FOCUSED ON community
ALOHA,

People helping people has been at the heart of Bank of Hawaii’s business since our doors first opened 119 years ago. Whether sharing our financial expertise with customers or donating time, money and other resources to local nonprofits, it’s our privilege and our responsibility to help nurture and improve the quality of life in our communities.

Our philanthropic efforts are diverse, including sponsorships and grants through Bank of Hawaii Foundation, financial literacy initiatives and our Live Kōkua volunteer program. I’m very proud of our more than 2,000 employees who donate thousands of hours of their time each year to make a difference. Supporting nonprofit agencies on all islands where we do business, our Bankoh Blue Crew volunteers share a passion to participate in activities that provide vital services for strengthening the well-being and sustainability of our communities.

Some of the challenges facing our community are highly complex. Hawaii has the highest cost of living relative to income in the nation. As a result, household purchasing power in Hawaii is about 40 percent less compared to the rest of the country. This is one of the single biggest issues facing our community, compounding problems such as affordable housing.

With a more holistic perspective and collaborative approach that includes partnering with motivated individuals, organizations, businesses and government, we can help address the unique nuances of these challenges.

This report provides a snapshot of some of the obstacles our community faces, the ways we’ve responded to these challenges, and acknowledges the important work of our community partners. We extend our mahalo for their dedication and ongoing services.

When people join forces with a united vision of building a better tomorrow, everyone wins. I’m proud of the ways we were able to help in 2016, and look forward to many more collaborations in the future. Together we make a difference.

Sincerely,

Peter S. Ho
Chairman, President and Chief Executive Officer
Bank of Hawaii Corporation and Bank of Hawaii
Chairman, Bank of Hawaii Foundation
COMMUNITY AWARDS AND RECOGNITION

Honored with the national Corporate Social Responsibility Leadership Award for the sixth consecutive year by the Financial Services Roundtable.

Recognized as the SBA Lender of the Year, category 1, 12 times in the past 14 years by the U.S. Small Business Administration—Hawaii Chapter.

Ranked among the top 10 performing large U.S. banks for the eighth consecutive year by Forbes.

Voted “Best Bank” for the past six years by Honolulu Star-Advertiser readers.

Voted “Best Bank” by Honolulu magazine readers.
### 2016 Impact at a Glance

<table>
<thead>
<tr>
<th><strong>2,122</strong></th>
<th><strong>12,822</strong></th>
<th><strong>6,083</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Volunteer hours contributed to community organizations, including financial education</td>
<td>Volunteer hours contributed to financial education of adults and to children in schools</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>MORE THAN 400</strong></th>
<th><strong>800</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit community partners</td>
<td>Low-income housing units financed by Bank of Hawaii through Low-Income Housing Tax Credits</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>8</strong></th>
<th><strong>58</strong></th>
<th><strong>$2.7 MILLION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consecutive “outstanding” ratings, the highest possible, by the Federal Reserve Bank of San Francisco, for performance under the Community Reinvestment Act</td>
<td>Guaranteed loans valued at $17 million made by Bank of Hawaii to small businesses in 2016</td>
<td>2016 contribution to community organizations by Bank of Hawaii and its employees and retirees, and Bank of Hawaii Foundation. From 2012 to 2016, the total amount contributed was $10.5 million.</td>
</tr>
</tbody>
</table>
Our Community in Focus

Hawaii’s economy continued to perform well in 2016 with record visitor arrivals and spending for the fifth consecutive year. The Hawaii real estate market also performed well, with the sales volume of single-family Oahu homes increasing by 6.5 percent and sales of Oahu condominiums increasing by 8.4 percent.

Despite having one of the lowest unemployment rates in the nation and a stable economy, many of Hawaii’s working families are still struggling to get by. A shortage of affordable housing, the lowest wages in the country and highest cost of living have left many people still struggling to make ends meet.

Bank of Hawaii recognizes that the well-being of our entire community is tied to that of our most vulnerable, and is committed to partnering with others to make a difference.

COST OF LIVING
A family of four in Honolulu needs to earn 3.75 times the federal poverty threshold to achieve a standard of living that is modest yet economically secure.¹ *See page 16 for all sources.

<table>
<thead>
<tr>
<th>Category</th>
<th>Honolulu</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$1,820</td>
<td>$1,175</td>
</tr>
<tr>
<td>Food</td>
<td>937</td>
<td>937</td>
</tr>
<tr>
<td>Childcare</td>
<td>1,511</td>
<td>1,261</td>
</tr>
<tr>
<td>Transportation</td>
<td>620</td>
<td>723</td>
</tr>
<tr>
<td>Health Care</td>
<td>623</td>
<td>590</td>
</tr>
<tr>
<td>Other Necessities</td>
<td>1,332</td>
<td>1,020</td>
</tr>
<tr>
<td>Taxes</td>
<td>999</td>
<td>671</td>
</tr>
<tr>
<td>Monthly Total:</td>
<td>$7,841</td>
<td>$6,377</td>
</tr>
<tr>
<td>Annual Total:</td>
<td>$94,092</td>
<td>$76,524</td>
</tr>
</tbody>
</table>

PURCHASING POWER IN HAWAII

\[
\text{Units} = \frac{\text{Relative Income}}{\text{Relative Cost of Living}}
\]

Relative Household Income²

<table>
<thead>
<tr>
<th>Units</th>
<th>US</th>
<th>Hawaii</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.00</td>
<td>1.02</td>
</tr>
</tbody>
</table>

Relative Cost of Living³

<table>
<thead>
<tr>
<th>Units</th>
<th>US</th>
<th>Hawaii</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.00</td>
<td>1.70</td>
</tr>
</tbody>
</table>

¹ See page 16 for all sources.

² Relative to U.S.

³ Relative to U.S.
**HUNGER**
Food insecurity affects one out of eight residents in Hawaii. Thousands of Hawaii’s food bank clients make tradeoffs between paying for food or paying for other necessities.⁴

**UTILITIES**
62% of food bank clients have chosen to miss paying a utility bill rather than go hungry; 33% make this choice every month.

**MEDICINE & HEALTH CARE**
62% have foregone paying for medicines or other health care; 28% make this choice every month.

**HOUSING**
48% have foregone paying their rent or mortgage; 28% make this choice every month.

**SHORTAGE OF AFFORDABLE HOUSING**
Hawaii’s families face some of the heaviest housing cost burdens in the nation. A total of 64,693 housing units are needed by 2025 to meet projected demand. Of these, 40 percent need to be rentals for low- and moderate-income households.⁵

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**HOUSING BY THE NUMBERS**⁶

<table>
<thead>
<tr>
<th>Percentage of households that are renters</th>
<th>Percentage of renters that are extremely low-income (e.g., a two-person household in Honolulu earning less than $23,000 a year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>43%</td>
<td>18%</td>
</tr>
</tbody>
</table>

| The hourly wage needed to afford a two-bedroom rental at fair-market rent |
| The average hourly wage for a renter |
| $31.61 | $14.49 |

| Percentage of children living in housing cost-burdened families in 2013, a 24% increase since 2005 | Shortfall of units that are both affordable and available for extremely low-income renters |
| 43% | 22,005 |
Housing

Affordable housing has long been a concern in Hawaii. Without it, workers cannot afford to live here. In addition to providing a decent, safe place to live, affordable housing can also ensure better health, childhood development and educational achievement because it frees a family’s budget for more nutritious food, access to medical care and quality childcare. It provides stability where families can thrive for generations.

The key indicators on the following graphs illustrate why Bank of Hawaii continues to focus on housing solutions. By partnering with developers to finance affordable and workforce housing options, the bank helps to meet a variety of community needs.

In addition, we are proud to help thousands of families pursue homeownership, home improvement or refinancing each year.

Hawaii’s #1 Residential Lender

- 4th year in a row
- #1 in number of mortgage and refinance loans made in the state of Hawaii
- #1 in total dollars by a local bank for residential loans

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Working in partnership with developers Downtown Affordable and Tradewind Capital, Bank of Hawaii was the lead financer of 801 South St., the largest workforce housing project in urban Honolulu, bringing a total of 1,045 units to Kakaako in 2015 and 2016.
56.7% of Hawaii’s households own their homes. With the national average of 63.1%, Hawaii ranks 47 overall, one of the lowest in the country.

40.6% of homeowners in Hawaii are cost-burdened (more than 30% of household income is consumed by costs of owning a home), the highest in the country.

$1,780 for a two-bedroom apartment at fair-market rent (FMR) continues to be the highest in the country. FMR is determined by the Dept. of Housing and Urban Development.
Helping to Build Affordable Housing: Low-Income Housing Tax Credits

The federal Low-Income Housing Tax Credit (LIHTC) program is the leading affordable rental housing program in the country. Bank of Hawaii understands the complexities of LIHTC financing, and works closely with project sponsors and state housing agencies to help fund the construction of rental housing for lower-income households, including seniors. Bank of Hawaii invested in and had approximately $67 million Low-Income Housing Tax Credits outstanding and committed as of December 2016. As depicted on the map*, these investments facilitated the development of 2,405 affordable rental housing units throughout Hawaii.

Meheula Vista is a master planned, low-income senior affordable rental housing development located in Mililani Mauka on Oahu. It provides seniors an affordable, permanent living option with supportive services and amenities, where residents can “age in place.”

The project is being completed in four phases and encompasses four separate apartment buildings, each containing 75 one-bedroom, one-bath units and a stand-alone multipurpose building. The first phase of the housing complex of 75 units was completed in 2016. Construction for the second phase is currently underway.

* Map showing investments facilitated by Bank of Hawaii's LIHTC program.
KAUAI

Kekaha
- Kekaha Plantation Elderly Housing (36)

Lihue
- Kalepa Village II (40)
- Kalepa Village III (39)
- Rice Camp Senior Housing (59)

Princeville
- Kolopua Apartments (44)

*Number of LIHTC units for each investment is indicated in parentheses.

OAHU

Honolulu
- Kinau Vista Senior Housing (62)
- Kukui Gardens (379)
- Na Lei Hulu Kupuna Senior Housing (75)
- Piikoi Vista Senior Housing (47)
- Tusitala Vista Senior Housing (106)

Kahuku
- Kahuku Elderly Housing Project (64)

Kapolei
- Kekuilani Gardens (55)
- Palehua Terrace II (64)
- The Villas at A’eloa (71)
- Villas at Maluhai (71)

Mililani
- Kalani Gardens (116)
- Meheula Vista – Phase I (76)

Pearl City
- Hale Mohalu II Senior Housing (163)
- Hale Mohalu II Family (84)
- Hale Mohalu II Family IV (84)
- Manana Gardens (72)

Waianae
- Hale Wai Vista I (83)
- Hale Wai Vista II (132)

HAWEII ISLAND

Hilo
- 2020 Kinoole Senior Residence (29)
- Kamana Elderly Housing (61)
- Mohouli Senior Housing (59)
- Riverside Apartments (73)

Kailua-Kona
- Hualalai III Senior Housing (30)

Kohala
- Ainakea Senior Residences (29)

Waimea
- Kamuela Senior Housing (31)
The spirit of giving and generosity is central to Bank of Hawaii and Bank of Hawaii Foundation, which provide support for impactful community programs and nonprofit organizations through various sponsorships and grants. By supporting diverse arts and culture, innovative education, sustainable living and other projects dedicated to the betterment of our society, we nurture a foundation of access and hope for our community.

**Neighbor Island Community Awards**

Bank of Hawaii Foundation provides grants to support community development, education, arts and culture, and housing through its annual Mike Lyons Maui County Community Award and Monty Richards Hawaii Island Community Award. Since 2004, $235,000 has been awarded to 27 nonprofits serving Maui, Lanai and Molokai; and since 2008, $205,000 has been awarded to 25 Hawaii Island nonprofits.

**HIKI NŌ, PBS Hawaii**

The nation’s first and only student news show with a statewide network of schools, HIKI NŌ mentors students from 90 public, private and charter high schools and middle schools to create news and feature stories that are shared with Hawaii and the world. Bank of Hawaii Foundation has provided grant support for the project since it began in 2011, enabling student access to 21st-century education and skill development.

**EPIC ‘Ohana**

Partnering with EPIC ‘Ohana since 2010 to enhance the welfare of Hawaii’s foster children and youth, Bank of Hawaii has helped more than 500 foster youth open matched savings accounts, assisting with nearly $700,000 in purchases for things like education, housing and transportation to improve their futures.

**Mālama Honua Worldwide Voyage, Polynesian Voyaging Society**

Voyaging canoes Hōkūle’a and Hikianalia return home to Hawaii in 2017 from circumnavigating the globe. Bank of Hawaii Foundation provided a $100,000 multi-year grant to support this unique voyage that began in 2013 to promote sustainability, education and perpetuate the legacy of traditional Polynesian voyaging around the world.

**Bank of Hawaii Family Sundays, Honolulu Museum of Art**

WORKING TOGETHER - OUR ANNUAL COMMUNITY BENEFIT EVENTS

Pulling together as a company allows Bank of Hawaii to make significant contributions to our community each year with our annual Live Kōkua Community Walk, Live Kōkua Giving Campaign and Live Kōkua Community Service Day. Our employees are directly involved in the selection process of the nonprofit organizations that we support through these efforts, and we couldn’t be more proud of the energy and passion they contribute to making an impact in our community.

**Live Kōkua Giving Campaign**
During a six-week, company-wide fundraising effort, employees and retirees of the bank raised $678,091 to support 22 nonprofits:

- Aloha United Way
- American Diabetes Association - Hawaii Chapter
- American Heart Association - Hawaii Chapter
- American Red Cross - Guam Chapter
- American Red Cross of Hawaii
- Blood Bank of Hawaii
- Boys & Girls Club of Hawaii
- Catholic Charities Hawai‘i
- Child & Family Service
- Domestic Violence Action Center
- Friendly Isle United Fund
- Hawaii Foodbank
- Hawaii Island United Way
- Hawaii Meals on Wheels
- Hospice Hawai‘i
- Institute for Human Services (IHS)
- Kauai United Way
- Make-A-Wish Hawaii
- Maui United Way
- Ronald McDonald House Charities of Hawaii
- Special Olympics Hawai‘i
- Susan G. Komen Hawaii

**Live Kōkua Community Service Day**
Nearly 250 Bankoh Blue Crew volunteers turned out to clean up and protect the precious resources of Ahupua’a ‘O Kahana State Park. Volunteers, along with the Dept. of Land and Natural Resources and nonprofit partners Sustainable Coastlines Hawaii and Hō‘ala ‘Āina Kūpono, helped in three different areas of the park. Two thousand pounds of trash, debris and microplastics were removed from the beach, mangroves were removed and water flow restored at Huilua Fishpond, and critical fresh water streams feeding the Kahana Valley lo‘i were cleared of blockages. Equipment and supplies used for the fishpond work were also donated to Hō‘ala ‘Āina Kūpono, so they can continue to host large volunteer groups in the future.

**Live Kōkua Community Walk**
The 10th annual community walk on Oahu raised more than $116,000 to benefit Mental Health America of Hawaii’s Youth Suicide and Bullying Project, Waikiki Health and Hale Kīpa’s Youth Outreach program, and YWCA of Oahu’s transitional housing at Fernherst. Employees at neighbor island and West Pacific locations also participated in walks that raised an additional $39,461 to support local nonprofits in their regions.
At Bank of Hawaii, our emphasis on providing outstanding service to our customers extends to our employees and our communities. With our community service initiatives throughout the year, we aim to inspire each other and our community to be better, to care for and be responsible for one another.

HUGS (Help, Understanding and Group Support)
HUGS serves hundreds of Hawaii’s seriously ill children and their families. Our employees collected and donated more than 9,000 items for care kits to help keiki during hospital stays. Bankoh Blue Crew also spent a day refurbishing and landscaping the outdoor recreation space at the HUGS House, cleaning up picnic tables and the playground, and getting rid of 20 bags of debris.

Community Reinvestment Act (CRA)
Meeting the financial needs our community, including low- and moderate-income people, means more to us than meeting CRA mandates. In 2016, approximately 304 employees volunteered 6,083 hours to help make financial services, education and literacy accessible to everyone in our community.

Volunteer Income Tax Assistance (VITA)
In partnership with Goodwill Industries and Legal Aid Society of Hawaii, BOH volunteers provided free tax preparation services and prepared 372 tax returns totaling more than $446,286 in refunds for local families and individuals.

Teach Children to Save
More than 130 Bank of Hawaii volunteers visited 27 schools in the state of Hawaii, Guam, Saipan, Palau and American Samoa, reaching more than 3,600 students, as part of the American Bankers Association Foundation’s Teach Children to Save Day program, a national campaign of volunteer bankers who help young people develop lifelong savings habits.
Opposite page:
Bankoh Blue Crew volunteers helped refurbish YO! House in Waikiki, which is run by Waikiki Health and Hale Kipa’s joint Youth Outreach (YO) program and serves homeless youth in the community.
Bank of Hawaii is proud of its tradition of community support. Through grants, sponsorships, fundraising activities and important partnerships with nonprofit organizations, the bank is committed to improving the quality of life, health and well-being of the people throughout the communities it serves in Hawaii, the West Pacific and American Samoa. Additional support comes from the direct involvement of Bank of Hawaii employees, who actively volunteer for community service projects and serve on the boards of nonprofits and community groups.