
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 22, 2018

FIRST HAWAIIAN, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-14585
(Commission File Number)

99-0156159
(IRS Employer Identification No.)

999 Bishop St., 29th Floor
Honolulu, Hawaii
(Address of Principal Executive Offices)

96813
(Zip Code)

(808) 525-7000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

First Hawaiian, Inc. (the "Company"), the holding company for First Hawaiian Bank, is furnishing with this Current Report on Form 8-K a copy of an investor presentation that it intends to use for any investor meetings or related interactions during the month of May in fiscal year 2018. A copy of the presentation also will be posted to the Company's website (www.fhb.com) in the Investor Relations section.

Pursuant to Regulation FD, the presentation materials are furnished as Exhibit 99.1. The information in this Item 7.01 and Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation Materials

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation Materials

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be filed on its behalf by the undersigned hereunto duly authorized.

FIRST HAWAIIAN, INC.

Date: May 22, 2018

By: /s/Robert S. Harrison
Robert S. Harrison
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)



 First Hawaiian, Inc.

INVESTOR PRESENTATION

MAY 2018

160
YEARS
OF
YES

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “contemplate,” “seek,” “estimate,” “intend,” “plan,” “target,” “project,” “would,” “annualized” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. For a discussion of some of the risks and important factors that could affect our future results and financial condition, see our U.S. Securities and Exchange Commission (“SEC”) filings, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2017. Except as required by law, we assume no obligation to update these forward-looking statements or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Use of Non-GAAP Financial Measures

The information provided herein includes certain non-GAAP financial measures. We believe that these non-GAAP financial measures provide useful information about our operating results and enhance the overall understanding of our past performance and future performance. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. The reconciliation of such measures to the comparable GAAP figures are included in the appendix of this presentation.

Other

- *References to “we,” “us,” “our,” “FHI,” “FHB,” “Company,” and “First Hawaiian” refer to First Hawaiian, Inc. and its consolidated subsidiaries.*
- *Where appropriate, certain quarterly financial ratios are presented herein on an annualized basis.*

BNP Paribas Sold ~12% Ownership In First Hawaiian on May 10, 2018

Overview & Highlights

- BNP Paribas ("BNPP") sold 15.3mm common shares of First Hawaiian in an underwritten public offering with a public reoffer price of \$27.75
- Concurrent with the offering, First Hawaiian completed a repurchase of ~3.0mm shares at an aggregate purchase price of ~\$81.8mm
- As a result of the offering and repurchase, BNPP's stake in First Hawaiian was reduced from 61.9% to 49.9%⁽¹⁾
- First Hawaiian neither issued shares in connection with the offering nor received any proceeds
- BNPP entered into a 90-day lock-up agreement in connection with the offering

NASDAQ Corporate Governance Requirements and Other Implications

Implications of the BNPP Sell-Down

- Federal Reserve's capital plan requirements associated with BNPP will remain applicable to FHI
- FHI no longer qualifies for the NASDAQ "controlled company" exemption and must now comply with various independence standards
 - A majority of the FHI board of directors will be independent by May 10, 2019
 - Both the compensation committee and the corporate governance and nomination committee will consist solely of independent directors by May 10, 2019
 - Within 90 days of May 10, 2018, both committees will consist of a majority of independent directors
- Potential inclusion into additional equity indices

Source: Public filings, NASDAQ

⁽¹⁾ Underwriters have the option to purchase up to an additional 1.5mm shares – which would further reduce BNPP's ownership to 48.8%.

+ Dividends

- Since its IPO, First Hawaiian has returned \$184mm to investors in the form of dividends or the equivalent of a ~5.7% cash-dividend return⁽¹⁾
- Over that time, the quarterly dividend has increased twice (+20%) to \$0.24 per quarter and we expect to be able to continue to increase our dividend as our earnings grow

+ Repurchase

- First Hawaiian repurchased ~3mm shares for an aggregate purchase price of ~\$81.8mm concurrent with BNPP's recent public offering on May 10, 2018



= Total Capital Distribution

- Inclusive of the share repurchase, First Hawaiian has returned ~\$266mm, or ~86% of earnings, to shareholders since IPO and \$115mm year-to-date
- The addition of share repurchases to First Hawaiian's capital return policy further emphasizes our commitment to return meaningful amounts of earnings to investors over time⁽²⁾

Source: Public filings

(1) Calculated as the aggregate dividends per share since IPO divided by the IPO price.

(2) Dividends and share repurchases are subject to approval of FHI's board of directors, future capital needs and regulatory approvals.

1Q18 Highlights

- Good loan growth in line with guidance
- Improved deposit mix
- NIM expansion
- Efficiency ratio better than expected, at low end of guidance
- Excellent asset quality
- Effective tax rate in line with expectations
- Strong local economy

Quarterly Results

(\$ in millions)		1Q 2018	4Q 2017	1Q 2017
Balance Sheet	Loans and Leases	\$ 12,464	\$ 12,277	\$ 11,781
	Deposits	17,362	17,612	16,938
Core Income Statement⁽¹⁾	Net Interest Income	\$ 139.7	\$ 134.9	\$ 129.3
	Provisions	6.0	5.1	4.5
	Noninterest Income	48.7	50.1	51.1
	Noninterest Expense	90.2	85.8	85.6
	Net Income	\$ 68.3	\$ 59.2	\$ 57.0
	Earnings per Share	\$ 0.49	\$ 0.42	\$ 0.41
Core Operating Metrics⁽¹⁾	Net Interest Margin	3.13 %	2.99 %	3.00 %
	Efficiency Ratio	47.9	46.4	47.5
	ROATA ⁽²⁾	1.43	1.22	1.23
	ROATCE ⁽²⁾	18.4	14.9	15.5
Credit / Capital	NCOs / Average Loans	0.15 %	0.17 %	0.15 %
	NALs / Total Loans	0.10	0.08	0.06
	CET1 / Tier 1	12.7	12.5	12.8

(1) Core measurements are non-GAAP financial measurements. Core excludes certain gains, expenses and one-time items. See non-GAAP reconciliations of core net income, core net interest income, core noninterest income, core noninterest expense, and average tangible assets and average tangible stockholders' equity used to calculate core ratios in the appendix.

(2) ROATA and ROATCE are non-GAAP financial measurements. A reconciliation to the comparable GAAP measurement is provided in the appendix.

DRIVER	2018 OUTLOOK	COMMENTS
HAWAII ECONOMY	Continued Growth	<ul style="list-style-type: none"> Continued growth expected in 2018 and 2019. Increasing visitor arrivals and spending expected to continue (six consecutive years of improvement through 2017)⁽¹⁾
LOANS		
Residential	High Single Digit Growth	<ul style="list-style-type: none"> New mortgage lending model is contributing to increased production volume
CRE & Construction	High Single Digit Growth	<ul style="list-style-type: none"> Good pipeline and lending opportunities in Hawaii, Guam/Saipan and US mainland
Consumer	Mid-Single Digit Growth	<ul style="list-style-type: none"> Continued growth in indirect auto portfolio, but at a moderated level
C&I	Low Single Digit Growth	<ul style="list-style-type: none"> Moderate growth, partially offset by payoff or refinance of SNC loans due to strong economy
NIM	Increasing	<ul style="list-style-type: none"> Balance sheet positioned for NIM improvement from additional rate increases and higher long-term rates
EFFICIENCY RATIO	~48%	<ul style="list-style-type: none"> Expect full year efficiency ratio ~48%
EFFECTIVE TAX RATE	~26%	<ul style="list-style-type: none"> Continue to execute tax optimization strategies
CAPITAL DISTRIBUTION	~50% dividend payout plus periodic repurchases ⁽²⁾	<ul style="list-style-type: none"> Continue to look for opportunities to return excess capital within the capital plan

(1) State of Hawaii Department of Business, Economic Development & Tourism 1st Quarter 2018 Outlook for the Economy

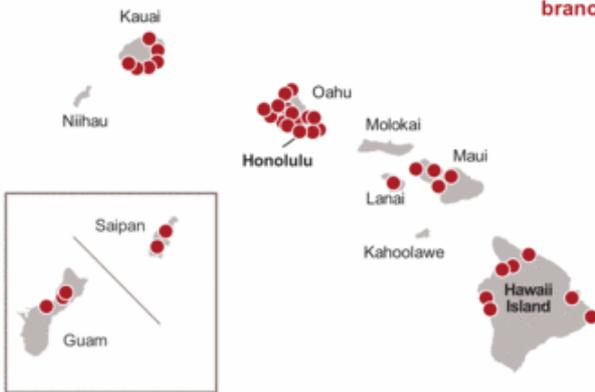
(2) Dividends and share repurchases are subject to approval of FHI's board of directors, future capital needs and regulatory approvals.

- 1 Best-in-class Financial Performance
- 2 Leading Position in Attractive Market
- 3 High Quality Balance Sheet with Steady Growth Realized and Forecasted
- 4 Consistently Increased Capital Return
- 5 Proven Through the Cycle Performance
- 6 Significant Catalysts for Enhanced Performance



Branch Presence

61 branches



Company Highlights

- ✓ Oldest and largest Hawaii-based bank
- ✓ Full service community bank with complete suite of products & services
- ✓ #1 deposit market share in Hawaii since 2004
- ✓ Largest Hawaii-based lender across all categories
- ✓ \$13.4 bn assets under administration as of 1Q18 & approximately 48 mm transactions processed by merchant services in 2017
- ✓ Proven through the cycle and top quartile operating performance

Source: Public filings and SNL Financial as of 11-May-2018

Note: Financial data as of 31-Mar-18. Market data as of 11-May-18. NIM change based on change from 4Q15 – 1Q18.

(1) Top quartile is based on public banks \$10–\$50bn in assets constituted as of 31-Dec-17; excludes merger targets.

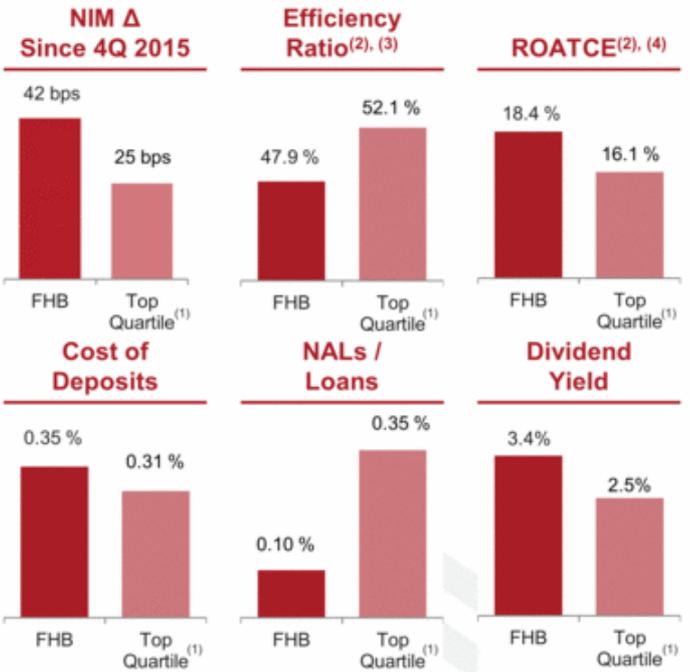
(2) FHB Ratios shown as core. Core operating measures exclude certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliation of core net income, core net interest income, core noninterest income and core noninterest expense in the appendix.

(3) Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

(4) ROATCE (return on average tangible common equity) is a non-GAAP financial measure. A reconciliation to the comparable GAAP measure is provided in the appendix.

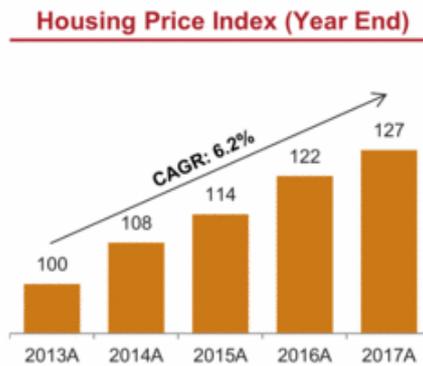
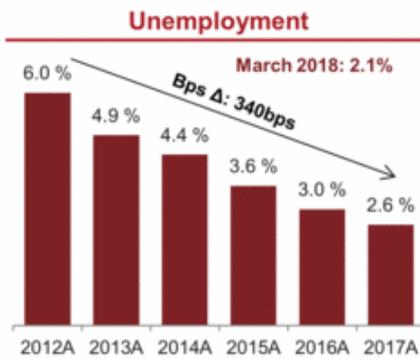
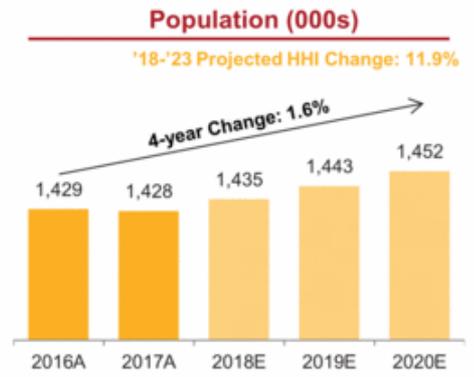
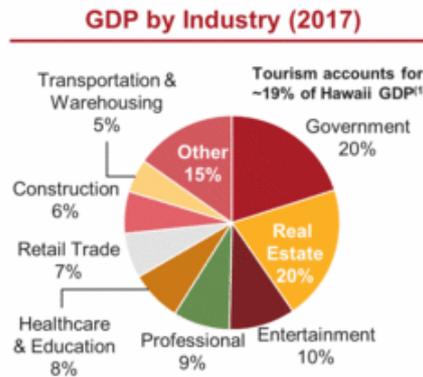
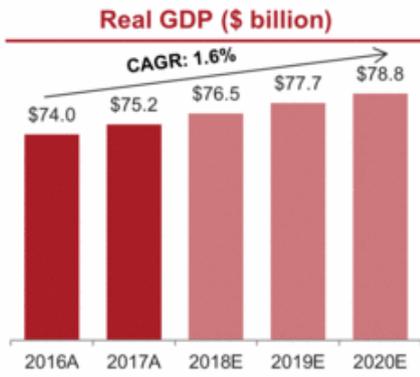
Financial Overview – 1Q 2018 YTD (\$ billions)

Market Cap	\$ 3.9	Loans	\$ 12.5
Assets	\$ 20.2	Deposits	\$ 17.4



HAWAII IS AN ATTRACTIVE MARKET WITH STRONG ECONOMIC BACKDROP

The Hawaii economy has remained steady through economic cycles and maintains a favorable outlook

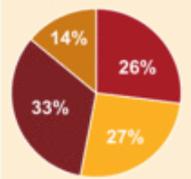
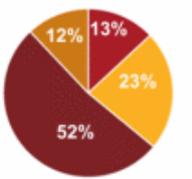
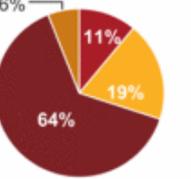
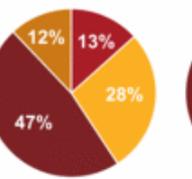
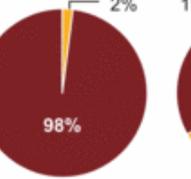
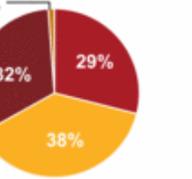
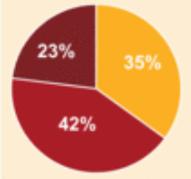
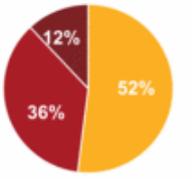
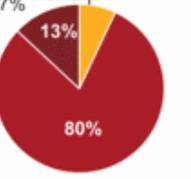
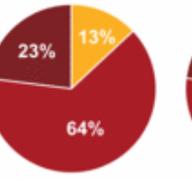
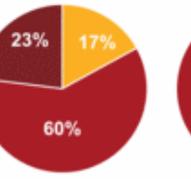
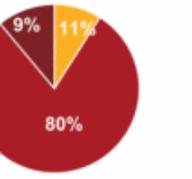


Visitor Arrivals (mm) 8.9 9.4 9.6 9.8 9.9

Source: Hawaii Department of Business, Economic Development & Tourism, Bureau of Labor Statistics, Bureau of Economic Analysis, Federal Housing Finance Agency, and SNL Financial
 Note: Real GDP adjusts nominal GDP to 2009 dollars. Unemployment and housing index are shown as seasonally adjusted. Data current as of 11-May-18.
⁽¹⁾ Based on \$16.9bn of 2017 visitor spending according to Hawaii Department of Business, Economic Development and Tourism.

THE CLEAR LEADER IN HAWAII

The banking market in Hawaii is dominated by local banks with the top 6 banks accounting for ~97% of deposits; First Hawaiian is the clear leader among its Hawaii banking peers based on size and operating performance

	 First Hawaiian, Inc.	 Bank of Hawaii	 AMERICAN Savings Bank	 CENTRAL PACIFIC BANK	 Territorial Savings Bank	 HAWAII NATIONAL BANK	
Branches	61 ⁽¹⁾	69	51	35	30	14	
FTEs	2,213	2,138	1,165	823	281	169	
Assets (\$bn)	\$20.2	\$17.1	\$6.9	\$5.7	\$2.1	\$0.6	
Loans (\$bn)	12.5	9.9	4.7	3.8	1.5	0.4	
Deposits (\$bn)	17.4	15.0	6.1	5.0	1.7	0.6	
1Q18 ROATCE	18.4% ^{(2), (3)}	18.2%	14.7%	11.8%	8.3%	4.3%	
1Q18 ROATA	1.43 ^{(2), (3)}	1.29	1.14	1.03	0.97	0.39	
Loan Portfolio							
							
Hawaii Deposits	Rank	#1	#2	#3	#4	#5	#6
	Share	36.5%	31.4%	13.1%	11.1%	3.5%	1.4%

Sources: SNL Financial, FDIC and company filings

Note: Balance sheet and income statement data as of 31-Mar-18. Loan and deposit portfolio mix based on regulatory filings as of 31-Mar-18. Deposit market share and branches as of 30-Jun-17.

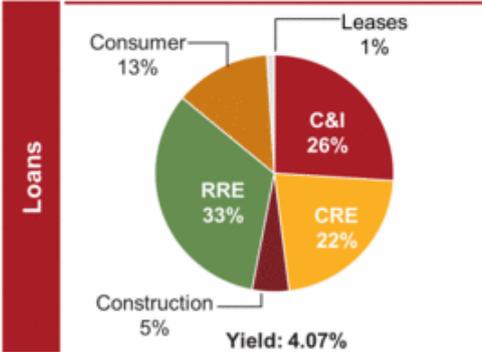
(1) First Hawaiian branch data as of 5/15/18.

(2) ROATCE (return on average tangible common equity) and ROATA (return on average tangible assets) are non-GAAP financial measures. Reconciliations to the comparable GAAP measures are provided in the appendix.

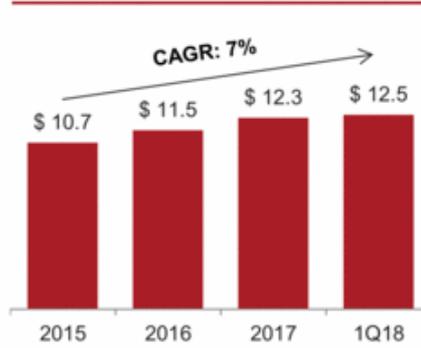
(3) FHB ROATCE and ROATA shown as core. Core excludes certain expenses, gains and one-time items. See reconciliation of core net income to the comparable GAAP measure in the appendix.

STEADY REALIZED & FORECASTED BALANCE SHEET GROWTH

High Quality Composition (1Q18)



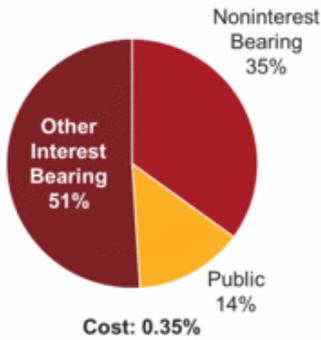
Recent Growth Profile (\$bn)



2018 Outlook

- High single digit growth in residential, CRE and Construction
- Mid-single digit growth in consumer
- Low single digit growth in C&I
- Maintain credit quality

Deposits



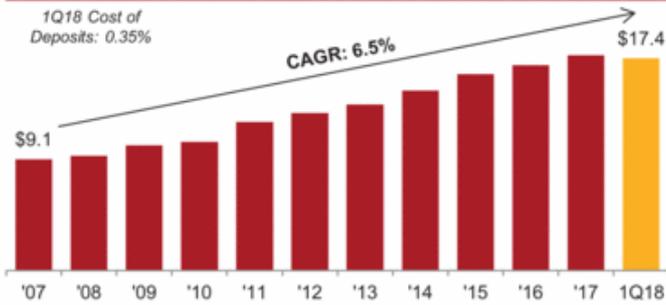
Excluding Public Deposits



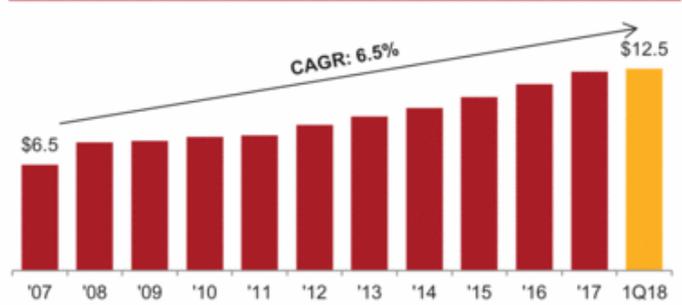
- Target deposit growth to fund incremental loan demand
- Focus on deposit growth from individuals, partnerships, and corporates
- Manage public deposit costs and customer relationships

Source: Public filings and SNL Financial
Note: Financial data as of 31-Mar-18.

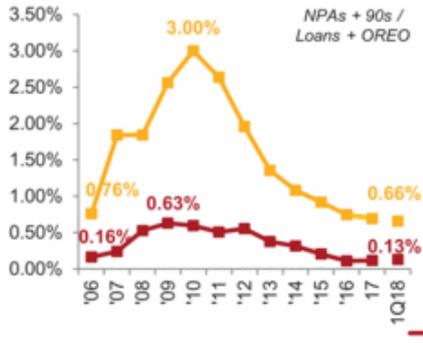
Consistent Deposit Growth (\$bn)



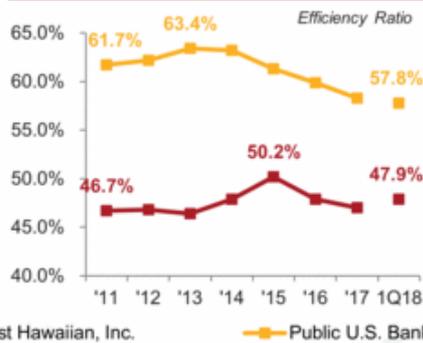
Steady, Balanced Loan Growth (\$bn)



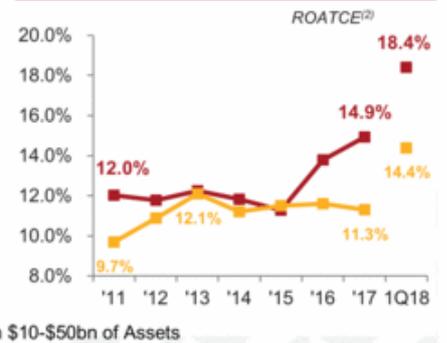
Through the Cycle Credit Performer



Strong Expense Mgmt. Culture⁽¹⁾



Consistent Record of Profitability⁽¹⁾

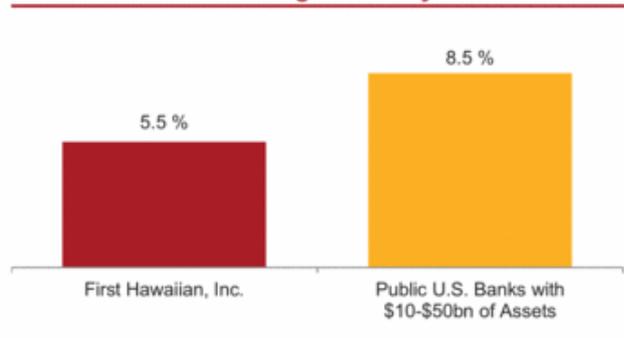


Source: Public filings and SNL Financial as of 11-May-2018
 Note: Financial data as of 31-Mar-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

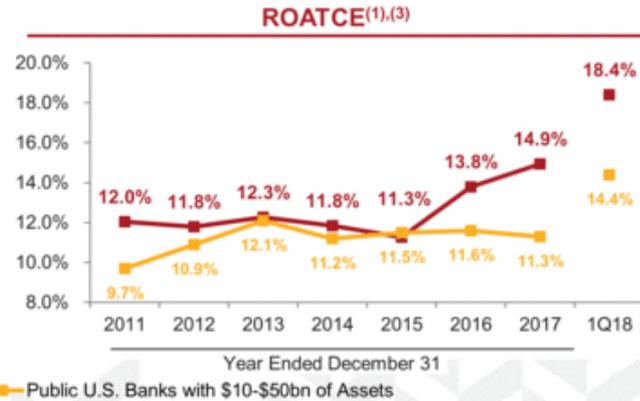
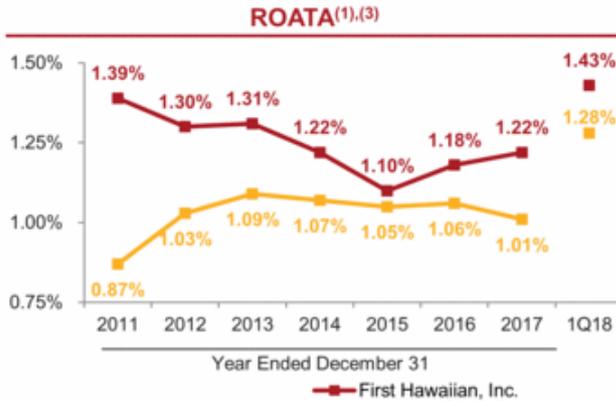
(1) FHB ratios shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.
 (2) ROATCE (return on average tangible common equity) is a non-GAAP financial measures. A reconciliation to the comparable GAAP measure is provided in the appendix.

CONSISTENT TRACK RECORD OF STRONG PROFITABILITY

Consistent Earnings



Peer Leading Profitability



Source: Public filings and SNL Financial, as of 11-May-2018

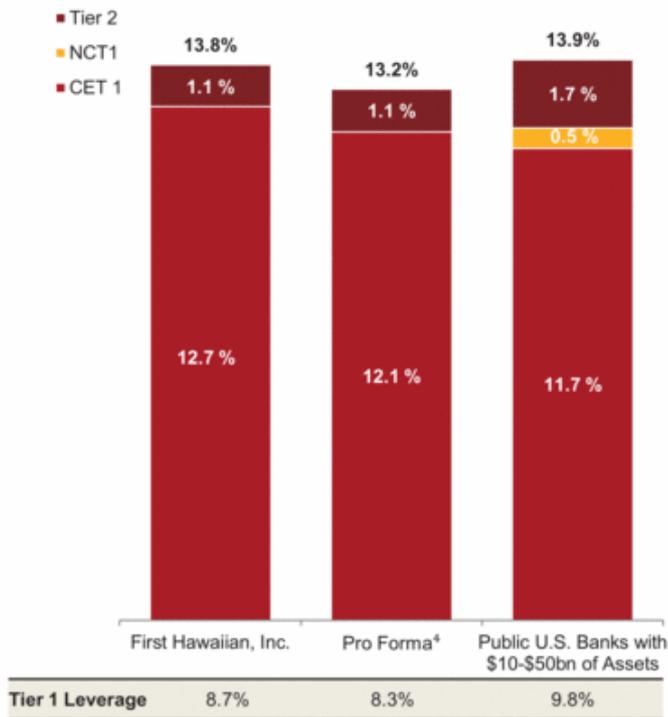
Note: Financial data as of 31-Mar-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income and core noninterest expense used to calculate core ratios in the appendix.

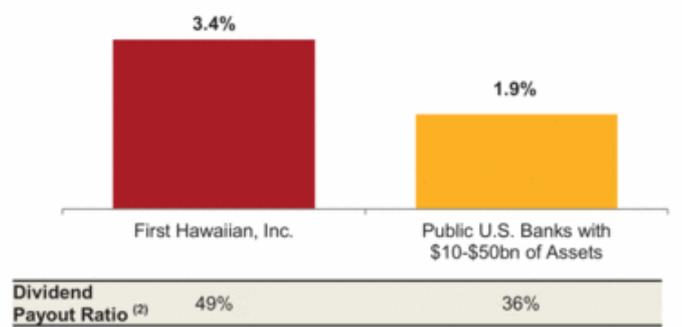
(2) Volatility of earnings calculated as the standard deviation in the change in earnings between 2011-2017.

(3) ROATA (return on average tangible assets) and ROATCE (return on average tangible common equity) are non-GAAP financial measures. A reconciliation to the comparable GAAP measures are provided in the 12 appendix.

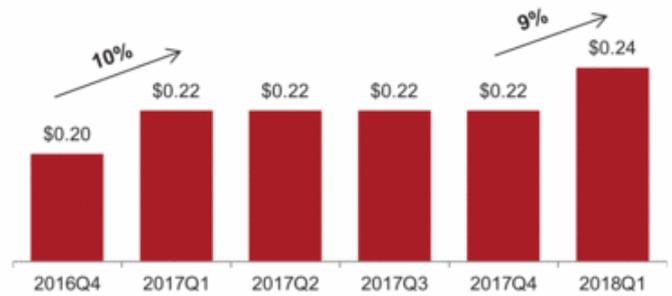
Robust Capital Position



Attractive Dividend Yield⁽³⁾



Dividend Per Share



Source: Public filings and SNL Financial as of 11-May-2018

Note: Financial data as of 31-Mar-18. \$10-\$50bn banks constituted as of 31-Dec-17, excludes merger targets.

⁽¹⁾ Dividends and share repurchases are subject to approval of FHI's board of directors, future capital needs and regulatory approvals.

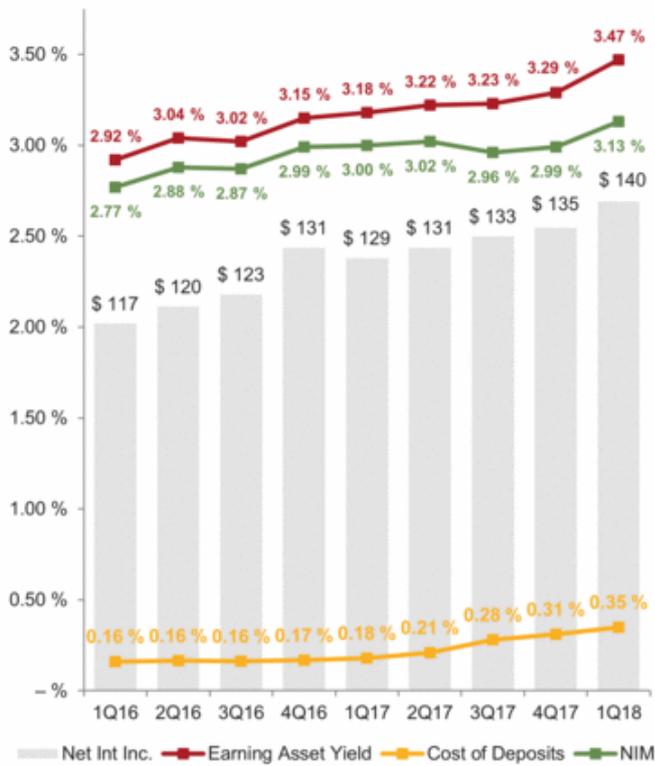
⁽²⁾ FHB dividend payout ratio based on 1Q18 core earnings and a \$0.24 per share cash dividend.

⁽³⁾ Dividend yield (MRQ) based on 1Q 2018 declared dividend of \$0.24 and market data as of 11-May-18.

⁽⁴⁾ Pro Forma capital ratios include the impact of the share repurchase on 10-May-18 as if it were completed on 31-Mar-18.

BALANCE SHEET POSITIONED FOR NIM IMPROVEMENT IN RISING RATE ENVIRONMENT

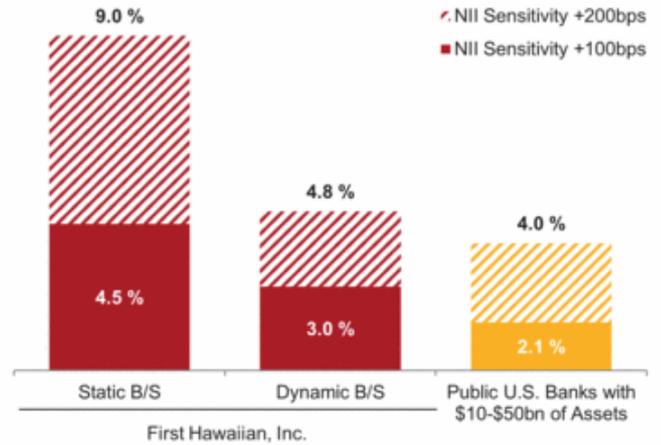
Improving NIM



Positioned for Rising Rates

- ~ 30% of loan portfolio indexed to 1 or 3 month Libor
- 98% of balance sheet funded with deposits
- Hawaii has experienced lower deposit costs and had a lower deposit beta in the last rate cycle

NII Benefit From Rate Hike⁽¹⁾



Source: Public filings and SNL Financial as of 11-May-2018

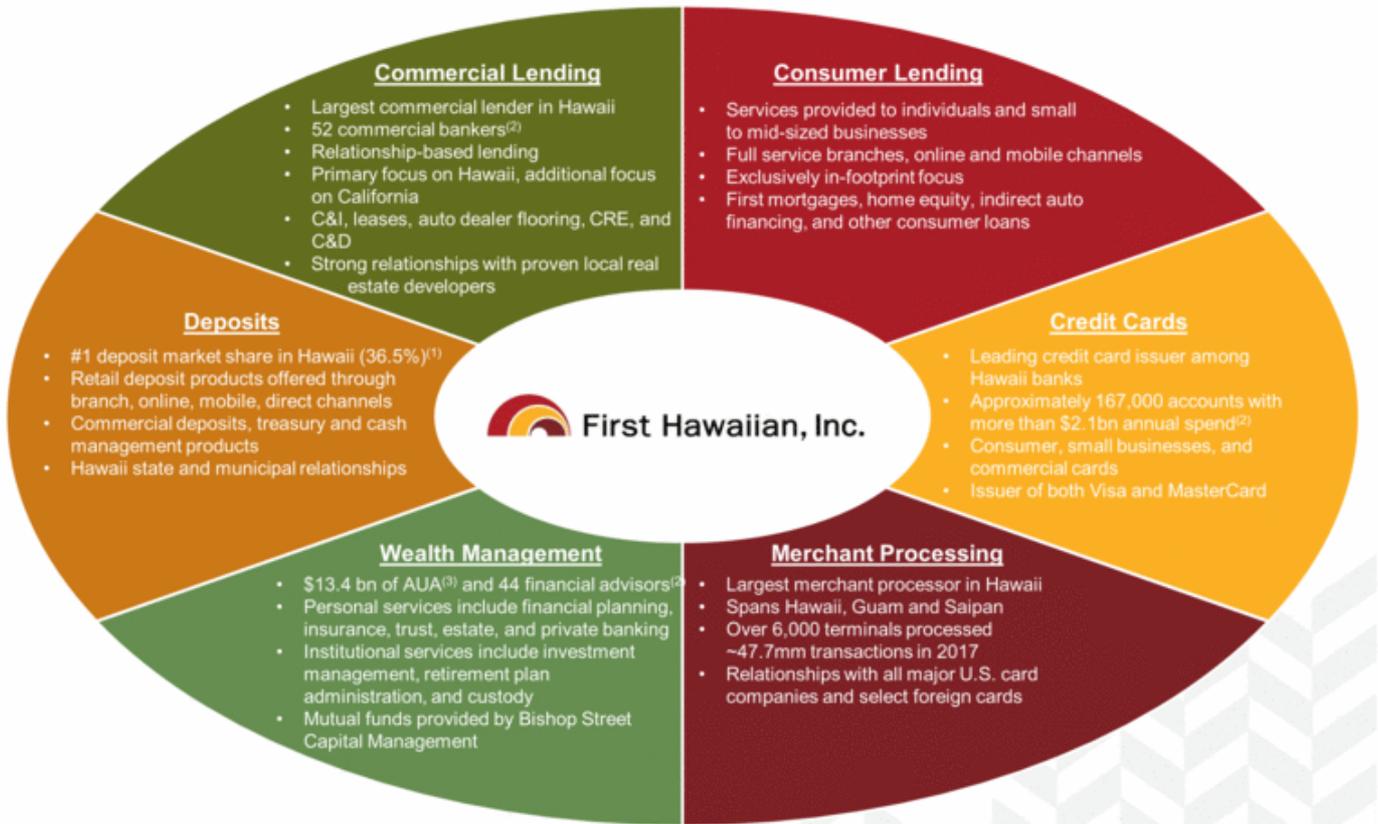
Note: \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

⁽¹⁾ Sensitivity results from 31-Mar-18 regulatory filings. FHB results based on instantaneous shift in rates; \$10-\$50bn bank results on an as reported basis (includes both instantaneous and gradual rate shock scenarios based on reporting).



APPENDIX

First Hawaiian is a full service community bank focused on building relationships with our customers



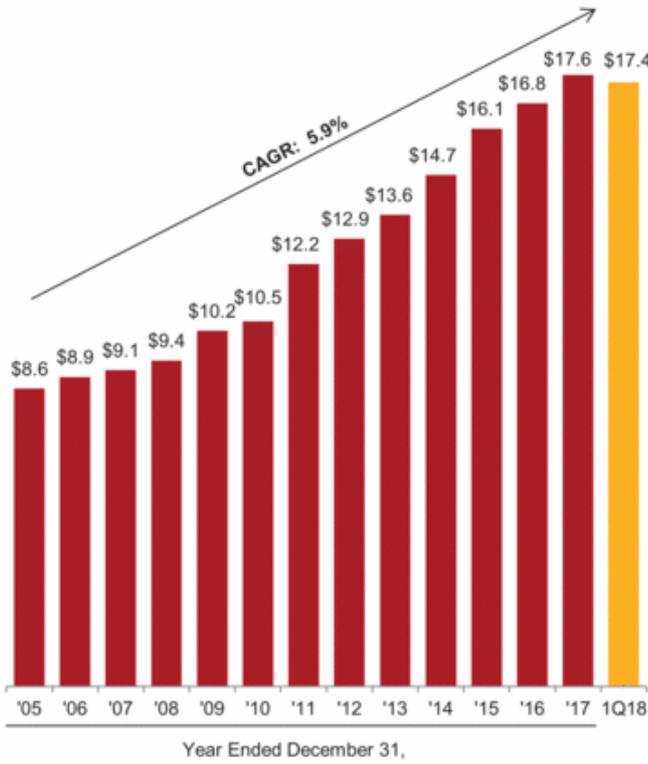
(1) Source: FDIC as of 30-Jun-17.

(2) As of 31-Dec-17.

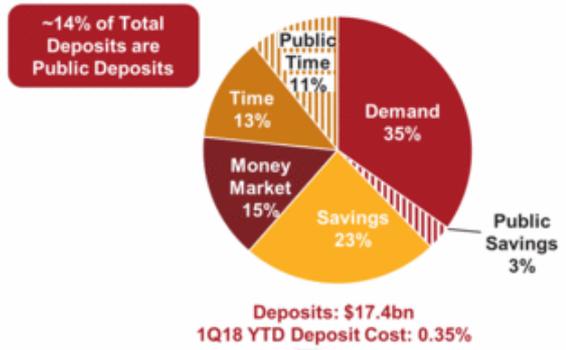
(3) As of 31-Mar-18.

Strong brand, deep ties to the community and a leading market share position have driven an attractive, low-cost deposit base

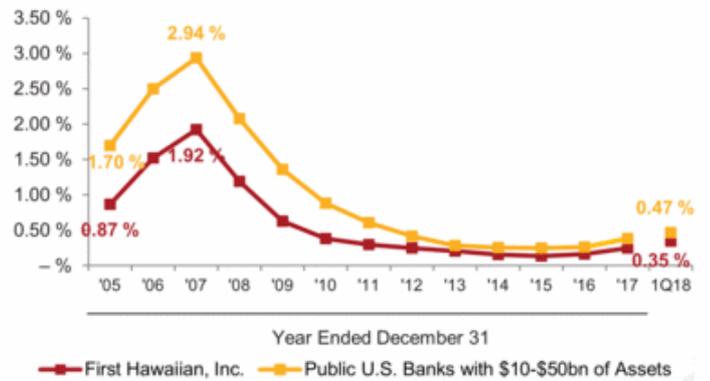
Consistent Deposit Growth (\$bn)



Deposit Portfolio Composition (1Q18)



Best-in-Class Cost of Deposits

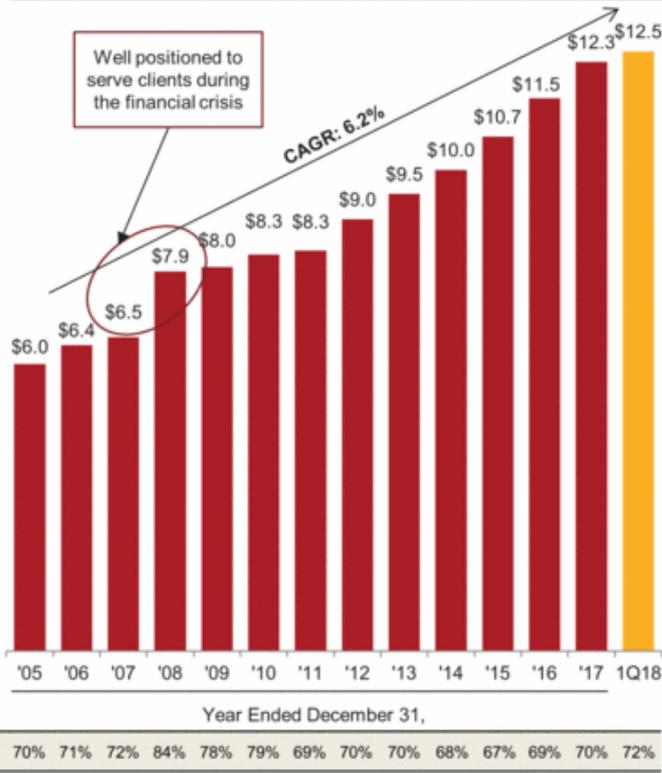


Source: Public filings and SNL Financial, as of 11-May-2018
Note: Financial data as of 31-Mar-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

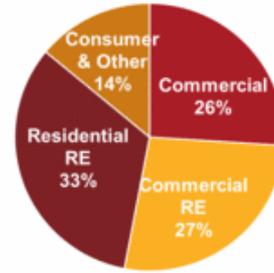
STeady ORGANIC GROWTH AND BALANCED LOAN PORTFOLIO

Steady through the cycle organic loan growth and balanced loan portfolio with attractive forward growth opportunities

Steady Loan Growth (\$bn)

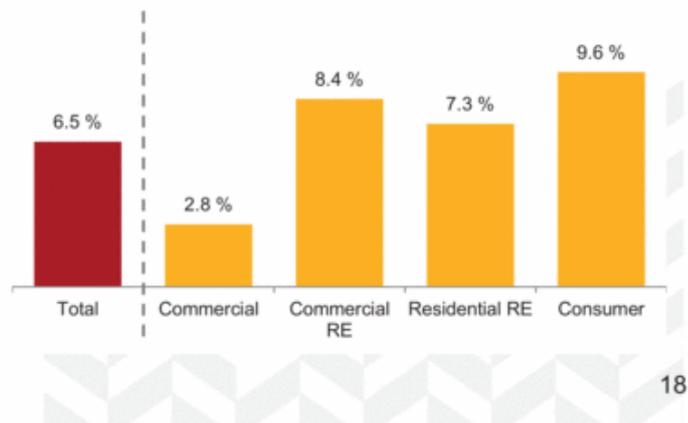


Balanced Loan Portfolio (1Q18)



Loans: \$12.5bn
1Q18 YTD Loan Yield: 4.07%

Growth in All Categories (2013FY – 1Q18 CAGR)

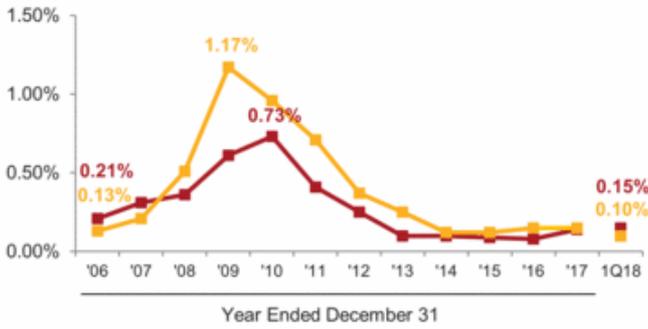


Note: Financial data as of 31-Mar-18.

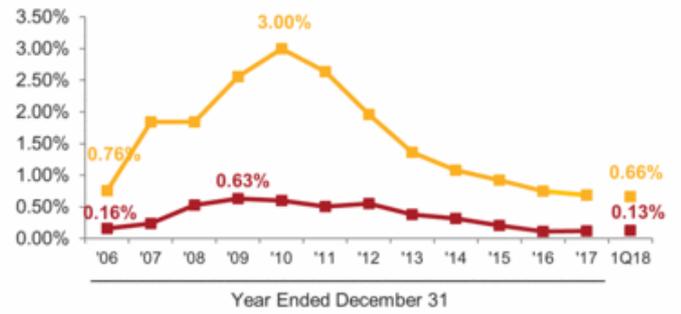
PROVEN, CONSISTENT, AND CONSERVATIVE CREDIT RISK MANAGEMENT

Strong through the cycle credit performance driven by conservative approach to credit risk management

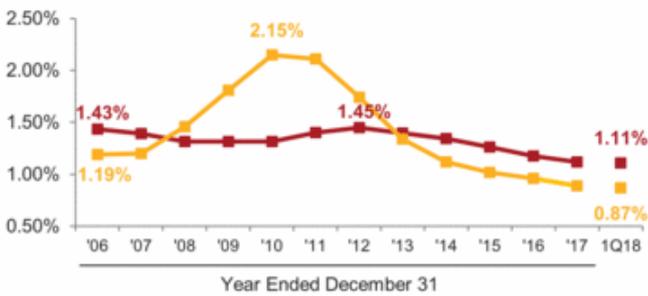
NCOs / Average Loans



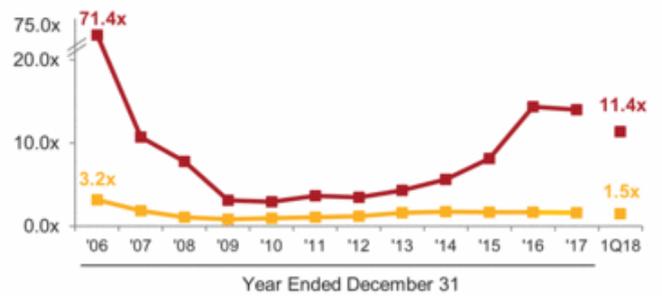
NPAs + 90s / Loans + OREO



Reserves / Loans



Reserves / Non-Accrual Loans



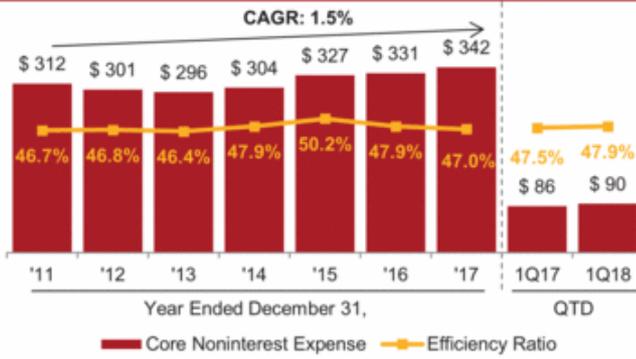
— First Hawaiian, Inc.

— Public U.S. Banks with \$10-\$50bn of Assets

Source: Public filings and SNL Financial, available as of 11-May-2018
 Note: Financial data as of 31-Mar-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

OPERATING LEVERAGE THROUGH PRUDENT EXPENSE MANAGEMENT

Well Managed Core Noninterest Expense (\$mm)^{(1),(2)}



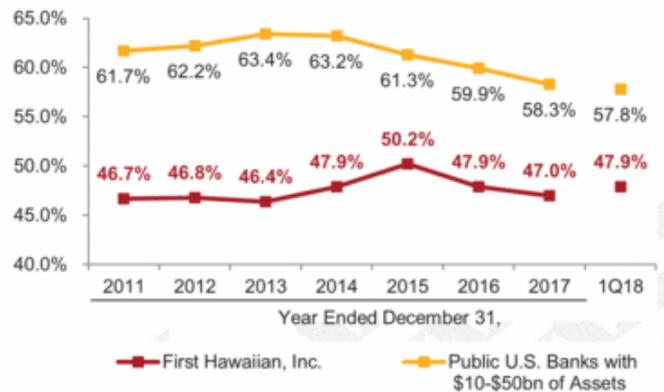
Noninterest Expense / Average Assets⁽¹⁾



Driving Future Operating Leverage

- Improving margins and benefit from rising rates
- Additional operating capacity
- Scalable fee businesses
- Close management of expenses through transition

Efficiency Ratio^{(1),(2)}



Source: Public filings and SNL Financial, as of 11-May-2018

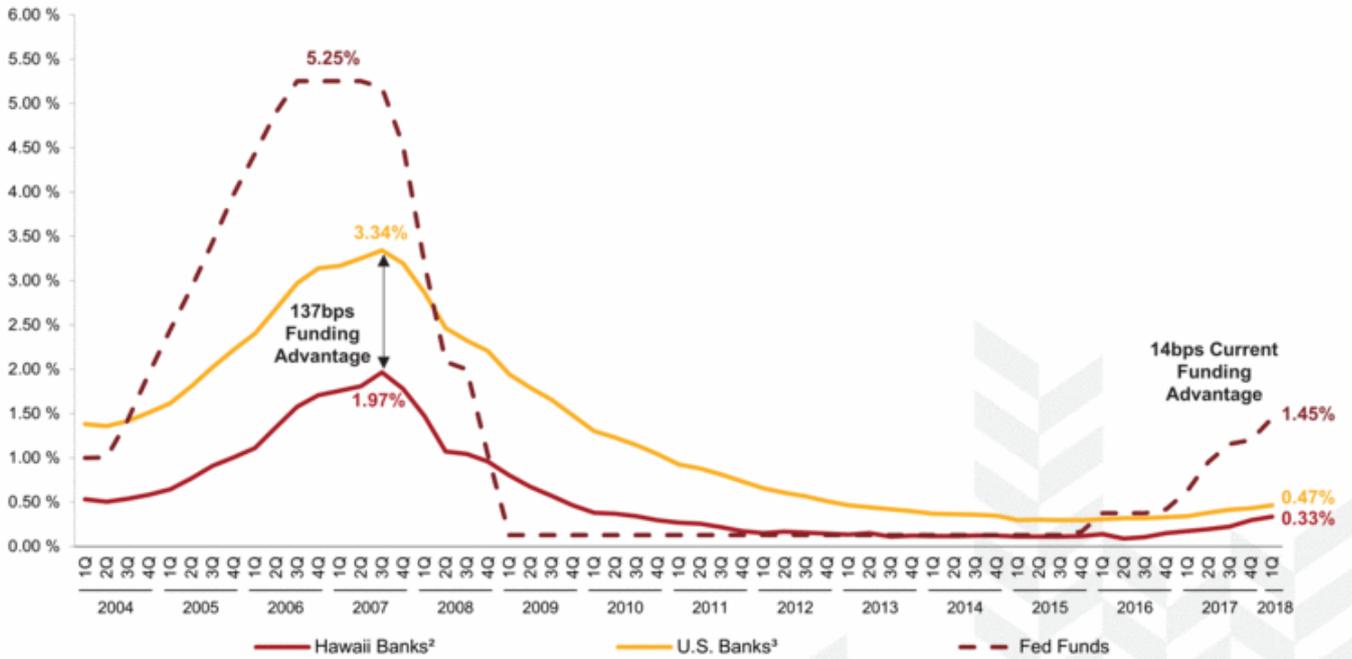
Note: Financial data as of 31-Mar-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

(2) Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

HAWAII BANKS HAVE A SIGNIFICANT DEPOSIT ADVANTAGE

Hawaii banks experience more favorable deposit behavior across all rate cycles; Hawaii banks experienced a deposit beta⁽¹⁾ of ~34% vs. ~47% for broader U.S. banks during the last rising rate cycle



Source: SNL Financial and the Federal Reserve website

⁽¹⁾ Deposit beta is defined as the change in deposit costs as a percentage of the change in Fed Funds over a particular period. Deposit cost uses starting point (2Q04) to peak (3Q07); one quarter lag.

⁽²⁾ Includes First Hawaiian, Bank of Hawaii, American Savings, Central Pacific, Territorial Bancorp, Hawaii National. 1Q18 cost of deposits based on public company reported information. 1Q18 excludes private companies and undisclosed public company information.

⁽³⁾ Includes all U.S. bank holding companies excluding Hawaii-based banks. 1Q18 cost of deposits based on public company reported information. 1Q18 excludes private companies and undisclosed public company information.

We present net interest income, noninterest income, noninterest expense, net income, earnings per share and the related ratios described below, on an adjusted, or "core," basis, each a non-GAAP financial measure. These core measures exclude from the corresponding GAAP measure the impact of certain items that we do not believe are representative of our financial results. We believe that the presentation of these non-GAAP financial measures helps identify underlying trends in our business from period to period that could otherwise be distorted by the effect of certain expenses, gains and other items included in our operating results.

Core net interest margin, core return on average total assets and core return on average total stockholders' equity are non-GAAP financial measures. We compute our core net interest margin as the ratio of core net interest income to average earning assets. We compute our core return on average total assets as the ratio of core net income to average total assets. We compute our core return on average total stockholders' equity as the ratio of core net income to average stockholders' equity.

Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income.

Return on average tangible stockholders' equity, core return on average tangible stockholders' equity, return on average tangible assets, core return on average tangible assets and tangible stockholders' equity to tangible assets are non-GAAP financial measures. We compute our return on average tangible stockholders' equity as the ratio of net income to average tangible stockholders' equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders' equity. We compute our core return on average tangible stockholders' equity as the ratio of core net income to average tangible stockholders' equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders' equity. We compute our return on average tangible assets as the ratio of net income to average tangible assets, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total assets. We compute our core return on average tangible assets as the ratio of core net income to average tangible assets. We compute our tangible stockholders' equity to tangible assets as the ratio of tangible stockholders' equity to tangible assets, each of which we calculate by subtracting (and thereby effectively excluding) amounts related to our goodwill.

We believe that these core measures provide useful information about our operating results and enhance the overall understanding of our past performance and future performance. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition.

The following tables provide a reconciliation of these non-GAAP financial measures with their most closely related GAAP measures.

	For the Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
<i>(dollars in thousands, except per share amounts)</i>			
Net interest income	\$ 139,672	\$ 134,886	\$ 129,345
Core net interest income (non-GAAP)	\$ 139,672	\$ 134,886	\$ 129,345
Noninterest income	\$ 48,700	\$ 54,324	\$ 51,059
Gains on sale of real estate	—	(4,255)	—
Core noninterest income (non-GAAP)	\$ 48,700	\$ 50,069	\$ 51,059
Noninterest expense	\$ 90,587	\$ 89,850	\$ 85,991
One-time items ⁽¹⁾	(407)	(4,073)	(384)
Core noninterest expense (non-GAAP)	\$ 90,180	\$ 85,777	\$ 85,607
Net income	\$ 67,958	\$ 11,684	\$ 56,740
Gains on sale of real estate	—	(4,255)	—
One-time items ⁽¹⁾	407	4,073	384
Tax reform bill	—	47,598	—
Tax adjustments ⁽²⁾	(106)	63	(142)
Total core adjustments	301	47,479	242
Core net income (non-GAAP)	\$ 68,259	\$ 59,163	\$ 56,982
Core basic earnings per share (non-GAAP)	\$ 0.49	\$ 0.42	\$ 0.41
Core diluted earnings per share (non-GAAP)	\$ 0.49	\$ 0.42	\$ 0.41
Basic earnings per share	\$ 0.49	\$ 0.08	\$ 0.41
Diluted earnings per share	\$ 0.49	\$ 0.08	\$ 0.41

⁽¹⁾ One-time items include salaries and benefits stemming from the 2017 Tax Cuts and Jobs Act and public offering related costs.

⁽²⁾ Represents the adjustments to net income, tax effected at the Company's effective tax rate for the respective period, exclusive of one-time Tax Cuts and Jobs Act expense.

GAAP TO NON-GAAP RECONCILIATION

	For the Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
<i>(dollars in thousands, except per share amounts)</i>			
Income Statement Data:			
Net income	\$ 67,958	\$ 11,684	\$ 56,740
Average total stockholders' equity	\$ 2,500,299	\$ 2,570,704	\$ 2,488,519
Less: average goodwill	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,504,807	\$ 1,575,212	\$ 1,493,027
Average total assets	\$ 20,407,718	\$ 20,193,919	\$ 19,769,508
Less: average goodwill	995,492	995,492	995,492
Average tangible assets	\$ 19,412,226	\$ 19,198,427	\$ 18,774,016
Return on average total stockholders' equity ⁽¹⁾	11.02 %	1.80 %	9.25 %
Return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾	18.32 %	2.94 %	15.41 %
Return on average total assets ⁽¹⁾	1.35 %	0.23 %	1.16 %
Return on average tangible assets (non-GAAP) ⁽¹⁾	1.42 %	0.24 %	1.23 %
Average stockholders' equity to average assets	12.25 %	12.73 %	12.59 %
Tangible average stockholders' equity to tangible average assets (non-GAAP)	7.75 %	8.20 %	7.95 %

(1) Annualized for the three months ended March 31, 2018 and 2017 and December 31, 2017

	As of March 31, 2018	As of December 31, 2017	As of March 31, 2017
Balance Sheet Data:			
Total stockholders' equity	\$ 2,520,862	\$ 2,532,551	\$ 2,505,994
Less: goodwill	995,492	995,492	995,492
Tangible stockholders' equity	\$ 1,525,370	\$ 1,537,059	\$ 1,510,502
Total assets	\$ 20,242,942	\$ 20,549,461	\$ 19,792,785
Less: goodwill	995,492	995,492	995,492
Tangible assets	\$ 19,247,450	\$ 19,553,969	\$ 18,797,293
Shares outstanding	139,601,123	139,588,782	139,546,615
Total stockholders' equity to total assets	12.45 %	12.32 %	12.66 %
Tangible stockholders' equity to tangible assets (non-GAAP)	7.93 %	7.86 %	8.04 %
Book value per share	\$ 18.06	\$ 18.14	\$ 17.96
Tangible book value per share (non-GAAP)	\$ 10.93	\$ 11.01	\$ 10.82

	As of and for the Twelve Months Ended December 31,						
(Dollars in millions, except per share data)	2017	2016	2015	2014	2013	2012	2011
Net Income	\$ 183.7	\$230.2	\$213.8	\$216.7	\$214.5	\$211.1	\$199.7
Basic EPS	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80
Diluted EPS	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80
Average Total Stockholders' Equity	\$ 2,538.3	\$2,568.2	\$2,735.8	\$2,698.4	\$2,667.4	\$2,664.2	\$2,640.6
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Average Tangible Stockholders' Equity	\$ 1,542.8	\$1,572.7	\$1,740.3	\$1,702.9	\$1,672.0	\$1,668.7	\$1,645.1
Total Stockholders' Equity	2,532.6	2,476.5	2,736.9	2,675.0	2,651.1	2,654.2	2,677.4
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Tangible Stockholders' Equity	\$ 1,537.1	\$1,481.0	\$1,741.4	\$1,679.5	\$1,655.6	\$1,658.7	\$1,681.9
Average Total Assets	19,942.8	19,334.7	18,785.7	17,493.2	16,653.6	16,085.7	15,246.8
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Average Tangible Assets	\$ 18,947.3	\$18,339.2	\$17,790.2	\$16,497.7	\$15,658.1	\$15,090.2	\$14,251.3
Total Assets	20,549.5	19,661.8	19,352.7	18,133.7	17,118.8	16,646.7	15,839.4
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Tangible Assets	\$ 19,554.0	\$18,666.3	\$18,357.2	\$17,138.2	\$16,123.3	\$15,651.2	\$14,843.9
Return on Average Total Stockholders' Equity	7.24%	8.96%	7.81%	8.03%	8.04%	7.92%	7.56%
Return on Average Tangible Stockholders' Equity (non-GAAP)	11.91%	14.64%	12.28%	12.72%	12.83%	12.65%	12.14%
Return on Average Total Assets	0.92	1.19	1.14	1.24	1.29	1.31	1.31
Return on Average Tangible Assets (non-GAAP)	0.97%	1.26%	1.20%	1.31%	1.37%	1.40%	1.40%

Note: Totals may not sum due to rounding.

For the Fiscal Year Ended December 31,

(Dollars in millions, except per share data)	2017	2016	2015	2014	2013	2012	2011
Net Interest Income	\$ 528.8	\$491.7	\$461.3	\$443.8	\$439.0	\$447.5	\$470.0
Accounting Change (ASC 310 Adjustment)	-	-	-	-	(4.3)	-	-
Early Buyout on Lease	-	-	-	(3.1)	-	-	-
Early Loan Termination ⁽²⁾	-	-	(4.8)	-	-	-	-
Core Net Interest Income (Non-GAAP)	\$ 528.8	\$491.7	\$456.5	\$440.7	\$434.7	\$447.5	\$470.0
Noninterest Income ⁽¹⁾	\$ 205.6	\$226.0	\$219.1	\$216.0	\$214.4	\$219.1	\$200.2
Gain on Sale of Securities	-	(4.6)	(7.7)	-	(0.2)	(16.7)	(1.7)
Gain on Sale of Stock (Visa/MasterCard)	-	(22.7)	(4.6)	(20.8)	(11.1)	-	-
Gain on Sale of Bank Properties	(6.9)	-	(3.4)	-	(0.4)	(6.4)	-
Other Adjustments ^{(2),(3)}	-	-	(7.5)	-	-	-	(0.9)
Core Noninterest Income (Non-GAAP)	\$198.7	\$198.8	\$195.9	\$195.1	\$202.7	\$196.0	\$197.6
Noninterest Expense ⁽¹⁾	\$ 347.6	\$337.3	\$327.3	\$304.4	\$296.7	\$301.9	\$311.7
Non-Recurring Items ⁽⁴⁾	(5.5)	(6.2)	-	-	(0.7)	(0.7)	-
Core Noninterest Expense (Non-GAAP)	\$ 342.1	\$331.1	\$327.3	\$304.4	\$296.0	\$301.2	\$311.7
Net Income	\$ 183.7	\$230.2	\$213.8	\$216.7	\$214.5	\$211.1	\$199.7
Accounting Change (ASC 310 Adjustment)	-	-	-	-	(4.3)	-	-
Early Buyout on Lease	-	-	-	(3.1)	-	-	-
Early Loan Termination	-	-	(4.8)	-	-	-	-
Gain on Sale of Securities	-	(4.6)	(7.7)	-	(0.2)	(16.7)	(1.7)
Gain on Sale of Stock (Visa/MasterCard)	-	(22.7)	(4.6)	(20.8)	(11.1)	-	-
Gain on Sale of Real Estate	(6.9)	-	(3.4)	-	(0.4)	(6.4)	-
Other Adjustments ^{(2),(3)}	-	-	(7.5)	-	-	-	(0.9)
Non-Recurring Items ⁽⁴⁾	5.5	6.2	-	-	0.7	0.7	-
Tax reform Bill	47.6	-	-	-	-	-	-
Tax Adjustments ⁽⁵⁾	0.6	8.0	10.6	8.9	5.8	8.1	1.0
Total Core Adjustments	46.7	(13.1)	(17.5)	(15.0)	(9.5)	(14.3)	(1.7)
Core Net Income (Non-GAAP)	\$ 230.4	\$217.1	\$196.3	\$201.6	\$205.0	\$196.7	\$198.0
Core Basic EPS (Non-GAAP)	\$ 1.65	\$1.56	\$1.41	\$1.45	\$1.47	\$1.57	\$1.79
Core Diluted EPS (Non-GAAP)	\$ 1.65	\$1.56	\$1.41	\$1.45	\$1.47	\$1.57	\$1.79

Note: Totals may not sum due to rounding.

(1) Noninterest income and expenses prior to 2017 have been revised from the amounts previously reported to reflect the reclassifications described in the footnote to Table 1 of the fourth quarter 2017 earnings release.

(2) Adjustments that are not material to our financial results have not been presented for certain periods.

(3) Other adjustments include a one-time MasterCard signing bonus and a recovery of an investment that was previously written down.

(4) Includes salaries and benefits stemming from the 2017 tax reform bill and non-recurring public company transition costs.

(5) Represents the adjustments to net income, tax effected at the Company's effective tax rate, exclusive of one-time tax reform bill expense, for the respective period.