together to offer products and services that give our customers choice. We are proud of our 122-year legacy of supporting our customers, while constantly progressing and improving so we may continue to provide the optimum banking experience.

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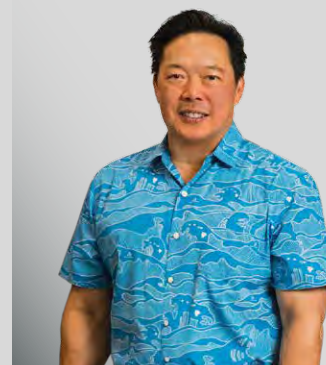
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 View Bank of Hawaii's 2019 digital Summary Annual Report, featuring videos of our Chairman, clients, community and employees at [www.boh.com](http://www.boh.com).

## DEAR FELLOW SHAREHOLDERS

As we conclude the second decade of the 21st century, Bank of Hawaii remains consistent in its operating results, and well-positioned strategically for the next decade.



Diluted earnings per share were a record \$5.56, up 6.3% from last year. Loans grew 5.2% to \$11.0 billion, with balanced growth in both our commercial and consumer businesses. Deposits grew 5.0% to \$15.8 billion. Return on average equity for 2019 was an industry attractive 17.7%. Our efficiency ratio improved to 55.7% versus 56.7% in 2018. Credit conditions were benign throughout the year due, in part, to our hallmark culture of conservatism and to solid economic underpinnings in our core Hawaii market. Additionally, our board approved two dividend increases in 2019, bringing quarterly dividends to \$0.67 per share.

Risk management remains a key priority for Bank of Hawaii. In 2019, Moody's affirmed our Bank Deposit Long-Term Rating at Aa2, placing us among the top 15 financial institutions in the U.S. in that category. Additionally, we were recognized once again by *Forbes* magazine as one of America's Best Banks, as well as an industry leader by D.A. Davidson for ESG practices, and *Barron's* magazine for environmental practices.

### **Hawaii's Economy**

Hawaii's economy remained steady in 2019. Employment, visitor activity and housing dynamics each exhibited strong fundamentals.

Our seasonally adjusted unemployment rate remained low at 2.6% in December 2019, compared with 3.5% nationally.

Our visitor industry achieved record arrivals for the seventh consecutive year while spending increased slightly. Hawaii's visitor arrivals rose to 10.5 million in 2019, compared to 9.9 million visitors in 2018. Spending increased 0.9% percent in 2019 to \$17.8 billion. These numbers come subsequent to several consecutive preceding years of strong visitor counts and spending.

Average median single family home prices on Oahu, our primary market, fell slightly by 0.1% to \$789,000. Average median condominium prices increased 1.2% in 2019 to \$425,000. Months of inventory on the market of single-family homes and condominiums on Oahu were 2.5 months and 3.4 months respectively, reflecting continued tight housing dynamics.

## Our Strategy

Our longstanding strategy remains unchanged. We are committed to building our business in the Hawaii and West Pacific markets, where we have both scale and market knowledge advantages. We believe steady quality growth guided by a commitment to ever higher risk adjusted capital return is the foundation of financial success. We continue to value conservative underwriting and operating practices.

We further recognize that the path to our continued success lies in maintaining and building the client relationships fostered throughout our 122-year history in the islands while continuing to deliver and improve a customer experience relevant and appropriate to the changing needs and demands of 21st century financial services customers.

To do this, we are focused on consistently improving the customer experience, enabling the digital experience more fully, and improving operational efficiency. Of course, to achieve these aspirational goals, we know we have to ever empower, engage and equip our team of over 2,100 employees.

## Facilities Modernization Efforts

Since 2016, we have launched eight new Branches of Tomorrow. These branch formats combine fresh contemporary design while accommodating the changing transacting habits of our customers. They are efficient in design and are built to provide an omni-channel experience unrivaled in our marketplace. Our branch format is also designed to optimize person-to-person consultation on everything from basic budgeting to complex trust and estate planning. In 2020, we plan to launch four more Branches of Tomorrow.

The renovation of our corporate headquarters in downtown Honolulu is also nearing completion. By the end of first quarter 2020, our employees will enjoy a fully modernized space that offers technical, collaborative and mobile conveniences all delivered in a contemporary attractive workspace. We believe this investment will enable us to attract and retain the best talent in our market and encourage the requisite collaboration and teamwork necessary to thrive in the 21st-century workplace.

In addition to enhancing our brand and providing our employees and customers with fresh and attractive physical environments in which to operate, our facilities activities have also generated substantial financial efficiencies. The step up in capital depreciation created by the projects has been offset by lower facilities expenses and reduced physical square footage needs.

## Digital Enhancements

Customers expect digital conveniences to be quicker than ever, as well as simple and seamless. It's no surprise that nearly 75% of Americans most often access their bank accounts via online and mobile channels, according to an American Bankers Association survey. In 2019, we continued to enhance our online and mobile offerings.

Our online mortgage application, SimpliFi Mortgage by Bank of Hawaii, has helped us retain our market position as Hawaii's No. 1 residential lender for the seventh year in a row. This direct-to-consumer channel grew meaningfully in 2019. We also enhanced the online direct-to-consumer experience for our deposit products, our home equity products, as well as our installment loan products. Further enhancements are forthcoming in 2020.

We were the first in the state of Hawaii to integrate *Zelle*, the popular person-to-person payment feature, into our mobile banking app. Launched in the fourth quarter of 2019, we've been pleasantly surprised by the rate of adoption of this payment vehicle.

In 2019, we also launched Debit Card Controls, within our mobile app, to allow our debit card consumers to exercise more control and have greater security in their accounts. These controls allow our customers to control debit payments by size, type and location.

## Our Employees

Attracting, retaining and engaging the best talent in our markets is critical to our current and future success. We were the first local financial institution to increase our minimum wage level to \$15.00 per hour in 2018. In 2019, we continued to develop ways to enhance our employees' well-being. During the year, we

announced three employee financial programs designed to support the full financial range of our employees.

We've created a new employee savings product known as the *GROW Account*. This program encourages the habit of building an emergency savings nest egg by our employees. Through these special accounts, we offer a \$50 bonus to our employees when they reach \$500 in savings in their *GROW Account*. We offer an additional \$100 bonus to those employees who then save an additional \$500. As you may know, an alarming level of Americans do not have money saved and available to meet typical unforeseen expenses. We hope this new program helps our team build healthy and important savings habits for the long term.

We also created a new *Student Loan Assistance Program*. Student loan debt is a significant impediment to a key demographic sector of our national community. This new program provides \$100 per month, up to a lifetime maximum of \$10,000, for an individual employee's student loan debt. As of the end of 2019, we had over 100 employees signed up for this generous program.

Finally, we created a new *Employee Mortgage Program*. This program provides our employees with a discount of up to 1% off of prevailing market rates for their primary residences. This is an attractive retention tool for Bank of Hawaii given the high cost of housing in our islands.

Our College Assistance Program, launched in 2016 with Chaminade University of Honolulu, continues to be popular with employees seeking their first college degree. With 55 participants as of October 2019, we look forward to our first bachelor degree graduates in 2020. To enhance the program, we began a new partnership with the University of Hawai'i's Community Colleges, where employees can earn an associate's of arts degree in under three years, with the same tuition reimbursement benefit.

We continued to support the education of employees' children and grandchildren through our Bank of Hawaii Foundation Scholarship. In 2019, we awarded 22 scholarships, and since 2014, have funded 171 scholarships totaling \$602,500.

## Our Community

Our community support comes in many forms—monetary donations, hands-on activities, grants and board involvement. In 2019, our “Bankoh Blue Crew” volunteered more than 15,000 hours of their time in 154 community-based events to help nonprofits fulfill their missions.

Employees also generously donated a record-breaking \$860,000 to nonprofits through our Live Kōkua Giving Campaign. 2019 marked our 10th anniversary of this annual giving effort, which is a very personal endeavor for our employees. They not only vote online for their preferred nonprofits, but take the lead in organizing creative fundraisers over the span of several weeks.

Together, Bank of Hawaii, our foundation, employees and retirees donated more than \$2.9 million to over 400 organizations in 2019. This consistent support addresses a wide array of causes within the health and medical industry, social services, conservation/environmental, performing arts, and child and senior services.

Our commitment to diversity and inclusion is woven into our core values of excellence, integrity, respect, innovation, commitment and teamwork. For the third year in a row, we supported the Honolulu Pride Parade & Festival. In 2019, we increased our sponsorship to the visionary level, and were proud to make a statement with 300-plus BOH marchers.

## Progressing Toward Environmental Sustainability

Reducing energy consumption remains one of our top priorities. We have set ambitious short-term goals to meet the challenge of operating in a more sustainable fashion.

Within the next couple of years, our goal is to meet 100% of our electrical needs from renewable sources, including investment matches. Through conservation and energy-efficiency efforts, such as building management systems and infrastructure modernization, we have already cut our energy use by half since 2012.

Modernization of our branch and company headquarters also includes solar installations. Currently, 14 facilities have

solar, and we are looking at additional ways to increase our use of solar power, including the addition of energy storage systems. In the past few years, roof-mounted PV solar panels have reduced our utility-provided energy consumption while additional solar system installations are designed to double the reduction (or more) of each building's electrical load.

Our plan to reduce paper usage in half by 2022 is supported by utilizing new digital resources, reducing the amount of paper required for transactions, and imaging records to reduce storage costs. Other conservation efforts include increased subsidies for employee bus passes to encourage use of public transport, subsidies for employees who bike to work, plus the installation of water stations to reduce single-use plastic bottles.

Our sustainability goals help to support Hawaii's Clean Energy Initiative to produce 100% of the state's electricity through renewable sources by 2045. We look forward to finding additional opportunities to continue operating in a sustainable manner.

## Aloha and Mahalo to Mary Bitterman and Bob Huret

I want to wish a fond aloha to two of our directors—Mary Bitterman and Robert Huret—who will retire from our Board at our 2020 annual shareholders meeting. No two individuals have served our organization more exceptionally than Mary and Bob. Their combined counsel to numerous Bank of Hawaii CEOs over the years cannot be dimensioned.

Mary Bitterman, president of The Bernard Osher Foundation, has served on our board since 1984, and has served distinctively as our Lead Independent Director since 1999. In addition to serving as Chair of the Nominating & Corporate Governance Committee, she served on our Audit & Risk Committee and the Human Resources & Compensation Committee. Mary has a deep understanding of our organization and community, and I will miss her keen insight, valuable leadership and guidance she has provided over the years.

Bob Huret has served as a director since 2000, as vice chairman of our Audit & Risk Committee and a member of our Nominating & Corporate Governance Committee. Bob has brought exceptional

knowledge and wisdom to our company through his experience as a banker, as Founding Partner of FTV Capital, a private equity firm, and as chairman of Huret Rothenberg & Co., a private investment firm.

Also, Director Clinton Churchill retired from our Board in April 2019 after 26 years. He served on our Audit & Risk Committee from 2001 to 2017, and chaired it for 15 of those years. Clint had a distinguished military and business career, and served on many nonprofit boards to make Hawaii a better place.

In 2019, we welcomed three new members to our board, John Erickson and Josh Feldman in January, and Michelle Hulst in July. John Erickson joined us with 31 years of diverse banking experience with Union Bank of California, where he retired in 2014 as vice chairman. During his tenure at Union Bank, John served as both chief risk officer and chief corporate banking officer. Josh Feldman is president and CEO of Tori Richard Ltd., a leading Hawaii apparel retailer recognized globally for its creative design. Josh brings excellent local knowledge of the Hawaii business community as well as a strong retail background. Michelle Hulst is a group vice president with Oracle Data Cloud, and brings with her great expertise in technology, data management and digital marketing.

## In Closing

As we embark on a new decade, we look forward to the possibilities that lie ahead for our shareholders, employees, customers and community.

Mahalo nui loa,



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

## 2019 FINANCIAL SUMMARY

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

FOR THE YEAR ENDED DECEMBER 31

### Earnings Highlights and Performance Ratios

	2019	2018
Net Income	\$ 225,913	\$ 219,602
Basic Earnings Per Share	5.59	5.26
Diluted Earnings Per Share	5.56	5.23
Dividends Declared Per Share	2.59	2.34
Net Income to Average Total Assets (ROA)	1.29 %	1.29 %
Net Income to Average Shareholders' Equity (ROE)	17.65 %	17.63 %
Net Interest Margin <sup>1</sup>	3.03 %	3.05 %
Efficiency Ratio <sup>2</sup>	55.68 %	56.71 %
Market Price Per Share of Common Stock:		
Closing	\$ 95.16	\$ 67.32
High	95.68	89.09
Low	66.54	63.64

AS OF DECEMBER 31

### Statements of Condition Highlights and Performance Ratios

Loans and Leases	\$ 10,990,892	\$ 10,448,774
Total Assets	18,095,496	17,143,974
Total Deposits	15,784,482	15,027,242
Other Debt	85,565	135,643
Total Shareholders' Equity	1,286,832	1,268,200
Book Value Per Common Share	\$ 32.14	\$ 30.56
Allowance to Loans and Leases Outstanding	1.00 %	1.02 %
Full-Time Equivalent Employees	2,124	2,122
Branches and Offices	68	69

FOR THE QUARTER ENDED DECEMBER 31

### Earnings Highlights and Performance Ratios

Net Income	\$ 58,143	\$ 53,911
Basic Earnings Per Share	1.46	1.30
Diluted Earnings Per Share	1.45	1.30
Net Income to Average Total Assets (ROA)	1.29 %	1.26 %
Net Income to Average Shareholders' Equity (ROE)	17.84 %	17.05 %
Net Interest Margin <sup>1</sup>	2.95 %	3.10 %
Efficiency Ratio <sup>2</sup>	54.26 %	57.75 %

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

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

# WITH YOU, FOR YOU

At Bank of Hawaii, we have a clear understanding of our purpose. As a trusted partner in the success of all our stakeholders—shareholders, customers, employees and community—we rely on the timeless guidance of our vision and values to serve all of them. Constantly evaluating our performance, we take a proactive approach to adapting our service to meet our customers' changing needs, and to providing the best workplace we can for our employees, while also bringing consistent value to our shareholders and to our community.

One measure of our success is the recognition we continue to receive. Here's a snapshot of our 2019 accolades:

- D.A. Davidson ranked Bank of Hawaii No. 1 for ESG (Environmental, Social, Governance) among all financial institutions in the U.S.
- *Barron's* magazine ranked BOH No. 4 among U.S. financial institutions and No. 40 overall in its "100 Most Sustainable Companies" list.
- *WomenInc.* magazine named BOH's five women board members to its 2019 "Most Influential Corporate Board Directors" list.
- *Moody's Investors Service*:
  - affirmed our Aa2 "Bank Deposit Long-Term Rating," placing BOH among the top 15 financial institutions in the U.S., and the highest in Hawaii; and
  - rated BOH with an A1 "Baseline Credit Assessment," placing us among the top six institutions in the U.S.
- *Forbes* magazine:
  - ranked us one of "America's Best Banks" for the eleventh consecutive year; making BOH the only local bank to be recognized in all 11 years the list has been compiled; and
  - ranked us No. 28 out of 60 nationally in its "World's Best Banks" list.
- *Pacific Business News* selected BOH as Company Honoree and employee as Individual Honoree in its Business of Pride awards for diversity and inclusion.
- The readers of *Honolulu Star-Advertiser*, *Hawaii Tribune-Herald* and *The Garden Island* selected BOH as Hawaii's "Best Bank."

## OFFERING DIGITAL CONVENIENCES AND EXCEPTIONAL PERSONAL CONNECTIONS

*We know that our success depends on our ability to build strong relationships with our customers in ways that will serve them over generations. We've made significant investments in keeping our services convenient. Whether in person in our branches, within our mobile banking app, online, by phone or ATM, it's a privilege to provide our customers with the options that work best for them.*

### Branch Banking

Our Branch of Tomorrow network is growing. In July 2019, we celebrated the opening of our first in-store Branch of Tomorrow at the new Safeway store in Kahului, Maui. On Oahu, our new Iwilei Branch on Dillingham Boulevard is scheduled to open in early 2020. In October, we opened a four-teller Kahala Mall Kiosk, located between Longs Drugs and Macy's, with extended hours seven days a week, while our new Waialae-Kahala Branch is under renovation.

On Hawaii Island, plans are underway to build a new Hilo Branch, and by mid-2020, groundbreaking will kick off construction for our new West Pacific Regional headquarters and branch in Tamuning, Guam.

Our Branch of Tomorrow modernizations include energy-efficient features and provide upgraded technology, easy-deposit ATMs (with Cardless Cash) and Wi-Fi.

In August, six-and-a-half years after announcing our plans to leave American Samoa, we closed our remaining operations in the territory. To help with the transition, we donated our fixed assets, including our Tafuna Branch building and local residence, to



Above: BOH's 22nd floor renovation was completed in March 2019. Appropriately named *Ka Nu'u Ho'oulu I Ka Ho'olōkahi Mau*—"the summit of growth and inspiration, aligned in enduring unity," the space features sweeping views from the mountains to Honolulu Harbor, and state-of-the-art technology, modern design elements and numerous collaborative work areas.

the American Samoa government for the purpose of starting its own bank. Territorial Bank of American Samoa opened its doors in 2016.

### Modernizing Our Corporate Headquarters

The transformation of our locations also extends to our downtown Honolulu corporate headquarters, which is scheduled to be complete by the end of the first quarter of 2020. One of the most dramatic changes is to the topmost 22nd floor, which has been completely renovated. Appropriately named *Ka Nu'u Ho'oulu I Ka Ho'olōkahi Mau*, "the summit of growth and inspiration, aligned in enduring unity," the space features sweeping views from the mountains to Honolulu Harbor, state-of-the-art technology, numerous collaborative work areas, and a welcoming space for official celebrations and gatherings.

### Digital Banking Solutions for Consumers

We continue to invest in ways to provide digital banking options for our customers. In September, we embedded *Zelle* directly into our BOH mobile app, allowing customers to safely send and receive money within minutes to almost anyone they know with a bank account in the U.S. Transactions via *Zelle* can be easily sent using an email address or a U.S. mobile phone number.

In April, we launched Debit Card Controls to allow customers the flexibility to temporarily turn their debit cards on or off, control their cards by location, merchant and transaction types, and set spending limits and customizable alerts. These controls are designed to give our customers more security for their accounts and help prevent fraud.



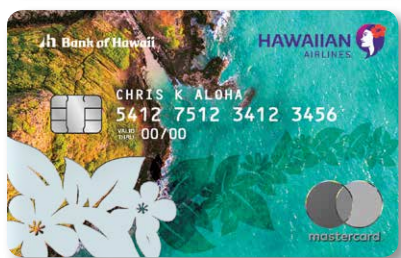
Top: BOH's Kahala Mall Kiosk is the first of its kind and opened in October 2019 to conveniently serve the Kahala community.

Bottom: Debit Card Controls can help consumers prevent fraud by allowing them to set specific preferences within the BOH mobile app.

### A New boh.com

We've also been proactive in improving ways for our customers to bank online. In November, we introduced a completely redesigned boh.com. The new, mobile-friendly website works seamlessly on a smartphone, tablet or desktop, making it easier for customers to access the information they need on any device.

The redesigned site has been streamlined to be more intuitive. Some of the new features include an enhanced Branch & ATM map, a side-by-side comparison product tool, and a product finder, which provides customers personalized recommendations after answering a few short questions. Additionally, we added the ability for customers to now open CDs and Bankohana accounts online.



### Credit Cards

In 2019, MyBankoh credit card holders were switched to Mastercard from Visa and American Express, as Barclays took ownership of the accounts. The three cards that were converted were the Bank of Hawaii American Express Card with MyBankoh Rewards, the Bank of Hawaii Visa Signature Credit Card with MyBankoh Rewards, and the Bank of Hawaii Elite American Express Card with MyBankoh Rewards. The change did not affect our debit cards nor our Hawaiian Airlines Bank of Hawaii World Elite Mastercard.

### Call Center Upgrades

Phase 1 of cloud-based technology upgrades were made to our Call Center in 2019 to provide greater flexibility, convenience and security in communicating with customers. The enhancements route calls more efficiently and provide callers with faster access to basic topics, such as password resets and balance inquiries. Call Center agents now respond to chat inquiries via select pages on boh.com through a new, live web chat feature. Additional security to Call Center communications was implemented via one-time passcodes, which callers may receive via text or email, so that our agents can

authenticate them as rightful account holders. Phase 2 of the upgrades will continue to be implemented in 2020.

### Mortgage, Consumer and Dealer Indirect Lending

We understand that for many people, buying or building a home is the fulfillment of a dream, and one of the biggest financial decisions they may make. The process of applying for a mortgage became much more convenient for buyers or those homeowners looking to refinance an existing mortgage through our fully integrated online application, SimpliFi Mortgage by Bank of Hawaii. The online application gives customers the best of both worlds—personal connection to our local loan officers and the ability to use technology to apply, seamlessly upload documents, e-sign, review disclosures and more online.

We continue to take a leadership role in streamlining VA home loans and loans for Department of Hawaiian Home Lands (DHHL) lessees due to our depth of understanding of the complexities involved. We remain the only Hawaii-based lender providing DHHL loans.

Bank of Hawaii continues to be an overall leader both in home equity and residential lending. We were honored to again be named the No. 1 residential lender in Hawaii and Guam, both for the number of residential loans recorded and total dollars loaned in 2019. Local processing, underwriting and servicing of home equity, construction and mortgage loans ensure that our customers get the products and flexibility of service that best fit their needs.

We have expanded our auto lending in the West Pacific, and continue to be No. 1 in that marketplace. We continue to be the No. 2 auto lender in the state of Hawaii, and our combined auto loan and leasing portfolios grew to \$825.2 million, as of December 2019. Our flexible, efficient auto loan servicing, which is handled locally, helped us to grow our dealer partnerships in 2019.

### Commercial Real Estate Lending

When it comes to housing prices, Honolulu is one of the most expensive cities in the U.S. There is a limited supply of affordable housing due to the high costs of land and construction. Bank of Hawaii has always been committed to affordable housing solutions, and our support for Aloha United Way's ALICE (Asset Limited Income Constrained, Employed) Report is helping us to sharpen our focus to find more ways to work with developers in an effort to help create more affordable and workforce housing across Hawaii and the Western Pacific.

In 2019, the Honolulu City Council passed Bill 7, a five-year pilot program to attract developers by allowing small lot developments to be built on lots of 20,000 sq. ft. or less, with higher density and smaller setbacks than were previously permitted. We partnered with a developer to fund the first project under Bill 7, Puuhue Apartments, which is a planned four-story building in Honolulu that will bring 25 affordable rentals to market.

Queen Emma Tower, once a neglected building in the heart of Honolulu, will be fully renovated by Āhē Group and create 71 affordable rental units. In addition to Queen Emma Tower, the bank helped finance 22 units of affordable housing for Maui seniors at Hale Mahaolu Ewalu II, developed by Hale Mahaolu. The bank also financed 35 units of affordable family housing rentals on Kauai at Waimea Huakai, which are currently under construction by Āhē Group.

More than 320 affordable housing units started or completed construction in 2019, thanks in part to Bank of Hawaii, and almost 610 more are in the pipeline. Bank of Hawaii plans to continue developing other partnerships to meet the financing needs for affordable and workplace housing in our community.





*At left: The Private Bank's renovated third floor includes state-of-the-art technology in conference rooms, paired with modern design elements and traditional artwork.*

One of our wealth management services includes assistance with establishing and administering nonprofit foundations and charitable trusts. Responsible for approximately 120 grant-making foundations, our Charitable Foundation Services team has been helping individuals and corporations devise the best, most effective ways to direct and manage their giving through private charitable trusts and foundations. Many of these nonprofits distribute grants, and our Charitable Foundation Services team is responsible for overseeing grant requests, review and distributions.

As the largest administrator of irrevocable trusts in the state with more than \$3 billion in assets under management, Bank of Hawaii has the depth of expertise necessary to handle every aspect of trust accounts for our clients.

#### **Investment and Insurance Services**

Bank of Hawaii continues to be the premiere provider of fiduciary and investment services in Hawaii and the Pacific. We remain the biggest municipal bond manager in the state of Hawaii, and manage three tax-free bonds. Our trusted team of certified financial planners (CFP) and certified financial analysts (CFA) manages almost \$7 billion in assets through a wide array of advisory and brokerage services.

In 2019, we introduced our investment and insurance services in Guam, helping customers to navigate through these important aspects of their financial journey. We continue to enhance our investment and insurance capabilities with the goal of providing our clients access to comprehensive wealth management solutions to address their accumulation, protection and wealth transfer needs.

## THE PRIVATE BANK

*Bank of Hawaii The Private Bank takes a holistic approach to providing personalized wealth management services through every stage of life. In addition to basic banking, The Private Bank offers a comprehensive array of services, including customized lending; investments; insurance; financial, estate and tax planning; charitable giving; and trust services. The Private Bank team is a trusted ally in anticipating and meeting the complex and unique needs of high-value clients. We have taken a leadership role in utilizing new technology to make these specialized services as convenient as possible, and we take a team approach to developing integrated strategies to deliver exceptional results over time.*

In October, we completed renovations of the third floor of our downtown Honolulu bank building. The entire floor is designed for serving customers of The Private Bank and Trust Services Group, and includes upgraded technology and multiple meeting rooms.

As part of our International Client Banking Division, we are working toward opening a representative office in Tokyo. Our new representative will act as a liaison to network among banks, CPAs, tax advisors and other financial professionals on behalf of Bank of Hawaii.

#### **Trust, Estate and Financial Planning**

The Private Bank team members create a personalized plan to help each client meet his or her immediate and long-term financial goals, offering guidance in analyzing assets and tax implications, and investment opportunities to optimize returns.

One of our specialties is creating multi-generational wealth strategies. Our dedicated relationship managers guide clients through succession planning, and business transitions or sales to help create a lasting legacy that reflects the values and priorities of one generation while engaging younger generations to carry on successfully.

## BANKING FOR BUSINESS

*As the marketplace changes and develops at an increasingly rapid pace, Bank of Hawaii is positioned to assist customers meet the unique challenges of doing business in Hawaii. We provide leading-edge banking technology and sound financial advice for every size and type of business—entrepreneurs, nonprofits, family-owned businesses and global corporations, local healthcare practitioners and international businesses. Whether it's helping a medical practice upgrade equipment, finding the best merchant services, or helping a customer apply for a Small Business Administration (SBA) loan or finance energy sustainability measures, Bank of Hawaii has innovative solutions to help small businesses grow and succeed.*

### Digital Banking Solutions for Businesses

In 2019, we began an upgrade to our digital resources for our business clients. We invested more than \$1.5 million in our platforms to prepare them for continued enhancements and emerging technologies. This investment in upgrades for online Business Banking, ACH platform, Lockbox Services, Wire Monitoring and Processing and Client Access will continue into 2020. These advancements underscore our commitment to enhanced security and delivery of complex processing or reporting needs. We pride ourselves on ensuring robust finance management functions that help our business customers improve efficiencies and deliver better service to their own customers.

As digital payment options for businesses continue to rapidly evolve, we continue to scope and construct solutions to meet the needs of our customers. We launched new Merchant Service solutions that work for large and small businesses by collaborating with Clover and OptBlue. The Clover point-of-sale system not only accepts swipe-card, chip-card, and contactless payments, such as Apple Pay, but also issues refunds, manages tips, applies discounts, performs closeout reporting and more. The OptBlue program allows business customers to accept American Express card payments at a more competitive rate, and offers consolidated billing and reporting via Bank of Hawaii.

We also developed new software to make it easier for our business customers to stay compliant with the evolving technical and operational payment card industry (PCI) standards they need to follow to ensure that cardholders' credit card data remains protected.

### Commercial/Corporate Banking

Our commercial and corporate bankers take the time to understand our customers' businesses—from their operations to their long-term goals. Their deep understanding of the Hawaii marketplace combined with our comprehensive products and services allow them to come up with competitive and versatile solutions for our clients. The team is highly experienced in working with many different industries and works closely with other financial services experts across the bank to help provide tailored strategies and recommendations for a broad range of needs, including real estate and construction loans, liquidity management and equipment financing.

In 2019, we continued to be the largest commercial mortgage lender in the state of Hawaii. Our team finds customized financial solutions for owners, developers and investors with multi-family, retail, industrial, office and mixed-use properties.

### Captive Insurance

Bank of Hawaii's solid captive insurance industry service and leadership continue to grow this business segment. With over 95 diverse captive clients, our Captive Insurance Services team continues to support the Hawaii domicile as we have done since the industry's inception in 1986. Bank of Hawaii currently oversees more than \$1.5 billion in investment assets and deposits for Hawaii-based captive insurance businesses.

Many local, national and international businesses turn to Bank of Hawaii for advice and tailored services to meet their captive's banking and investment needs and objectives. We help in evaluating current risk and financing structures, as well as in developing portfolio solutions to build reserve assets. As reserve funds grow over time through premiums paid and healthy claims experiences, clients can allow for increased insurance coverage options and improved cash flow and insurance expense management.

While many large corporations have long been utilizing captives, we see good future growth potential for developing businesses and established middle market companies from a range of industries. In particular, we are seeing increased interest from Japanese companies that have been aware of the captive industry for a number of years, but were more gradual in deploying captive strategies.

## Working Together to Support OUR COMMUNITY



To address the very real issues that we face today in our island home, Bank of Hawaii collaborates with organizations that are focused on bringing about long-term improvements.

Sustaining healthy, thriving communities happens when we invest in the nonprofits supporting and transforming families and individuals. That's why we continue to partner with nonprofits—to help them bring about necessary changes and find new ways to make a difference.

Our community support in 2019 reflects the wide range of interests of our employees and the needs of our community. Here are a few examples.

Bank of Hawaii, its Foundation and employees contributed approximately **\$2.9 million** in 2019 to 400 organizations.

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*Above: Nearly 300 BOH employees, family and friends worked together on a variety of 'āina-based service projects at Papahāna Kūaola for Community Service Day.*



At left: Catholic Charities  
Laulima House on Oahu.

### Catholic Charities Hawai'i Laulima House

Catholic Charities Hawai'i received a donation of \$100,000 over four years from Bank of Hawaii Foundation in support of its Laulima House campaign to expand child and family services. Located on Oahu, Laulima House provides a private home-like setting for family-strengthening visits between *keiki* and their biological parents, or children being considered for foster care.

### Hawaiian Community Assets

Hawaiian Community Assets (HCA) provides housing and financial counseling services to low- and moderate-income communities, with a focus on helping Native Hawaiians achieve economic self-sufficiency. Bank of Hawaii Foundation donated a \$25,000 grant to HCA's Next Generation Homeownership Initiative. Using its nationally recognized *Kahua Waiwai: Building a Foundation of Wealth* curriculum, HCA delivers intergenerational financial and homebuyer education to increase the financial capacity of 500 Native Hawaiian families so they may own homes on or near Hawaiian Home Lands.



#### LIVE KŌKUA

##### Total Employee Giving

More than **\$8.2 million** since 2007 to more than 400 local nonprofits

#### GIVING CAMPAIGN \$860,000

A record-breaking amount donated to 25 nonprofits in 2019, including neighbor islands and Guam

#### VOLUNTEERISM

**15,459** Hours / **154** Events

## BANK OF HAWAII FOUNDATION

Supporting the vision and dedication of local nonprofits via Bank of Hawaii Foundation grants is one of the ways we work to improve lives in the communities we serve. We invest in a wide range of important community needs, such as education, housing, community development, environmental sustainability, literacy and the arts. In 2019, Bank of Hawaii Foundation supported 61 nonprofits with 70 grants totaling \$1.2 million.

## 2019 FINANCIAL EDUCATION/COMMUNITY REINVESTMENT ACT (CRA)

### Helping Low-Income Families Receive Their Income Tax Refunds

During tax season, 22 BOH volunteers on Oahu and Hawaii Island partnered with Goodwill Hawaii and Honolulu Community Action Program to provide free tax preparation services for eligible taxpayers as part of the Volunteer Income Tax Assistance (VITA) program. Our volunteers donated approximately 311 hours to prepare 219 tax returns that returned \$362,000 back to the community. This includes \$110,865 in federal earned income tax credits that working families and individuals would not have received if they hadn't filed. VITA offers free tax help to people in our communities who can benefit the most from tax refunds, including people with disabilities, the elderly, those with limited understanding of English, and those who make approximately \$54,000 or less.

311

HOURS TO  
PREPARE 2019  
TAX RETURNS



\$362,000

BACK TO THE COMMUNITY



Above: Bank of Hawaii employees and retirees raised a record \$860,000 for 25 local nonprofits in 2019.



Left: For the second year in a row, Bank of Hawaii returned to Waikiki to participate in Hawaii's largest and most colorful LGBTQ event—the 2019 Honolulu Pride Parade & Festival!

## LIVE KŌKUA VOLUNTEER PROGRAM

### Our Bankoh Blue Crew Out in Full Force

Hands-on outreach in our community has always been part of our DNA. As our communities grow and evolve, our employee-led Live Kōkua Volunteer Program looks for more ways to give back to the communities we serve.

### Community Service Day

In September, Bankoh Blue Crew volunteers turned out for our 14th annual Community Service Day on Windward Oahu. Partnering with Papahana Kuaola in He'eia, BOH employees, family members and friends helped plant more than 800 native trees, rehabilitate one mile of trail, clean two *lo'i*, and propagate more than 3,000 native plants. Leaders from Papahana Kuaola integrated Hawaiian knowledge into the volunteers' environmental restoration and economic sustainability activities.

### Honolulu Pride Parade & Festival

In October, BOH volunteers participated in Hawaii's largest and most colorful LGBTQ event, the 2019

Honolulu Pride Parade & Festival in Waikiki. Attendees danced along with our 300 volunteers, who marched in the parade in support of the LGBTQ community. We are proud that one of our employees, Andy Downes, was recognized with one of *Pacific Business News'* 2019 Business of Pride Awards for his part in developing our Diversity and Inclusion program. Bank of Hawaii is also honored to be one of the companies that received the corporate award for making Hawaii's workplace more inclusive.

### Live Kōkua Giving Campaign

For the 10th anniversary of the annual employee giving campaign, BOH employees across the Pacific exceeded our \$775,000 goal and raised a record-breaking amount of \$860,000 for 25 local nonprofits, ranging from health and educational programs to food and housing services. Employees fundraised through bake sales, silent auctions and other activities for organizations they care deeply about.

## EMPLOYEE SPOTLIGHT

Priscilla "Cilla" Arelliano —  
2019 Ola Pono Awardee



Above: Cilla and Kevin Arelliano

We are incredibly proud that *Honolulu* magazine honored long-time Bankoh Blue Crew volunteer Priscilla "Cilla" Arelliano, and her husband Kevin, as 2019 Ola Pono Awardees for their outstanding volunteerism in donating their time and talents to make our islands a better place. From 2016 to 2019, Cilla volunteered at 202 events totaling 679 hours through our Live Kōkua Volunteer Program. Cilla gives back whenever she can and encourages fellow teammates to do the same. As a show of appreciation, the bank surprised the Arellianos with a three-night stay at the Aulani, a Disney Resort and Spa and a \$1,000 donation, in Cilla's honor, to the organization(s) of her choice.

# ALWAYS MOVING FORWARD

At Bank of Hawaii, much of our focus on innovation and growth centers on our people. That's because we have always recognized that investing in their success is the key to the continuing success of our business, our customers and our community. As banking becomes more digitized to meet customers' changing expectations, our employees need the broad range of specialized skills to adapt and thrive while delivering the exceptional service our customers deserve.

## Professional Development

Each of our employees brings diverse experience and a unique learning style to our workplace, and we want to retain them while also helping them find opportunities across the bank to grow in their careers.

One of the bank's biggest continuing investments is in the personal and professional development of our employees to give them more opportunities to learn and grow toward leadership positions, or to equip them to explore potential new career paths via our leadership, skills and management training. In 2019, more



Above: **Juliemay Peralta**, **Cynthia Esparza** and **Arliza Borja Losano** take a victory lap around the Neal S. Blaisdell Center Arena in honor of earning their associate degrees from Chaminade University in May 2019.

than 32,000 hours of training was provided by Bank of Hawaii.

In 2019, we enhanced our Tuition Assistance Program (TAP) by offering new discounts for undergraduate and graduate-level courses at Hawaii Pacific University, whether online or in person, as well as graduate-level courses at Chaminade University of Honolulu. TAP brings new choices to our employees in ways to obtain specialized knowledge in their professional field through single courses, or by pursuing an associate's degree, a bachelor's degree, or an advanced degree.

A new enhancement to Bank of Hawaii's College Assistance Program (CAP) was introduced in 2019 to include a new partner. Employees can now pursue an associate of arts degree with online courses through the University of Hawaii's Community Colleges (UHCC). The UHCC degree is an accelerated program that allows participants to earn an associate's degree in approximately 2.5 years. The UHCC program joins the CAP degree program offered in partnership with Chaminade University of Honolulu. Started in August 2016 to provide employees without a bachelor's degree a way to make a college education a reality, 55 BOH employees were enrolled in CAP for the fall 2019 term.

## Diversity and Inclusion

The bank has always promoted a culture of diversity and inclusion, and we continued to promote inclusiveness in the workplace through our Fostering Workplace Excellence training series. Two new training modules were added to the curriculum in 2019: Bystander Intervention training (the choice to intervene as a positive influence in potentially harmful situations to help prevent harassment) and Unconscious Bias training (the unconscious feelings, attitudes and beliefs that we all have about people and/or situations).

Bank of Hawaii was also named a company honoree for *Pacific Business News'* Business of Pride Awards. As a longtime supporter of the LGBTQ community, Bank of Hawaii has sponsored many events and programs, including the Honolulu Rainbow Film Festival and the 2019 Honolulu Pride Parade & Festival. Bank of Hawaii's Diversity and Inclusion program includes workplace culture and environment; learning and development; and attracting and retaining diverse talent and community engagement by offering connection, support, information and networking and leadership opportunities.



Top left: 2019 BOH summer interns **Tari-Lynn Manin** (left) and **Ford Nakagawa** brainstorm during BOH's annual College Career Connections event, a networking and skill-building program designed to generate interest and create opportunities for potential interns and new hires.



Bottom right: Our six-month Bank Associates (BA) program includes a community service project. BOH's 11 BAs organized an event in November to help Oahu nonprofit Kahumana Organic Farm and Café Community, whose mission is to co-create a healthy, inclusive and productive farm-based community with homeless families, people with disabilities and youth. Nearly 70 bank employees came out to volunteer, including 2019 BA **Preston Young**.

Bottom left: BOH's 2019 Pathways to Professional Excellence cohort kicked off their six-month learning journey in July. From left: front row: **Emily Araki, Kristin Yama, Tiffany Mitani and Arleen Torrijos**. Second row: **George Cochard, Taj'a Wong, Ester Sisson, Jessica Pacpaco, Cilla Arelliano and Charmaine Depaynos-Mayo**. Third row: **Darren Bullock, Lena Zheng, Matt Shishido, Kasi Young and Carol-Lynn Lester**. Fourth row: **Jose Lopez, Megan Nguyen and Serena Thomas**. Back row: **Jeff Dailly, Hayley Musashi, Manatu Tokelau, Kevin Sun and Demi Willis**.

### New Financial Benefits

As part of our commitment to making Bank of Hawaii a great place to work, we offer employees a diverse range of competitive benefits and services to meet their different needs and evolving lifestyle changes. In an effort to help them save more and strengthen their financial foundation, three new financial wellness benefits launched in January 2020.

- **Student Loan Assistance Program:** Employees will receive \$100 per month (up to a maximum of \$10,000), toward their student loan repayment;
- **EASE by Bank of Hawaii Grow Account:** The bank will help employees save toward their rainy day funds by providing a one-time \$50 bonus once employees save \$500, and an additional one-time bonus of \$100 once \$1,000 is saved.
- **Mortgage Discount:** Employees are eligible for up to a 1% reduction in the Employee Note Rate for new mortgage loans when either purchasing or refinancing a home to be used as their primary residence.

### BY THE NUMBERS (2019)



**College Assistance Program**

Free tuition toward an associate's or bachelor's degree.

**55** EMPLOYEES CURRENTLY ENROLLED IN OCTOBER TERM

**9,460** CLASSROOM HOURS



**Summer Intern Program**

This eight-week program is designed to attract and develop emerging talent.

**29** TOTAL COLLEGE INTERNS

**2,553** HOURS OF TRAINING



**Bank Associate Program**

This six-month program is aimed at developing recent college graduates for banking careers.

**11** TOTAL BANK ASSOCIATES

**1,877** HOURS OF TRAINING



**Pathways to Professional Excellence Program**

This six-month program is aimed at employees identified with leadership potential.

**23** TOTAL PARTICIPANTS

**3,468** HOURS OF TRAINING

# Wong Family

**Rita Wong:** William and I came to Hawaii in 1977 to finish up military service in the Air Force. A year after we arrived, we were able to buy an office space at the Aiea Medical Building for Bill's dermatology practice. When we bought the space, it was only a shell. After having our loan application for renovations rejected at another bank, we decided to go across the street to Bank of Hawaii.

**Dr. William Wong, Sr.:** At that time, BOH had a branch in Aiea, and the branch manager offered us a second mortgage of \$50,000 to improve our office. As the practice gradually grew over the years, we grew in our banking relationship.

Now we have one realty company and two private medical practices (dermatology and ophthalmology) in our family, and we have found Bank of Hawaii very convenient and supportive of both business and personal banking.

**Dr. William Wong, Jr.:** My first experience was with my BOH checking account as a teenager. When we moved back to Hawaii, my story is somewhat similar to my parents, with the bank providing funding to open the Vision Clinic based on the good relationship built up over the years.

Starting a small business is always risky, and BOH helps us keep it running. Whenever we need equipment upgrades, BOH is always there to provide the next business loan. Especially when cash flow is tight or the economy isn't doing so well, they will set up terms that will work for our business. It's a good relationship. They have always been there when we needed assistance.

Five years ago we faced a critical decision whether to expand by opening a second practice location in town. Knowing BOH was willing to make funds available prompted us to move ahead with the purchase, remodel, and furnishing of our new Kakaako office at Nauru Tower.

While expanding the practice, we were also in the process of building our new forever home; it was quite a stressful time. BOH's construction department guided us through the process, and was flexible enough to extend the construction loan to help us cope with the inevitable delays and obstacles that arise with big projects in Hawaii. We now have a farm where the kids have space to explore nature, and learn the joys of caring for animals and plants.

**Kerri Wong:** We have three kids, and we opened bank accounts for them very early on so they would understand the value of money. Whenever they would receive monetary gifts over the years, I've had them divide it up: a part for spending, a part for donating (either to the church or a charity of their choice), and a part for putting away. And so they've been able to watch their accounts grow over the years and begin to learn about long-term savings and investments.

**Rita:** We are always learning about new services and opportunities via financial planning meetings hosted by BOH. Our current private bank advisor, Cori Weston, has been a great source of knowledge, advice and financial resources.

Through the bank, I, as an active Realtor® and real estate investor, was able to acquire multiple Waikiki

"BOH is solid. They were around when I was a kid and will be around for generations to come."

—Dr. William Wong, Jr.

*Dr. William Wong, Sr., owner of Hawaii Dermatology & Surgery, Inc. and his wife, REALTOR® Rita Wong, owner of Rita Wong Realty, Inc., Dr. William Wong, Jr., owner of Hawaii Vision Clinic, 2017 past president of Hawaii County Medical Association, and 2018 past president of Hawaii Medical Association, with his wife, Kerri Wong, proud mom of their three loving kids.*

properties, including two apartment buildings. Years ago we used the bank to help us fund Punahou education for our kids through an equipment leasing program. Recently, we wanted to do the same for our grandchildren, and Cori helped us set up the 529 Plan with all the necessary vehicles and administrations. It's very nice that at one bank we're able to take care of all three generations.

**William Wong, Jr.:** BOH is solid. They were around when I was a kid and will be around for generations to come.

**William Wong, Sr.:** It's the relationship factor based on mutual trust, working together over the years, achieving new goals. They know our needs, and have facilitated helping us. Bank of Hawaii is a real 'ohana bank.





# Lyndsey Haraguchi-Nakayama

HO'OPULAPULA HARAGUCHI RICE MILL MUSEUM & TARO FARM  
HANAIEI TARO & JUICE CO. LUNCH WAGONS

## Lyndsey Haraguchi-Nakayama:

Our farm is a six-generation working family farm that's over 100 years old. We have been mainly growing taro for several generations, but we grow diversified crops.

Hanalei Taro & Juice Co. are our food trucks. They serve the value-added food portion of our family farm where we specialize in fresh taro dishes. We serve our Hanalei taro veggie burger, taro hummus, and *kūlolo* (a traditional Hawaiian dessert). Our menu provides a variety of items, including vegan and gluten- and dairy-free dishes, all the way to traditional Hawaiian food, like laulau and kalua pork.

We also care for the Ho'opulapula Haraguchi Rice Mill, a 501 c(3) nonprofit agrarian museum that was started by my parents in the early 1980s. I am the educational administrator, and my parents, Rodney and Karol Haraguchi, oversee it along with the help of a community-led board of directors.

From our family's viewpoint, we don't think our life as farmers is interesting. However, my mother is a teacher and she realized that nowhere else in the state could children come and see agricultural artifacts that have been preserved from the 1800s and early 1900s. She also saw the museum as an opportunity to preserve local oral history while informing visitors about current challenges. We educate about the local ecosystem, about endangered and invasive species, and instill the importance of farming because that's needed for future generations to survive.

In April 2018, the North Shore community, Koloa, and other areas of Kauai and Oahu were affected by

historic flooding, and everybody is still rebuilding.

On our farm not only did we need to salvage artifacts that were washed out of the museum, but five foundational pillars from the farmhouse and office were knocked out by the flood, so the floors are collapsing. Toward the end of 2019, we received permission to begin demolishing and start rebuilding. The museum is still closed to the public as we continue with taro field flood recovery and eco-farm education tours. It's taking a lot longer than we'd like, and we continue to work daily on the farm and at the food trucks, but it's probably going to take us at least two to three years to complete rebuilding.

I look for trustworthiness, dependability and understanding in a banking relationship. After the floods, BOH was very empathetic; they listened to our situation, and they wanted to know how they could help.

Brandon Sassone, the Princeville Branch manager, came to a Hanalei Business Co-Operative meeting where I told him that I would like to make more deposits using the mobile app. Brandon helped to extend the limit so I could deposit many work checks at one time online. That really helped.

It was heartwarming to see how the community pulled together after the flooding, and some reached out by donating online at HaraguchiRiceMill.org. Thanks to BOH SVP and Kauai Market Manager Sonia Topenio, a special account was set up to accept donations and acknowledge them with receipts for tax deductions.

Even when we face disasters, we have to be able to move forward. Working from my farm truck was the quickest way that I could get things back up and

"Bank of Hawaii is definitely a bank with Hawaii people in mind. Whether it's personal, or business or nonprofit, they stand for the local community. They understand the challenges. That makes all the difference."

running on a day-to-day basis. Mobile banking is what I utilize the most, and I also use online banking for bill paying and payroll transfers. I have a wooden desk that fits over the steering wheel in my truck to hold my laptop, and I can pay invoices or make deposits within a few minutes.

We also worked to quickly reopen our Hanalei food truck because we wanted the community to have a place to get food, and we wanted our staff to have jobs. All of our electrical equipment in the food truck got washed in the flood. Chris Kashiwagi, our senior relationship banker at BOH, has always been very helpful with anything we need. She spearheaded my getting two new credit cards to purchase replacement equipment so we could reopen the food truck and our staff could stay employed.

BOH is definitely a bank with Hawaii people in mind. Whether it's personal, or business or nonprofit, they stand for the local community. They understand the challenges. That makes all the difference.



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Co-owner and fifth-generation farmer **Lyndsey Haraguchi-Nakayama** at her family's 55-acre taro farm and historic rice mill in Hanalei, Kauai.

# Jason and Juliana Sung

PANCAKES & WAFFLES B.L.D.

**Jason Sung:** We opened our Dillingham location in 2010. It looks brand new because we completed a renovation in November 2018 that added almost 1,000 sq. ft. We opened our Waimalu Plaza restaurant in 2014 with an SBA loan.

**Juliana Sung:** Our landlord at the City Square Shopping Center first introduced us to Bank of Hawaii. BOH helped us apply for the SBA loan for our Waimalu Plaza location, and they also wrote up our winning nomination for SBA's Young Entrepreneur of the Year in Honolulu County. By that time, Reid Hinaga was our banker, and he attended the SBA awards luncheon with us along with our parents. My mom remembered Reid from when he was an assistant manager at the Hawaii Kai Safeway Branch years ago.

**Jason:** We had always been open until 2 p.m., but when we opened in Waimalu, we decided to extend the hours to 9 p.m. It was a hit; everyone loved it. People wanted to come for dinner, and they loved that we were using real plates and real utensils.

We had a vision after the second location was a hit. And because we had two different locations that operated differently, we wanted to make it look like an actual chain. That's why we chose to renovate this location, expand the kitchen, put in a dishwasher, and extend the hours. Ever since, our business here has grown.

**Juli:** Everyone appreciates that it's really clean, bright and modern, and where people can feel comfortable bringing the whole family. We also wanted to expand the kitchen so that we could take advantage of more catering opportunities. In the end, it

"This is just the beginning; we are still young and plan to keep going. We hope Bank of Hawaii will keep going with us and help us grow even more."

—Jason Sung

Co-owners **Juliana and Jason Sung** in their recently renovated Dillingham restaurant location.

worked out well for our customers and for our business.

**Jason:** BOH gave us a commercial loan for the renovation. We do all of our banking with BOH including our personal banking, commercial lending, credit card processing, and our home equity line. It's easy—I can just text Reid and give him the details. Everything can be done over the phone or via email.

Reid and I are from the same generation; we're both around the same age; we both have kids, so there's a lot we can relate to. He's my friend. He knows our needs, and I feel comfortable talking with him.

**Juli:** We look for convenience in a banking relationship, and someone we can trust. Because we know BOH does their due diligence, that gives us another level of confidence in our abilities. They have faith in us, and we have faith in them.

**Jason:** We now have an ongoing relationship with the bank through Reid, who knows the challenges that we face as a local, family-owned

business. He can relate to us; we can relate to him.

**Juli:** We have some employees who have been with us for a long time, and we appreciate them. They are a huge part of the company's success. Each time we expanded with help from BOH, we increased our number of employees. It's about creating jobs in the community as well as serving our customers.

**Jason:** I don't want to expand too fast; slow growth is the best growth. But eventually I do want a third location. People say that having two is really hard, but that the third and fourth may come easier because you already have the blueprint of what you are doing. You just need to find the right location and people.

I can't wait to do more business with BOH! Thanks for having faith and confidence in our business, and with me and Juli. This is just the beginning; we are still young and plan to keep going. We hope they keep going with us and help us grow even more.



# Mark Fukunaga

SERVCO PACIFIC INC.

**Mark Fukunaga:** Servco has been defined by the idea of service from the start, and that idea has allowed us to reach 100 years in business. Putting customers first is still at the heart of how we operate today, even when it might be disruptive to our business. We do things because it's the right thing to do.

Any business that's been around for 100 years has reinvented itself five or six times over that period, and certainly that has been the case with us. Implicit in every reinvention is the ability to take risks, embrace new ideas and new ways of doing business, and to walk away from some more traditional ways of doing things. You ultimately have to follow where the customer wants to go.

That's always been a part of Servco, but perhaps what's changed is the pace. We're dealing with many disruptive digital forces that are changing the way we engage and serve our customers. At the same time, we're also planning for how we adapt to new ownership models, like car sharing and ride sharing, and new technologies like autonomous vehicles and electric drivetrains that use batteries, fuel cells and plug-in hybrid systems.

Our first foray into this disruption was through the launch of our new car share service called Hui. Hui Car Share is a collaboration between Toyota Connected and Servco, and is Toyota's first global car sharing initiative. We launched it in 2018, and we now have 100 vehicles in our Hui fleet at 45 stations across Oahu. We're delighted that BOH is a mobility partner with Hui and has a station at its corporate offices in Honolulu.

What I think is innovative about BOH is they are thinking about using Hui for their employees who want to work downtown without bringing their car. This is a way for them to commute via mass transit options (like bus and eventually rail transit), car pool, or bike. Then, once in the city, if they need to use a car to run errands or meet a client they have easy access with Hui.

Servco has been a BOH client at least since 1972. They have been a key partner for us over the years, supporting our borrowing needs for general corporate and real estate projects. BOH has also been very helpful in enabling our customers to buy and lease vehicles. They provide funding for all of our Lexus inventory in Hawaii. And BOH is the only local bank that we use for leasing our cars, which is an important part of our business.

To me, a partner is someone who takes the time to understand our business and therefore understands what we need. BOH has been terrific over the years at understanding Servco's business, and anticipating what we're going to need because they know us well.

I also think a partner is there when times get tough. Servco has been lucky to avoid having financial difficulties, but when everyone faced challenges in 2008, Bankoh was fully there standing beside everyone. We know they'll be there if we hit a bump in the road.

In the last five years or so, I've also appreciated the opportunity to do some exchange of thoughts as we both look forward into the future as both automotive and banking industries are facing significant changes in our business models.

"Bank of Hawaii is a long-term partner who is supportive, who we can rely on. And, like us, values innovation through new initiatives that are good for our business and, most importantly, our community as a whole."

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**Mark Fukunaga**, Chairman & CEO  
of Servco Pacific Inc.

We have common challenges and we think about the future similarly. We both try to serve customers who range in ages from their teens to their 70s, and across that age gap there are all kinds of differences in how customers want to be treated. We have some very interesting conversations with Bankoh leadership, including Peter Ho, around those ideas, and I enjoy having meaningful discussions with a trusted business partner like BOH.

Bank of Hawaii is a long-term partner who is supportive, who we can rely on. And, like us, values innovation through new initiatives that are good for our business and, most importantly, our community as a whole.



## CONSOLIDATED STATEMENTS OF INCOME

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

FOR THE YEAR ENDED DECEMBER 31	2019	2018
<b>Interest Income</b>		
Interest and Fees on Loans and Leases	\$ 439,012	\$ 410,597
Income on Investment Securities		
Available-for-Sale	62,174	50,152
Held-to-Maturity	81,616	84,310
Deposits	41	34
Funds Sold	3,553	3,723
Other	1,001	1,357
<b>Total Interest Income</b>	<b>587,397</b>	<b>550,173</b>
<b>Interest Expense</b>		
Deposits	68,374	41,143
Securities Sold Under Agreements to Repurchase	17,522	18,519
Funds Purchased	840	609
Short-Term Borrowings	38	145
Other Debt	2,908	3,405
<b>Total Interest Expense</b>	<b>89,682</b>	<b>63,821</b>
<b>Net Interest Income</b>	<b>497,715</b>	<b>486,352</b>
Provision for Credit Losses	16,000	13,425
<b>Net Interest Income After Provision for Credit Losses</b>	<b>481,715</b>	<b>472,927</b>
<b>Noninterest Income</b>		
Trust and Asset Management	44,233	43,877
Mortgage Banking	13,686	8,437
Service Charges on Deposit Accounts	30,074	28,811
Fees, Exchange, and Other Service Charges	57,893	57,482
Investment Securities Gains (Losses), Net	(3,986)	(3,938)
Annuity and Insurance	6,934	5,822
Bank-Owned Life Insurance	7,015	7,199
Other	27,489	21,233
<b>Total Noninterest Income</b>	<b>183,338</b>	<b>168,923</b>
<b>Noninterest Expense</b>		
Salaries and Benefits	216,106	213,208
Net Occupancy	33,800	34,742
Net Equipment	29,295	23,852
Data Processing	18,757	17,846
Professional Fees	10,071	9,992
FDIC Insurance	5,192	7,732
Other	66,006	64,252
<b>Total Noninterest Expense</b>	<b>379,227</b>	<b>371,624</b>
<b>Income Before Provision for Income Taxes</b>	<b>285,826</b>	<b>270,226</b>
Provision for Income Taxes	59,913	50,624
<b>Net Income</b>	<b>\$ 225,913</b>	<b>\$ 219,602</b>
Basic Earnings Per Share	\$ 5.59	\$ 5.26
Diluted Earnings Per Share	\$ 5.56	\$ 5.23
Dividends Declared Per Share	\$ 2.59	\$ 2.34
Basic Weighted Average Shares	40,384,328	41,714,770
Diluted Weighted Average Shares	40,649,570	41,999,399

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm, thereon.



## CONSOLIDATED STATEMENTS OF CONDITION

Bank of Hawaii Corporation and Subsidiaries (dollars in thousands)

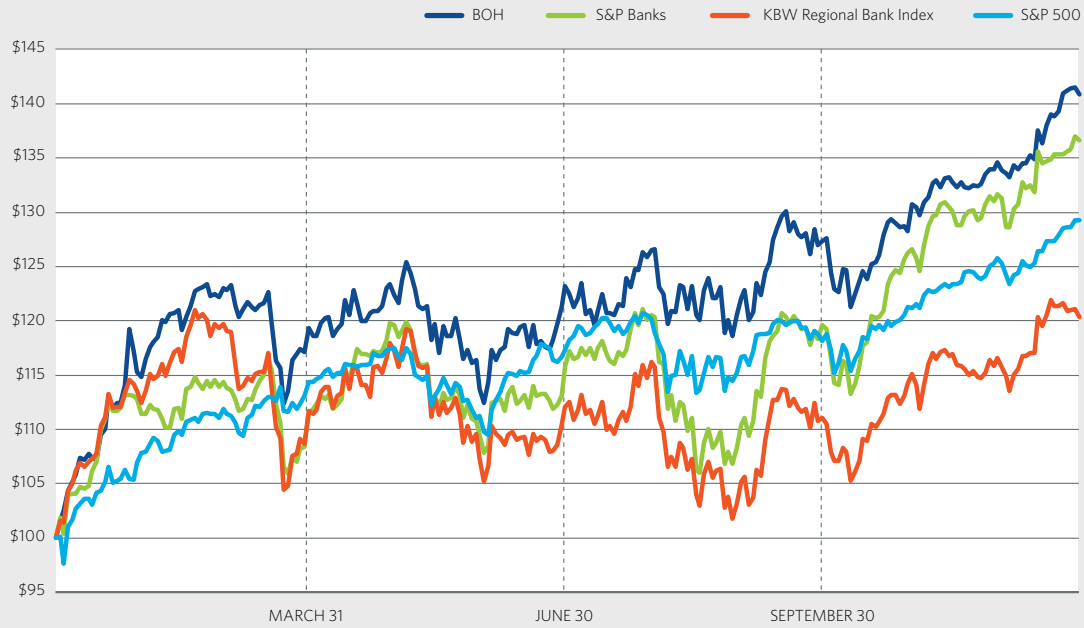
AS OF DECEMBER 31	2019	2018
<b>Assets</b>		
Interest-Bearing Deposits in Other Banks	\$ 4,979	\$ 3,028
Funds Sold	254,574	198,860
Investment Securities		
Available-for-Sale	2,619,003	2,007,942
Held-to-Maturity (Fair Value of \$3,062,882 and \$3,413,994)	3,042,294	3,482,092
Loans Held for Sale	39,062	10,987
Loans and Leases	10,990,892	10,448,774
Allowance for Loan and Lease Losses	(110,027)	(106,693)
Net Loans and Leases	10,880,865	10,342,081
<b>Total Earning Assets</b>	<b>16,840,777</b>	<b>16,044,990</b>
Cash and Due From Banks	299,105	324,081
Premises and Equipment, Net	188,388	151,837
Operating Lease Right-of-Use Assets	100,838	-
Accrued Interest Receivable	46,476	51,230
Foreclosed Real Estate	2,737	1,356
Mortgage Servicing Rights	25,022	24,310
Goodwill	31,517	31,517
Bank-Owned Life Insurance	287,962	283,771
Other Assets	272,674	230,882
<b>Total Assets</b>	<b>\$ 18,095,496</b>	<b>\$ 17,143,974</b>
<b>Liabilities</b>		
Deposits		
Noninterest-Bearing Demand	\$ 4,489,525	\$ 4,739,596
Interest-Bearing Demand	3,127,205	3,002,925
Savings	6,365,321	5,539,199
Time	1,802,431	1,745,522
<b>Total Deposits</b>	<b>15,784,482</b>	<b>15,027,242</b>
Funds Purchased	-	199
Securities Sold Under Agreements to Repurchase	604,306	504,296
Other Debt	85,565	135,643
Operating Lease Liabilities	108,210	-
Retirement Benefits Payable	44,504	40,494
Accrued Interest Payable	8,040	8,253
Taxes Payable and Deferred Taxes	16,085	19,736
Other Liabilities	157,472	139,911
<b>Total Liabilities</b>	<b>16,808,664</b>	<b>15,875,774</b>
<b>Shareholders' Equity</b>		
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: December 31, 2019 - 58,166,910 / 40,039,695 and December 31, 2018 - 58,063,689 / 41,499,898)	579	577
Capital Surplus	582,566	571,704
Accumulated Other Comprehensive Loss	(31,112)	(51,043)
Retained Earnings	1,761,415	1,641,314
Treasury Stock, at Cost (Shares: December 31, 2019 - 18,127,215 and December 31, 2018 - 16,563,791)	(1,026,616)	(894,352)
<b>Total Shareholders' Equity</b>	<b>1,286,832</b>	<b>1,268,200</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 18,095,496</b>	<b>\$ 17,143,974</b>

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm, thereon.

## Relative Stock Prices

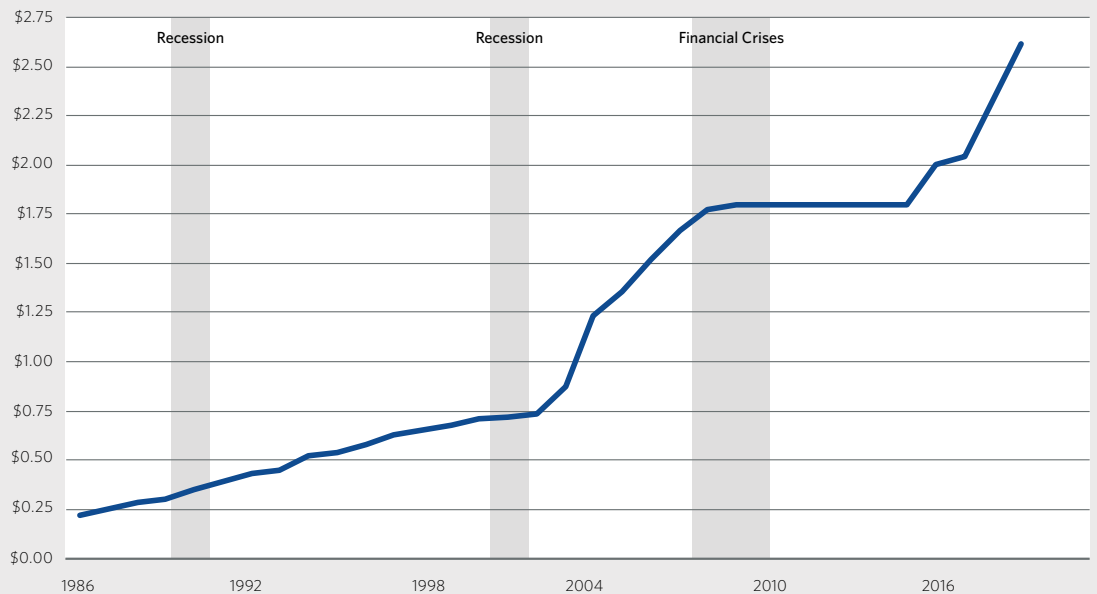
### RELATIVE STOCK PRICE PERFORMANCE

(For the Year Ended December 31, 2019)



### UNBROKEN HISTORY OF DIVIDENDS

(Bank of Hawaii Corporation)



Historical dividends adjusted for stock splits

**FACTS: HAWAII AND WEST PACIFIC REGION**

**Hawaii**

Hawaii business establishments in 2018: **98.2%** have fewer than 100 employees, **95.2%** have fewer than 50 employees, and **58.1%** have fewer than five employees.<sup>1</sup>

Hawaii gross domestic product in 2018: **\$92 billion** (in current dollars)<sup>2</sup>

- 21%** Real estate, rental and leasing
- 19.5%** Government (federal civilian & military, and state and local)
- 8.7%** Accommodation and food services
- 6.7%** Health care and social assistance
- 6.6%** Retail trade
- 5.7%** Construction
- 5.6%** Transportation and warehousing
- 4.1%** Professional, scientific and technical services
- 3.1%** Finance and insurance

Tourism’s direct and indirect impact on Hawaii gross domestic product (in current dollars) in 2017: **16.9%**<sup>3</sup>

State of Hawaii resident population as of July 1, 2017: 1,415,872<sup>4</sup>

**Guam**

- U.S. Territory
- Capital: Hagatna
- Resident population: July 2018 estimate 167,772<sup>5</sup>
- Main industries: U.S. military and tourism

**Commonwealth of the Northern Mariana Islands**

- Commonwealth in political union with the U.S.
- Capital: Saipan
- Resident population: July 2018 estimate 51,994<sup>5</sup>
- Main industries: tourism, banking, construction, fishing, handicrafts

**Palau**

- Constitutional government in free association with the U.S.
- Capital: Melekeok
- Resident population: July 2018 estimate 21,516<sup>5</sup>
- Main industries: tourism, fishing, subsistence agriculture

**Bank of Hawaii Branches/ATMs**  
(As of December 31, 2019)

	Branches & In-Store Branches	ATMs
<b>State of Hawaii</b>	<b>64</b>	<b>344</b>
Island of Oahu	36	242
Island of Hawaii	11	44
Island of Maui	10	33
Island of Kauai	5	23
Island of Lanai	1	1
Island of Molokai	1	1
<b>West Pacific</b>	<b>4</b>	<b>38</b>
Guam	2	30
CNMI/Saipan	1	5
Palau	1	3
<b>Total</b>	<b>68</b>	<b>382</b>

<sup>1</sup> Hawaii Department of Labor & Industrial Relations, 2018 Employment and Payrolls in Hawaii: [https://www.hiwi.org/admin/gsipub/htmlarea/uploads/LFR\\_QCEW\\_ES18FIRM.pdf](https://www.hiwi.org/admin/gsipub/htmlarea/uploads/LFR_QCEW_ES18FIRM.pdf)

<sup>2</sup> Hawaii DBEDT State of Hawaii Data Book 2018, Table 13.05, <http://files.hawaii.gov/dbedt/economic/databook/2018-individual/13/130518.xls> from the U.S. North American Industry Classification

<sup>3</sup> Hawaii DBEDT State of Hawaii Data Book 2018, Tables 7.34, <http://files.hawaii.gov/dbedt/economic/databook/2018-individual/07/073418.xls>

<sup>4</sup> Hawaii DBEDT, Hawaii State Data Center, Latest Population Estimates Data, 2019 State Population Estimates <http://census.hawaii.gov/whats-new-releases/2019-state-population-estimates/>

<sup>5</sup> Central Intelligence Agency (CIA), The World Factbook: <https://www.cia.gov/library/publications/the-world-factbook/>

## Managing Committee

**BANK OF HAWAII CORPORATION/BANK OF HAWAII** (as of Dec. 31, 2019)

*From left:*

**Mary E. Sellers**

Vice Chair and Chief Risk Officer

**Kent T. Lucien**

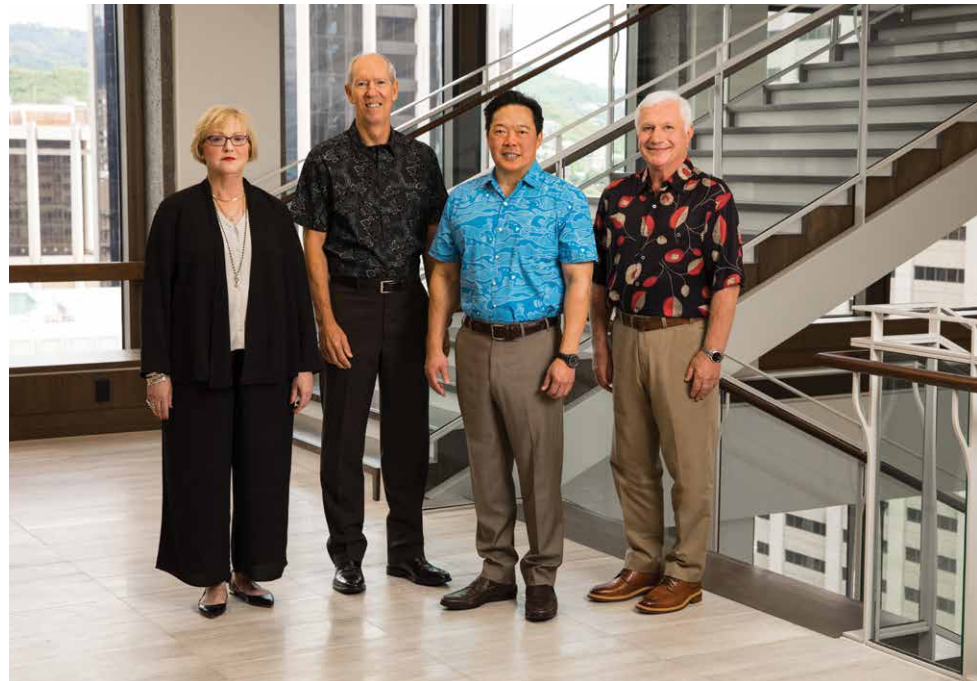
Vice Chair and Chief Strategy Officer

**Peter S. Ho**

Chairman, President  
and Chief Executive Officer

**Mark A. Rossi**

Vice Chair, Chief Administrative  
Officer, General Counsel  
and Corporate Secretary



*From left:*

**Jill F.S. Higa**

Senior Executive Vice President,  
Branch Banking

**Matthew Emerson**

Senior Executive Vice President  
and Director of E-Commerce

**James C. Polk**

Vice Chair  
Retail Lending & Deposit Product Group

**Wayne Y. Hamano**

Vice Chair  
and Chief Commercial Officer



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*From left:*

**David Oyadomari**  
Senior Executive Vice President,  
Digital Channels Division

**Craig A. Norris**  
Senior Executive Vice President  
and Chief Credit Officer

**Susan L. Ing**  
Senior Executive Vice President  
and Chief Marketing Officer

**Tony Mizuno**  
Senior Executive Vice President,  
Commercial Banking Group

**Dana S. Takushi**  
Senior Executive Vice President,  
The Private Bank



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*From left:*

**Ed Hudson**  
Senior Executive Vice President  
and Chief People Officer

**Sheh Bertram**  
Senior Executive Vice President  
and Chief Information Officer

**Alton T. Kuioka**  
Vice Chair  
Client Relations

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

**Dean Y. Shigemura**  
Vice Chair and  
Chief Financial Officer



Board of Directors

**BANK OF HAWAII CORPORATION/BANK OF HAWAII** (as of Dec. 31, 2019)

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

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

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

**John C. Erickson**  
Former Vice Chairman  
Union Bank

**Joshua D. Feldman**  
President and CEO  
Tori Richard, Ltd.

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

**Michelle E. Hulst**  
Group Vice President, Marketing  
and Strategic Partnerships  
Oracle Data Cloud

**Robert A. Huret**  
Founding Partner Emeritus  
FTV Capital

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

**Alicia E. Moy**  
President and  
Chief Executive Officer  
Hawai'i Gas

**Victor K. Nichols**  
Former Chairman  
Harland Clarke Holdings

**Barbara J. Tanabe**  
Owner  
Ho'akea Communications, LLC

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

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

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*Below: Board of Directors  
(seated, from left): Kent T. Lucien,  
Mary G.F. Bitterman, Peter S. Ho,  
Barbara J. Tanabe and Victor K. Nichols.  
Standing from left: Alicia E. Moy,  
John C. Erickson, Raymond P. Vara,  
Mark A. Burak, Robert W. Wo,  
Joshua D. Feldman, S. Haunani Apoliona,  
Michelle E. Hulst and Robert A. Huret.*



## SHAREHOLDER INFORMATION

### Forward Looking Statements

This report contains forward-looking statements concerning, among other things, the economic and business environment in our service area and elsewhere, credit quality and other financial and business matters in future periods. Our forward-looking statements are based on numerous assumptions, any of which could prove to be inaccurate and actual results may differ materially from those projected because of a variety of risks and uncertainties, including, but not limited to: 1) general economic conditions either nationally, internationally or locally may be different than expected, and particularly, any event that negatively impacts the tourism industry in Hawaii; 2) unanticipated changes in the securities markets, public debt markets, and other capital markets in the U.S. and internationally; 3) competitive pressures in the markets for financial services and products; 4) the impact of legislative and regulatory initiatives, particularly the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"); 5) changes in fiscal and monetary policies of the markets in which we operate; 6) the increased cost of maintaining or the Company's ability to maintain adequate liquidity and capital, based on the requirements adopted by the Basel Committee on Banking Supervision and U.S. regulators; 7) actual or alleged conduct which could harm our reputation; 8) changes in accounting standards; 9) changes in tax laws or regulations or the interpretation of such laws and regulations; 10) changes in our credit quality or risk profile that may increase or decrease the required level of our reserve for credit losses; 11) changes in market interest rates that may affect credit markets and our ability to maintain our net interest margin; 12) the impact of litigation and regulatory investigations of the Company, including costs, expenses, settlements, and judgments; 13) any failure in or breach of our operational systems, information systems or infrastructure, or those of our merchants, third party vendors and other service providers; 14) any interruption or breach of security of our information systems resulting in failures or disruptions in customer account management, general ledger processing, and loan or deposit systems; 15) changes to the amount and timing of proposed common stock repurchases; and 16) natural disasters, public unrest or adverse weather, public health, and other conditions impacting us and our customers' operations. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. For a detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements please refer to the risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any subsequently filed reports with the U.S. Securities and Exchange Commission. Words such as "believes," "anticipates," "expects," "intends," "targeted," and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. We undertake no obligation to update forward-looking statements to reflect later events or circumstances.

#### Corporate Headquarters

Bank of Hawaii Corporation  
130 Merchant Street, Honolulu, Hawaii 96813

#### Annual Meeting

The annual meeting of shareholders will be held on Friday, April 24, 2020, at 8:30am at the Bank of Hawaii Main Office, 5th Floor, 111 South King Street, Honolulu, Hawaii.

#### Transfer Agent and Registrar

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

#### Common Stock Listing NYSE: BOH

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

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

Bank of Hawaii Corporation's DRP allows existing shareholders to purchase common shares of the company's stock by either reinvesting their stock dividends or by optional cash payments.

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

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

#### Inquiries

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

#### Investors and Analysts Seeking Financial Information

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

#### For General Inquiries

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



BANK OF HAWAII CORPORATION  
P.O. BOX 2900  
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