

BANK OF HAWAII CORP
Form 10-Q
April 23, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2012

or

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

Commission File Number: 1-6887

BANK OF HAWAII CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

99-0148992
(I.R.S. Employer Identification No.)

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

96813
(Zip Code)

1-888-643-3888

(Registrant's telephone number, including area code)

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

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 16, 2012, there were 45,523,728 shares of common stock outstanding.

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Consolidated Statements of Income (Unaudited)**

(dollars in thousands, except per share amounts)	Three Months Ended March 31,	
	2012	2011
Interest Income		
Interest and Fees on Loans and Leases	\$ 64,691	\$ 66,593
Income on Investment Securities		
Available-for-Sale	17,713	37,669
Held-to-Maturity	26,413	7,633
Deposits	2	(2)
Funds Sold	129	251
Other	280	279
Total Interest Income	109,228	112,423
Interest Expense		
Deposits	3,473	5,232
Securities Sold Under Agreements to Repurchase	7,304	7,041
Funds Purchased	5	6
Long-Term Debt	498	447
Total Interest Expense	11,280	12,726
Net Interest Income	97,948	99,697
Provision for Credit Losses	351	4,691
Net Interest Income After Provision for Credit Losses	97,597	95,006
Noninterest Income		
Trust and Asset Management	10,918	11,806
Mortgage Banking	5,050	3,122
Service Charges on Deposit Accounts	9,591	9,932
Fees, Exchange, and Other Service Charges	12,399	14,945
Investment Securities Gains (Losses), Net	(90)	6,084
Insurance	2,278	2,771
Other	7,936	5,262
Total Noninterest Income	48,082	53,922
Noninterest Expense		
Salaries and Benefits	47,024	46,782
Net Occupancy	10,516	10,327
Net Equipment	5,826	4,698
Professional Fees	2,132	2,158
FDIC Insurance	2,071	3,244
Other	17,638	18,873
Total Noninterest Expense	85,207	86,082
Income Before Provision for Income Taxes	60,472	62,846
Provision for Income Taxes	16,662	20,486
Net Income	\$ 43,810	\$ 42,360
Basic Earnings Per Share	\$ 0.96	\$ 0.89
Diluted Earnings Per Share	\$ 0.95	\$ 0.88
Dividends Declared Per Share	\$ 0.45	\$ 0.45
Basic Weighted Average Shares	45,709,936	47,851,612
Diluted Weighted Average Shares	45,875,238	48,074,656

The accompanying notes are an integral part of the Consolidated Financial Statements (Unaudited).

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Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income (Unaudited)

(dollars in thousands)	Three Months Ended			
	2012		March 31,	
				2011
Net Income	\$	43,810	\$	42,360
Other Comprehensive Loss, Net of Tax:				
Net Unrealized Losses on Investment Securities		(6,454)		(19,500)
Defined Benefit Plans		153		471
Other Comprehensive Loss		(6,301)		(19,029)
Comprehensive Income	\$	37,509	\$	23,331

The accompanying notes are an integral part of the Consolidated Financial Statements (Unaudited).

Table of Contents**Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Condition (Unaudited)**

(dollars in thousands)	March 31, 2012	December 31, 2011
Assets		
Interest-Bearing Deposits	\$ 3,333	\$ 3,036
Funds Sold	213,458	512,384
Investment Securities		
Available-for-Sale	3,469,260	3,451,885
Held-to-Maturity (Fair Value of \$3,877,269 and \$3,754,206)	3,779,272	3,657,796
Loans Held for Sale	10,655	18,957
Loans and Leases	5,598,932	5,538,304
Allowance for Loan and Lease Losses	(135,606)	(138,606)
Net Loans and Leases	5,463,326	5,399,698
Total Earning Assets	12,939,304	13,043,756
Cash and Noninterest-Bearing Deposits	154,100	154,489
Premises and Equipment	106,543	103,550
Customers' Acceptances	117	476
Accrued Interest Receivable	48,032	43,510
Foreclosed Real Estate	3,530	3,042
Mortgage Servicing Rights	23,915	24,279
Goodwill	31,517	31,517
Other Assets	452,351	441,772
Total Assets	\$ 13,759,409	\$ 13,846,391
Liabilities		
Deposits		
Noninterest-Bearing Demand	\$ 2,964,372	\$ 2,850,923
Interest-Bearing Demand	1,964,487	2,005,983
Savings	4,440,674	4,398,638
Time	1,251,637	1,337,079
Total Deposits	10,621,170	10,592,623
Funds Purchased	11,024	10,791
Securities Sold Under Agreements to Repurchase	1,825,646	1,925,998
Long-Term Debt	30,687	30,696
Bankers' Acceptances	117	476
Retirement Benefits Payable	41,862	46,949
Accrued Interest Payable	6,318	5,330
Taxes Payable and Deferred Taxes	104,259	95,840
Other Liabilities	122,429	135,021
Total Liabilities	12,763,512	12,843,724
Shareholders' Equity		
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: March 31, 2012 - 57,290,145 / 45,605,881 and December 31, 2011 - 57,134,470 / 45,947,116)	571	571
Capital Surplus	509,860	507,558
Accumulated Other Comprehensive Income	28,962	35,263
Retained Earnings	1,024,736	1,003,938
Treasury Stock, at Cost (Shares: March 31, 2012 - 11,684,264 and December 31, 2011 - 11,187,354)	(568,232)	(544,663)
Total Shareholders' Equity	995,897	1,002,667
Total Liabilities and Shareholders' Equity	\$ 13,759,409	\$ 13,846,391

The accompanying notes are an integral part of the Consolidated Financial Statements (Unaudited).

Table of Contents**Bank of Hawaii Corporation and Subsidiaries**
Consolidated Statements of Shareholders Equity (Unaudited)

(dollars in thousands)	Common Shares Outstanding	Common Stock	Capital Surplus	Accum. Other Compre- hensive Income	Retained Earnings	Treasury Stock	Total
Balance as of December 31, 2011	45,947,116	\$ 571	\$ 507,558	\$ 35,263	\$ 1,003,938	\$ (544,663)	\$ 1,002,667
Net Income	-	-	-	-	43,810	-	43,810
Other Comprehensive Loss	-	-	-	(6,301)	-	-	(6,301)
Share-Based Compensation	-	-	1,831	-	-	-	1,831
Common Stock Issued under Purchase and Equity Compensation Plans and Related Tax Benefits	326,174	-	471	-	(2,317)	7,735	5,889
Common Stock Repurchased	(667,409)	-	-	-	-	(31,304)	(31,304)
Cash Dividends Paid (\$0.45 per share)	-	-	-	-	-	-	-