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

FORM 10-K

(Mark One)

/x/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended December 31, 1995

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from .... to ....

Commission file number 0-7949

FIRST HAWAIIAN, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State of incorporation)	99-0156159 (I.R.S. Employer Identification No.)
1132 BISHOP STREET, HONOLULU, HAWAII (Address of principal executive offices)	96813 (Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (808) 525-7000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
None	Not Applicable

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Common Stock, $5.00 Par Value
(Title of class)

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of February 26, 1996 was $525,935,000.

The number of shares outstanding of each of the registrant's classes of common stock as of February 26, 1996 was:

Title of Class	Number of Shares Outstanding
Common Stock, $5.00 Par Value	31,117,863 Shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference in this Form 10-K:

DOCUMENTS	FORM 10-K REFERENCE
First Hawaiian, Inc. Annual Report 1995	Parts I and II
First Hawaiian, Inc. Proxy Statement dated March 1, 1996 for the Annual Meeting of Stockholders	Part III

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PART I

ITEM 1. BUSINESS

FIRST HAWAIIAN, INC. -

First Hawaiian, Inc. (the "Corporation"), a Delaware corporation, is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. As a bank holding company, the Corporation is allowed to acquire or invest in the securities of companies that are engaged in banking or in activities closely related to banking as authorized by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The Corporation is also a registered savings and loan holding company under section 10 of the Home Owner's Loan Act, as amended. The Corporation, through its subsidiaries, operates a general commercial banking business and other businesses related to banking. Its principal assets are its investments in First Hawaiian Bank (the "Bank"), a State of Hawaii chartered bank; First Hawaiian Creditcorp, Inc. ("Creditcorp") and First Hawaiian Leasing, Inc. ("FHL"), each a financial services loan company; and Pioneer Federal Savings Bank ("Pioneer"), a federally chartered savings bank. The Bank, Creditcorp, FHL and Pioneer are wholly-owned subsidiaries of the Corporation. At December 31, 1995, the Corporation had consolidated total assets of $7.6 billion, total deposits of $5.4 billion and total stockholders' equity of $649.5 million.

Based on assets as of June 30, 1995, the Corporation was the 77th largest bank holding company in the United States as reported in the American Banker.

FIRST HAWAIIAN BANK -

The Bank, the oldest financial institution in Hawaii, was established as Bishop & Co. in 1858 in Honolulu. After several corporate mergers and other changes, the Bank is now a state chartered bank. The Bank is not a member of the Federal Reserve System. The deposits of the Bank are insured by the Bank Insurance Fund ("BIF") of the Federal Deposit Insurance Corporation (the "FDIC") to the extent and subject to the limitations set forth in the Federal Deposit Insurance Act, as amended.

The Bank is a full-service bank conducting a general commercial and consumer banking business and offering trust services. Its banking activities include receiving demand, savings and time deposits for personal and commercial accounts; making commercial, agricultural, real estate and consumer loans; acting as a United States tax depository facility; providing money transfer and cash management services; selling traveler's checks, personal money orders, mutual funds and annuities; issuing letters of credit; handling domestic and foreign collections; providing safe deposit and night depository facilities; lease financing; and investing in U.S. Treasury securities and securities of other U.S. government agencies and corporations and state and municipal securities.

As of December 31, 1995, the Bank had total deposits of $4.5 billion and total assets of $6.2 billion, making it the second largest bank in Hawaii.

DOMESTIC SERVICES -

The domestic operations of the Bank are carried out through its main banking office located in Honolulu, Hawaii and other banking offices located throughout the State of Hawaii. During 1995, the Bank had 60 other banking offices in Hawaii. On March 15, 1996, the Bank closed three of these branch offices after transferring a substantial portion of the branches' loans and deposits to Finance Factors, Limited. The sale completed a commitment to the Federal Reserve Board and the United States Department of Justice to divest the branches. The agreement was reflected in a final judgment entered by stipulation with the United States Department of Justice in 1991 to resolve an antitrust lawsuit arising out of the Corporation's acquisition of First Interstate of Hawaii, Inc. All but one of the banking offices are equipped with automatic teller machines which provide 24-hour service to customers wishing to make withdrawals from and deposits to their personal checking accounts, to transfer funds between checking and savings accounts, to make balance inquiries, to obtain interim bank statements, and to make utility and loan payments. Twenty-nine nonbranch locations provide balance inquiry and withdrawal transaction services only. The Bank is a member of the CIRRUS(R)/MasterCard(R), Plus(R)/VISA(R) and Star System(R) automatic teller machine networks, providing its customers with access to their funds nationwide and in selected foreign countries.

LENDING ACTIVITIES -
The Bank engages in a broad range of lending activities, including making real estate, commercial and consumer loans and leases. At December 31, 1995, the Bank's loans totalled $4.2 billion, representing 67.0% of total assets. At that date, 51.6% of the loans were construction, commercial and residential real estate loans, 25.3% were commercial loans, 12.9% were consumer loans, 6.9% were foreign loans and 3.3% were leases.

REAL ESTATE LENDING--CONSTRUCTION. The Bank provides construction financing for a variety of commercial and residential single-family subdivision and multi-family developments. At December 31, 1995, approximately 11.2% of the Bank's total real estate loans were collateralized by properties under construction.

REAL ESTATE LENDING--COMMERCIAL. In the commercial real estate area, the Bank provides permanent financing for a variety of commercial developments, such as various retail facilities, warehouses, and office buildings. At December 31, 1995, approximately 36.4% of the Bank's total real estate loans were collateralized by commercial properties.

REAL ESTATE LENDING--RESIDENTIAL. The Bank makes residential real estate loans, including home equity loans, to enable borrowers to purchase, refinance or improve residential real property. The loans are collateralized by mortgage liens on the related property, substantially all of which is located in Hawaii. At December 31, 1995, approximately 52.4% of the Bank's total real estate loans were collateralized by single-family and multi-family residences.

COMMERCIAL LENDING. The Bank is a major lender to primarily small- and medium-sized businesses (including local subsidiaries and operations of foreign companies) in Hawaii and Hawaii companies doing business overseas with particular emphasis on those companies in the Asia-Pacific region.

CONSUMER LENDING. The Bank offers many types of loans and credits to consumers. The Bank provides lines of credit, uncollateralized or collateralized, and provides various types of personal and automobile loans. The Bank also provides indirect consumer automobile financing on new and used autos by purchasing finance contracts from dealers. The Bank's Dealer Center is the largest commercial bank automobile lender in the State of Hawaii. The Bank is the largest issuer of MasterCard(R) credit cards and the second largest issuer of VISA(R) credit cards in Hawaii.

INTERNATIONAL BANKING SERVICES -
The Bank maintains an International Banking Division which provides international banking products and services through the Bank's branch system, international banking headquarters in Honolulu, a Grand Cayman branch, two Guam branches and a representative office in Tokyo, Japan. The Bank maintains a network of correspondent banking relationships throughout the world.

The Bank's international banking activities are primarily trade-related and are concentrated in the Asia-Pacific area. The Bank has no loans to lesser developed countries.

TRUST SERVICES -
The Bank's Trust and Investments Division (formerly known as the Asset Management Division) offers a full range of trust and investment management services. The Division provides asset management, advisory and administrative services for estates, trusts and individuals. It also acts as trustee and custodian of retirement and other employee benefit plans. As of December 31, 1995, the Trust and Investments Division had 5,451 accounts with a market value of $7.2 billion. Of this total, $5.2 billion represented assets in nonmanaged accounts and $2.0 billion were managed assets.

The Trust and Investments Division maintains custodial accounts under which it acts as agent for customers in rendering a variety of services, including dividend and interest collection, collection under installment obligations, and rent collection.

The Trust and Investments Division also acts as corporate trustee or co-trustee for bond issues totaling $2.0 billion in principal amount. However, the Division is in the process of transferring substantially all of these trustee accounts to Bank of New York. The transfer, subject to approval or consent of the issuers in some cases, is expected to be completed in 1996.

FIRST HAWAIIAN CREDITCORP, INC. -

Creditcorp is a financial services loan company with 12 branch offices located throughout the four major islands of the State of Hawaii, a commercial loan production office in Honolulu and a loan production office in Guam.

The lending activities of Creditcorp are concentrated in both consumer and commercial financing which are primarily collateralized by real estate.

Creditcorp's primary source of funds is time and savings deposits from the general public. The deposits are insured by the FDIC to the extent and subject to the limitations set forth in the Federal Deposit Insurance Act, as amended.

Creditcorp also utilizes borrowings as an additional source of funding for its loan portfolio and is a member of the Federal Home Loan Bank of Seattle (the "FHLB of Seattle") which provides a central credit facility for member institutions. As of December 31, 1995, Creditcorp was required, in accordance with the rules and regulations of the FHLB of Seattle, to maintain a minimum level of capital stock ownership of $2.7 million in this regional facility. As of December 31, 1995, Creditcorp's investment in the capital stock of the FHLB of Seattle totalled $7.3 million and advances from the FHLB of Seattle aggregated $34.5 million.

At December 31, 1995, Creditcorp had total deposits of $353.9 million, total loans and leases of $413.7 million and total assets of $441.1 million.

FIRST HAWAIIAN LEASING, INC. -

FHL, a financial services loan company, primarily finances and leases personal property including equipment and vehicles, and acts as an agent, broker or advisor in the leasing or financing of such property for affiliates as well as third parties. Through a special purpose subsidiary, FHL finances and leases selected real property.

As of December 31, 1995, FHL's net investment in leases amounted to $104.4 million and total assets were $130.9 million. FHL's primary source of funds is borrowings from the Corporation and the Bank.

PIONEER FEDERAL SAVINGS BANK -

On August 6, 1993, the Corporation acquired for cash all of the outstanding stock of Pioneer Fed BanCorp, Inc. ("Pioneer Holdings") at a purchase price of $87 million through the merger of Pioneer Holdings with and into the Corporation (the "Merger"). As a result of the Merger, Pioneer became a wholly-owned subsidiary of the Corporation (see "Note 1. Acquisitions - Pioneer Federal Savings Bank" (page 45) in the Financial Review section of the Corporation's Annual Report 1995, which is incorporated herein by reference thereto).

Pioneer is a federally chartered savings bank operating in the State of Hawaii. Pioneer, the oldest savings bank in Hawaii, was chartered in 1890 by King David Kalakaua. Presently, Pioneer maintains 19 branch offices located on the four major islands of the State of Hawaii. At December 31, 1995, Pioneer had total assets of $800.4 million. Based on total assets at December 31, 1995, Pioneer was the fourth largest of six Savings Association Insurance Fund ("SAIF") - insured institutions operating in the State of Hawaii.

Pioneer is primarily engaged in attracting deposits from the general public through a variety of deposit products. Together with borrowings, principally from the FHLB of Seattle, and funds from ongoing operations, these resources are invested in the origination of conventional adjustable and fixed rate, 1-4 family residential mortgage loans. Pioneer is also engaged in other types of mortgage lending, including home equity loans, loans on smaller multi-family projects and, to a lesser extent, in other consumer lending activities. Mortgage lending activity, both origination and purchases, has been limited to loans collateralized by property in the State of Hawaii. As of December 31, 1995, Pioneer was required, in accordance with the rules and regulations of the FHLB of Seattle, to maintain a minimum level of capital stock ownership of $8.1 million in this regional facility. As of December 31, 1995, Pioneer's investment in the capital stock of the FHLB of Seattle totalled $28.8 million and advances from the FHLB of Seattle aggregated $166.0 million.

At December 31, 1995, Pioneer had total deposits of $462.5 million, total loans of $565.0 million and total assets of $800.4 million.

HAWAII COMMUNITY REINVESTMENT CORPORATION -

In an effort to support affordable housing and as part of the Bank's, Creditcorp's and Pioneer's community reinvestment program, the Bank, Creditcorp and Pioneer are members of the Hawaii Community Reinvestment Corporation (the "HCRC"). The HCRC is a consortium of local financial institutions and provides $50 million in permanent long-term financing for affordable housing rental projects throughout Hawaii for low and moderate income residents.

The $50 million loan pool is funded by the member financial institutions which participate pro rata (based on deposit size) in each HCRC loan. The Bank's, Creditcorp's and Pioneer's participations in these HCRC loans are included in each of these companies' loan portfolio.

HAWAII INVESTORS FOR AFFORDABLE HOUSING INC. -

To further enhance the Bank's, Creditcorp's and Pioneer's community reinvestment program and provide support for the development of additional affordable housing rental units in Hawaii, the Bank, Creditcorp, and Pioneer, together with eight other HCRC member institutions, have subscribed to a $19.7 million tax credit equity fund.

The $19.7 million Hawaii Affordable Housing Fund I (the "Fund") has been established to invest in qualified low income housing tax credit rental projects and insure that these projects are maintained as low income housing throughout the required compliance period. The Bank's, Creditcorp's and Pioneer's investments in this Fund will be included in each of the companies' investment portfolio.

EMPLOYEES -

As of December 31, 1995, the Corporation had 2,990 full-time equivalent employees. The Bank employed 2,662 persons and nonbank subsidiaries employed 328 persons. None are represented by any collective bargaining agreements and relations with employees are considered excellent.

MONETARY POLICY AND ECONOMIC CONDITIONS -

The earnings and growth of the Corporation are affected not only by general economic conditions, but also by the monetary policies of various governmental regulatory authorities, particularly the Federal Reserve Board. The

Federal Reserve Board implements national monetary policy by its open market operations in United States Government securities, control of the discount rate, and establishment of reserve requirements against both member and nonmember financial institutions' deposits. These actions have a significant effect on the overall growth and distribution of loans, investments and deposits as well as the rates earned on loans, or paid on deposits.

It is not possible to predict the effect of future changes in monetary policies upon the operating results of the Corporation.

COMPETITION -

Competition in the financial services industry in Hawaii is intense. Hawaii-based commercial banks, savings institutions, financial services loan companies and credit unions compete against one another. Based upon the latest available figures, total deposits of all financial institutions in Hawaii as of September 30, 1995 amounted to approximately $22 billion. The two largest bank holding companies, Bancorp Hawaii, Inc. and the Corporation, accounted for 27% and 19% of total deposits (including domestic, foreign and public deposits), respectively. The next largest competitors were American Savings Bank, F.S.B. and Bank of America, F.S.B., with 10% and 7%, respectively, of total deposits. In addition, out-of-state mutual funds, insurance companies, brokerage firms and other financial services providers also compete for consumer and commercial business in Hawaii.

Foreign (non-Hawaii) banks and other financial institutions are able to make loans in Hawaii through Edge Act subsidiaries, finance and mortgage company subsidiaries and by loan participations with local banks. United States domestic banks and other financial institutions may make loans directly in Hawaii by qualifying as "foreign lenders" in Hawaii. Foreign banks currently conduct various banking activities in Hawaii, except for retail deposit-taking. Banks and bank holding companies organized under the laws of Pacific Ocean jurisdictions with United States dollar-based economies may acquire Hawaii banks or establish branches in Hawaii, although none have done so to date. Banks and similar financial institutions of countries other than the United States may and do have representative offices or agencies in Hawaii. Under the rules of the Office of Thrift Supervision (the "OTS"), federally-chartered savings associations may open branches in, or merge with another savings association located in, any state (including Hawaii), subject to certain conditions.

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, among other things, eliminated substantially all state law barriers to the acquisition of banks by out-of-state bank holding companies, effective September 29, 1995. The law will also permit interstate branching by banks effective as of June 1, 1997, subject to the ability of states to opt-out completely or to set an earlier effective date. The Hawaii State Legislature has not taken any action on the opt-out or early opt-in elections. The effect of the new law may be to increase competition within the markets in which the Corporation now operates, although the Corporation cannot predict whether and to what extent competition will increase in these markets.

SUPERVISION AND REGULATION -

As a bank holding company, the Corporation is subject to supervision and examination by the Federal Reserve Board under the Bank Holding Company Act of 1956, as amended. The Corporation is also regulated and supervised by the OTS as a savings and loan holding company by virtue of its ownership of Pioneer. The various subsidiaries of the Corporation are subject to regulation and supervision by the state banking authorities of Hawaii, the Federal Reserve Board, the FDIC, the OTS and various other regulatory agencies.

HOLDING COMPANY STRUCTURE. In general, the Bank Holding Company Act of 1956, as amended, limits the business of bank holding companies to owning or controlling banks and engaging in such other activities as the Federal Reserve Board may determine to be so closely related to banking as to be a proper incident thereto. The Corporation must obtain the prior approval of the Federal Reserve Board before acquiring direct or indirect ownership or control of any voting shares of any bank if after such acquisition it would own or control, directly or indirectly, more than 5% of the voting shares of such bank; before merging or consolidating with another bank holding company; and before acquiring substantially all of the assets of any additional bank. With certain exceptions, the Bank Holding Company Act of 1956, as amended, prohibits bank holding companies from acquiring direct or indirect ownership or control of more than 5% of any class of voting shares in any company which is not a bank or a bank holding company, unless the Federal Reserve Board determines that the activities of such company are so closely related to banking as to be a proper incident thereto. In making such determinations, the Federal Reserve Board considers, among other things, whether the performance of such activities by a bank holding company would offer benefits to the public that outweigh possible adverse effects. In addition, all acquisitions are reviewed by the Department of Justice for antitrust considerations.

As a holding company, the principal source of the Corporation's cash revenue has been dividends and interest received from the Bank and other subsidiaries of the Corporation. Under Hawaii law, the Bank is prohibited from declaring or paying any dividends in excess of its retained earnings. Pioneer and Creditcorp are also subject to regulatory limitations on the amount of dividends they may declare and pay. At December 31, 1995, the aggregate amount of dividends that such subsidiaries could pay to the Corporation under the foregoing limitations without prior regulatory approval was $316.0 million. There are also statutory limits on the transfer of funds to the Corporation and certain of its nonbanking subsidiaries by the Bank, Pioneer or Creditcorp, whether in the form of loans or other extensions of credit, investments or asset purchases. Such transfers by the Bank to the Corporation or any such nonbanking subsidiary are limited in amount to 10% of the Bank's capital and surplus, or 20% in the aggregate. Pioneer and Creditcorp are subject to comparable limitations. Furthermore, such loans and extensions of credit are required to be collateralized in specified amounts.

If, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice (which, depending on the financial condition of the bank, could include the payment of dividends), such authority may require, after notice and hearing, that such bank cease and desist from such practice. The Federal Reserve Board and the FDIC have issued policy statements which provide that, as a general matter, insured banks and bank holding companies should only pay dividends out of current operating earnings. In addition, the regulatory capital requirements of the Federal Reserve Board, the FDIC and the OTS may limit the ability of the Corporation and its insured depository subsidiaries to pay dividends. See "Federal Deposit Insurance Corporation Improvement Act of 1991" and "Capital Requirements," below.

Under Federal Reserve Board policy, a bank holding company is expected to act as a source of financial strength to each subsidiary bank and to make capital infusions into a troubled subsidiary bank, and the Federal Reserve Board may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to a subsidiary bank. This capital infusion may be required at times when the Corporation may not have the resources to provide it. Any capital loans by the Corporation to its subsidiary bank would be subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In connection with its application to the Federal Reserve Board for authority to acquire Pioneer, the Corporation committed that Pioneer will meet all present and future minimum capital ratios adopted for savings associations by the OTS or the FDIC. In the event of the bankruptcy of the Corporation, this commitment would be assumed by the bankruptcy trustee and be entitled to a priority of payment.

In addition, depository institutions insured by the FDIC can be held liable for any losses incurred by, or reasonably expected to be incurred by, the FDIC after August 9, 1989 in connection with (i) the default of a commonly controlled FDIC-insured depository institution or (ii) any assistance provided by the FDIC to a commonly controlled FDIC-insured depository institution in danger of default. "Default" is defined generally as the appointment of a conservator or receiver and "in danger of default" is defined generally as the existence of certain conditions indicating that a "default" is likely to occur in the absence of regulatory assistance. Accordingly, in the event that any insured subsidiary of the Corporation causes a loss to the FDIC, other insured subsidiaries of the Corporation could be required to compensate the FDIC by reimbursing it for the amount of such loss. Any such obligation by the Corporation's insured subsidiaries to reimburse the FDIC would rank senior to their obligations, if any, to the Corporation.

FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991. A central feature of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") is the requirement that the federal banking agencies take "prompt corrective action" with respect to insured depository institutions that do not meet minimum capital requirements. FDICIA established five capital levels applicable to such institutions (including the Bank, Pioneer and Creditcorp): "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." Under the regulations adopted by the federal banking agencies to implement these provisions of FDICIA, a depository institution is "well capitalized" if it has (i) a total risk-based capital ratio of 10% or greater, (ii) a Tier 1 risk-based capital ratio of 6% or greater, (iii) a leverage ratio of 5% or greater and (iv) is not subject to any written agreement, order or directive to meet and maintain a specific capital level for any capital measure. An "adequately capitalized" institution is defined as one that has (i) a total risk-based capital ratio of 8% or greater, (ii) a Tier 1 risk-based capital ratio of 4% or greater and (iii) a leverage ratio of 4% or greater (or 3% or greater in the case of a bank with a composite CAMEL rating of 1). A depository institution is considered (i) "undercapitalized" if it has (A) a total risk-based capital ratio of less than 8%, (B) a Tier 1 risk-based capital ratio of less than 4% or (C) a leverage ratio of less than 4% (or 3% in the case of an institution with a CAMEL rating of 1), (ii) "significantly undercapitalized" if it has (A) a total risk-based capital ratio of less than 6%, (B) a Tier 1 risk-based capital ratio of less than 3% or (C) a leverage ratio of less than 3% and (iii) "critically undercapitalized" if it has a ratio of tangible equity to total assets equal to or less than 2%. An institution may be deemed by the regulators to be in a capitalization category that is lower than is indicated by its actual capital position if, among other things, it receives an unsatisfactory examination rating. At December 31, 1995, all of the Corporation's subsidiary depository institutions were "well capitalized".

FDICIA generally prohibits a depository institution from making any capital distribution (including payment of a cash dividend) or paying any management fees to its holding company if the depository institution is, or would thereafter be, undercapitalized. Undercapitalized depository institutions are subject to growth limitations and are required to submit a capital restoration plan. The federal banking agencies may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the depository institution's capital. In addition, for a capital restoration plan to be acceptable, the depository institution's parent holding company must guarantee that the institution will comply with such capital restoration plan. The aggregate liability of the parent holding company under such guarantee is limited to the lesser of (i) an amount equal to 5% of the depository institution's total assets at the time it became undercapitalized, or (ii) the amount which is necessary (or would have been necessary) to bring the institution into compliance with all capital standards applicable to such institution as of the time it fails to comply with the plan. If a depository institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized.

Significantly undercapitalized depository institutions may be subject to a number of other requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and cessation of receipt of deposits from correspondent banks. Critically undercapitalized institutions are subject to the appointment of a receiver or conservator, generally within 90 days of the date such institution becomes critically undercapitalized. In addition, the FDIC has adopted regulations under FDICIA prohibiting an insured depository institution from accepting brokered deposits (as defined by the regulations) unless the institution is "well capitalized" or is "adequately capitalized" and receives a waiver from the FDIC.

The FDIC has implemented a risk-based deposit insurance assessment system under which the assessment rate for an insured institution may vary according to the regulatory capital levels of the institution and other factors (including supervisory evaluations). Effective January 1, 1996, depository institutions insured by the BIF which are ranked in the top risk classification category are required to pay only the statutory minimum assessment of $2,000 annually for deposit insurance while all other banks are required to pay premiums ranging from .03% to .30% of domestic deposits. Depository institutions insured by the SAIF will continue to be assessed at rates ranging from .23% to .31% of domestic deposits, depending upon their risk classification. These rate schedules are subject to future adjustments by the FDIC. In addition, the FDIC has authority to impose special assessments from time to time.

Because of the disparity between assessment rates for BIF and SAIF insured institutions, and because the SAIF has been unable to attain its statutorily mandated reserve ratio of 1.25% of insured deposits, Congress has considered proposals to require all SAIF member institutions to pay a one-time special assessment (currently estimated to be approximately 80 - 85 basis points of insured deposits) which would be sufficient to bring the reserve ratio of the SAIF to the statutorily mandated level. Legislation providing for a recapitalization of the SAIF by means of such a special assessment was passed by Congress in late 1995, but vetoed by the President for reasons unrelated to the SAIF recapitalization. The Corporation cannot predict at this time whether or when legislation will be adopted to recapitalize the SAIF or what the terms of such legislation will be.

CAPITAL REQUIREMENTS. The Corporation and certain of its subsidiaries are subject to regulatory capital guidelines issued by the federal banking agencies. Information with respect to the applicable capital requirements is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (page 35) in the Financial Review section of the Corporation's Annual Report 1995, and is incorporated herein by reference thereto.

FDICIA required each federal banking agency to revise its risk-based capital standards to ensure that those standards take adequate account of interest rate risk, concentration of credit risk and the risk of nontraditional activities, as well as reflect the actual performance and expected risk of loss on multi-family mortgages. On December 15, 1994, the federal banking agencies adopted amendments to their respective risk-based capital requirements that explicitly identify concentration of credit risk and certain risks arising from nontraditional activities, and the management of such risks, as important factors to consider in assessing an institution's overall capital adequacy. The amendments do not, however, mandate any specific adjustments to the risk-based capital calculations as a result of such factors. On August 2, 1995, the federal banking agencies published amendments to their risk-based capital rules that, effective September 1, 1995, include interest rate risk as a qualitative factor to be considered in assessing capital adequacy. Concurrent with the publication of the amendments, the federal banking agencies proposed a system for measuring interest rate risk and announced their intention, after a trial period to evaluate the reliability and accuracy of the proposed system, to initiate a rulemaking process for the purpose of amending the risk-based capital rules to include an explicit capital charge for interest rate risk that will be based upon the level of a bank's measured interest rate risk exposure.

On July 14, 1995, the federal banking regulators issued a proposal to amend their risk-based capital rules to incorporate a measure for market risk in foreign exchange and commodity activities and in the trading of debt and equity instruments. Under the proposal, banks with relatively large trading activities would calculate their capital charges for market risk using their own internal value-at-risk models (subject to parameters set by the regulators) or, alternatively, risk management techniques developed by the regulators. The effect of the proposed rules would be that, in addition to existing capital requirements for credit risk, certain institutions would be required to hold capital based on the measure of their market risk exposure. These institutions would be able to satisfy this additional requirement, in part, by issuing short-term subordinated debt that qualifies as Tier 3 capital. The proposed rule would go into effect at the end of 1997.

STATISTICAL DISCLOSURES -

Guide 3 of the "Guides for the Preparation and Filing of Reports and Registration Statements" under the Securities Act of 1933 sets forth certain statistical disclosures to be included in the "Description of Business" section of bank holding company filings with the Securities and Exchange Commission. Except for the Schedule of Investment Securities by Book Value on the following page, the balance of the statistical information required is presented in the tables shown below in the Corporation's Annual Report 1995, which tables are incorporated herein by reference thereto. The tables and information contained therein have been prepared by the Corporation and have not been audited or reported upon by the Corporation's independent accountants.

Information in response to the following applicable sections of Guide 3 is included in the Financial Review section of the Corporation's Annual Report 1995, and is incorporated herein by reference thereto:

	DISCLOSURE REQUIREMENTS	PAGE NUMBERS IN FIRST HAWAIIAN, INC. ANNUAL REPORT 1995 (EXHIBIT 13)
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II. INVESTMENT SECURITIES PORTFOLIO

Table I presents Item II.A of Guide 3, the book value of investment securities, by the following major categories at year-end for the years indicated.

FIRST HAWAIIAN, INC. AND SUBSIDIARIES
TABLE I
SCHEDULE OF INVESTMENT SECURITIES BY BOOK VALUE

	DECEMBER 31,		
	1995	1994	1993
		(in millions)	
U.S. Treasury and other U.S. Government agencies and corporations	$ 859	$ 844	$ 918
States and political subdivisions	55	166	204
Other	261	138	108
Total	$1,175	$1,148	$1,230

ITEM 2. PROPERTIES

A subsidiary of the Bank is the sole general partner in a Hawaii limited partnership which owns all of a city block in downtown Honolulu containing 55,775 square feet. The Bank's interest in the limited partnership is 99.25%. The administrative headquarters of the Corporation and the main branch of the Bank were formerly located on a portion of the city block. The buildings were demolished and the Bank has begun construction of a modern banking center on this city block. The new headquarters building will include 418,000 square feet of gross office space, including the Bank's main branch and administrative headquarters of the Corporation and the Bank. The new building is anticipated to be completed in 1996. Information about the lease financing of the new headquarters building is included in "Note 15. Lease Commitments" (page 53) in the Financial Review section of the Corporation's Annual Report 1995, which is incorporated herein by reference thereto. Commencing in March 1993, the Bank leased approximately 119,000 square feet in another office building for use as an interim administrative headquarters and main branch until completion of the new structure. The interim office building is approximately a block and a half from the old administrative headquarters and main branch.

Seventeen of the Bank's offices in Hawaii are located on land owned in fee simple by the Bank. The other branches of the Bank, Pioneer and Creditcorp are situated in leasehold premises or in buildings constructed by the Bank or Creditcorp on leased land (see "Note 15. Lease Commitments" (pages 53 through 54) in the Financial Review section of the Corporation's Annual Report 1995, which is incorporated herein by reference thereto). In early 1993, the Bank completed construction of an operations center located on 125,919 square feet of land owned in fee simple by the Bank in an industrial area near downtown Honolulu. The Bank occupies all of the four-story building.

The Bank completed construction of a new five-story, 75,000 square foot office building, including a branch, on property owned in fee simple in Maite, Guam to replace its Agana, Guam Branch in late 1994.

ITEM 3. LEGAL PROCEEDINGS

Various legal proceedings are pending against the Corporation or its subsidiaries. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, resulting from these proceedings would not have a material effect on the Corporation's consolidated financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 31, 1995.

EXECUTIVE OFFICERS OF THE REGISTRANT

Listed below are the executive officers of the Corporation with their positions, age and business experience during the past five years:

OFFICER	AGE	BUSINESS EXPERIENCE DURING LAST 5 YEARS (ALL WITH THE CORPORATION AND THE BANK EXCEPT AS OTHERWISE INDICATED)
Walter A. Dods, Jr. Chairman, Chief Executive Officer and Director	54	Chairman of the Board and Chief Executive Officer of the Corporation since 1989; President of the Corporation from 1989 -1991; Executive Vice President of the Corporation from 1982 - 1989; Director of the Corporation since 1983; Chairman of the Board and Chief Executive Officer of the Bank since 1989; President of the Bank from 1984 - 1989; Director of the Bank since 1979. Mr. Dods has been with the Bank since 1968.
John K. Tsui President and Director	57	President and Director of the Corporation since April and July 1995, respectively; Director, President and Chief Operating Officer of the Bank since July 1994; Director, Chairman and Chief Executive Officer of FHL since December 1994. Mr. Tsui was Executive Vice President of Bancorp Hawaii, Inc. from 1986 - June 1994 and was Vice Chairman of Bank of Hawaii from 1989 - June 1994. Mr. Tsui was with Bancorp Hawaii, Inc. from 1984 - June 1994.
Donald G. Horner Executive Vice President	45	Executive Vice President of the Corporation since 1989; Vice President of the Corporation from 1987 - 1989; Vice Chairman of the Bank since July 1994; Executive Vice President of the Bank from 1993 - 1994; Chairman of Creditcorp since 1993; Chairman and Chief Executive Officer of Creditcorp from 1992 - 1993; Director of Creditcorp since 1985; President of Creditcorp from 1985 - 1992; Director of FHL since 1983; President of FHL from 1985 - 1994. Mr. Horner has been with the Bank since 1978.
Howard H. Karr Executive Vice President and Treasurer	53	Executive Vice President and Treasurer of the Corporation since 1990; Vice President and Treasurer of the Corporation from 1978 - 1990; Vice Chairman, Chief Financial Officer and Treasurer of the Bank since September 1993; Vice Chairman and Chief Financial Officer of the Bank from 1992 - 1993; Executive Vice President and Chief Financial Officer of the Bank from 1989 - 1991; Senior Vice President and Controller of the Bank from 1979 - 1989. Mr. Karr has been with the Bank since 1973.

There are no family relationships among any of the executive officers of the Corporation. There is no arrangement or understanding between any such executive officer and another person pursuant to which he was elected as an officer. The term of office of each officer is at the pleasure of the Board of Directors of the Corporation.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Required information is included in "Common Stock Information" (page 19) in the Financial Review section of the Corporation's Annual Report 1995, and is incorporated herein by reference thereto.

ITEM 6. SELECTED FINANCIAL DATA

Required information is included in "Summary of Selected Consolidated Financial Data" (page 20) in the Financial Review section of the Corporation's Annual Report 1995, and is incorporated herein by reference thereto.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Required information is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (pages 21 through 35) in the Financial Review section of the Corporation's Annual Report 1995, and is incorporated herein by reference thereto.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following information is included in the Financial Review section of the Corporation's Annual Report 1995, which is incorporated herein by reference thereto as follows:

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Required information relating to directors is included in "Election of Directors" and "Directors Continuing in Office and Executive Officers" (pages 3 through 8) of the Corporation's Proxy Statement, and is incorporated herein by reference thereto. Required information relating to executive officers is included in Part I of this Form 10-K in the section entitled "Executive Officers of the Registrant."

ITEM 11. EXECUTIVE COMPENSATION

Required information is included in "Compensation of Directors" and "Executive Compensation" (pages 8 through 20) of the Corporation's Proxy Statement, and is incorporated herein by reference thereto.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Required information is included in "Outstanding Shares; Voting Rights," "Election of Directors" and "Directors Continuing in Office and Executive Officers" (pages 2 through 8) of the Corporation's Proxy Statement, and is incorporated herein by reference thereto.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Required information is included in "Certain Transactions" (pages 20 and 21) of the Corporation's Proxy Statement, and is incorporated herein by reference thereto.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The following financial statements are incorporated by reference in Part II (Item 8) of this Form 10-K:

2. Financial Statement Schedules

Schedules to the consolidated financial statements required by Article 9 of Regulation S-X are not required under the related instructions, or the information is included in the consolidated financial statements, or are inapplicable, and therefore have been omitted.

3. Exhibits

Exhibit 3 (i) Certificate of Incorporation - Incorporated by reference to Exhibit 3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1990 as filed with the Securities and Exchange Commission.

(ii) Bylaws - Incorporated by reference to Exhibit 3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1987 as filed with the Securities and Exchange Commission.

Exhibit 4 Instruments defining rights of security holders, including indentures.

(i) Equity - Incorporated by reference to Exhibit 3(i) hereto.

(ii) Debt - Indenture, dated as of August 9, 1993 between First Hawaiian, Inc. and The First National Bank of Chicago, Trustee is incorporated by reference to Exhibit 4(ii) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.

Exhibit 10 Material contracts

(i) Lease dated September 13, 1967, as amended April 21, 1987, between the Trustees under the Will and of the Estate of Samuel M. Damon, Deceased, and First National Bank of Hawaii (predecessor of the Bank) is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1987 as filed with the Securities and Exchange Commission.

(ii) Lease dated May 20, 1982, as amended April 23, 1987, between the Trustees under the Will and of the Estate of Samuel M. Damon, Deceased, and First Hawaiian Bank is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Forms 10-K for the fiscal years ended December 31, 1987, 1985 and 1980 as filed with the Securities and Exchange Commission.

(iii) Lease Agreement dated as of December 1, 1993 between REFIRST, Inc. and First Hawaiian Bank is incorporated by reference to Exhibit 10(iii) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.

(iv) Construction Management, Escrow and Development Agreement dated as of December 1, 1993 among REFIRST, Inc., First Hawaiian Bank and First Fidelity Bank, N.A., Pennsylvania is incorporated by reference to Exhibit 10(iv) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.

(v) Ground Lease dated as of December 1, 1993 among First Hawaiian Center Limited Partnership, FH Center, Inc. and REFIRST, Inc. is incorporated by reference to Exhibit 10(v) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.

(vi) Stock Incentive Plan of First Hawaiian, Inc. dated November 22, 1991 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1991 as filed with the Securities and Exchange Commission.

(vii) Long-Term Incentive Plan of First Hawaiian, Inc. effective January 1, 1992 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1991 as filed with the Securities and Exchange Commission.

(viii) First Hawaiian, Inc. Supplemental Executive Retirement Plan, as amended and restated as of January 1, 1996.

(ix) First Hawaiian, Inc. Deferred Compensation Plan, as amended and restated as of January 1, 1996.

(x) First Hawaiian, Inc. Incentive Plan for Key Executives, as amended through December 13, 1989 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 as filed with the Securities and Exchange Commission.

(xi) Directors' Retirement Plan, effective as of January 1, 1992 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 as filed with the Securities and Exchange Commission.

Exhibit 12 Statement re: computation of ratios.

Exhibit 13 Annual report to security holders - Corporation's Annual Report 1995.

Exhibit 21 Subsidiaries of the registrant.

Exhibit 27 Financial data schedule.

(b) Reports on Form 8-K - No reports on Form 8-K were filed during the last quarter of the fiscal year ended December 31, 1995.

(c) The exhibits listed in Item 14(a)3 are incorporated by reference or attached hereto.

(d) Response to this item is the same as Item 14(a)2.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRST HAWAIIAN, INC.
(Registrant)

By /s/ HOWARD H. KARR

HOWARD H. KARR
EXECUTIVE VICE PRESIDENT AND TREASURER

Date: March 21, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ WALTER A. DODS, JR. Walter A. Dods, Jr.	Chairman, Chief Executive Officer & Director	March 21, 1996
/s/ JOHN W. A. BUYERS John W. A. Buyers	Director	March 21, 1996
/s/ JOHN C. COUCH John C. Couch	Director	March 21, 1996
/s/ JULIA ANN FROHLICH Julia Ann Frohlich	Director	March 21, 1996
/s/ PAUL MULLIN GANLEY Paul Mullin Ganley	Director	March 21, 1996
/s/ DAVID M. HAIG David M. Haig	Director	March 21, 1996
/s/ JOHN A. HOAG John A. Hoag	Director	March 21, 1996
/s/ BERT T. KOBAYASHI, JR. Bert T. Kobayashi, Jr.	Director	March 21, 1996
/s/ RICHARD T. MAMIYA Richard T. Mamiya	Director	March 21, 1996
/s/ FUJIO MATSUDA Fujio Matsuda	Director	March 21, 1996
/s/ RODERICK F. McPHEE Roderick F. McPhee	Director	March 21, 1996
/s/ GEORGE P. SHEA, JR. George P. Shea, Jr.	Director	March 21, 1996
/s/ JOHN K. TSUI John K. Tsui	President & Director	March 21, 1996
/s/ FRED C. WEYAND Fred C. Weyand	Director	March 21, 1996
/s/ ROBERT C. WO Robert C. Wo	Director	March 21, 1996
/s/ HOWARD H. KARR Howard H. Karr	Executive Vice President & Treasurer (Principal financial and accounting officer)	March 21, 1996

EXHIBIT INDEX

EXHIBIT NUMBER		DESCRIPTION
3	(i)	Certificate of Incorporation - Incorporated by reference to Exhibit 3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1990 as filed with the Securities and Exchange Commission.
	(ii)	Bylaws - Incorporated by reference to Exhibit 3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1987 as filed with the Securities and Exchange Commission.
4		Instruments defining rights of security holders, including indentures.
	(i)	Equity - Incorporated by reference to Exhibit 3(i) hereto.
	(ii)	Debt - Indenture, dated as of August 9, 1993 between First Hawaiian, Inc. and The First National Bank of Chicago, Trustee is incorporated by reference to Exhibit 4(ii) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.
10		Material contracts
	(i)	Lease dated September 13, 1967, as amended April 21, 1987, between the Trustees under the Will and of the Estate of Samuel M. Damon, Deceased, and First National Bank of Hawaii (predecessor of the Bank) is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1987 as filed with the Securities and Exchange Commission.
	(ii)	Lease dated May 20, 1982, as amended April 23, 1987, between the Trustees under the Will and of the Estate of Samuel M. Damon, Deceased, and First Hawaiian Bank is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Forms 10-K for the fiscal years ended December 31, 1987, 1985 and 1980 as filed with the Securities and Exchange Commission.
	(iii)	Lease Agreement dated as of December 1, 1993 between REFIRST, Inc. and First Hawaiian Bank is incorporated by reference to Exhibit 10(iii) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.

(iv)	Construction Management, Escrow and Development Agreement dated as of December 1, 1993 among REFIRST, Inc., First Hawaiian Bank and First Fidelity Bank, N.A., Pennsylvania is incorporated by reference to Exhibit 10(iv) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.
(v)	Ground Lease dated as of December 1, 1993 among First Hawaiian Center Limited Partnership, FH Center, Inc. and REFIRST, Inc. is incorporated by reference to Exhibit 10(v) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the Securities and Exchange Commission.
(vi)	Stock Incentive Plan of First Hawaiian, Inc. dated November 22, 1991 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1991 as filed with the Securities and Exchange Commission.
(vii)	Long-Term Incentive Plan of First Hawaiian, Inc. effective January 1, 1992 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1991 as filed with the Securities and Exchange Commission.
(viii)	First Hawaiian, Inc. Supplemental Executive Retirement Plan, as amended and restated as of January 1, 1996.
(ix)	First Hawaiian, Inc. Deferred Compensation Plan, as amended and restated as of January 1, 1996.
(x)	First Hawaiian, Inc. Incentive Plan for Key Executives, as amended through December 13, 1989 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 as filed with the Securities and Exchange Commission.
(xi)	Directors' Retirement Plan, effective as of January 1, 1992 is incorporated by reference to Exhibit 10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 as filed with the Securities and Exchange Commission.
12	Statement re: computation of ratios.
13	Annual report to security holders - Corporation's Annual Report 1995.
21	Subsidiaries of the registrant.
27	Financial data schedule.

Exhibit 10(viii)

FIRST HAWAIIAN, INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(Amended and Restated as of January 1, 1996)

TABLE OF CONTENTS

FIRST HAWAIIAN, INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

PROLOGUE

The First Hawaiian, Inc. Supplemental Executive Retirement Plan is hereby amended and restated in its entirety effective as of January 1, 1996.

Unless otherwise specifically provided for herein or by law, the provisions set forth herein shall determine as of January 1, 1996 the rights and benefits of all participants who terminate employment on or after said date. Unless otherwise specifically provided herein or by law, the rights and benefits of participants who terminated employment on or before December 31, 1995 shall be determined in accordance with the provisions of this Plan as in effect on the date their employment terminated.

ARTICLE I

DEFINITIONS

As used herein the following terms shall have the following meanings unless the context clearly requires otherwise.

1.1 "Accrued Benefit" means an annual retirement allowance commencing on the Participant's Normal Retirement Date (as defined in the Retirement Plan) determined at any time in accordance with the Retirement Plan.

1.2 "Affiliate" means an Affiliate as defined in the Profit Sharing Plan.

1.3 "Beneficiary" means the person or persons designated by the Participant in writing on a form furnished by and filed with the Committee. The form of such Beneficiary designation is attached as Exhibit I. If a Participant fails to make any designation, the person so designated shall not survive the Participant, or the legal entity so designated shall no longer be in existence or shall be legally incapable of receiving benefits hereunder, Beneficiary shall mean the estate of the Participant.

1.4 "Board" means the Board of Directors of the Company.

1.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time, or such other provision of law of similar purport as may at any time be substituted therefor.

1.6 "Committee" means the Executive Compensation Committee of the Company.

1.7 "Company" means First Hawaiian, Inc.

1.8 "Compensation" means the base salary or wages plus any commissions, overtime pay, shift and other premiums, short-term incentive pay, and the annual bonus earned under the Company's Incentive Plan for Key Employees (or any successor to such plan) paid by a Participating Employer to an Employee while he is an active member of the Profit Sharing Plan and/or the Retirement Plan. Such items of Compensation shall include any amount that is contributed by a Participating Employer pursuant to a salary reduction agreement and is not includible in the Participant's gross income under Section 125, 402(e)(3), 402(h)(1)(B), or 403(b) of the Code and any salary reduction elected by a Participant under a nonqualified plan. Such items of Compensation shall not include the cash portion of the Company's broad-based annual profit sharing program, contributions to employee benefit plans, lump sum vacation cashouts, and other extraordinary items not specifically included as Compensation in this Section 1.8.

1.9 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any other provision of law of similar purport as may at any time be substituted therefor.

1.10 "Participant" means any person who has satisfied the eligibility requirements of Article II.

1.11 "Participating Employer" means the Company and any other employer which, with the Company's permission, elects to adopt the Plan for the benefit of some or all of its Employees.

1.12 "Plan" means the First Hawaiian, Inc. Supplemental Executive Retirement Plan as set forth herein and any amendments hereto as may be made from time to time.

1.13 "Profit Sharing Account" means an account maintained for a Participant under the Profit Sharing Plan that represents the value of his proportion of the value of the assets of the Trust Fund arising from Profit Sharing Contributions.

1.14 "Profit Sharing Contribution" means a contribution to the Profit Sharing Plan pursuant to Section 4.4 thereof.

1.15 "Profit Sharing Plan" means the First Hawaiian, Inc. Profit Sharing Plan, including such amendments as may be made from time to time.

1.16 "Plan Year" means the calendar year.

1.17 "Retirement Plan" means the Employees' Retirement Plan of First Hawaiian, Inc., including such amendments as may be made from time to time.

1.18 "Supplemental Account" means an account recording the amount allocated to a Participant pursuant to Section 4.2 of this Plan as it existed as of December 31, 1995 and such additional amounts as may be allocated to a Participant under 3.1 herein, as adjusted from time to time pursuant to the provisions of this Plan.

1.19 "Supplemental Accrued Benefit" means a benefit determined pursuant to Section 4.1 of this Plan.

ARTICLE II

PARTICIPATION

An employee who was a Participant in this Plan as of December 31, 1995 shall remain a Participant in this Plan. No other person shall become a Participant in this Plan.

ARTICLE III

SUPPLEMENTAL ACCOUNTS

Section 3.1 Allocations.

(a) For each Plan Year commencing after December 31, 1995, the Participating Employers shall allocate to the Supplemental Account of a Participant the amount, if any, equal to the difference between (i) the amount of the Profit Sharing Contributions allocable to him for such Plan Year without giving effect to Sections 401(a)(17) and 415 of the Code and using the definition of Compensation in this Plan and (ii) the amount of the Profit Sharing Contributions actually allocated to him under the Profit Sharing Plan for such Plan Year. The amount to be allocated to any of the Supplemental Accounts shall not be reduced by the amount the Participating Employers are required by law to pay to a governmental taxing authority as the Participant's portion of any withholding taxes, including taxes imposed on employees by the Federal Insurance Contributions Act of Chapter 21 of the Code.

(b) A Participant shall be entitled to an allocation under this Section 3.1 for a Plan Year only if one of the following conditions is satisfied:

(1) He is employed by a Participating Employer or an Affiliate as of the last day of such Plan Year;

(2) He died while in the employ of a Participating Employer or an Affiliate during such Plan Year;

(3) He terminated employment due to a Disability (as defined in the Profit Sharing Plan) during such Plan Year; or

(4) He was on a leave of absence at the close of such Plan Year and received Compensation during such Plan Year.

Section 3.2 Time of Allocation.

The Participating Employers shall make allocations to the Participants' Supplemental Accounts for a Plan Year as of the last day of such Plan Year.

Section 3.3 Vesting.

A Participant's vested interest in his Supplemental Account shall be the same percentage as his vested interest in his Profit Sharing Account.

Section 3.4 Valuations.

As of the last day of each Plan Year the Committee shall adjust the balance, if any, of the Participant's Supplemental Account as follows:

(a) First, the balance of the Participant's Supplemental Account as of the last day of the preceding Plan Year shall be adjusted by multiplying such balance by a number equal to one plus the decimal equivalent of the percentage yield as of the first week of the Plan Year on Treasury notes having five year maturities. The amount so credited shall not be reduced by the amount, if any, the Participating Employers are required by law to pay to a governmental taxing authority as the Participant's portion of any withholding taxes, including taxes imposed on employees by the Federal Insurance Contributions Act of Chapter 21 of the Code.

(b) Second, the Committee shall credit such adjusted balance with the allocation, if any, to the Participant's Supplemental

Account under Section 3.1 for such Plan Year.

Section 3.5 Distribution.

(a) A Participant shall be entitled to commence distribution of his Supplemental Account during the Plan Year following his termination of employment with the Participating Employers and the Affiliates. In the case of the death of a Participant, distribution of the vested balance of a Participant's Supplemental Account shall be made to his Beneficiary as soon as practicable after the Participant's death.

(b) A Participant's Supplemental Account shall be distributed in such form (including, but not limited to, a lump sum or periodic payments) as the Committee shall determine in its sole discretion. A Participant may request in a writing filed with the Committee prior to his termination of employment with the Participating Employers and the Affiliates that the Committee authorize a distribution of his Supplemental Account in a specific form. A Beneficiary may make a similar request prior to commencement of distribution of the Participant's Supplement Account. The Committee, in its sole discretion, shall determine whether to grant any such request.

(c) All distributions under the Plan shall be reduced by any amount of withholding taxes that the Participating Employers are required by law to withhold.

Section 3.6 No Withdrawals Or Loans.

Withdrawals and loans shall not be permitted from any Supplemental Accounts.

ARTICLE IV
SUPPLEMENTAL ACCRUED BENEFIT

Section 4.1 Amount of Supplemental Accrued Benefit.

A Participant shall be credited with a Supplemental Accrued Benefit equal to the difference, if any, between (i) the amount of the Participant's vested Accrued Benefit under the Retirement Plan prior to application of Sections 401(a)(17) and 415 of the Code and using the definition of Compensation in this Plan and (ii) the amount of the Participant's vested Accrued Benefit under the Retirement Plan. Clause (i) of the prior sentence shall be determined as though Section 1.2 of the Retirement Plan had not been amended by the Board on September 21, 1995.

Section 4.2 Vesting in Supplemental Accrued Benefit.

A Participant's vested interest in his Supplemental Accrued Benefit shall be the same percentage as the Participant's vested interest in his Accrued Benefit.

Section 4.3 Distributions.

(a) (1) A Participant shall be entitled to commence distribution of his Supplemental Accrued Benefit as soon as practicable after the later of age 65 or his Late Retirement Date (as defined in the Retirement Plan).

(2) If a Participant is eligible to retire on an Early Retirement Date (as defined in the Retirement Plan), he may request in writing filed with the Committee to have his Supplemental Accrued Benefit commence at a designated date before his 65th birthday. The Committee, in its sole discretion, shall determine whether to grant such request.

(b) A Participant's Supplemental Accrued Benefit shall be distributed in such form (including, but not limited to, a lump sum or periodic payments, with or without survivor rights) as the Committee shall determine in its sole discretion. A Participant may request in a writing filed with the Committee prior to his termination of employment with the Participating Employers and the Affiliates that the Committee authorize a distribution of his Supplemental Accrued Benefit in a specific form. The Committee, in its sole discretion, shall determine whether to grant such a request.

(c) All distributions under the Plan shall be reduced by any amount of withholding taxes that the Participating Employers are required by law to withhold.

Section 4.4 Pre-Retirement Death Benefit.

(a) If a married Participant with a vested interest in his Supplemental Accrued Benefit dies prior to commencement of the distribution thereof, his surviving spouse shall be entitled to one-half of the Participant's Supplemental Accrued Benefit that would have been payable to the Participant if the Participant had retired on the day before his death.

(b) A surviving spouse's interest in the Participant's Supplemental Accrued Benefit shall be distributed in such form (including, but not limited to, a lump sum or periodic payments) as the Committee shall determine in its sole discretion. A surviving spouse may request in a writing filed with the Committee that the Committee authorize such a distribution in a specific form. The Committee, in its sole discretion, shall determine whether to grant such a request.

(c) All distributions under the Plan shall be reduced by any amount of withholding taxes that the Participating Employers are required by law to withhold.

Section 4.5 Actuarial Equivalence.

For purposes of determining an actuarial equivalent form of a Supplemental Accrued Benefit, the definition of "Actuarial Equivalent" in the Retirement Plan shall apply, provided that the amount of lump sum payments under this Plan shall be determined by using the applicable mortality table and the applicable interest rate. The term "applicable mortality table" means the table prescribed by the Secretary of the Treasury, which table shall be based on the prevailing commissioners' standard table (described in Section 807(d)(5)(A) of the Code) used to determine reserves for group annuity contracts issued on the date as of which present value is being determined (without regard to any other subparagraph of Section 807(d)(5) of the Code). The term "applicable interest rate" means the annual rate of interest on 30-year Treasury securities for the first full calendar month preceding the first day of the Plan Year in which the lump sum distribution occurs.

Section 4.6 No Withdrawals Or Loans.

Withdrawals and loans shall not be permitted from any Supplemental Accrued Benefit.

ARTICLE V
NO CONTRIBUTIONS

Section 5.1 No Contributions By Participating Employers.

No contributions to a trust fund shall be required of or made by any Participating Employer. No contributions shall be required or permitted of Participants.

Section 5.2 Benefits Payable From General Assets.

The amount of any of the Supplemental Account benefit or the Supplemental Accrued Benefit payable to a Participant shall remain part of the general funds of the Participating Employers. No Participant or Beneficiary shall acquire any property interest in his Supplemental Account, Supplemental Accrued Benefit, or any other assets of any Participating Employer. A Participant's or Beneficiary's right hereunder shall be limited to receiving from the Participating Employer deferred payments measured as set forth in this Plan, which right is conditioned upon continued compliance with the terms and conditions of this Plan. To the extent that any Participant or Beneficiary acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor of a Participating Employer.

ARTICLE VI
CERTAIN CONTRACTS AND PRIOR EMPLOYERS

Section 6.1 Additional Benefits Under Contracts.

In addition to the benefits described in Articles III and IV, this Plan incorporates the provisions of any individual contract between a Participating Employer and a Participant to the extent such contract provides earlier vesting or additional benefits for the Participant under this Plan. This Section 6.1 shall be interpreted and administered so that it neither conflicts with the contractual provisions that promise earlier vesting or additional benefits under this Plan nor results in the payment of duplicate benefits when payments under this Plan and under the contractual provision are considered together.

Section 6.2 First Interstate Bank of Hawaii.

As of July 1, 1992, the First Interstate Bank of Hawaii Supplemental Retirement Plan (the "FIHI Plan") was merged into this Plan. Benefits accrued under the FIHI Plan prior to its merger into this Plan shall be preserved under a separate benefit schedule of this Plan maintained by the Committee and shall be coordinated with other Plan benefits as follows. After the merger of the FIHI Plan into this Plan, no new benefits shall accrue under the provisions of the FIHI Plan or the separate benefit schedule pertaining to it hereunder. In addition, there shall be no duplication of the benefits accrued under the FIHI Plan prior to the merger and benefits that are provided for the same period of service to the same individuals under this Plan. To this end, any payments owed under the separate benefit schedule for the former FIHI Plan shall be determined when Plan benefits are about to commence, and the determination shall be made after reducing the tentative amount of such payments (but not below zero) by the amount of any benefits that are payable to the same individual for the same period of service under other provisions of this Plan.

Section 6.3 Pioneer Federal Savings Bank.

If a Participant's Accrued Benefit includes amounts that accrued prior to January 1, 1994 under the Retirement Pension Plan of Pioneer Federal Savings Bank, his Supplemental Accrued Benefit shall be determined under Section 4.1, provided that the Participant's Accrued Benefit and Supplemental Accrued Benefit shall be based only on Credited Service (as defined in the Retirement Plan) earned after December 31, 1993.

ARTICLE VII
ADMINISTRATION

Section 7.1 Committee.

Subject to the limitations of this Plan and unless otherwise determined by the Board, the Committee shall have the power and the duty to take all actions and to make all decisions necessary or proper to administer this Plan, including:

(1) To require as a condition to receiving any benefits under this Plan, any person to furnish such information that the Committee may reasonably request for the purpose of the proper administration of this Plan;

(2) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of this Plan;

(3) To decide questions concerning the interpretation of this Plan, including the eligibility of any person for benefits under this Plan;

(4) To determine the amount of benefits that shall be payable to any person in accordance with the provisions of this Plan;

(5) To delegate responsibility for performance of ministerial functions necessary for the administration of the Plan to such employees of the Company or a Participating Employer, including Participants, as the Committee shall deem appropriate; and

(6) To employ the services of such other persons as the Committee may deem necessary or desirable in connection with this Plan, including but not limited to an actuary, legal counsel, an independent accountant, agents, and such clerical, medical, and accounting services as it may require in carrying out the provisions of this Plan or in complying with the requirements of ERISA.

Section 7.2 Indemnification, Insurance.

The Participating Employers shall indemnify and save harmless and/or insure each fiduciary who is an employee or a director of a Participating Employer or an Affiliate against any and all claims, loss, damages, expense, and liability arising from their responsibilities in connection with this Plan, if the fiduciary acted in good faith and in a manner the fiduciary reasonably believed to be in or not opposed to the best interests of the Plan.

Section 7.3 Claims Procedure.

The procedure for claiming benefits under this Plan shall be as follows:

(a) The Committee shall determine the benefits due hereunder to a Participant or his beneficiary or beneficiaries, but a Participant or his beneficiary or beneficiaries may file a claim for benefits by written notice to the Committee.

(b) If a claim is denied in whole or in part, the Committee shall give the claimant written notice of such denial, within a reasonable period of time following the filing of the claim. Such notice shall (i) specify the reason or reasons for the denial, (ii) refer to the pertinent Plan provisions on which the denial is based, (iii) describe any additional material or information necessary to perfect the claim and explain the need therefor, and

(iv) explain the review procedure described in subparagraph (c) hereof.

(c) The claimant may then appeal the denial of the claim to the Committee by filing written notice of such appeal with the Committee within 90 days after receipt of the notice of denial. The claimant or any authorized representative may, before or after filing notice of appeal, review any documents pertinent to the claim and submit issues and comments in writing. The Committee shall make its decision on such appeal within 60 days after receipt of the appeal (unless a longer period is requested by the claimant), and shall forthwith give written notice of such decision.

ARTICLE VIII
AMENDMENT, TERMINATION, MERGER

Section 8.1 Amendment.

(a) The Board may at any time amend this Plan.

(b) No Plan amendment shall adversely affect Participants who shall have retired under this Plan prior to such action, nor shall any such amendment have the effect of decreasing the vested percentage or the amount of a Participant's Supplemental Account or Supplemental Accrued Benefit.

Section 8.2 Termination or Partial Termination.

(a) This Plan may be terminated in full or in part by the Board. The board of directors of a Participating Employer may terminate this Plan as to such Participating Employer.

(b) Upon a full or partial termination of this Plan, (i) the Supplemental Account and Supplemental Accrued Benefit of each Participant or retired Participant (or if the Participant or retired Participant has died, the portion of his Supplemental Account and Supplemental Accrued Benefit to which his spouse or other beneficiary is entitled) shall become vested and nonforfeitable and (ii) the value of his Supplemental Account and the Actuarial Equivalent value of his Supplemental Accrued Benefit shall be distributed in a lump sum to the Participant or retired Participant (or if the Participant or retired Participant has died, his spouse or other beneficiary) within 30 days of the date of the resolution that terminates this Plan.

Section 8.3 Merger or Consolidation.

If this Plan is merged into or consolidated with, or if its assets or liabilities are transferred to, any other plan, the provisions of such subsequent plan must provide that each Participant of this Plan would, if the subsequent plan then terminated, receive a benefit immediately after the merger, consolidation, or transfer, that is equal to or greater than the benefit he would have been entitled to immediately before the merger, consolidation, or transfer.

Section 8.4 Change In Control.

If the terms of a Change in Control provide that this Plan shall be assumed by the successor organization, then this Plan shall continue in accordance with its terms. If, however, the terms of a Change in Control do not so provide, then immediately prior to the occurrence of such a Change in Control the Plan shall automatically terminate and each Participant shall receive immediately prior to such Change in Control a lump sum distribution of his Supplemental Account and Supplemental Accrued Benefit. For purposes of this Section 8.4, "Change in Control" is as defined in the First Hawaiian, Inc. Stock Incentive Plan.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Rights of Participants.

(a) No Participant shall, by reason of his participation in this Plan, have any interest in (i) any specific asset or assets of a Participating Employer or an Affiliate or (ii) any stock rights of any kind.

(b) Neither the adoption of this Plan, the making of any allocation or accrual under this Plan, nor any action of a board of directors or the Committee in connection with the Plan shall be held or construed to confer upon any person any legal right to be continued as an officer or employee of a Participating Employer or an Affiliate.

(c) No Participant shall have the right to assign, pledge, encumber, or otherwise dispose of (except to a Beneficiary upon his death) any of his interest in this Plan; nor shall his interest be subject to garnishment, attachment, transfer by operation of law, or any legal process.

Section 9.2 Misc. Rules.

(a) Wherever used herein the masculine gender shall include the feminine and the singular number shall include the plural, unless the context clearly indicates otherwise.

(b) The headings of articles and sections are included herein solely for convenience of reference, and if there is any conflict between such headings and the text of the Plan, the text shall be controlling.

(c) Wherever a Participating Employer, the Company, or a board of directors is permitted or required to do or perform any act, matter, or thing under the terms of the Plan, it may be done and performed by any officer of a Participating Employer or the Company thereunto duly authorized.

(d) To the extent not preempted by ERISA, the Plan shall be governed, construed, administered, and regulated according to the laws of the State of Hawaii.

(e) All consents, elections, applications, designations, etc. required or permitted under the Plan must be made on forms prescribed by the Committee, and shall be recognized only if properly completed, executed, and filed with the Committee.

TO RECORD the adoption of this document, First Hawaiian, Inc. has executed this document this 15th day of February, 1996.

FIRST HAWAIIAN, INC.

By /s/ HERBERT E. WOLFF

Its Senior Vice President & Secretary

By

Its

EXHIBIT I

FORM OF BENEFICIARY DESIGNATION
FIRST HAWAIIAN, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

I hereby direct that, if I die prior to the payment in full of my vested interest in my Supplemental Account in the First Hawaiian, Inc. Supplemental Executive Retirement Plan (hereinafter the "Plan"), any unpaid balance be paid to:

Name: ______________________________

Address: ______________________________

____

This beneficiary designation revokes any and all other beneficiary designations under the Plan made prior to the date of this designation.

Dated:__________________ _________________________
Participant

Receipt acknowledged:
Committee

By______________________

Dated:__________________

Exhibit 10(ix)

FIRST HAWAIIAN, INC.

DEFERRED COMPENSATION PLAN

(Amended and Restated as of January 1, 1996)

TABLE OF CONTENTS

FIRST HAWAIIAN, INC.
DEFERRED COMPENSATION PLAN

PROLOGUE

The First Hawaiian, Inc. Deferred Compensation Plan (this "Plan") permits eligible employees to defer payment of certain compensation. This Plan is an unfunded deferred compensation arrangement solely for a select group of management or highly compensated employees of First Hawaiian, Inc. and its affiliates.

This Plan is hereby amended and restated in its entirety. Unless otherwise specifically provided for herein or by law, the provisions set forth herein shall be effective as of January 1, 1996.

ARTICLE I

DEFINITIONS

As used herein the following terms shall have the following meanings unless the context clearly requires otherwise.

1.1 "Affiliate" means Affiliate as defined in the First Hawaiian, Inc. Profit Sharing Plan.

1.2 "Beneficiary" means the person, persons, or legal entity designated by the Participant to receive his benefits under this Plan in the event of his death. If a Participant fails to make any designation, the person so designated shall not survive the Participant, or the legal entity so designated shall no longer be in existence or shall be legally incapable of receiving benefits hereunder, Beneficiary shall mean the

Participant's surviving spouse, or if there is no surviving spouse, the estate of the Participant.

1.3 "Board" means the Board of Directors of the Company.

1.4 "Change in Control" means Change in Control as defined in the First Hawaiian, Inc. Stock Incentive Plan.

1.5 "Committee" means the Executive Compensation Committee of the Board.

1.6 "Company" means First Hawaiian, Inc.

1.7 "Disability" means Disability as defined in the First Hawaiian, Inc. Profit Sharing Plan.

1.8 "IPKE" means the First Hawaiian, Inc. Incentive Plan for Key Executives, as amended from time to time.

1.9 "LTIP" means the First Hawaiian, Inc. Long-Term Incentive Plan, as amended from time to time.

1.10 "Memorandum Account" means an account recording the amount allocated to a Participant pursuant to Article III of this Plan, as adjusted from time to time pursuant to the provisions of this Plan.

1.11 "Participant" means any person selected for participation pursuant to Article II.

1.12 "Participating Employer" means the Company or any other employer which, with the Company's permission, elects to adopt the Plan.

1.13 "Plan" means the First Hawaiian, Inc. Deferred Compensation Plan, as set forth herein and as amended from time to time.

1.14 "Special Deferral" means a deferral pursuant to Section 3.2 that is payable on a specified date other than the Participant's termination of employment.

ARTICLE II

PARTICIPATION

The Committee shall select the employees of a Participating Employer eligible to be Participants. Participants shall be selected from executive and other key employees who because of their management or staff positions have the principal responsibility for the management, direction, and success of the Company or a Participating Employer. A director of a Participating Employer who is a full-time employee of the Participating Employer shall be eligible to participate in the Plan.

ARTICLE III

DEFERRALS

Section 3.1 Deferral Election.

(a) A Participant may elect one or more of the following deferrals for which he is eligible.

(1) On a date prior to December 1 of each year, a Participant who is eligible for IPKE may elect to defer the payment of all or a portion of his IPKE cash bonus for the

then current fiscal year.

(2) On a date that is at least three months before the end of a "Performance Period" under the LTIP, a Participant who may become entitled to receive payment of an award for such period under such plan may elect to defer all or part of any payment of such award.

(3) On a date prior to January 1, a Participant may elect to defer the payment of a percentage (not in excess of 25 percent) of his base salary for the next calendar year.

(b) The deferral election shall be irrevocable and shall be made on a form prescribed by the Committee. Any annual cash bonus under IPKE, any base salary, and any award under the LTIP for which a Participant has not elected to defer under this Plan shall be paid without regard to this Plan.

(c) The amount to be credited to a Memorandum Account shall be subject to reduction by the amount the Participating Employer is required by law to pay to a governmental taxing authority as the Participant's portion of any withholding taxes, including taxes imposed on employees by the Federal Insurance Contributions Act of Chapter 21 of the Internal Revenue Code. The Committee may authorize a Participant to satisfy such withholding tax payment in a manner that does not reduce the amount credited to his Memorandum Account.

Section 3.2 Length of Deferrals.

(a) If a deferral is elected, the period of deferral shall (except as provided in Section 3.2(b)) end with the Participant's retirement, death, Disability, resignation, or other termination of employment with the Company, the Participating Employers, and the Affiliates.

(b) The Committee may, in its sole discretion, approve Special Deferrals. Such Special Deferrals shall be subject to the same rules as in Section 3.1 above, except for the time of payment.

Section 3.3 Memorandum Account.

(a) The Committee shall cause a Participating Employer to establish a Memorandum Account for each Participant employed by it who has elected a deferral under this Plan. A Participant shall be fully vested in his Memorandum Account at all times. A separate Memorandum Account shall be kept for any deferral that may be paid in a different manner or may be paid commencing on a different date from other deferrals. The Memorandum Account balances of a Participant shall represent the Participating Employer's obligation to pay the deferred amount to the Participant or his Beneficiary.

(b) A Memorandum Account shall be credited with assumed earnings in accordance with this Section 3.3(b). In general, assumed earnings shall be credited once annually, as of December 31 of each year, so that the earnings for the current year are part of the opening balance of the next calendar year. The Committee may, however, authorize the crediting of assumed earnings at other dates during a calendar year, provided that any later calculation of earnings during or at the end of the same calendar year shall be made in a manner designed to produce approximately the same total earnings for the year as would a one-time, December 31 calculation. Notwithstanding the foregoing, earnings for a partial year shall be credited for the period up to the distribution date for a payment that is made at any date during a year other than in January.

(c) In determining the balances on which earnings are credited, once-a-year deferrals, such as deferrals of IPKE or LTIP awards, shall be credited to the Memorandum Account as of the first of the month coinciding with or following the cash payment date that would have applied absent the deferral. Recurring deferrals, such as for base salary, shall be deemed to occur evenly throughout the year (or the portion thereof) during which such deferrals are occurring, and for purposes of crediting assumed earnings, 50% of the total of such deferrals for the period may be treated as having been in the Memorandum Account for the entire deferral period.

(d) The rate to be used in crediting assumed earnings for each calendar year or partial year shall be the First Hawaiian Bank Prime Rate as in effect at the beginning of the calendar year. When earnings are credited during a year in conjunction with a payment at a time other than in January of less than the entire remaining Memorandum Account balance, the determination of such interim earnings shall be made in an administratively feasible manner that prevents or minimizes the possibility of crediting additional earnings on the interim earnings at the end of the year.

Section 3.4 Discretionary Investment by Company.

(a) The deferred amounts to be paid to Participants constitute an unfunded obligation of the Participating Employer. The Committee may, however, annually direct that an amount equal to the deferred amounts for that year be invested by the Participating Employers as the Committee, in its sole discretion, shall determine.

(b) The Committee may, in its sole discretion, determine that all or a portion of the deferred amounts be paid into one or more grantor trusts that may be established by the Participating Employer for the purpose of providing a potential source of funds to pay Plan benefits. Moreover, such payment of all previously deferred amounts to a grantor trust shall be required in connection with a Change in Control.

(c) The Committee may designate an investment advisor to direct the investment of funds that may be used to pay benefits, including the investment of the assets of any grantor trusts hereunder.

Section 3.5 Change in Control.

If the terms of a Change in Control provide that this Plan shall be assumed by the successor organization, then this Plan shall (subject to Section 3.4(b)) continue in accordance with its terms. If, however, the terms of a Change in Control do not so provide, then immediately prior to the occurrence of such a Change in Control, the Plan shall automatically terminate and each Participant shall receive immediately prior to such Change in Control a lump sum distribution of his Memorandum Account or Memorandum Accounts.

Section 3.6 Payment.

(a) Upon the retirement, death, Disability, resignation, or other termination of employment of a Participant or upon a

Special Deferral payment date, the Participant, or in the case of his death, his Beneficiary, shall be paid an amount equal to the balance of the Participant's Memorandum Account, plus assumed earnings (determined pursuant to Section 3.3) to the date of distribution.

(b) Payment shall be made in cash in (i) a single lump sum or (ii) installments payable once each calendar year over a specified period of up to 12 years. The first installment shall be paid as soon as practicable after the Participant's termination of employment and each subsequent installment shall be paid in the January following the immediately preceding payment. Such installments shall be in substantially equal payments, except that the first installment shall be prorated so that it bears the same proportion to a full annual installment as the remainder of the year following the calculation date bears to the full year.

(c) (1) Payment of a Special Deferral shall be made in a lump sum on the specified payment date; installment payment of a Special Deferral shall not be permitted.

(2) The Committee shall determine the form of payment of any other deferrals, and prior to doing so, may consider an expression of the Participant's preference that is made at any time up to one year before the triggering event for the payment. Payment of such other deferrals shall be made or commence as soon as practicable following the Participant's retirement, death, Disability, resignation, or other termination of employment.

(d) The Committee, in its sole discretion, may accelerate the payment of the unpaid balance of a Participant's Memorandum Account in the event of the Participant's retirement, death, Disability, resignation, or termination of employment or upon its determination that the Participant (or his Beneficiary in the case of his death) has incurred a severe, unforeseeable financial hardship creating an immediate and heavy need for cash that cannot reasonably be satisfied from sources other than an accelerated payment from this Plan. The Committee in making its determination may consider such factors and require such information as it deems appropriate.

(e) All payments under the Plan shall be subject to withholding taxes that the Participating Employer is required by law to withhold.

ARTICLE IV
NO CONTRIBUTIONS

Section 4.1 No Contributions By Participating Employers.

No contributions to a trust fund shall be required of or made by any Participating Employer.

Section 4.2 Benefits Payable From General Assets.

The amount of any Memorandum Account payable to a Participant shall remain part of the general funds of the Participating Employers. No Participant or Beneficiary shall acquire any property interest in his Memorandum Account or any other assets of any Participating Employer. A Participant's or Beneficiary's right hereunder shall be limited to receiving from the Participating Employer deferred payments measured as set forth in this Plan. To the extent that any Participant or

Beneficiary acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor of a Participating Employer.

ARTICLE V
ADMINISTRATION

Section 5.1 Committee.

Subject to the limitations of this Plan and unless otherwise determined by the Board, the Committee shall have the power and the duty to take all actions and to make all decisions necessary or proper to administer this Plan, including:

(1) To require as a condition to receiving any benefits under this Plan, any person to furnish such information that the Committee may reasonably request for the purpose of the proper administration of this Plan;

(2) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of this Plan;

(3) To decide questions concerning the interpretation of this Plan, including the eligibility of any person for benefits under this Plan;

(4) To determine the amount of benefits that shall be payable to any person in accordance with the provisions of this Plan;

(5) To delegate responsibility for performance of ministerial functions necessary for the administration of the

Plan to such employees of the Company or a Participating Employer, including Participants, as the Committee shall deem appropriate; and

(6) To employ the services of such other persons as the Committee may deem necessary or desirable in connection with this Plan, including but not limited to an actuary, legal counsel, an independent accountant, agents, and such clerical, medical, and accounting services as it may require in carrying out the provisions of this Plan or in complying with the requirements of ERISA.

Section 5.2 Indemnification, Insurance.

The Participating Employers shall indemnify and save harmless and/or insure each fiduciary who is an employee or a director of a Participating Employer or an Affiliate against any and all claims, loss, damages, expense, and liability arising from their responsibilities in connection with this Plan, if the fiduciary acted in good faith and in a manner the fiduciary reasonably believed to be in or not opposed to the best interests of the Plan.

Section 5.3 Claims Procedure.

(a) The procedure for claiming benefits under this Plan shall be as follows:

(1) The Committee shall determine the benefits due hereunder to a Participant or his beneficiary or beneficiaries, but a Participant or his beneficiary or beneficiaries may file a claim for benefits by written notice to the Committee.

(2) If a claim is denied in whole or in part, the Committee shall give the claimant written notice of such denial, within a reasonable period of time following the filing of the claim. Such notice shall (i) specify the reason or reasons for the denial, (ii) refer to the pertinent Plan provisions on which the denial is based, (iii) describe any additional material or information necessary to perfect the claim and explain the need therefor, and (iv) explain the review procedure described in subparagraph (3) hereof.

(3) The claimant may then appeal the denial of the claim to the Committee by filing written notice of such appeal with the Committee within 90 days after receipt of the notice of denial. The claimant or any authorized representative may, before or after filing the notice of appeal, review any documents pertinent to the claim and submit issues and comments in writing. The Committee shall make its decision on such appeal within 60 days after receipt of the appeal (unless a longer period is requested by the claimant), and shall forthwith give written notice of such decision.

(b) (1) Notwithstanding Section 5.3(a), in the event of a Change in Control a Participant may submit any claim for payment to arbitration as follows. On or after the second day following the termination of the Participant's employment or other event triggering a right to payment, a claim may be filed orally with an arbitrator of the Participant's choice and thereafter the Company shall be notified orally.

(2) The arbitrator must be (i) a member of the National Academy of Arbitrators or a person who currently appears on arbitration panels issued by the Federal Mediation

and Conciliation Service or the American Arbitration Association or (ii) a retired judge of the State of Hawaii who served at the appellate level.

(3) The arbitration hearing shall be held within 24 hours (or as soon thereafter as possible) after filing of the claim unless the Participant and the Company agree to a later date. No continuance of said hearing shall be allowed without the mutual consent of the Participant and the Company. Absence from or nonparticipation at the hearing by either party shall not prevent the issuance of an award. Hearing procedures that expedite the hearing may be ordered at the arbitrator's discretion, and the arbitrator may close the hearing in his sole discretion upon deciding he has heard sufficient evidence to satisfy issuance of an award. In reaching a decision, the arbitrator shall be limited to interpreting this Plan; he shall have no authority to ignore, change, modify, add to, or delete from any provision of this Plan.

(4) The arbitrator's award shall be rendered as expeditiously as possible, and in no event, later than seven days after the close of the hearing. If the arbitrator finds that any payment is due to the Participant under the Plan, the arbitrator shall order the Company or Participating Employers to pay that amount to the Participant within 48 hours after the decision is rendered. The award of the arbitrator shall be final and binding upon the Participant and the Company and the Participating Employers. Judgment upon the award rendered by the arbitrator may be entered in any court in the State of Hawaii or in any other court of competent jurisdiction.

(5) In the case of any arbitration regarding this Agreement, the Participant shall be awarded the Participant's

costs, including attorney's fees. The Company shall pay the arbitrator's fee and all necessary expenses of the hearing, including any stenographic reporter so employed.

ARTICLE VI
AMENDMENT, TERMINATION, MERGER

Section 6.1 Amendment.

The Board may at any time amend this Plan. No Plan amendment shall decrease the amount of a Participant's Memorandum Account or his right thereto.

Section 6.2 Termination or Suspension.

The Board may at any time terminate or suspend further deferrals to this Plan. No termination or suspension shall decrease the Participant's Memorandum Account or his right thereto.

Section 6.3 Merger or Consolidation.

If this Plan is merged into or consolidated with, or if its assets or liabilities are transferred to, any other plan, the provisions of such subsequent plan must provide that each Participant of this Plan would, if the subsequent plan then terminated, receive a benefit immediately after the merger, consolidation, or transfer, that is equal to or greater than the benefit he would have been entitled to immediately before the merger, consolidation, or transfer.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Rights of Participants.

(a) No Participant shall, by reason of his participation in this Plan, have any interest in (i) any specific asset or assets of a Participating Employer or an Affiliate or (ii) any stock rights of any kind.

(b) Neither the adoption of this Plan, the making of any deferrals under this Plan, nor any action of the Board or the Committee in connection with the Plan shall be held or construed to confer upon any person any legal right to be continued as an officer or employee of a Participating Employer or an Affiliate.

(c) No Participant shall have the right to assign, pledge, encumber, or otherwise dispose of (except to a Beneficiary upon his death) any of his interest in this Plan; nor shall his interest be subject to garnishment, attachment, transfer by operation of law, or any legal process.

Section 7.2 Misc. Rules.

(a) Wherever used herein the masculine gender shall include the feminine and the singular number shall include the plural, unless the context clearly indicates otherwise.

(b) The headings of articles and sections are included herein solely for convenience of reference, and if there is any conflict between such headings and the text of the Plan, the text shall be controlling.

(c) Wherever a Participating Employer, the Company, or the Board is permitted or required to do or perform any act, matter, or thing under the terms of the Plan, it may be done and performed by any officer of a Participating Employer or the Company thereunto duly authorized.

(d) To the extent not preempted by ERISA, the Plan shall be governed, construed, administered, and regulated according to the laws of the State of Hawaii.

(e) All consents, elections, applications, designations, etc. required or permitted under the Plan must be made on forms prescribed by the Committee, and shall be recognized only if properly completed, executed, and filed with the Committee.

(f) (1) Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the date on which the Committee receives a written notice, in a form and manner acceptable to the Committee, that such person is incompetent or a minor for whom a guardian or other person legally vested with the care of his person or estate has been appointed. If, however, the Committee finds that any person to whom a benefit is payable under the Plan is unable to care for his affairs because of incompetency or because he or she is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid to the spouse, a child, a parent, a brother or sister, or to any person or institution considered by the Committee to have incurred expense for such person otherwise entitled to payment. To the extent permitted by law, any such payment so made shall be a complete discharge of liability therefor under the Plan.

(2) If a guardian of the estate of any person receiving or claiming benefits under the Plan is appointed by a court of competent jurisdiction, benefit payments may be made to such guardian provided that proper proof of appointment and continuing qualification is furnished in a form and manner acceptable to the Committee. In the event a person claiming or receiving benefits under the Plan is a minor, payment may be made to the custodian of an account for such person under the Uniform Gifts to Minors Act. To the extent permitted by law, any such payment so made shall be a complete discharge of any liability therefor under the Plan.

TO RECORD the adoption of this document, First Hawaiian, Inc. has executed this document this 15th day of February, 1996.

FIRST HAWAIIAN, INC.

By /s/ HERBERT E. WOLFF

Its Senior Vice President & Secretary

By

Its

EXHIBIT I

FORM OF BENEFICIARY DESIGNATION

FIRST HAWAIIAN, INC.
DEFERRED COMPENSATION PLAN

I hereby direct that, if I die prior to the payment in full of my vested interest in my Memorandum Account in the First Hawaiian, Inc. Deferred Compensation Plan (hereinafter the "Plan"), any unpaid balance be paid to:

Name: ______________________________

Address: ______________________________

____

This beneficiary designation revokes any and all other beneficiary designations under the Plan made prior to the date of this designation.

Dated:__________________ ________________________
Participant

Receipt acknowledged:
Committee

By______________________

Dated:__________________

EXHIBIT 12

Statement re: Computation of Ratios

FIRST HAWAIIAN, INC. AND SUBSIDIARIES
COMPUTATION OF CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

	YEAR ENDED DECEMBER 31,				
	1995	1994	1993	1992	1991
	(dollars in thousands)				
Income before income taxes and cumulative effect of a change in accounting principle	$ 122,138	$ 111,501	$ 119,105	$ 127,880	$ 120,200
Fixed charges:(1)					
Interest expense	265,297	179,688	163,541	217,693	270,851
Rental expense	4,600	5,355	4,013	5,801	2,914
	269,897	185,043	167,554	223,494	273,765
Less interest on deposits	176,048	120,289	129,719	186,725	255,099
Net fixed charges	93,849	64,754	37,835	36,769	18,666
Earnings, excluding interest on deposits	$ 215,987	$ 176,255	$ 156,940	$ 164,649	$ 138,866
Earnings, including interest on deposits	$ 392,035	$ 296,544	$ 286,659	$ 351,374	$ 393,965
Ratio of earnings to fixed charges:					
Excluding interest on deposits	2.30 X	2.72 x	4.15 x	4.48 x	7.44 x
Including interest on deposits	1.45 X	1.60 x	1.71 x	1.57 x	1.44 x

(1) For purposes of computing the above ratios, earnings represent income before income taxes and cumulative effect of a change in accounting principle plus fixed charges. Fixed charges, excluding interest on deposits, include interest (other than on deposits), whether expensed or capitalized, and that portion of rental expense (generally one third) deemed representative of the interest factor. Fixed charges, including interest on deposits, include all interest, whether expensed or capitalized, and that portion of rental expense (generally one third) deemed representative of the interest factor.

EXHIBIT 13

CONSOLIDATED FINANCIAL HIGHLIGHTS First Hawaiian, Inc. and Subsidiaries

(dollars in thousands, except per share data)	1995	1994	Change
YEAR ENDED DECEMBER 31			
EARNINGS AND DIVIDENDS			
Net income	$ 77,005	$ 72,511	6.2%
Cash dividends	37,368	38,008	(1.7)
PER SHARE			
Net income	$ 2.43	$ 2.25	8.0%
Cash dividends	1.18	1.18	--
Book value	20.86	19.61	6.4
FINANCIAL RATIOS			
Return on average total assets	1.02%	1.01%	1.0%
Return on average stockholders' equity	12.03	11.73	2.6
FINANCIAL POSITION AT DECEMBER 31			
Total assets	$7,564,509	$7,535,144	.4%
Loans and leases	5,259,545	5,533,565	(5.0)
Deposits	5,358,313	5,152,213	4.0
Stockholders' equity	649,537	627,944	3.4
Tier 1 leverage ratio	7.72%	7.51%	2.8
Risk-based capital ratios:			
Tier 1	9.03	9.31	(3.0)
Total	11.88	12.06	(1.5)

[GRAPH]

	NET INCOME (in thousands)	NET INCOME PER SHARE	CASH DIVIDENDS PER SHARE	RETURN ON AVERAGE TOTAL ASSETS	RETURN ON AVERAGE STOCKHOLDERS' EQUITY
1995	$77,005	$2.43	1.18	1.02%	12.03%
1994	$72,511	$2.25	1.18	1.01%	11.73%
1993	$81,857	$2.52	1.135	1.21%	14.01%
1992	$86,900	$2.70	1.06	1.33%	16.52%
1991	$81,710	$2.55	.95	1.36%	17.38%

SENIOR ADMINISTRATIVE OFFICERS

FIRST HAWAIIAN, INC.

Walter A. Dods, Jr.
Chairman & Chief Executive Officer

John K. Tsui
President

Donald G. Horner
Executive Vice President

Howard H. Karr
Executive Vice President & Treasurer

Herbert E. Wolff
Senior Vice President & Secretary

FIRST HAWAIIAN BANK

Walter A. Dods, Jr.
Chairman & Chief Executive Officer

John K. Tsui
President & Chief Operating Officer

Donald G. Horner
Vice Chairman,
Retail Banking Group

Howard H. Karr
Vice Chairman, Chief Financial Officer &
Treasurer, Administration & Finance Group

Gary L. Caulfield
Executive Vice President,
Information Management Group

Anthony R. Guerrero, Jr.
Executive Vice President,
Branch Banking Group

Gerald M. Pang
Executive Vice President &
Chief Credit Officer

N. W. "Red" Pope
Executive Vice President,
Marketing Group

Robert A. Alm
Senior Vice President,
Financial Management Group

Thomas P. Huber
Senior Vice President & General Counsel,
Legal Group

Barbara S. Tomber
Senior Vice President & Group Manager,
Media Finance, Corporate &
International Banking Divisions

Sharon S. Brown
Senior Vice President,
Sales & Service Division

Norman K. Y. Ching
Senior Vice President & Administrative
Assistant to the Chairman

Raymond M. H. Choo
Senior Vice President,
Consumer Service Division

Brandt G. Farias
Senior Vice President,
Marketing Communications Division

Mark H. Felmet
Senior Vice President,
Retail Loan Division

Melvin T. Freitas
Vice President,
Dealer Center Division

Gary Y. Fujitani
Senior Vice President,
Business Services Division

Alfred R. Gross

Senior Vice President,
Corporate & International Banking Division

Dean K. Hirata
Senior Vice President & Controller,
Controller's Division

William B. Johnstone, III
Senior Vice President,
Portfolio Management Division

Edmund H. Kajiyama
Senior Vice President,
Branch Support Division

Gerald J. Keir
Senior Vice President,
Corporate Communications Division

Roy E. King, Jr.
Senior Vice President,
Human Resources Division

John W. Landgraf
Senior Vice President,
Commercial Real Estate Division &
Japan Business Development

George H. Lumsden
Vice President & General Auditor,
Audit Division

David W. Madison
Senior Vice President,
Branch Loan Administration Division

Vernon T. Omori
Senior Vice President,
Residential Real Estate Division

Curt T. Otaguro
Vice President,
Operations Research & Development Division

Edward Y. W. Pei
Senior Vice President,
Electronic Banking Division

James M. Wayman
Senior Vice President,
Bank Properties Division

Herbert E. Wolff
Senior Vice President & Secretary,
Corporate Secretary

PIONEER FEDERAL SAVINGS BANK

Lily K. Yao
Chairman & Chief Executive Officer

Albert M. Yamada
President & Chief Operating Officer

Joyce W. Borthwick
Senior Vice President,
Real Estate Lending Division

Janie L. Mishima
Senior Vice President,
Retail Banking & Marketing Division

Ronald L. Texeira
Senior Vice President,
Real Estate Lending Division

FIRST HAWAIIAN CREDITCORP, INC.

Donald G. Horner
Chairman

Harriet M. Aoki
President & Chief Executive Officer

Winston K. H. Chow
Executive Vice President

Romeo B. Estepa
Senior Vice President & Controller,
Controller's Division

Calvin H. Umamoto
Vice President/Bank Secrecy Officer,
Operations Division

FIRST HAWAIIAN LEASING, INC.

John K. Tsui
Chairman & Chief Executive Officer

Stephen J. Marcuccilli
President

PACIFIC ONE BANK
(A BANK IN ORGANIZATION)

Walter A. Dods, Jr.
Chairman-designate

Richard C. Williamson
President & Chief Executive Officer-designate

FIRST HAWAIIAN, INC.

First Hawaiian, Inc. (the "Company") is a registered bank holding company under the Bank Holding Company Act of 1956, as amended, and is incorporated under the laws of the State of Delaware. As a bank holding company, the Company is allowed to acquire or invest in the securities of companies that are engaged in banking or in activities closely related to banking as authorized by the Federal Reserve Board. The Company is also registered with the Office of Thrift Supervision as a savings and loan holding company as a result of its ownership of Pioneer Federal Savings Bank ("Pioneer").

The Company's organization consists of the following wholly-owned subsidiaries:

FIRST HAWAIIAN BANK

First Hawaiian Bank (the "Bank") was founded in 1858 and is the oldest financial institution in Hawaii. The Bank is a full-service bank conducting general commercial and consumer banking business and offering trust services. The Bank's activities include receiving demand, savings and time deposits; making commercial, agricultural, real estate and consumer loans; selling traveler's checks, personal money orders, mutual funds and annuities; issuing letters of credit; handling domestic and foreign collections; renting safe deposit boxes; and providing data processing services to customers.

The Bank's main office is located in Honolulu, Hawaii, with 60 other banking offices located throughout the State of Hawaii. It also has two banking offices in Guam, an offshore branch in Grand Cayman, British West Indies, a representative office in Tokyo, Japan, and a worldwide network of correspondent banks.

Deposits in the Bank are insured by the Federal Deposit Insurance Corporation (the "FDIC") to the extent, and subject to the limitations, set forth in the Federal Deposit Insurance Act, as amended (the "Act"). The Bank is a State of Hawaii chartered bank and is not a member of the Federal Reserve System.

The Bank also conducts business through the following wholly-owned subsidiaries:

- FH CENTER, INC.

  FH Center, Inc. owns certain real property in connection with the construction of First Hawaiian Center, which will serve as the Company's new headquarters upon completion in late 1996.

- FHB PROPERTIES, INC. AND
  AMERICAN SECURITY PROPERTIES, INC.

  FHB Properties, Inc. and American Security Properties, Inc. hold title to certain property and premises upon which the Bank's business is conducted.

- FIRST HAWAIIAN DEALER CENTER, INC.

  First Hawaiian Dealer Center, Inc. is engaged in the business of automobile financing and related business activities.

- REAL ESTATE DELIVERY, INC.

  Real Estate Delivery, Inc. holds title to certain real property acquired by the Bank in ordinary business activities.

PIONEER FEDERAL SAVINGS BANK

Pioneer is a federally chartered savings bank headquartered in Honolulu, Hawaii. Pioneer, chartered in 1890, currently conducts its business through 19 full-service offices located throughout the four major islands of the State of Hawaii.

Pioneer's principal business consists of attracting deposits from the general public through a variety of deposit products. The deposits are insured by the Savings Association Insurance Fund ("SAIF") of the FDIC to the extent, and subject to the limitations, set forth in the Act. The deposits, together with borrowings, principally from the Federal Home Loan Bank (the "FHLB") of Seattle, and funds from ongoing operations, are used in the origination of 1-4 family residential mortgage loans and, to a lesser extent, consumer loans and other mortgage loans.

FIRST HAWAIIAN CREDITCORP, INC.

First Hawaiian Creditcorp, Inc. ("Creditcorp") is a financial services loan company operating in the State of Hawaii and in Guam.

The lending activities of Creditcorp are concentrated in both consumer and commercial financing, primarily collateralized by real estate.

The primary source of funds for Creditcorp is from savings and time deposits received from the general public. The deposits are insured by the FDIC to the extent, and subject to the limitations, set forth in the Act.

Creditcorp has 12 branch offices located throughout the four major islands of the State of Hawaii, a commercial office in Honolulu and a loan production office in Guam.

FIRST HAWAIIAN LEASING, INC.

First Hawaiian Leasing, Inc. is a financial services loan company in the State of Hawaii primarily engaged in commercial equipment and vehicle leasing and financing.

FHI INTERNATIONAL, INC.

FHI International, Inc. was organized to engage in consumer financing services and related activities outside the United States.

The common stock of the Company is traded on The Nasdaq Stock Market under the symbol FHWN. As of December 31, 1995, there were 4,966 holders of record of the Company's common stock. A large number of shares are also held in the names of nominees and brokers for individuals and institutions.

At December 31, 1995, the Company had 1,397,957 shares of common stock in the treasury stock account. The Board of Directors (the "Board") has authorized the total repurchase of up to 1.6 million shares, or five percent of the Company's 31 million shares outstanding, to be held by the Company or used for corporate purposes as designated by the Board. Through December 31, 1995, the Company had repurchased 1,075,940 shares of common stock under such authorization. Future purchases will be dependent upon authorization by the Board in appropriate circumstances. These purchases are not expected to have a material effect on the Company's liquidity, financial position or results of operations.

A compilation of certain quarterly and annual per share data is presented below:

	Net Income	Dividends Paid	Market Price		
			High	Low	Close
1995					
FIRST QUARTER	$ .59	$ .295	$ 27	$ 23	$ 24 1/2
SECOND QUARTER	.59	.295	28	24 1/2	26 3/4
THIRD QUARTER	.62	.295	31 1/4	24 3/4	29 1/2
FOURTH QUARTER	.63	.295	30	27 7/8	30
ANNUAL	$ 2.43	$ 1.180	31 1/4	23	30
1994					
First Quarter	$ .58	$ .295	27 1/4	24 1/4	26 1/4
Second Quarter	.59	.295	28 1/2	25 1/2	28 1/2
Third Quarter	.61	.295	31 1/4	28	28
Fourth Quarter	.47	.295	28 3/4	23	23 3/4
Annual	$ 2.25	$ 1.180	31 1/4	23	23 3/4
1993	$ 2.52	$ 1.135	30 3/4	23 3/4	24 3/4
1992	$ 2.70	$ 1.06	29 3/4	23 1/2	28 3/4
1991	$ 2.55	$ .95	31 1/4	17 3/4	27 3/4

The Company expects to continue its policy of paying quarterly cash dividends. The declaration and payment of cash dividends are subject to the Company's future earnings, capital requirements, financial condition and certain limitations as described in Note 10 to the Financial Statements.

SUMMARY OF SELECTED CONSOLIDATED FINANCIAL DATA — First Hawaiian, Inc. and Subsidiaries

	1995	1994	1993	1992	1991
INCOME STATEMENTS AND DIVIDENDS (in thousands)					
Total interest income	$559,957	$475,760	$428,931	$475,574	$517,019
Total interest expense	265,297	179,688	150,709	206,783	264,043
Net interest income	294,660	296,072	278,222	268,791	252,976
Provision for loan and lease losses	38,107	22,922	13,262	12,812	10,252
Total noninterest income	94,878	86,672	79,587	69,597	61,963
Total noninterest expenses	229,293	248,321	225,442	197,696	184,487
Income before income taxes and cumulative effect of a change in accounting principle	122,138	111,501	119,105	127,880	120,200
Income taxes	45,133	38,990	40,898	40,980	38,490
Income before cumulative effect of a change in accounting principle	77,005	72,511	78,207	86,900	81,710
Cumulative effect of a change in accounting principle	--	--	3,650	--	--
NET INCOME	$ 77,005	$ 72,511	$ 81,857	$ 86,900	$ 81,710
CASH DIVIDENDS	$ 37,368	$ 38,008	$ 36,821	$ 34,161	$ 30,395
COMMON STOCK DATA					
Per share:					
Income before cumulative effect of a change in accounting principle	$ 2.43	$ 2.25	$ 2.41	$ 2.70	$ 2.55
Net income	2.43	2.25	2.52	2.70	2.55
Cash dividends	1.18	1.18	1.135	1.06	.95
Book value (at December 31)	20.86	19.61	18.69	17.30	15.53
Market price (close at December 31)	30.00	23.75	24.75	28.75	27.75
Average shares outstanding (in thousands)	31,735	32,259	32,505	32,225	32,079
BALANCE SHEETS (in millions)					
Average balances:					
Total assets	$7,528	$7,200	$6,755	$6,537	$6,007
Total earning assets	6,876	6,558	6,106	5,966	5,538
Loans and leases	5,461	5,172	4,619	4,358	3,837
Deposits	5,178	5,082	5,069	5,084	5,159
Stockholders' equity	640	618	584	526	470
At December 31:					
Total assets	$7,565	$7,535	$7,269	$6,553	$6,511
Loans and leases	5,260	5,534	5,067	4,396	4,329
Deposits	5,358	5,152	5,220	5,088	5,337
Long-term debt	239	219	222	71	62
Stockholders' equity	650	628	608	562	498
SELECTED RATIOS					
Return on average:					
Total assets	1.02%	1.01%	1.21%	1.33%	1.36%
Total stockholders' equity	12.03%	11.73%	14.01%	16.52%	17.38%
Dividend payout ratio	48.56%	52.44%	45.04%	39.26%	37.25%
Average stockholders' equity to average total assets	8.50%	8.58%	8.65%	8.05%	7.82%
Year ended December 31:					
Net interest margin	4.36%	4.63%	4.69%	4.62%	4.74%
Net loans and leases charged off to average loans and leases	.38%	.46%	.27%	.27%	.13%
At December 31:					
Tier 1 leverage ratio	7.72%	7.51%	7.45%	7.72%	6.80%
Risk-based capital ratios:					
Tier 1	9.03%	9.31%	9.80%	10.49%	9.03%
Total	11.88%	12.06%	12.84%	11.67%	10.17%
Allowance for loan and lease losses to total loans and leases	1.50%	1.11%	1.23%	1.28%	1.27%
Nonperforming assets to total loans and leases and other real estate owned	1.75%	1.14%	1.44%	1.65%	.90%
Allowance for loan and lease losses to nonperforming loans and leases	.95x	1.04x	1.03x	.79x	1.49x

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The Company recorded consolidated net income for 1995 of $77,005,000, an increase of 6.2%, or $4,494,000, from $72,511,000 in 1994. On a per share basis, consolidated net income for 1995 was $2.43, an increase of 8.0% over 1994. The proportionately greater increase in earnings per share was attributable to the fewer average number of shares outstanding in 1995 as a result of the stock repurchase program previously mentioned.

The Company increased its earnings in 1995, while also bolstering its allowance for loan and lease losses to 1.50% of total loans and leases as of December 31, 1995, due to three nonrecurring items. These were: (1) a pre-tax gain of $20,766,000 (recorded as a pension credit in the employee benefits line of the Consolidated Statements of Income) in connection with the curtailment of the Company's noncontributory pension plan; (2) the decrease in FDIC insurance expense of $5,198,000 primarily as a result of a reduction in the insurance premiums from 23 cents to 4 cents per $100 of deposits effective June 1, 1995; and (3) the receipt of insurance proceeds and reversal of accruals totalling $4,700,000 related to losses in the trust area recognized in 1994. In December 1994, the Company recognized a pre-tax charge of $5,000,000 to cover estimated losses attributable to investments in the trust area that were outside of certain clients' express investment guidelines.

In recent years, the level of the Company's nonperforming assets and charge-offs has been adversely affected by the prolonged economic downturn in Hawaii and related weakness in the local real estate market. The Company's nonperforming assets, principally real estate assets, increased from 1.14% of total loans and leases and other real estate owned as of December 31, 1994, to 1.75% as of December 31, 1995. Net charge-offs to average loans and leases were .38% for 1995 and .46% for 1994 compared to .27% in 1993. As a result, the provision for loan and lease losses in 1995 was $38,107,000 (including approximately $26,000,000 on a nonrecurring basis), an increase of 66.2% over the provision for loan and lease losses in 1994.

Net income for 1994 decreased by $9,346,000, or 11.4%, compared to 1993. Net income per share for 1994 was $2.25 compared to $2.52 in 1993. The decline in earnings was primarily due to a higher provision for loan and lease losses of $9,660,000 attributable to the write-off of certain problem loans and the nonrecurring charge of $5,000,000 in the trust area previously mentioned. In addition, net income for 1993 included a nonrecurring income tax benefit of $3,650,000 attributable to an income tax accounting change and the $5,444,000 write-off of the undepreciated cost of certain structures in connection with the Company's redevelopment of its former downtown headquarters block.

At December 31, 1995, the Company's ratios of Tier 1 Capital to risk-weighted assets and Total Capital to risk-weighted assets were 9.03% and 11.88%, respectively, compared with 9.31% and 12.06%, respectively, at December 31, 1994. These ratios are well in excess of the minimum ratios of 4.00% and 8.00%, respectively, specified by the Federal Reserve Board.

PROPOSED ACQUISITION

On December 4, 1995, the Company entered into certain Branch Purchase and Assumption Agreements to purchase certain assets, principally loans, and assume certain liabilities, principally deposit accounts, of U.S. Bancorp and West One Bancorp as described in Note 1 to the Financial Statements. The Company anticipates that this acquisition will be completed during the second quarter of 1996.

[GRAPH]

	ASSETS (in millions)	LOANS (in millions)
1995	$7,565	$5,260
1994	$7,535	$5,534
1993	$7,269	$5,067
1992	$6,553	$4,396
1991	$6,511	$4,329

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

NET INTEREST INCOME

As reflected in Table 1, net interest income, on a taxable equivalent basis, decreased $3,717,000, or 1.2%, from $303,424,000 in 1994 to $299,707,000 in 1995. This decrease was primarily due to a 27 basis point (1% equals 100 basis points) decrease in the net interest margin, partially offset by a 4.8% increase in average earning assets, reflecting significant growth in loans and leases. Net interest income increased by $17,031,000, or 5.9%, from 1993 to 1994 primarily due to a 7.4% increase in average earning assets (principally as a result of the Pioneer acquisition in August 1993), offset by a 6 basis point decrease in the net interest margin. Tables 1 and 2 present an analysis of the components and changes in net interest income for 1995, 1994 and 1993.

The net interest margin was 4.36% for 1995, down 27 basis points compared to 1994. Both the cost of funds and yield on average earning assets increased during 1995 over the prior year due to a higher interest rate environment throughout most of the year and the continuing shift of the Company's assets into loans and leases (excluding the effect of the mortgage securitization described below). However, the 112 basis point increase in the rate paid for sources of funds used for such earning assets (reflecting among other things various deposit programs to fund loan growth and a decrease in average noninterest-bearing demand deposits of $45,211,000, or 5.2%) outpaced the increase in the yield on average earning assets of 85 basis points, resulting in an unfavorable impact on the net interest margin. In 1995, the yield on average earning assets was also adversely impacted by the: (1) reversal of $1,806,000 in previously recognized interest income on certain loans placed on nonaccrual status; (2) write-off of $743,000 in lease finance interest income for the remaining net investment in certain leveraged leases, exclusive of the residual values, as a result of the early termination of these leases; and (3) decrease in loan fees of $5,366,000 as compared to 1994.

In 1994, as a result of increases in prevailing interest rates, the yield on average earning assets increased 21 basis points and the rate paid for sources of funds used for such earning assets increased 27 basis points, which resulted in a decrease in the net interest margin from 4.69% to 4.63%.

Average earning assets increased by $317,978,000, or 4.8%, in 1995 over 1994. In the second quarter of 1995, the Company securitized approximately $461,449,000 of adjustable rate mortgage loans with the Federal National Mortgage Association ("FNMA") in an effort to increase its funding capacity and liquidity. The securities backed by these loans are held by the Company and were reclassified to the investment security portfolio. Excluding the effect of such securitization, average loans and leases increased 10.1% in 1995 over 1994. The increase was primarily due to efforts to diversify the loan portfolio, both geographically and by industry. Credit extensions to companies in the media and telecommunications industry located on the mainland United States accounted for the majority of the increase. As a result (excluding the effect of the loan securitization), the mix of average earning assets changed, with average loans and leases representing 82.8% of average earning assets for 1995 as compared to 78.9% in 1994.

Average earning assets increased by $452,160,000, or 7.4%, in 1994 over 1993. In addition, the mix of earning assets changed slightly, as the Company increased the amount of average loans and leases in its portfolio, from 75.7% of average earning assets in 1993 to 78.9% in 1994. Average loans and leases increased by $552,739,000, or 12.0%, from 1993 to 1994, principally as a result of the Pioneer acquisition.

Average interest-bearing deposits and liabilities increased by $294,061,000, or 5.3%, in 1995 over 1994. As a result of depositors seeking higher yields, the mix of average interest-bearing deposits and liabilities changed with higher-yielding average time deposits representing 33.9% of average interest-bearing deposits and liabilities in 1995 as compared to 27.1% in 1994. As reflected in Table 2, the increase in total interest expense of $85,609,000 from 1994 to 1995 consisted of an increase of $63,872,000 due to higher interest rates and an increase of $21,737,000 due to higher average balances.

Average interest-bearing deposits and liabilities increased by $469,204,000, or 9.2%, in 1994 over 1993, principally as a result of the Pioneer acquisition. As reflected in Table 2, the increase in total interest expense of $28,979,000 from 1993 to 1994 was comprised of an increase of $22,281,000 due to higher average balances and an increase of $6,698,000 due to higher interest rates.

[GRAPH]

	NET INTEREST INCOME* (in millions)	AVERAGE EARNING ASSETS (in billions)
1995..................................	$299.7	$6.88
1994..................................	303.4	6.56
1993..................................	286.4	6.11
1992..................................	275.8	5.97
1991..................................	262.7	5.54

* taxable equivalent basis

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

TABLE 1: AVERAGE BALANCES, INTEREST INCOME AND EXPENSE, AND YIELDS AND RATES (TAXABLE EQUIVALENT BASIS)

The following table sets forth the condensed consolidated average balance sheets, an analysis of interest income/expense and average yield/rate for each major category of earning assets and interest-bearing deposits and liabilities for the years indicated on a taxable equivalent basis. The tax equivalent adjustment is made for items exempt from Federal income taxes (assuming a 35% tax rate for 1995, 1994 and 1993) to make them comparable with taxable items before any income taxes are applied.

	1995			1994			1993		
(dollars in thousands)	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
ASSETS									
Earning assets:									
Interest-bearing deposits in other banks:									
Domestic	$ 11,849	$ 771	6.51%	$ 12,078	$ 615	5.09%	$ 21,098	$ 633	3.00%
Foreign	50,613	2,956	5.84	55,214	2,011	3.64	211,543	6,666	3.15
Total interest-bearing deposits in other banks	62,462	3,727	5.97	67,292	2,626	3.90	232,641	7,299	3.14
Federal funds sold and securities purchased under agreements to resell	207,237	12,003	5.79	127,821	5,179	4.05	160,647	5,097	3.17
Held-to-maturity securities:									
U.S. Treasury and other U.S. Government agencies and corporations	705,996	37,358	5.29	803,544	34,530	4.30	803,096	39,537	4.92
States and political subdivisions	104,336	8,043	7.71	163,769	9,874	6.03	184,678	9,988	5.41
Other	172,725	11,320	6.55	95,793	5,574	5.82	54,476	3,879	7.12
Total held-to-maturity securities	983,057	56,721	5.77	1,063,106	49,978	4.70	1,042,250	53,404	5.12
Available-for-sale securities	162,417	10,485	6.46	127,517	6,354	4.98	50,777	1,950	3.84
Loans and leases: (1) (2)									
Domestic	5,239,888	461,067	8.80	4,953,951	400,003	8.07	4,412,653	352,045	7.98
Foreign	220,793	21,001	9.51	218,189	18,972	8.69	206,748	17,307	8.37
Total loans and leases	5,460,681	482,068	8.83	5,172,140	418,975	8.10	4,619,401	369,352	8.00
TOTAL EARNING ASSETS	6,875,854	565,004	8.22	6,557,876	483,112	7.37	6,105,716	437,102	7.16
Cash and due from banks	242,412			265,103			298,765		
Premises and equipment	243,579			250,391			230,547		
Core deposit premium	13,672			14,588			13,156		
Goodwill	76,893			79,178			67,678		
Other assets	76,086			33,077			39,390		
TOTAL ASSETS	$7,528,496			$7,200,213			$6,755,252		

Notes:
(1) Nonaccruing loans and leases have been included in the computations of average loan and lease balances.
(2) Interest income for loans and leases included loan fees of $23,951, $29,317 and $25,145 for 1995, 1994 and 1993, respectively.

	1995			1994			1993		
(dollars in thousands)	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
LIABILITIES AND STOCKHOLDERS' EQUITY									
Interest-bearing deposits and liabilities:									
Deposits:									
Interest-bearing demand	$1,114,737	$ 30,034	2.69%	$1,206,562	$ 25,383	2.10%	$1,247,954	$ 26,652	2.14%
Savings	1,177,277	34,272	2.91	1,422,297	30,865	2.17	1,544,694	33,259	2.15
Time	1,707,967	92,942	5.44	1,369,020	56,254	4.11	1,223,151	53,162	4.35
Foreign (interest-bearing)	346,886	18,800	5.42	207,655	7,787	3.75	127,830	3,814	2.98
Total interest-bearing deposits	4,346,867	176,048	4.05	4,205,534	120,289	2.86	4,143,629	116,887	2.82
Short-term borrowings	1,271,981	74,369	5.85	1,136,361	47,813	4.21	814,843	26,477	3.25
Long-term debt	230,394	14,880	6.46	213,286	11,586	5.43	127,505	7,345	5.76
TOTAL INTEREST-BEARING DEPOSITS AND LIABILITIES	5,849,242	265,297	4.54	5,555,181	179,688	3.23	5,085,977	150,709	2.96
Noninterest-bearing demand deposits	831,485			876,696			925,497		
Other liabilities	207,619			149,922			159,403		
Total liabilities	6,888,346			6,581,799			6,170,877		
Stockholders' equity	640,150			618,414			584,375		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$7,528,496			$7,200,213			$6,755,252		
NET INTEREST INCOME AND MARGIN ON EARNING ASSETS		299,707	4.36%		303,424	4.63%		286,393	4.69%
Tax equivalent adjustment		5,047			7,352			8,171	
NET INTEREST INCOME		$294,660			$296,072			$278,222	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

TABLE 2: ANALYSIS OF CHANGES IN NET INTEREST INCOME (TAXABLE EQUIVALENT BASIS)

The following table analyzes the dollar amount of change (on a taxable equivalent basis) in interest income and expense and the changes in dollar amounts attributable to (a) changes in volume (change in volume times prior year's rates), (b) changes in rates (change in rate times prior year's volume), and (c) changes in rate/volume (change in rate times change in volume). In this table, the dollar change in rate/volume is prorated to volume and rate proportionately. The tax equivalent adjustment is made for items exempt from Federal income taxes (assuming a 35% tax rate for 1995, 1994 and 1993) to make them comparable with taxable items before any income taxes are applied.

	1995 COMPARED TO 1994 -- INCREASE (DECREASE) DUE TO:			1994 Compared to 1993 -- Increase (Decrease) Due to:		
(in thousands)	VOLUME	RATE	NET INCREASE (DECREASE)	Volume	Rate	Net Increase (Decrease)
Interest earned on:						
Interest-bearing deposits in other banks:						
Domestic	$ (12)	$ 168	$ 156	$ (494)	$ 476	$ (18)
Foreign	(180)	1,125	945	(5,325)	670	(4,655)
Total interest-bearing deposits in other banks	(192)	1,293	1,101	(5,819)	1,146	(4,673)
Federal funds sold and securities purchased under agreements to resell	4,035	2,789	6,824	(1,164)	1,246	82
Held-to-maturity securities:						
U.S. Treasury and other U.S. Government agencies and corporations	(4,525)	7,353	2,828	22	(5,029)	(5,007)
States and political subdivisions	(4,148)	2,317	(1,831)	(1,195)	1,081	(114)
Other	4,967	779	5,746	2,509	(814)	1,695
Total held-to-maturity securities	(3,706)	10,449	6,743	1,336	(4,762)	(3,426)
Available-for-sale securities	1,986	2,145	4,131	3,680	724	4,404
Loans and leases: (1)						
Domestic	23,899	37,165	61,064	43,660	4,298	47,958
Foreign	228	1,801	2,029	980	685	1,665
Total loans and leases	24,127	38,966	63,093	44,640	4,983	49,623
Total earning assets	26,250	55,642	81,892	42,673	3,337	46,010
Interest paid on:						
Deposits:						
Interest-bearing demand	(2,047)	6,698	4,651	(875)	(394)	(1,269)
Savings	(5,926)	9,333	3,407	(2,654)	260	(2,394)
Time	15,883	20,805	36,688	6,103	(3,011)	3,092
Foreign (interest-bearing)	6,618	4,395	11,013	2,815	1,158	3,973
Total interest-bearing deposits	14,528	41,231	55,759	5,389	(1,987)	3,402
Short-term borrowings	6,227	20,329	26,556	12,210	9,126	21,336
Long-term debt	982	2,312	3,294	4,682	(441)	4,241
Total interest-bearing deposits and liabilities	21,737	63,872	85,609	22,281	6,698	28,979
INCREASE (DECREASE) IN NET INTEREST INCOME (TAXABLE EQUIVALENT BASIS)	$ 4,513	$ (8,230)	$(3,717)	$20,392	$ (3,361)	$17,031

Note:

(1) Interest income for loans and leases included loan fees of $23,951, $29,317 and $25,145 for 1995, 1994 and 1993, respectively.

NONINTEREST INCOME

Total noninterest income increased $8,206,000, or 9.5%, from $86,672,000 in 1994 to $94,878,000 in 1995.

Trust fees increased $187,000, or .8%, from 1994 to 1995 and $1,446,000, or 6.8%, from 1993 to 1994. The increase was primarily the result of increases in fees from pension plans and irrevocable trusts and investment management fees resulting from new business.

Service charges on deposit accounts increased $136,000, or .6%, from 1994 to 1995 and $2,223,000, or 10.2%, from 1993 to 1994. Excluding a $1,000,000 fee received in 1994 in connection with the renewal of a certain contract, service charges on deposit accounts increased 4.9% over 1994. The increase is attributable to an increase in fees on checks returned and paid. In addition to the fee mentioned above, the increase from 1993 to 1994 was also due to an increase in service charges on checking accounts by Pioneer.

Other service charges and fees increased $3,614,000, or 11.3%, from 1994 to 1995 and $4,277,000, or 15.5%, from 1993 to 1994. The increase from 1994 to 1995 was primarily as a result of higher merchant discount fees and commissions from annuity and mutual fund sales. Increases in fee income from loan servicing and credit cards, miscellaneous commissions and the Pioneer acquisition accounted for the increase from 1993 to 1994.

Securities gains, net remained relatively constant between 1995 and 1994, but decreased $1,777,000, or 90.9%, from 1993 to 1994. The Company sold its Federal National Mortgage Association and Student Loan Marketing Association stock and recognized a gain of $1,873,000 in 1993.

Other noninterest income increased $4,304,000, or 55.9%, from 1994 to 1995 and $916,000, or 13.5%, from 1993 to 1994. The increase from 1994 to 1995 was primarily attributable to the receipt of insurance proceeds and reversal of accruals totalling $4,700,000 in 1995 related to losses in the trust area recognized in 1994. In December 1994, the Company recognized a nonrecurring pre-tax charge of $5,000,000 (recorded in other noninterest expenses) to cover estimated losses attributable to investments made in the trust area that were outside of certain clients' express investment guidelines.

Components of and changes in noninterest income are reflected below for the years indicated:

				1995/94 CHANGE		1994/93 Change	
(in thousands)	1995	1994	1993	AMOUNT	%	Amount	%
Trust income	$23,034	$22,847	$21,401	$ 187	.8%	$ 1,446	6.8%
Service charges on deposit accounts	24,150	24,014	21,791	136	.6	2,223	10.2
Other service charges and fees	35,551	31,937	27,660	3,614	11.3	4,277	15.5
Securities gains, net	144	178	1,955	(34)	(19.1)	(1,777)	(90.9)
Other	11,999	7,696	6,780	4,303	55.9	916	13.5
TOTAL NONINTEREST INCOME	$94,878	$86,672	$79,587	$8,206	9.5%	$ 7,085	8.9%

PROVISION AND ALLOWANCE FOR LOAN AND LEASE LOSSES

The provision for loan and lease losses is based upon management's judgment as to the adequacy of the allowance to absorb future losses. In assessing the adequacy of the allowance for loan and lease losses, management's methodology takes into consideration the factors described in the Notes to the Financial Statements. This assessment is performed on a quarterly basis.

The provision for loan and lease losses for 1995 was $38,107,000, an increase of 66.2%, or $15,185,000, over 1994. The increase reflects, among other factors, the Company's evaluation of economic conditions and trends in Hawaii (in particular, the relatively slow improvement in the Hawaii economy following the recent recession), the increase in net charge-offs in recent years and higher levels of nonperforming assets that the Company has had over the past several years. Based on these continuing factors, the Company's near-term goal was to increase the allowance for loan and lease losses to 1.50% of total loans and leases, which was accomplished in the fourth quarter of 1995.

Net charge-offs in 1995 totalled $20,624,000 compared to $23,925,000 in 1994. Net charge-offs in 1995 and 1994 represented .38% and .46%, respectively, of average outstanding loans and leases.

At December 31, 1995, the allowance for loan and lease losses totalled $78,733,000 and represented 1.50% of total outstanding loans and leases compared to $61,250,000 and 1.11% as of December 31, 1994.

The allowance for loan and lease losses decreased to 95.0% of nonperforming loans and leases at December 31, 1995 (excluding 90 days or more past due accruing loans and leases) from 103.9% at December 31, 1994, reflecting the increase in nonperforming loans and leases (a majority of which are collateralized by real estate) in 1995 over 1994. In management's judgment, the allowance for loan and lease losses is adequate to absorb potential losses currently inherent in the portfolio, however, changes in prevailing economic conditions in the Company's markets could result in changes in the level of nonperforming assets and charge-offs in the future and, accordingly, changes in the allowance for loan and lease losses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The provision for loan and lease losses in 1994 was $22,922,000, an increase of 72.8%, or $9,660,000, compared to 1993, reflecting, among other factors the high levels of charge-offs in 1994. Net charge-offs in 1994 totalled $23,925,000 compared to $12,619,000 in 1993.

The following sets forth the activity in the allowance for loan and lease losses for the years indicated:

(dollars in thousands)	1995	1994	1993	1992	1991
Loans and leases outstanding (end of year)	$5,259,545	$5,533,565	$5,066,809	$4,396,018	$4,329,321
Average loans and leases outstanding	$5,460,681	$5,172,140	$4,619,401	$4,358,363	$3,836,844
Allowance for loan and lease losses:					
Balance at beginning of year	$ 61,250	$ 62,253	$ 56,385	$ 55,134	$ 39,847
Allowance applicable to loans of purchased company (1)	--	--	5,225	--	10,141
Loans and leases charged off:					
Commercial, financial and agricultural	7,197	11,307	3,004	2,110	758
Real estate:					
Construction	1,466	7,178	4,506	3,932	--
Commercial	2,763	1,500	125	250	294
Residential	2,707	588	562	--	--
Consumer	8,019	6,542	6,839	7,093	5,481
Lease financing	276	--	27	25	--
Foreign	417	--	--	--	--
Total loans and leases charged off	22,845	27,115	15,063	13,410	6,533
Recoveries on loans and leases previously charged off:					
Commercial, financial and agricultural	327	1,229	235	349	313
Real estate:					
Construction	--	205	--	--	1
Commercial	239	9	321	1	42
Residential	43	92	207	35	--
Consumer	1,596	1,639	1,667	1,456	1,066
Lease financing	16	16	14	8	5
Total recoveries on loans and leases previously charged off	2,221	3,190	2,444	1,849	1,427
Net charge-offs	(20,624)	(23,925)	(12,619)	(11,561)	(5,106)
Provision charged to expense	38,107	22,922	13,262	12,812	10,252
BALANCE AT END OF YEAR	$ 78,733	$ 61,250	$ 62,253	$ 56,385	$ 55,134
Net loans and leases charged off to average loans and leases	.38%	.46%	.27%	.27%	.13%
Net loans and leases charged off to allowance for loan and lease losses	26.19%	39.06%	20.27%	20.50%	9.26%
Allowance for loan and lease losses to total loans and leases (end of year)	1.50%	1.11%	1.23%	1.28%	1.27%
Allowance for loan and lease losses to nonperforming loans and leases:					
Excluding 90 days or more past due accruing loans and leases	.95x	1.04x	1.03x	.79x	1.49x
Including 90 days or more past due accruing loans and leases	.70x	.66x	.62x	.44x	.86x

Note:

(1) Allowances of $5,225 in 1993 and $10,141 in 1991 were related to the acquisitions of Pioneer Federal Savings Bank and First Interstate Bank of Hawaii, respectively.

The Company has allocated a portion of the allowance for loan and lease losses according to the amount deemed to be reasonably necessary to provide for the possibility of losses being incurred within the various loan and lease categories as of December 31 for the years indicated:

(in thousands)	1995 ALLOWANCE AMOUNT	1995 PERCENT OF LOANS/LEASES IN EACH CATEGORY TO TOTAL LOANS/LEASES	1994 Allowance Amount	1994 Percent of Loans/Leases in Each Category to Total Loans/Leases
Domestic:				
Commercial, financial and agricultural	$15,325	25%	$16,610	23%
Real estate:				
Construction	4,035	5	7,010	6
Commercial	2,320	19	4,700	18
Residential	4,260	34	9,510	37
Consumer	9,550	9	8,040	8
Lease financing	645	4	600	4
Foreign	1,430	4	1,085	4
General allowance	41,168	N/A	13,695	N/A
CONSOLIDATED	$78,733	100%	$61,250	100%

(in thousands)	1993 Allowance Amount	1993 Percent of Loans/Leases in Each Category to Total Loans/Leases	1992 Allowance Amount	1992 Percent of Loans/Leases in Each Category to Total Loans/Leases	1991 Allowance Amount	1991 Percent of Loans/Leases in Each Category to Total Loans/Leases
Domestic:						
Commercial, financial and agricultural	$13,000	24%	$14,700	27%	$14,335	26%
Real estate:						
Construction	11,850	7	4,400	10	7,719	11
Commercial	3,400	17	5,400	16	1,785	17
Residential	4,700	35	3,000	28	2,626	25
Consumer	7,500	9	7,100	10	7,121	11
Lease financial	1,350	4	1,300	4	1,367	5
Foreign	1,600	4	1,700	5	500	5
General allowance	18,853	N/A	18,785	N/A	19,681	N/A
CONSOLIDATED	$62,253	100%	$56,385	100%	$55,134	100%

[GRAPH]

ALLOWANCE AS A % OF LOANS AND LEASES OUTSTANDING		YEAR-END ALLOWANCE FOR LOAN AND LEASE LOSSES (in millions)	
1995	1.27%	1995	$55.1
1994	1.28%	1994	$56.4
1993	1.23%	1993	$62.3
1992	1.11%	1992	$61.3
1991	1.50%	1991	$78.7

Effective January 1, 1995, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 114, "Accounting by Creditors for Impairment of a Loan," amended in October 1994 by SFAS No. 118, "Accounting by Creditors for Impairment of a Loan -- Income Recognition and Disclosures." The adoption of SFAS No. 114 did not result in an increase in the allowance for loan and lease losses primarily because the majority of impaired loan valuations continue to be based on the fair value of the collateral.

NONINTEREST EXPENSES

Total noninterest expenses for 1995 totalled $229,293,000, a decrease of $19,028,000, or 7.7%, from 1994.

Total personnel expenses for 1995 decreased $17,393,000, or 14.7%, compared to 1994. The decrease was primarily due to a nonrecurring gain of $20,766,000 recognized in 1995 in connection with the curtailment of the Company's noncontributory pension plan. The decrease was partially offset by higher salaries and wages reflecting normal merit increases.

Occupancy expense increased $2,426,000, or 10.4%, over 1994 primarily as a result of higher depreciation, insurance and rental expenses. The increase in depreciation and insurance expenses was primarily attributable to the construction of a new five-story, 75,000-square-foot office building, including a branch, on property owned in fee simple in Maite, Guam, in late 1994.

Equipment expense decreased $905,000, or 3.6%, compared to 1994. The decrease was due to the completion of the Company's migration from a Unisys to an IBM information technology platform and improvements in the delivery and processing systems.

Deposit insurance expense decreased $5,198,000, or 45.6%, compared to 1994. The decrease was due to the reduction in the FDIC assessment rate from 23 cents to 4 cents per $100 effective June 1, 1995. In addition, current legislative discussion associated with the undercapitalized SAIF could potentially result in a one-time assessment to the Company's SAIF-insured deposits. Although uncertain, the timing of the assessment may be as early as the first quarter of 1996.

In 1994, the Company recognized a nonrecurring charge of $5,000,000 to cover estimated losses attributable to investments made in the trust area that were outside of certain clients' express investment guidelines.

Other expenses increased $7,721,000, or 16.0%, over 1994 as a result of higher software depreciation expense in connection with the aforementioned migration from Unisys to IBM, interchange fees, outside services and legal fees for certain delinquent and/or nonaccrual loans and other real estate owned.

Noninterest expenses increased $22,879,000, or 10.1%, from 1993 to 1994. This increase was primarily due to higher personnel expenses and rental expenses, partly as a result of the Pioneer acquisition, higher depreciation, rental expense and maintenance service contracts in connection with the previously mentioned conversion from a Unisys to IBM information technology platform, the previously mentioned trust loss, a loss of $1,409,000 on the disposition of certain other real estate owned, higher outside services, utility charges, professional fees, the Pioneer acquisition and lower interest capitalization on construction in progress. This increase was partially offset by the write-off of $5,444,000 for the undepreciated cost of certain structures on the Company's redevelopment block in 1993.

In October 1995, the Financial Accounting Standards Board (the "FASB") issued SFAS No. 123, "Accounting for Stock-Based Compensation." SFAS No. 123 provides for, but does not require the use of, an alternative method of accounting for stock-based employee compensation plans (the "fair value based method"). The Company presently utilizes the "intrinsic value based method" of accounting prescribed in Accounting Principles Board Opinion ("APBO") No. 25, "Accounting for Stock Issued to Employees." For companies electing to remain with the accounting prescribed in APBO No. 25, certain pro forma disclosures of net income and earnings per share will be required, as if the fair value based method of accounting defined in SFAS No. 123 had been applied. SFAS No. 123 applies to fiscal years beginning after December 15, 1995. The Company does not intend to change its method of accounting and will instead provide pro forma disclosures in the notes to the financial statements as if the fair value based method had been applied. Accordingly, the adoption of this standard will not have an effect on the consolidated financial statements of the Company.

Components of and changes in noninterest expenses are reflected below for the years indicated:

(in thousands)	1995	1994	1993	1995/94 CHANGE AMOUNT	1995/94 CHANGE %	1994/93 Change Amount	1994/93 Change %
Personnel:							
Salaries and wages	$ 94,119	$ 92,237	$ 86,011	$ 1,882	2.0 %	$ 6,226	7.2%
Employee benefits	7,209	26,484	24,783	(19,275)	(72.8)	1,701	6.9
Total personnel expenses	101,328	118,721	110,794	(17,393)	(14.7)	7,927	7.2
Occupancy expense	25,706	23,280	20,416	2,426	10.4	2,864	14.0
Equipment expense	23,907	24,812	20,243	(905)	(3.6)	4,569	22.6
Deposit insurance	6,190	11,388	11,122	(5,198)	(45.6)	266	2.4
Stationery and supplies	8,645	9,055	8,430	(410)	(4.5)	625	7.4
Advertising and promotion	7,476	7,745	6,911	(269)	(3.5)	834	12.1
Trust loss	--	5,000	--	(5,000)	(100.0)	5,000	--
Write-off of building costs	--	--	5,444	--	--	(5,444)	(100.0)
Other	56,041	48,320	42,082	7,721	16.0	6,238	14.8
TOTAL NONINTEREST EXPENSES	$229,293	$248,321	$225,442	$(19,028)	(7.7)%	$22,879	10.1%

INCOME TAXES

The provision for income taxes as shown in the Consolidated Statements of Income represents 37.0% of pre-tax income for 1995, compared with 35.0% and 34.3% for 1994 and 1993, respectively.

On a taxable equivalent basis, the effective tax rate for 1995, 1994 and 1993 was 41.1%, 41.6% and 38.6%, respectively. Additional information on the Company's income taxes is provided in Note 13 to the Financial Statements.

Effective January 1, 1993, the Company adopted SFAS No. 109, "Accounting for Income Taxes," the cumulative effect of which was the recognition of an income tax benefit of $3,650,000 in the first quarter of 1993. Under SFAS No. 109, the effect of changes in tax rates is recognized in income in the period that includes the enactment date. On August 10, 1993, the Omnibus Budget Reconciliation Act of 1993 was signed into law, increasing the Federal corporate tax rate from 34% to 35%, retroactive to January 1, 1993. As a result, the Company recognized retroactive adjustments to its deferred tax liability and current tax provision of $1,520,000 and $402,000, respectively, in 1993.

LOANS

The following table sets forth the loan portfolio by major categories and loan mix as of December 31 for the years indicated:

(in millions)	1995	1994	1993	1992	1991
Domestic:					
Commercial, financial and agricultural	$1,316	$1,264	$1,166	$1,175	$1,149
Real estate:					
Construction	257	321	317	438	484
Commercial	997	965	883	720	739
Residential	1,766	2,049	1,829	1,217	1,060
Consumer	307	309	312	326	355
Credit cards	167	159	148	148	142
Lease financing	242	231	201	171	181
Foreign:					
Governments and official institutions	--	1	2	3	22
Commercial and industrial	19	50	79	78	74
Other	189	185	130	120	123
TOTAL LOANS AND LEASES	$5,260	$5,534	$5,067	$4,396	$4,329

The loan and lease portfolio is the largest component of earning assets and accounts for the greatest portion of total interest income. At December 31, 1995, total loans and leases were $5,259,545,000, a decrease of 5.0% from December 31, 1994.

In 1995, the Company securitized $461,449,000 in adjustable rate mortgage loans in an effort to increase its funding capacity and liquidity. These securitized loans were classified in the investment securities portfolio at December 31, 1995. If these securitized loans had been included within the loan category at December 31, 1995, the loan growth over December 31, 1994 would have been 2.7%.

Total loans and leases at December 31, 1995, represented 69.5% of total assets, 77.7% of total earning assets and 98.2% of total deposits compared to 73.4% of total assets, 81.2% of total earning assets and 107.4% of total deposits at December 31, 1994. The decreases in percentages compared to December 31, 1994 were due to the aforementioned loan securitization. Governmental and certain other time deposits were shifted into security repurchase agreements at December 31, 1995 and 1994 to reduce the Company's deposit insurance premiums. If these repurchase agreements had been included in the deposit base, total loans and leases as a percentage of total deposits would represent 85.7% and 92.6%, respectively, at such dates.

Commercial, financial and agricultural loans as of December 31, 1995, increased $51,579,000, or 4.1%, to $1,315,736,000 from 1994. The increase reflects efforts to diversify the loan portfolio, both geographically and by industry. Credit extensions in the media and telecommunications industry located on the mainland United States accounted for the majority of the increase.

The Company's real estate loans totalled $3,019,950,000, or 57.4% of total loans at December 31, 1995 and represented a decrease of 9.5% compared to December 31, 1994. Excluding the loan securitization mentioned above, real estate loan growth over December 31, 1994 would have been 3.3%.

The Company's primary goal in real estate lending is to maintain reasonable levels of risk by avoiding speculative real estate transactions, such as the financing of raw land acquisitions, by adhering to underwriting guidelines and by closely monitoring general economic conditions impacting local real estate markets. The Company's multifamily and commercial real estate loans, both construction and permanent, are analyzed on the basis of the economic viability of the specific project or property for which financing is sought as well as the loan-to-value ratio of the real estate securing the financing and the underlying financial strength of the borrower. In its multifamily and commercial real estate lending, the Company will generally not lend in excess of 75% of the appraised value of the underlying project or property; it generally also requires a debt service ratio of 1.20. In its single-family residential lending, the Company will generally not lend in excess of 80% of the appraised value of the underlying property. Loans made in excess of that limit are generally covered by third-party mortgage insurance that reduces the Company's equivalent risk to an 80% loan-to-appraised value ratio.

Consumer loans consist primarily of automobile secured loans supported by underwriting guidelines which management believes to be conservative and which are based primarily on satisfactory credit history, down payment, and sufficient income to service the monthly payments.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Loan concentrations are considered to exist when there are amounts loaned to multiple borrowers engaged in similar activities which would cause them to be similarly impacted by economic or other conditions. At December 31, 1995, commercial real estate loans totalled $996,715,000, or 19.0%, of total loans and leases, an increase of $31,957,000, or 3.3%, over December 31, 1994. The Company has selectively participated as a lender on commercial properties on the mainland United States, principally on the west coast. Such loans totalled $47,606,000 and $58,421,000 at December 31, 1995 and 1994, respectively. At December 31, 1995, the largest concentration of commercial real estate loans to a single borrower was $34.3 million.

At December 31, 1995, commercial, financial and agricultural, real estate-construction and foreign loans with maturities over one year were comprised of fixed rate loans totalling $115,339,000 and floating or adjustable rate loans totalling $869,435,000.

In May 1995, the FASB issued SFAS No. 122, "Accounting for Mortgage Servicing Rights." SFAS 122 amends SFAS No. 65, "Accounting for Certain Mortgage Banking Activities," to require that mortgage banking enterprises recognize as separate assets rights to service mortgage loans for others. SFAS No. 122 also requires that mortgage banking enterprises assess capitalized mortgage servicing rights based on the fair value of those rights on a disaggregated basis. SFAS No. 122 applies to fiscal years beginning after December 15, 1995. The adoption of this standard is not expected to have a material effect on the consolidated financial statements of the Company.

NONPERFORMING ASSETS AND PAST DUE LOANS

Nonperforming assets and past due loans and leases are reflected below for the years indicated:

(dollars in thousands)	1995	1994	1993	1992	1991
Nonperforming loans and leases:					
Nonaccrual:					
Commercial, financial and agricultural	$16,229	$ 7,972	$13,823	$24,563	$11,389
Real estate:					
Construction	9,697	7,038	28,571	41,018	23,298
Commercial	40,664	35,290	12,145	3,250	2,199
Residential:					
Insured, guaranteed, or conventional	12,238	4,649	5,473	2,221	--
Home equity credit lines	496	520	255	269	--
Total real estate loans	63,095	47,497	46,444	46,758	25,497
Consumer	390	143	45	106	86
Lease financing	19	212	--	27	--
Total nonaccrual loans and leases	79,733	55,824	60,312	71,454	36,972
Renegotiated:					
Commercial real estate	2,500	3,128	--	--	--
Commercial, financial and agricultural	682	--	20	77	136
Total nonperforming loans and leases	82,915	58,952	60,332	71,531	37,108
Other real estate owned	9,312	4,160	13,034	1,211	1,811
TOTAL NONPERFORMING ASSETS	$92,227	$63,112	$73,366	$72,742	$38,919
PAST DUE LOANS AND LEASES (1)	$28,790	$33,367	$40,285	$55,704	$26,726
Nonperforming assets to total loans and leases and other real estate owned (end of year):					
Excluding past due loans and leases	1.75%	1.14%	1.44%	1.65%	.90%
Including past due loans and leases	2.30%	1.74%	2.24%	2.92%	1.52%
Nonperforming assets to total assets (end of year):					
Excluding past due loans and leases	1.22%	.84%	1.01%	1.11%	.60%
Including past due loans and leases	1.60%	1.28%	1.56%	1.96%	1.01%

Note:

(1) Represents loans and leases which are past due 90 days or more as to principal or interest and which are still accruing interest.

Nonperforming assets at December 31, 1995 were $92,227,000, or 1.75% of total loans and leases and other real estate owned ("OREO") and 1.22% of total assets. These levels compared to total nonperforming assets at December 31, 1994 of $63,112,000, or 1.14% of total loans and leases and OREO and .84% of total assets. The increase in nonperforming assets of $29,115,000, or 46.1%, was principally experienced in the Company's two largest portfolios, the commercial, financial and agricultural portfolio, increasing $8,257,000, or 103.6% and the real estate portfolio increasing $15,598,000, or 32.8%. In recent years, the level of the Company's nonperforming assets and charge-offs has been adversely affected by the prolonged economic downturn in Hawaii and related weakness in the local real estate market. Although the Company believes that the Hawaii economy has begun to show signs of improvement, and certain local real estate sectors evidence signs of having stabilized, the recovery of the Hawaii economy has been slow and the effects of the economic downturn may continue to affect the level of nonperforming assets and related charge-offs in future periods.

Loans and leases past due 90 days or more and still accruing interest totalled $28,790,000 at December 31, 1995, a decrease of 13.7% from December 31, 1994. All of the loans which are past due 90 days or more and still accruing interest are in management's judgment adequately collateralized and in the process of collection.

The following table presents information related to loans and leases on a nonaccrual basis for the year ended December 31, 1995:

(in thousands)	Domestic	Foreign	Total
Interest income which would have been recorded if loans and leases had been current	$9,435	$ --	$9,435
Interest income recorded during the year	$2,366	$ --	$2,366

DEPOSITS

Deposits are the largest component of the Company's liabilities and account for the greatest portion of total interest expense. At December 31, 1995, total deposits were $5,358,313,000, an increase of $206,100,000, or 4.0%, from December 31, 1994. The increase was primarily due to the purchase of deposits of $180,388,000 in November 1995 from a local financial services loan company.

For 1995, average deposits increased $96,122,000, or 1.9%, over 1994.

For 1994, average deposits increased $13,104,000, or .3%, over 1993. Exclusive of the average deposits of Pioneer for the year ended December 31, 1994, average deposits decreased $213,559,000, or 4.4%.

The following table presents the average amount and average rate paid on deposits for the years indicated:

	1995		1994		1993	
(dollars in millions)	AMOUNT	RATE	Amount	Rate	Amount	Rate
Domestic:						
Noninterest-bearing demand	$ 831	--%	$ 877	--%	$ 925	--%
Interest-bearing demand	1,115	2.69	1,207	2.10	1,248	2.14
Savings	1,177	2.91	1,422	2.17	1,545	2.15
Time	1,708	5.44	1,369	4.11	1,223	4.35
Foreign	347	5.42	207	3.75	128	2.98
TOTAL	$5,178	4.05%	$5,082	2.86%	$5,069	2.82%

The following table presents the maturity distribution of domestic time certificates of deposits of $100,000 or more at December 31 for the years indicated:

(in millions)	1995	1994	1993
3 months or less	$337	$236	$231
Over 3 months through 6 months	177	104	66
Over 6 months through 12 months	183	189	97
Over 12 months	164	83	129
TOTAL	$861	$612	$523

[GRAPH]

DEPOSITS
(in millions)

1995	$5,337
1994	$5,088
1993	$5,220
1992	$5,152
1991	$5,358

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY MANAGEMENT

Liquidity refers to the Company's ability to provide sufficient cash flows to fund operations and to meet obligations and commitments on a timely basis at reasonable costs. The Company achieves its liquidity objectives from both assets and liabilities.

Asset-based liquidity is derived from its investment securities portfolio and short-term investments which can be readily converted to cash. These liquid assets consist of cash and due from banks, interest-bearing deposits, Federal funds sold, securities purchased under agreements to resell and investment securities. The aggregate of these assets represented 25.0% of total assets at the end of 1995 compared to 21.3% at the end of 1994. Additional information related to the Company's off-balance sheet instruments at December 31, 1995 and 1994 is included in Note 16 to the Financial Statements.

Liability-based liquidity is provided primarily from deposits. Average total deposits for 1995 increased $96,122,000, or 1.9%, to $5,178,352,000. Average total deposits for 1995 and 1994 funded 68.8% and 70.6%, respectively, of average total assets.

Additional liquidity was provided from short-term borrowings, which consisted of commercial paper issued by the Company, Federal funds purchased and securities sold under agreements to repurchase, lines of credit from other banks and credit facilities from the FHLB. Additional information on short-term borrowings is provided in Note 7 to the Financial Statements. Also, the Company has access to offshore deposits in the international market which provides another available source of funds.

The Company's commercial paper is assigned a rating of A2 by Standard & Poor's ("S&P"). The Company's subordinated debt is assigned a rating of Baa-1 by Moody's Investors Service and BBB by S&P. The Company currently has a Thomson BankWatch, Inc. rating of B.

As indicated in the Consolidated Statements of Cash Flows, net cash provided by operating activities was $129,840,000 and net cash used in investing and financing activities was $88,683,000 for 1995. For 1994, net cash provided by operating and financing activities was $305,940,000 and net cash used in investing activities was $479,175,000. For 1993, net cash provided by operating and financing activities was $197,721,000 and net cash used in investing activities was $87,251,000.

The Company's ability to pay dividends depends primarily upon dividends and other payments from its subsidiaries, which are subject to certain limitations as described in Note 10 to the Financial Statements.

ASSET/LIABILITY MANAGEMENT

The Company actively measures and manages its exposure to interest rate risk in order to maintain a relatively stable net interest margin and to allow it to take advantage of profitable business opportunities.

Interest rate risk refers to the exposure to earnings and capital arising from changes in future interest rates. The Company carefully measures and monitors its interest rate risk exposure using gap analysis, market value of equity analysis, and net interest income simulations.

The net interest income simulations are usually done on a quarterly basis, or more frequently if there have been major changes to the balance sheet or interest rates. These simulations look at how the Company's net interest income is affected from flat, rising, or declining rates using the current balance sheet and simulating net interest income going forward two years. Under these simulations, at December 31, 1995, the Company's exposure to changes in interest rates was well within current guidelines which allow for no more than a 10% adverse change in net interest income for a 1% change in rates over one year.

Interest rate risk exposure is managed through the use of off-balance sheet instruments such as swaps or floors and through extending or shortening the duration of the investment securities portfolio.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

INTEREST RATE SENSITIVITY

The Company's interest rate sensitivity position as of December 31, 1995, is presented below. The interest rate sensitivity gap, shown at the bottom of the table, refers to the difference between assets and liabilities subject to repricing, maturity, runoff and/or volatility during a specified period. The gap is adjusted for interest rate swaps which are hedging certain assets or liabilities on the balance sheet. (For ease of analysis, all of the off-balance sheet adjustments are consolidated into one line on the gap table.)

Since all interest rates and yields do not adjust at the same velocity or magnitude, and since volatility is subject to change, the gap is only a general indicator of interest rate sensitivity. At December 31, 1995, the cumulative one-year gap for the Company was a negative $226.2 million, representing 2.99% of total assets. This remains well within the Company's current guidelines of +/-10% of total assets for the cumulative one-year gap.

(dollars in thousands)	0-3 Months	4-12 Months	1-5 Years	Over 5 Years	Total
Assets:					
Interest-bearing deposits in other banks	$ 244,570	$ --	$ --	$ --	$ 244,570
Federal funds sold and securities purchased under agreements to resell	169,803	--	--	--	169,803
Investment securities	435,778	324,380	270,727	144,408	1,175,293
Net loans and leases:					
Commercial, financial and agricultural	925,697	198,018	73,911	65,936	1,263,562
Real estate -- construction	223,334	11,670	19,662	2,445	257,111
Foreign	75,263	62,021	70,572	11,151	219,007
Other	1,228,975	1,119,876	699,539	392,741	3,441,131
Total earning assets	3,303,420	1,715,965	1,134,411	616,681	6,770,477
Noninterest-earning assets	238,377	--	--	555,655	794,032
Total assets	$3,541,797	$1,715,965	$1,134,411	$1,172,336	$7,564,509
Liabilities and stockholders' equity:					
Interest-bearing deposits	$3,207,653	$ 841,345	$ 324,712	$ 30,315	$4,404,025
Noninterest-bearing deposits	184,053	--	--	770,235	954,288
Short-term borrowings	812,995	263,334	6,850	--	1,083,179
Long-term debt	50,000	--	88,000	100,752	238,752
Stockholders' equity	--	--	--	649,537	649,537
Off-balance sheet adjustment	126,187	(59,077)	(139,828)	72,718	--
Noninterest-bearing liabilities	57,426	--	--	177,302	234,728
Total liabilities and stockholders' equity	$4,438,314	$1,045,602	$ 279,734	$1,800,859	$7,564,509
Interest sensitivity gap	$ (896,517)	$ 670,363	$ 854,677	$ (628,523)	
Cumulative gap	$ (896,517)	$ (226,154)	$ 628,523	$ --	
Cumulative gap as a percent of total assets	(11.85)%	(2.99)%	8.31%	--%	

LEASE COMMITMENT

In December 1993, the Company entered into a noncancelable agreement to lease a certain office building that is currently under construction on the site of its former downtown headquarters block, which it owns in fee simple. Concurrently, the Company entered into a ground lease of the land to the lessor of the building. Rent obligation for the building will commence on December 1, 1996 and will expire on December 1, 2003. The lease agreement is not anticipated to have a material impact on the results of operations in the future. Additional information on the lease agreement is provided in Note 15 to the Financial Statements.

CAPITAL REQUIREMENTS

Bank holding companies are required to comply with risk-based capital guidelines as established by the Federal Reserve Board. The guidelines define qualifying capital (Tier 1 Capital and Total Capital) and risk-weighted assets. Tier 1 Capital includes stockholders' equity less unrealized valuation adjustment and goodwill and, beginning in 1993, all other intangibles, subject to certain exceptions described below.

Total Capital includes, in addition to Tier 1 Capital, subordinated and other qualifying term debt and a portion of the allowance for loan and lease losses. The Tier 1 component must comprise at least 50% of qualifying Total Capital. Risk-based capital ratios are calculated with reference to risk-weighted assets which include both on- and off-balance sheet exposures. A company's risk-based capital ratio is calculated by dividing its qualifying capital (the numerator of the ratio) by its risk-weighted assets (the denominator). The minimum required qualifying Total Capital ratio is 8%, of which at least 4% must consist of Tier 1 Capital.

In addition, bank holding companies are required to maintain a minimum leverage ratio of Tier 1 Capital to average quarterly total assets (net of goodwill and other intangibles, subject to certain exceptions). The Federal Reserve Board has stated that the minimum leverage ratio is 3% for the most highly-rated banking organizations which are not experiencing or anticipating significant growth. Other banking organizations are expected to maintain leverage ratios of at least one to two percent higher.

The following tables present the Company's regulatory capital position at December 31, 1995:

RISK-BASED CAPITAL RATIOS

(dollars in thousands)	AMOUNT	RATIO
Tier 1 Capital	$ 565,366	9.03%
Tier 1 Capital minimum requirement	250,301	4.00
EXCESS	$ 315,065	5.03%
Total Capital	$ 743,585	11.88%
Total Capital minimum requirement	500,602	8.00
EXCESS	$ 242,983	3.88%
RISK-WEIGHTED ASSETS	$6,257,529	

LEVERAGE RATIO

(dollars in thousands)	AMOUNT	RATIO
Tier 1 Capital to average quarterly total assets (net of certain intangibles) (Tier 1 Leverage Ratio)	$ 565,366	7.72%
Minimum leverage requirement	219,829	3.00
EXCESS	$ 345,537	4.72%
AVERAGE QUARTERLY TOTAL ASSETS (NET OF CERTAIN INTANGIBLES)	$7,327,647	

First Hawaiian, Inc. and Subsidiaries

SUMMARY OF QUARTERLY FINANCIAL DATA (UNAUDITED)

FOURTH QUARTER RESULTS

Earnings for the fourth quarter of 1995 were $19,696,000, an increase of $4,699,000, or 31.3%, over the $14,997,000 earned during the same quarter in 1994. Earnings per share for the fourth quarter of 1995 were up 34.0% to $.63, compared to $.47 for the year-earlier period. Earnings increased while also increasing the provision for loan and lease losses by approximately $17,500,000, due to two nonrecurring items. These were: (1) a pre-tax gain of $20,766,000 (recorded as a pension credit in total noninterest expenses below) in connection with the curtailment of the Company's noncontributory pension plan; and (2) the decrease in FDIC insurance expense of $2,228,000 primarily as a result of a reduction in the insurance premiums from 23 cents to 4 cents per $100. The earnings for the fourth quarter of 1994 included a pre-tax loss of $5,000,000 related to estimated losses attributable to investments made in the trust area that were outside of certain clients' express investment guidelines.

A summary of unaudited quarterly financial data for 1995 and 1994 is presented below:

	Quarter				
(in thousands, except per share data)	First	Second	Third	Fourth	Annual Total
1995					
INTEREST INCOME	$138,594	$141,645	$140,024	$139,694	$559,957
INTEREST EXPENSE	65,841	70,228	65,026	64,202	265,297
NET INTEREST INCOME	72,753	71,417	74,998	75,492	294,660
PROVISION FOR LOAN AND LEASE LOSSES	3,340	3,341	10,699	20,727	38,107
TOTAL NONINTEREST INCOME	22,983	21,700	27,466	22,729	94,878
TOTAL NONINTEREST EXPENSES	63,345	60,335	61,457	44,156	229,293
INCOME BEFORE INCOME TAXES	29,051	29,441	30,308	33,338	122,138
INCOME TAXES	10,281	10,573	10,637	13,642	45,133
NET INCOME	$ 18,770	$ 18,868	$ 19,671	$ 19,696	$ 77,005
NET INCOME PER SHARE	$.59	$.59	$.62	$.63	$2.43
1994					
Interest income	$110,044	$114,560	$120,925	$130,231	$475,760
Interest expense	38,961	41,560	44,649	54,518	179,688
Net interest income	71,083	73,000	76,276	75,713	296,072
Provision for loan and lease losses	3,843	3,288	6,548	9,243	22,922
Total noninterest income	23,069	21,099	21,105	21,399	86,672
Total noninterest expenses	61,404	61,578	60,489	64,850	248,321
Income before income taxes	28,905	29,233	30,344	23,019	111,501
Income taxes	10,168	10,233	10,567	8,022	38,990
Net income	$ 18,737	$ 19,000	$ 19,777	$ 14,997	$ 72,511
Net income per share	$.58	$.59	$.61	$.47	$2.25

SUPPLEMENTARY DATA

INVESTMENT SECURITIES BY MATURITIES AND WEIGHTED AVERAGE YIELDS

In December 1995, the Company made a one-time reclassification of its investment securities portfolio from held-to-maturity to available-for-sale as allowed by SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The following table presents the maturities of available-for-sale investment securities, excluding securities which have no stated maturity at December 31, 1995, and the weighted average yields (for obligations exempt from Federal income taxes on a taxable equivalent basis assuming a 35% tax rate) of such securities. The tax equivalent adjustment is made for items exempt from Federal income taxes to make them comparable with taxable items before any income taxes are applied.

	MATURITY									
	WITHIN ONE YEAR		AFTER ONE BUT WITHIN FIVE YEARS		AFTER FIVE BUT WITHIN TEN YEARS		AFTER TEN YEARS		TOTAL	
(dollars in millions)	AMOUNT	YIELD	AMOUNT	YIELD	AMOUNT	YIELD	AMOUNT	YIELD	AMOUNT	YIELD
U.S. Treasury and other U.S. Government agencies and corporations	$ 193	5.11%	$ 227	5.88%	$ 1	6.75%	$ 335	7.45%	$ 756	6.38%
States and political subdivisions	22	8.01	31	7.13	--	--	1	5.71	54	7.44
Collateralized mortgage obligations	--	--	28	4.51	--	--	69	5.18	97	4.99
Other	12	6.22	--	--	--	--	191	6.33	203	6.32
Total	$ 227	5.45%	$ 286	5.88%	$ 1	6.75%	$ 596	6.82%	$1,110	6.30%

Note:

The weighted average yields were calculated on the basis of the cost and effective yields weighted for the scheduled maturity of each security.

REPORT OF INDEPENDENT ACCOUNTANTS First Hawaiian, Inc. and Subsidiaries

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TO THE STOCKHOLDERS
FIRST HAWAIIAN, INC.

We have audited the accompanying consolidated balance sheets of First Hawaiian, Inc. and Subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of First Hawaiian, Inc. and Subsidiaries as of December 31, 1995 and 1994, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

As discussed in Note 13 to the financial statements, the Company changed its method of accounting for income taxes in 1993.

[COOPERS & LYBRAND SIG]

Honolulu, Hawaii
January 17, 1996

CONSOLIDATED BALANCE SHEETS First Hawaiian, Inc. and Subsidiaries

(in thousands, except number of shares and per share data)	DECEMBER 31, 1995	1994
ASSETS		
Interest-bearing deposits in other banks	$ 244,570	$ 11,670
Federal funds sold and securities purchased under agreements to resell	169,803	180,000
Investment securities:		
Held-to-maturity (fair value of $981,651 in 1994) (note 2)	--	995,887
Available-for-sale (note 2)	1,175,293	151,992
Loans and leases:		
Loans and leases (note 3)	5,259,545	5,533,565
Less allowance for loan and lease losses (note 4)	78,733	61,250
Net loans and leases	5,180,812	5,472,315
Total earning assets	6,770,478	6,811,864
Cash and due from banks	304,051	262,894
Premises and equipment (note 5)	241,987	245,338
Customers' acceptance liability	1,995	732
Core deposit premium (net of accumulated amortization of $6,634 in 1995 and $4,889 in 1994) (note 1)	16,665	13,722
Goodwill (net of accumulated amortization of $13,453 in 1995 and $9,866 in 1994) (note 1)	75,309	78,896
Other assets	154,024	121,698
TOTAL ASSETS	$7,564,509	$7,535,144
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing demand	$ 913,228	$ 861,869
Interest-bearing demand	1,073,136	1,160,219
Savings	1,147,997	1,226,877
Time (fair value of $1,937,858 in 1995 and $1,508,630 in 1994) (note 6)	1,927,011	1,503,347
Foreign (fair value of $297,984 in 1995 and $400,900 in 1994) (note 6)	296,941	399,901
Total deposits	5,358,313	5,152,213
Short-term borrowings (note 7)	1,083,179	1,329,816
Acceptances outstanding	1,995	732
Other liabilities	232,733	205,108
Long-term debt (note 8)	238,752	219,331
Total liabilities	6,914,972	6,907,200
Commitments and contingent liabilities (notes 11, 15 and 16)		
Stockholders' equity:		
Common stock $5 par value (notes 9 and 11)		
Authorized -- 100,000,000 shares		
Issued -- 32,542,797 shares in 1995 and 1994	162,713	162,713
Surplus	133,925	133,820
Retained earnings (note 10)	385,976	346,339
Unrealized valuation adjustment	5,489	(1,033)
Treasury stock, at cost -- 1,397,957 shares in 1995 and 516,623 shares in 1994	(38,566)	(13,895)
Total stockholders' equity	649,537	627,944
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$7,564,509	$7,535,144

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME — First Hawaiian, Inc. and Subsidiaries

(in thousands, except number of shares and per share data)	YEAR ENDED DECEMBER 31, 1995	1994	1993
INTEREST INCOME			
Interest and fees on loans	$470,110	$407,531	$355,961
Lease financing income	11,334	10,844	12,722
Interest on investment securities:			
Taxable interest income	57,890	45,248	44,667
Exempt from Federal income taxes	4,893	4,332	3,185
Other interest income	15,730	7,805	12,396
Total interest income	559,957	475,760	428,931
INTEREST EXPENSE			
Deposits (note 6)	176,048	120,289	116,887
Short-term borrowings	74,370	47,813	26,477
Long-term debt	14,879	11,586	7,345
Total interest expense	265,297	179,688	150,709
Net interest income	294,660	296,072	278,222
Provision for loan and lease losses (note 4)	38,107	22,922	13,262
Net interest income after provision for loan and lease losses	256,553	273,150	264,960
NONINTEREST INCOME			
Trust income	23,034	22,847	21,401
Service charges on deposit accounts	24,150	24,014	21,791
Other service charges and fees	35,551	31,937	27,660
Securities gains, net (note 2)	144	178	1,955
Other	11,999	7,696	6,780
Total noninterest income	94,878	86,672	79,587
NONINTEREST EXPENSES			
Salaries and wages	94,119	92,237	86,011
Employee benefits (note 11)	7,209	26,484	24,783
Occupancy expense (notes 5 and 15)	25,706	23,280	20,416
Equipment expense (notes 5 and 15)	23,907	24,812	20,243
Other (note 12)	78,352	81,508	73,989
Total noninterest expenses	229,293	248,321	225,442
Income before income taxes and cumulative effect of a change in accounting principle	122,138	111,501	119,105
INCOME TAXES (note 13)			
Provision before effect of change in tax rate	45,133	38,990	38,976
Adjustment to deferred tax liability and current tax provision for change in tax rate	--	--	1,922
Total income taxes	45,133	38,990	40,898
Income before cumulative effect of a change in accounting principle	77,005	72,511	78,207
Cumulative effect of a change in accounting principle (note 13)	--	--	3,650
Net income	$ 77,005	$ 72,511	$ 81,857
PER SHARE DATA			
Income before cumulative effect of a change in accounting principle	$2.43	$2.25	$2.41
Cumulative effect of a change in accounting principle	--	--	.11
NET INCOME	$2.43	$2.25	$2.52
CASH DIVIDENDS	$1.18	$1.18	$1.135
AVERAGE SHARES OUTSTANDING	31,734,669	32,259,321	32,505,109

The accompanying notes are an integral part of these consolidated financial statements.

First Hawaiian, Inc. and Subsidiaries and First Hawaiian, Inc. (Parent Company)

CONSOLIDATED STATEMENTS OF CHANGES
IN STOCKHOLDERS' EQUITY

(in thousands, except number of shares and per share data)	Common Stock Shares	Common Stock Amount	Surplus	Retained Earnings	Unrealized Valuation Adjustment	Treasury Stock	Total
Balance, December 31, 1992	32,501,611	$162,507	$132,889	$266,800	$ --	$ --	$562,196
Net income -- 1993	--	--	--	81,857	--	--	81,857
Incentive Plan for Key Executives (note 11)	--	--	137	--	--	--	137
Cash dividends ($1.135 per share) (note 10)	--	--	--	(36,821)	--	--	(36,821)
Issuance of common stock (note 9)	41,186	206	794	--	--	--	1,000
Balance, December 31, 1993	32,542,797	162,713	133,820	311,836	--	--	608,369
Net income -- 1994	--	--	--	72,511	--	--	72,511
Purchase of treasury stock	--	--	--	--	--	(13,895)	(13,895)
Cash dividends ($1.18 per share) (note 10)	--	--	--	(38,008)	--	--	(38,008)
Unrealized valuation adjustment (note 2)	--	--	--	--	(1,033)	--	(1,033)
Balance, December 31, 1994	32,542,797	162,713	133,820	346,339	(1,033)	(13,895)	627,944
Net income -- 1995	--	--	--	77,005	--	--	77,005
Purchase of treasury stock	--	--	--	--	--	(24,671)	(24,671)
Cash dividends ($1.18 per share) (note 10)	--	--	--	(37,368)	--	--	(37,368)
Unrealized valuation adjustment (note 2)	--	--	--	--	6,522	--	6,522
Incentive Plan for Key Executives (note 11)	--	--	105	--	--	--	105
BALANCE, DECEMBER 31, 1995	32,542,797	$162,713	$133,925	$385,976	$ 5,489	$(38,566)	$649,537

The accompanying notes are an integral part of these consolidated financial statements.

First Hawaiian, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 1995	1994	1993
CASH AND DUE FROM BANKS AT BEGINNING OF YEAR	$ 262,894	$ 436,129	$ 325,659
Cash flows from operating activities:			
Net income	77,005	72,511	81,857
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan and lease losses	38,107	22,922	13,262
Depreciation and amortization	27,798	24,766	20,765
Gain on curtailment of noncontributory pension plan	(20,766)	--	--
Income taxes	20,953	6,826	(5,415)
Adjustment to deferred tax liability and current tax provision for change in tax rate	--	--	1,922
Cumulative effect of a change in accounting principle	--	--	(3,650)
Decrease (increase) in interest receivable	(5,154)	(7,646)	170
Increase (decrease) in interest payable	7,655	7,956	1,424
Decrease (increase) in prepaid expenses	(48)	2,184	(1,031)
Write-off of building costs	--	--	5,444
Other	(15,710)	36,204	20,136
Net cash provided by operating activities	129,840	165,723	134,884
Cash flows from investing activities:			
Net decrease (increase) in interest-bearing deposits in other banks	(232,900)	105,066	39,580
Net decrease (increase) in Federal funds sold and securities purchased under agreements to resell	10,197	(145,000)	370,000
Purchase of held-to-maturity investment securities	(247,559)	(240,706)	(940,385)
Proceeds from maturity of held-to-maturity investment securities	690,357	376,844	821,173
Purchase of available-for-sale investment securities	(29,921)	(115,032)	(263,828)
Proceeds from sale of available-for-sale investment securities	15,000	15,195	137,709
Proceeds from maturity of available-for-sale investment securities	17,020	45,265	27,666
Net increase in loans and leases to customers	(210,274)	(493,871)	(166,146)
Capital expenditures	(13,072)	(36,634)	(60,067)
Purchase of Pioneer Fed BanCorp, Inc., net of cash acquired of $18,157	--	--	(68,950)
Other	(4,376)	9,698	15,997
Net cash used in investing activities	(5,528)	(479,175)	(87,251)
Cash flows from financing activities:			
Net increase (decrease) in deposits	206,100	(67,915)	(293,973)
Net increase (decrease) in short-term borrowings	(246,637)	237,134	309,631
Proceeds from long-term debt	19,447	21,500	108,000
Payments on long-term debt	(26)	(936)	(21,525)
Cash dividends paid	(37,368)	(38,008)	(36,821)
Repurchased common stock	(24,671)	(11,558)	(2,475)
Net cash provided by (used in) financing activities	(83,155)	140,217	62,837
CASH AND DUE FROM BANKS AT END OF YEAR	$ 304,051	$ 262,894	$ 436,129
Supplemental disclosures:			
Interest paid	$ 256,906	$ 171,732	$ 160,551
Net income taxes paid	$ 24,181	$ 24,311	$ 40,945
Supplemental schedule of noncash investing activities:			
Loans exchanged for mortgage-backed securities	$ 461,449	$ --	$ --
Transfer of securities from held-to-maturity to available-for-sale, at estimated fair value	$1,023,144	$ --	$ --

The accompanying notes are an integral part of these consolidated financial statements.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of First Hawaiian, Inc. and Subsidiaries (the "Company") conform with generally accepted accounting principles and practices within the banking industry. The following is a summary of the significant accounting policies:

RECLASSIFICATIONS

Certain reclassifications were made to the 1994 and 1993 Financial Statements to conform to the 1995 presentation. Such reclassifications did not have a material effect on the Financial Statements.

CONSOLIDATION

The consolidated financial statements of the Company include the accounts of First Hawaiian, Inc. (the "Parent") and its wholly-owned subsidiary companies - -- First Hawaiian Bank and its wholly-owned subsidiaries (the "Bank"); Pioneer Federal Savings Bank ("Pioneer") and its wholly-owned subsidiary; First Hawaiian Creditcorp, Inc. ("Creditcorp"); First Hawaiian Leasing, Inc. ("Leasing"); and FHI International, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INVESTMENT SECURITIES

Investment securities consist principally of debt instruments issued by the U.S. Treasury and other U.S. Government agencies and corporations, state and local government units and asset-backed securities.

Investments in and obligations to individual counterparties are presented as net amounts in the consolidated financial statements of the Company only if the conditions specified in Financial Accounting Standards Board ("FASB") Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts," are met. No such netting occurred as of December 31, 1995.

As of December 31, 1993, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." In accordance with SFAS No. 115, investment securities are classified in three categories and accounted for as follows: (1) held-to-maturity securities are debt securities, which the Company has the positive intent and ability to hold to maturity, and are reported at amortized cost; (2) trading securities are debt securities that are bought and held principally for the purpose of selling them in the near term and are reported at fair value, with unrealized gains and losses included in current earnings; and (3) available-for-sale securities are debt securities not classified as either held-to-maturity securities or trading securities and are reported at fair value, with unrealized gains and losses excluded from current earnings and reported in a separate component of stockholders' equity.

In December 1995, the Company made a one-time reclassification of its investment securities portfolio from held-to-maturity to available-for-sale as allowed by SFAS No. 115 which resulted in an unrealized gain of $8,606,000.

Gains and losses realized on the sales of investment securities are determined using the specific identification method.

LOANS AND LEASE FINANCING

Loans are stated at their principal outstanding amounts, net of any unearned discounts. Interest income on loans is accrued and recognized on the principal amount outstanding.

Loan origination fees and substantially all loan commitment fees are deferred and accounted for as an adjustment of the yield.

Lease financing transactions consist of two types:

(1) Equipment without outside financing is accounted for using the direct financing method with income recognized over the life of the lease based upon a constant periodic rate of return on the net investment in the lease.

(2) Leveraged lease transactions are subject to outside financing through one or more participants, without recourse to the Company. These transactions are accounted for by recording as the net investment in each lease the aggregate of rentals receivable (net of principal and interest on the related nonrecourse debt) and estimated residual value of the equipment less the unearned income. Income from these lease transactions is recognized during the periods in which the net investment is positive.

Loans and leases are placed on nonaccrual status when serious doubt exists as to the collectibility of the principal and/or interest. When loans are placed on nonaccrual status, any accrued and unpaid interest is reversed against interest income of the current period. Interest payments received on nonaccrual loans and leases are applied as a reduction of the principal when concern exists as to the ultimate collection of the principal; otherwise, such payments are recorded as income. Loans and leases are removed from nonaccrual status when they become current as to both principal and interest and when concern no longer exists as to the collectibility of principal and interest.

NOTES TO FINANCIAL STATEMENTS (Continued)

ALLOWANCE FOR LOAN AND LEASE LOSSES

Effective January 1, 1995, the Company adopted SFAS No. 114, "Accounting by Creditors for Impairment of a Loan," amended in October 1994 by SFAS No. 118, "Accounting by Creditors for Impairment of a Loan -- Income Recognition and Disclosures." Under the new standard, a loan is impaired, based on current information and events, if it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan. Impairment is based on the present value of expected future cash flows discounted at the historical effective interest rate, except that all collateral-dependent loans are measured for impairment based on the fair value of the collateral. Impairment losses are included in the provision for loan and lease losses. The adoption of SFAS No. 114 did not result in an additional provision for loan and lease losses primarily because the majority of impaired loan valuations continue to be based on the fair value of the collateral.

The allowance for loan and lease losses (the "Allowance") is maintained at a level which, in management's judgment, is adequate to absorb future losses. Estimates of future loan and lease losses involve judgment and assumptions as to various factors which, in management's judgment, deserve current recognition in estimating such losses and in determining the adequacy of the Allowance. Principal factors considered by management include the historical loss experience, the value and adequacy of collateral, the level of nonperforming (nonaccrual and renegotiated) loans and leases, loan concentrations, the growth and composition of the portfolio, the review of monthly delinquency reports, the results of examinations of individual loans and leases and/or evaluation of the overall portfolio by senior credit personnel, internal auditors, and Federal and State regulatory agencies, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay and general economic conditions.

The Allowance is reduced by loans and leases charged off when collectibility becomes doubtful and the underlying collateral, if any, is considered inadequate to liquidate the outstanding debt. Recoveries on loans and leases previously charged off are added to the Allowance.

OTHER REAL ESTATE OWNED

Other real estate owned, included in other assets, is comprised of properties acquired primarily through foreclosure proceedings. When acquired, these properties are valued at fair value which establishes the new cost basis of other real estate owned. Losses arising at the time of acquisition of such properties are charged against the Allowance. Subsequent to acquisition, such properties are carried at the lower of cost or fair value less estimated selling costs. Write-downs or losses from the disposition of such properties subsequent to the date of acquisition are included in other noninterest expenses.

PREMISES AND EQUIPMENT

Premises and equipment, including leasehold improvements, are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of 10-40 years for premises, 3-13 years for equipment and the lease term for leasehold improvements.

CORE DEPOSIT PREMIUM AND GOODWILL

The core deposit premium is being amortized on the straight-line method over various lives ranging from 9 to 20 years. The excess of the purchase price over the fair value of the net assets acquired is accounted for as goodwill and is being amortized on the straight-line method over 25 years.

In March 1995, the FASB issued SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." SFAS No. 121 requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS No. 121 applies to fiscal years beginning after December 15, 1995. The adoption of this standard is not expected to have a material effect on the Company's financial position or results of operations.

INCOME TAXES

Effective January 1, 1993, the Company adopted SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Excise tax credits relating to premises and equipment are accounted for under the flow-through method which recognizes the benefit in the year the asset is placed in service. The investment and excise tax credits related to lease equipment, except for investment and excise tax credits that are passed on to lessees, are recognized during the periods in which the net investment is positive.

A consolidated Federal income tax return is filed for the Company. Amounts equal to income tax benefits of those companies having taxable losses or credits are reimbursed by other companies which would have incurred current income tax liabilities.

INTEREST RATE SWAPS AND FLOORS

The Company engages in interest rate swap and floor activities in managing its interest rate risk. Premiums for purchased floors are amortized over the life of the contracts. Since the contracts represent an exchange of interest payments and the underlying principal balances are not affected, there is no effect on the total assets or liabilities of the Company. The income or expense from these contracts is included as part of the interest income or expense for the corresponding asset or liability being hedged.

PER SHARE DATA

Net income per share is computed by dividing net income by the average number of shares outstanding during the year.

The impact of common stock equivalents, such as stock options, is not material; therefore, they are not included in the computation.

FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Company in estimating the fair value of financial instruments:

Cash and due from banks: The carrying amounts reported in the Consolidated Balance Sheets of cash and short-term instruments approximate fair values.

Investment securities (including mortgage-backed securities): Fair values of investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Loans and leases: For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. The fair values of commercial and industrial loans, financial institution loans, agricultural loans, certain mortgage loans (e.g. 1-4 family residential, commercial real estate and rental property), credit card loans, and other consumer loans are estimated using discounted cash flow analyses, which utilize interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. The carrying amount of accrued interest approximates its fair value.

Off-balance sheet commitments and contingent liabilities: Fair values of off-balance sheet commitments and contingent liabilities are based upon quoted market prices of comparable instruments (interest rate floors); fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing (letters of credit and commitments to extend credit); or, pricing models based upon brokers' quoted markets, current levels of interest rates, and specific cash flow schedules (interest rate swaps).

Deposits: The fair values of demand deposits (e.g., interest and noninterest checking, passbook savings, and certain types of money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). Fair values of fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Short-term borrowings: The carrying amounts of overnight Federal funds purchased, borrowings under repurchase agreements, and other short-term borrowings approximate their fair values.

Long-term debt: The fair values of the Company's long-term debt (other than deposits) are estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

1. ACQUISITIONS

PACIFIC NORTHWEST

On December 4, 1995, the Company entered into certain Branch Purchase and Assumption Agreements to purchase certain assets, principally loans, and assume certain liabilities, principally deposit accounts, of U.S. Bancorp and West One Bancorp. Under the agreement, the Company will purchase a total of 31 branches, 25 in Oregon, five in Washington and one in Idaho and will pay a deposit premium of 5.25% on approximately $741 million in deposits. Total loans to be purchased approximate $426 million.

The Company will account for the proposed acquisition utilizing the purchase method. The proposed acquisition is contingent on the approval of certain regulatory agencies, including but not limited to, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision and state regulatory authorities. The Company anticipates that this acquisition will be completed during the second quarter of 1996.

PIONEER FEDERAL SAVINGS BANK

On August 6, 1993, the Company acquired for cash all of the outstanding stock of Pioneer Fed BanCorp, Inc. ("Pioneer Holdings") at a purchase price of $87 million through the merger of Pioneer Holdings with and into the Company (the "Merger"). As a result of the Merger, Pioneer Federal Savings Bank, a savings bank with 19 branches statewide, became a wholly-owned subsidiary of the Company. The acquisition was accounted for using the purchase method of accounting and the results of operations of Pioneer are included in the Consolidated Statements of Income from the date of acquisition. The excess of cost over fair value of net assets acquired amounted to approximately $22 million.

The following unaudited pro forma information shows the consolidated results of operations as though the above acquisition of Pioneer Holdings, including the related purchase accounting adjustments, had been made at the beginning of 1993:

(in thousands, except per share data)	1993
Interest income	$469,413
Interest expense	$183,860
Noninterest income	$ 72,313
Noninterest expenses	$227,473
Net income	$ 81,419
Earnings per share	$ 2.50

2. INVESTMENT SECURITIES

AVAILABLE-FOR-SALE

Amortized cost and fair values of available-for-sale investment securities at December 31, 1995 and 1994 were as follows:

	1995			
(in thousands)	AMORTIZED COST	UNREALIZED GAINS	UNREALIZED LOSSES	FAIR VALUE
U.S. TREASURY AND OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS	$ 755,322	$6,931	$101	$ 762,152
COLLATERALIZED MORTGAGE OBLIGATIONS	97,360	1	386	96,975
STATES AND POLITICAL SUBDIVISIONS	54,176	1,129	224	55,081
OTHER	259,320	1,859	94	261,085
TOTAL AVAILABLE-FOR-SALE INVESTMENT SECURITIES	$1,166,178	$9,920	$805	$1,175,293

	1994			
(in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury and other U.S. Government agencies and corporations	$ 50,047	$ --	$ 922	$ 49,125
Collateralized mortgage obligations	25,961	--	371	25,590
States and political subdivisions	11,700	--	423	11,277
Other	66,000	--	--	66,000
Total available-for-sale investment securities	$153,708	$ --	$1,716	$151,992

The amortized cost and fair values of available-for-sale investment securities at December 31, 1995, by contractual maturity, excluding securities which have no stated maturity, were as follows:

(in thousands)	AMORTIZED COST	FAIR VALUE

DUE WITHIN ONE YEAR	$ 226,580	$ 227,101
DUE AFTER ONE BUT WITHIN FIVE YEARS	286,126	288,876
DUE AFTER FIVE BUT WITHIN TEN YEARS	1,204	1,197
DUE AFTER TEN YEARS	595,787	601,638
TOTAL AVAILABLE-FOR-SALE INVESTMENT SECURITIES	$1,109,697	$1,118,812

The Company held no trading securities as of December 31, 1995 and 1994.

Investment securities with an aggregate book value of $1,064,987,000 at December 31, 1995 were pledged to secure public deposits and repurchase agreements as required by law.

The Company did not hold investment securities of any single issuer (other than the U.S. Government and its agencies) which were in excess of 10% of stockholders' equity at December 31, 1995.

Gross gains of $224,000, $180,000 and $2,038,000 and gross losses of $80,000, $2,000 and $83,000 were realized on sales of investment securities during 1995, 1994 and 1993, respectively.

At December 31, 1995, collateralized mortgage obligations were comprised of $77,311,000 planned amortization class bonds with an estimated average life of .2 years and $20,049,000 floating rate bonds with an estimated average life of 2.2 years.

HELD-TO-MATURITY

At December 31, 1995 there were no investment securities classified as held-to-maturity. Book and fair values of held-to-maturity investment securities at December 31, 1994 were as follows:

	1994			
(in thousands)	Book Value	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury and other U.S. Government agencies and corporations	$568,894	$ --	$10,924	$557,970
Collateralized mortgage obligations	200,420	--	5,689	194,731
States and political subdivisions	154,493	3,600	1,087	157,006
Other	72,080	--	136	71,944
Total held-to-maturity investment securities	$995,887	$ 3,600	$17,836	$981,651

NOTES TO FINANCIAL STATEMENTS (Continued)

3. LOANS AND LEASES

At December 31, 1995 and 1994, loans and leases were comprised of the following:

(in thousands)	1995 BOOK VALUE	1995 FAIR VALUE	1994 Book Value	1994 Fair Value
Commercial, financial and agricultural	$1,315,736	$1,308,078	$1,264,157	$1,216,000
Real estate:				
Construction	256,943	257,033	320,783	319,575
Commercial	996,715	1,026,412	964,758	1,073,744
Residential	1,766,292	1,745,777	2,049,489	1,998,346
Consumer	473,909	480,452	467,827	467,792
Lease financing	241,721	242,402	230,587	230,598
Foreign	208,229	209,481	235,964	230,455
TOTAL LOANS AND LEASES	$5,259,545	$5,269,635	$5,533,565	$5,536,510

At December 31, 1995 and 1994, loans and leases aggregating $82,915,000 and $58,952,000, respectively, were on a nonaccrual basis.

In the normal course of business, the Company makes loans to its executive officers and directors, and to companies and individuals affiliated with executive officers and directors of the Company. Changes in the loans to such parties were as follows:

(in thousands)	1995	1994
Balance at beginning of year	$296,248	$314,988
New loans made	54,623	53,734
Repayments	(53,889)	(72,474)
BALANCE AT END OF YEAR	$296,982	$296,248

At December 31, 1995 and 1994, loans to such parties by the Parent were $15,480,000 and $17,005,000, respectively, and the income related to these loans was $1,143,000, $1,089,000 and $920,000 for 1995, 1994 and 1993, respectively.

4. ALLOWANCE FOR LOAN AND LEASE LOSSES

Changes in the allowance for loan and lease losses were as follows for the years indicated:

(in thousands)	1995	1994	1993
Balance at beginning of year	$61,250	$62,253	$56,385
Provision charged to expense	38,107	22,922	13,262
Net charge-offs:			
Loans and leases charged off	(22,845)	(27,115)	(15,063)
Recoveries on loans and leases charged off	2,221	3,190	2,444
Net charge-offs	(20,624)	(23,925)	(12,619)
Allowance applicable to loans of purchased company	--	--	5,225
BALANCE AT END OF YEAR	$78,733	$61,250	$62,253

The following table presents information related to impaired loans as of and for the year ended December 31, 1995:

(in thousands)

IMPAIRED LOANS	$97,915
IMPAIRED LOANS WITH RELATED ALLOWANCE FOR LOAN AND LEASE LOSSES CALCULATED UNDER SFAS NO. 114	65,430
AVERAGE IMPAIRED LOANS	82,304
INTEREST INCOME RECORDED DURING THE YEAR	3,454

Interest payments on impaired loans are applied to principal.

5. PREMISES AND EQUIPMENT

At December 31, 1995 and 1994, premises and equipment were comprised of the following:

(in thousands)	1995	1994
Premises	$229,629	$227,277
Equipment	136,062	126,207
	365,691	353,484
Less accumulated depreciation and amortization	123,704	108,146
NET BOOK VALUE	$241,987	$245,338

Occupancy and equipment expenses include depreciation and amortization expenses of $17,649,000, $17,572,000 and $15,133,000 for 1995, 1994 and 1993, respectively.

6. DEPOSITS

For 1995, 1994 and 1993, interest expense related to deposits was as follows:

(in thousands)	1995	1994	1993
Interest-bearing demand	$ 30,034	$ 25,383	$ 26,652
Savings	34,272	30,865	33,259
Time -- Under $100	52,260	31,666	29,581
Time -- $100 and over	40,682	24,588	23,581
Foreign	18,800	7,787	3,814
TOTAL INTEREST EXPENSE ON DEPOSITS	$176,048	$120,289	$116,887

Time deposits in denominations of $100,000 or more at December 31, 1995 and 1994 were as follows:

(in thousands)	1995	1994
Domestic	$861,409	$611,757
Foreign	$166,404	$270,234

7. SHORT-TERM BORROWINGS

At December 31, 1995 and 1994, short-term borrowings were comprised of the following:

(in thousands)	1995	1994
First Hawaiian Bank:		
Federal funds purchased	$ 19,586	$ 195,859
Securities sold under agreements to repurchase	838,026	823,248
Advances from Federal Home Loan Bank of Seattle	100,000	50,000
First Hawaiian, Inc. (Parent) -- Commercial paper	13,777	46,723
Nonbank subsidiaries -- Advances from Federal Home Loan Bank of Seattle	111,790	213,986
TOTAL SHORT-TERM BORROWINGS	$1,083,179	$1,329,816

Average rates and average and maximum balances for these short-term borrowings were as follows for the years indicated:

(dollars in thousands)	1995	1994	1993
Federal funds purchased:			
Average interest rate at December 31	5.9%	5.8%	2.7%
Highest month-end balance	$270,927	$217,535	$172,215
Average daily outstanding balance	$161,602	$155,852	$ 98,042
Average daily interest rate paid	6.3%	4.4%	2.8%
Securities sold under agreements to repurchase:			
Average interest rate at December 31	5.4%	5.4%	3.2%
Highest month-end balance	$909,867	$883,036	$871,891
Average daily outstanding balance	$823,506	$792,790	$660,474
Average daily interest rate paid	5.6%	4.0%	3.2%
Commercial paper:			
Average interest rate at December 31	5.3%	6.2%	4.0%

Highest month-end balance	$ 49,102	$ 46,723	$ 11,271
Average daily outstanding balance	$ 26,875	$ 14,092	$ 8,430
Average daily interest rate paid	6.2%	4.7%	3.1%
Advances from Federal Home Loan Bank of Seattle:			
Average interest rate at December 31	5.9%	6.0%	4.3%
Highest month-end balance	$322,661	$279,437	$111,265
Average daily outstanding balance	$259,998	$153,008	$ 43,499
Average daily interest rate paid	6.8%	5.5%	4.6%

Securities sold under agreements to repurchase were treated as financings and the obligations to repurchase the identical securities sold were reflected as liabilities with the dollar amount of securities underlying the agreements remaining in the asset accounts. At December 31, 1995, the weighted average maturity of these agreements was 131 days and primarily represents investments by public (governmental) entities. A schedule of maturities of these agreements is as follows:

(in thousands)	
OVERNIGHT	$ --
LESS THAN 30 DAYS	408,128
30 TO 90 DAYS	225,714
OVER 90 DAYS	204,184
TOTAL	$838,026

The Parent had $70,000,000 in unused lines of credit with unaffiliated banks to support its commercial paper borrowings as of December 31, 1995.

8. LONG-TERM DEBT

At December 31, 1995 and 1994, long-term debt was comprised of the following:

The following table sets forth the reconciliation of the funded status of the plans at December 31, 1995 and 1994:

(in thousands)	1995	1994
Actuarial present value of benefit obligation:		
Vested benefits	$78,182	$62,900
Nonvested benefits	100	3,100
Accumulated benefit obligation	$78,282	$66,000
Plan assets at fair value (primarily listed stocks and fixed income securities)	$98,220	$84,044
Projected benefit obligation	88,784	91,944
Plan assets in excess of (less than) projected benefit obligation	9,436	(7,900)
Unrecognized net gain	(1,232)	(736)
Unrecognized prior service cost	7,623	6,959
Unrecognized net asset	(7,199)	(8,264)
PREPAID PENSION COST (PENSION LIABILITY)	$ 8,628	$(9,941)

Plan assets included 587,856 shares of common stock of the Company with a fair value of $17,636,000 and $13,962,000 at December 31, 1995 and 1994, respectively.

The weighted average discount rate was 7.0% as of December 31, 1995, and 7.5% as of December 31, 1994. For both years, the rate of increase in future compensation used in determining the projected benefit obligation was 5.0% for the qualified pension plan and 7.0% for the unfunded supplemental retirement plan. The expected long-term rate of return on plan assets was 8.5% for both years.

The Company has unfunded postretirement medical and life insurance plans which are available to retirees who have satisfied age and length of service requirements. The following table sets forth the reconciliation of the funded status of the plan at December 31, 1995 and 1994:

(in thousands)	1995	1994
Actuarial present value of benefit obligation:		
Retirees	$ 3,528	$ 3,196
Other fully eligible plan participants	1,382	1,248
Other active plan participants	2,076	1,775
TOTAL	$ 6,986	$ 6,219
Funded status	$ 6,986	$ 6,219
Unrecognized transition obligation	(2,429)	(2,572)
Unrecognized prior service cost	(71)	(77)
Unrecognized net loss	(575)	(214)
ACCRUED POSTRETIREMENT BENEFIT COST	$ 3,911	$ 3,356
Service cost	$ 189	$ 187
Interest cost	453	430
Amortization of:		
Transition obligation	143	143
Unrecognized prior service cost	6	6
NET PERIODIC POSTRETIREMENT BENEFIT COST	$ 791	$ 766

The assumed health care cost trend is not applicable since the medical plan provides a flat dollar commitment. Thus, there is no effect due to a one-percentage-point increase in the trend rate.

The weighted average discount rate was 7.0% as of December 31, 1995, and 7.5% as of December 31, 1994. For both years, the rate of increase in future compensation used in determining the accumulated postretirement benefit obligation was 5.0%.

PROFIT SHARING AND CASH BONUS PLANS

The profit sharing and cash bonus plans cover substantially all employees, after satisfying age and length of service requirements. Annual contributions to the plans are based upon a formula and are limited to the total amount deductible under the applicable provisions of the Internal Revenue Code. The profit sharing and cash bonus formula provides that 50% of the Company's contribution be paid directly to eligible members as a year-end cash bonus and the other 50%, less forfeitures, be paid into the profit sharing trust fund. The profit sharing contribution and cash bonus (reflected in salaries and wages) for 1995, 1994 and 1993 totalled $5,545,000, $5,127,000 and $4,328,000, respectively.

INCENTIVE PLAN FOR KEY EXECUTIVES

The Company has an Incentive Plan for Key Executives (the "IPKE"), under which awards of cash or common stock of the Company, or both, are made to key executives. The IPKE limits the aggregate and individual value of the awards that could be issued in any one fiscal year. Shares awarded under the Plan are held in escrow and key executives concerned may not, under any circumstances, voluntarily dispose or transfer such shares prior to the earliest of attaining 60 years of age, completion of 20 full years of employment with the Company, retirement, death or termination of employment prior to retirement with the approval of the Company. Additionally, there is a five year restriction from the date of all subsequent shares awarded to those key executives who had previously met the minimum restrictions of completion of 20 full years of employment or attaining 60 years of age.

STOCK INCENTIVE PLAN

In 1992, the stockholders approved a Stock Incentive Plan (the "SIP"), which authorized the granting of up to 1,000,000 shares of common stock to key employees. The purpose of the SIP is to promote the success and enhance the value of the Company by providing additional incentives to selected key employees in a way that links their interests with those of stockholders and provides those employees with an incentive for outstanding performances. The SIP is administered by the Executive Compensation Committee of the Board of Directors. The SIP provides for grants of restricted stock, incentive stock options, non-qualified stock options and reload options. Options are granted at exercise prices not less than the fair market value of the common stock on the date of grant. Options vest 25% per year after the date of grant. Stock options have exercise periods no longer than ten years from the date of grant and may not be exercised for six months after the date of grant and/or vesting. Stock options can be exercised, in whole or in part, by payment of the option price in cash or, if allowed under the option agreement, shares of common stock already owned by the optionee (reload options). Upon the occurrence of a change in control of the Company, as defined in the SIP, all options granted and held at least six months become immediately vested and exercisable.

The following table summarizes activity under the SIP for 1995, 1994 and 1993 and the status at December 31, 1995:

For the years ended December 31, 1995, 1994 and 1993, the provision for income taxes was comprised of the following:

(in thousands)	1995	1994	1993
Current:			
Federal	$15,164	$24,822	$19,755
States and other	3,698	4,989	4,776
Total current	18,862	29,811	24,531
Deferred:			
Federal	21,430	6,175	12,116
States and other	4,841	3,004	4,251
Total deferred	26,271	9,179	16,367
TOTAL INCOME TAX PROVISION	$45,133	$38,990	$40,898

The provision for income taxes has been reduced by investment, excise tax and low income housing credits of $2,140,000, $1,769,000 and $1,000,000 in 1995, 1994 and 1993, respectively. The Company also has foreign tax credit carryforwards amounting to $5,770,000 at December 31, 1995 which may be used to offset future Federal income tax expense. The foreign tax credit carryover of $1,040,000, $1,526,000, $1,597,000 and $1,607,000 will expire at the end of 1997, 1998, 1999 and 2000, respectively.

The components of net deferred income tax liabilities at December 31, 1995 and 1994 were as follows:

	DECEMBER 31	
(in thousands)	1995	1994
ASSETS		
Federal and State income tax credit carryovers	$ 5,003	$ 3,180
Employee benefit deductions	3,489	10,340
Provision for loan and lease losses	36,897	32,706
Loan fees and other income	8,117	8,853
Hawaii State franchise taxes	6,628	5,007
Total deferred income tax assets	60,134	60,086
LIABILITIES		
Lease expenses	152,799	120,933
Depreciation expense	12,705	19,975
Intangible assets-net premiums	2,502	3,429

Marketable securities-available for sale	3,626	683
Other	6,465	3,132
Total deferred income tax liabilities	178,097	148,152
NET DEFERRED INCOME TAX LIABILITIES	$(117,963)	$(88,066)

Net deferred income tax liabilities are included in other liabilities in the Consolidated Balance Sheets.

At December 31, 1995 and 1994, Federal income taxes had not been provided on $2,832,000 of thrift bad debt deductions. If in the future, these amounts are used for any purpose other than to absorb losses on bad debts, a tax liability will be imposed on the Company for these amounts at the then current income tax rates.

Effective January 1, 1996, the Hawaii Revised Statutes were amended to require the apportionment and allocation of income according to the state where the income has been generated. As such, 1996 and future state income and franchise taxes will be computed accordingly. Management has not yet determined the effect this change will have on the calculation and allocation of future income tax provisions.

The following analysis reconciles the Federal statutory income tax rate to the effective income tax rate for the years indicated:

	1995	1994	1993
Federal statutory income tax rate	35.0%	35.0%	35.0%
Municipal and other tax-exempt income	(2.7)	(4.0)	(4.4)
Hawaii State income and franchise taxes, net of Federal tax benefit	4.5	4.7	4.9
Other	.2	(0.7)	(1.2)
EFFECTIVE INCOME TAX RATE	37.0%	35.0%	34.3%

NOTES TO FINANCIAL STATEMENTS (Continued)

14. INTERNATIONAL OPERATIONS

The Company's international operations, principally Guam and Grand Cayman, British West Indies, involve foreign banking and international financing activities, including short-term investments, loans, acceptances, letters of credit financing and international funds transfers.

International activities are identified on the basis of the domicile of the Company's customer.

Total revenue, income before income taxes, net income and total assets for foreign, domestic and consolidated operations at and for the years ended December 31, 1995, 1994 and 1993 were as follows:

(in thousands)	Foreign	Domestic	Consolidated
1995			
TOTAL REVENUE	$ 38,669	$ 616,166	$ 654,835
INCOME BEFORE INCOME TAXES	$ 582	$ 121,556	$ 122,138
NET INCOME	$ 379	$ 76,626	$ 77,005
TOTAL ASSETS	$478,790	$7,085,719	$7,564,509
1994			
Total revenue	$ 26,533	$ 535,899	$ 562,432
Income before income taxes	$ 1,496	$ 110,005	$ 111,501
Net income	$ 972	$ 71,539	$ 72,511
Total assets	$251,697	$7,283,447	$7,535,144
1993			
Total revenue	$ 26,586	$ 481,932	$ 508,518
Income before income taxes	$ 2,726	$ 116,379	$ 119,105
Net income	$ 1,772	$ 80,085	$ 81,857
Total assets	$326,197	$6,942,934	$7,269,131

Under current intercompany pricing procedures, transfers of funds are priced at prevailing market rates. In general, the Company has allocated all direct expenses and a proportionate share of general and administrative expenses to the income derived from loans and transactions by the Company's international operations.

The following presents the percentages of average total assets and total liabilities attributable to foreign operations. For this purpose, assets attributable to foreign operations are defined as assets in foreign offices and loans and leases to and investments in customers domiciled outside the United States. Deposits received and other liabilities are classified on the basis of domicile of the creditor.

	1995	1994	1993
Average foreign assets to average total assets	3.61%	3.80%	6.19%
Average foreign liabilities to average total liabilities	5.04%	3.15%	2.07%

The Company did not have any foreign outstandings to any individual country which exceeded 1% of total assets at December 31, 1995, 1994 and 1993.

15. LEASE COMMITMENTS

Future minimum lease payments by year and in the aggregate under all noncancelable operating leases having initial or remaining terms in excess of one year consisted of the following at December 31, 1995:

(in thousands)	Operating Leases	Less Sublease Income	Net Operating Leases
1996	$ 10,981	$ 1,236	$ 9,745
1997	24,137	4,490	19,647
1998	24,263	4,383	19,880

1999	24,573	4,450	20,123
2000	24,567	4,929	19,638
2001 and thereafter	118,101	15,936	102,165
TOTAL	$226,622	$35,424	$191,198

These premises and equipment leases extend for varying periods up to 39 years and some of them may be renewed for periods ranging from 1 to 39 years. The premises' leases also provide for payments of real property taxes, insurance and maintenance.

In most cases, leases for the premises provide for periodic renegotiation of the rents based upon a percentage of the appraised value of the leased property. The renegotiated annual rent is usually not less than the annual amount paid in the previous period. Where future commitments are subject to appraisals, the minimum annual rental commitments are based on the latest annual rents.

In December 1993, the Company entered into a noncancelable agreement to lease a certain office building to be constructed on land owned in fee simple by the Company. Concurrently, the Company entered into a ground lease of the land to the lessor of the building. Rent obligation for the building will commence on December 1, 1996 and will expire on December 1, 2003 (the "Primary Term"). The Company is obligated to pay all taxes, insurance, maintenance and other operating costs associated with the building during the Primary Term and to assume certain responsibilities during the construction period. The Company plans to occupy approximately 40% of the building and sublease the remaining 60% to third parties. As of December 31, 1995, the Company has executed certain noncancelable subleases with third parties. These amounts are included in sublease income in the above table.

At the end of the Primary Term, the Company may, at its option: (1) extend the lease term at rents based on the lessor's cost of funds at the time of renewal; (2) purchase the building for an amount approximately equal to that expended by the lessor to construct the building; or (3) arrange for the sale of the building to a third party on behalf of the lessor and pay to lessor any shortfall between the sales proceeds and a specified residual value, such payment not to exceed $161,990,000. This lease is accounted for as an operating lease.

For 1995, 1994 and 1993, rental expense was $14,525,000, $13,699,000 and $8,782,000, respectively.

16. COMMITMENTS AND CONTINGENT LIABILITIES

FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of business, the Company is a party to various financial instruments to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit, standby and commercial letters of credit and interest rate swaps. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the Consolidated and Parent Company Balance Sheets. The contract or notional amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

The Company's exposure to credit losses in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby and commercial letters of credit is represented by the contractual notional amount of those instruments. Since these commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flows. For interest rate swap transactions, the contract or notional amounts do not represent exposure to credit losses.

Off-balance sheet instruments must meet the same criteria of acceptable risk established for the Company's lending and other financing activities. The Company manages the credit risk of counterparty defaults in these transactions by limiting the total amount of outstanding arrangements, both by the individual counterparty and in the aggregate, by monitoring the size and maturity structure of the off-balance sheet portfolio, and by applying the uniform credit standards maintained for all of its credit activities.

Off-balance sheet commitments and contingent liabilities at December 31, 1995 and 1994 were as follows:

(in thousands)	1995 NOTIONAL/ CONTRACT AMOUNT	1994 Notional/ Contract Amount
Commitments to extend credit	$3,363,822	$2,801,502
Standby letters of credit	$ 145,278	$ 154,221
Commercial letters of credit	$ 18,028	$ 10,207
Interest rate swaps	$1,093,867	$1,035,113

The Company enters into interest rate swap agreements as an end-user only. These instruments are used as hedges against various balance sheet accounts. Credit exposure is monitored under the same credit guidelines as are followed for other extensions of credit. Interest rate and/or market risk is monitored and managed in conjunction with the total interest rate risk position of the Company as a whole. Off-balance sheet agreements are not entered into if they would increase the Company's interest rate risk above approved guidelines. Sensitivity testing to measure and monitor this risk is done quarterly using net interest income simulations.

Variable rates for interest rate swap agreements are based either on LIBOR or commercial paper rates as published by the Federal Reserve Board Statistical Release H.15.

The following is a summary of the interest rate swap activity for 1995 and 1994:

ROLLFORWARD SCHEDULE

(in millions)	Receive Fixed	Pay Fixed	Caps, Floors or Collars	Variable/ Variable	Total
Balance, December 31, 1993	$361	$257	$300	$ --	$ 918
Additions	--	9	--	700	709
Maturities/					

amortizations	253	31	300	--	584
Terminations	--	9	--	--	9
Balance, December 31, 1994	108	226	--	700	1,034
Additions	200	32	--	--	232
Maturities/ amortizations	48	124	--	--	172
Terminations	--	--	--	--	--
BALANCE, DECEMBER 31, 1995	$260	$134	$ --	$700	$1,094

NOTES TO FINANCIAL STATEMENTS (Continued)

The following is additional hedging information related to the Company's interest rate swaps as of December 31, 1995:

HEDGING SUMMARY

(dollars in millions)	Notional Amount	Pay Rate	Receive Rate	Asset Yield/ Liability Cost	Net Yield/ Cost	Original Maturity	Remaining Maturity
ASSET HEDGES:							
Variable rate loans	$ 200	5.9%	5.6%	7.1%	6.8%	2.0 yrs.	1.9 yrs.
Fixed rate loans	96	6.4	5.8	8.3	7.7	9.4	7.7
Construction fund investments	59	5.9	4.3	5.7	4.1	3.0	0.9
Municipal security	15	5.7	6.0	5.9	6.2	5.0	1.8
Subtotal	370	6.0	5.5	7.1	6.6	4.2	3.2
LIABILITY HEDGES:							
Savings deposits	700	5.4	6.0	3.0	2.4	2.6	0.8
Term debt	24	8.8	5.9	6.0	8.9	7.0	1.9
Subtotal	724	5.5	6.0	3.1	2.6	2.7	0.8
TOTAL	$1,094	5.7%	5.8%	N/A	N/A	3.2 YRS.	1.6 YRS.

The following summarizes the impact of the Company's interest rate swap activities on its weighted average borrowing rate and on interest income and expense for the years ended December 31, 1995, 1994 and 1993:

(dollars in thousands)	1995	1994	1993
Average borrowing rate:			
Without interest rate swaps	4.49%	3.26%	3.11%
With interest rate swaps	4.54%	3.23%	2.96%
Decrease in interest income	$ 3,827	$10,352	$12,664
(Increase) decrease in interest expense	(2,926)	1,351	7,436
Interest rate swap expense, net	$ 6,753	$ 9,001	$ 5,228

LITIGATION

Various legal proceedings are pending against the Company. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, resulting from these proceedings would not have a material effect on the Company's consolidated financial position or results of operations.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents a summary of the book and fair values of the Company's financial instruments at December 31, 1995 and 1994:

	1995	
(in thousands)	BOOK VALUE	FAIR VALUE
FINANCIAL ASSETS		
Cash and due from banks	$ 304,051	$ 304,051
Interest-bearing deposits in other banks	244,570	244,570
Federal funds sold and securities purchased under agreements to resell	169,803	169,803
Investment securities:		
Available-for-sale (note 2)	1,175,293	1,175,293
Loans and leases (note 3)	5,259,545	5,269,635
Customers' acceptance liability	1,995	1,195
FINANCIAL LIABILITIES		
Deposits	$5,358,313	$5,370,203
Short-term borrowings (note 7)	1,083,179	1,083,179
Acceptances outstanding	1,995	1,995
Long-term debt (note 8)	238,752	235,252

	1994	
(in thousands)	Book Value	Fair Value
FINANCIAL ASSETS		
Cash and due from banks	$ 262,894	$ 262,894
Interest-bearing deposits in other banks	11,670	11,670
Federal funds sold and securities purchased under agreements to resell	180,000	180,000
Investment securities:		
Held-to-maturity (note 2)	995,887	981,651
Available-for-sale (note 2)	151,992	151,992
Loans and leases (note 3)	5,533,565	5,536,510
Customers' acceptance liability	732	732
FINANCIAL LIABILITIES		
Deposits	$5,152,213	$5,158,495
Short-term borrowings (note 7)	1,329,816	1,329,816
Acceptances outstanding	732	732
Long-term debt (note 8)	219,331	216,502

The following table presents a summary of the fair values of the Company's off-balance sheet financial instruments (note 16) at December 31, 1995 and 1994:

	FAIR VALUE	
(in thousands)	1995	1994
Commitments to extend credit	$13,596	$11,489
Letters of credit	1,435	1,523
Interest rate swaps	(1,158)	(21,154)

18. FIRST HAWAIIAN, INC. (PARENT COMPANY ONLY) FINANCIAL STATEMENTS

BALANCE SHEETS

(in thousands, except number of shares and per share data)	December 31, 1995	December 31, 1994
ASSETS		
Cash on deposit with First Hawaiian Bank	$ 144	$ 110
Loans, net of allowance for loan losses of $100 in 1995	15,480	17,005
Securities purchased from First Hawaiian Bank	9,930	6,180
Investment in subsidiaries:		
First Hawaiian Bank	587,009	597,252
Other subsidiaries	160,833	155,113
Due from:		
First Hawaiian Bank	91,273	83,604
Other subsidiaries	59,102	61,825
Other assets	1,718	2,257
TOTAL ASSETS	$925,489	$923,346
LIABILITIES AND STOCKHOLDERS' EQUITY		
Commercial paper	$ 13,777	$ 46,723
Current and deferred income taxes	109,468	95,795
Other liabilities	2,707	2,884
Long-term debt	150,000	150,000
Total liabilities	275,952	295,402
Commitments and contingent liabilities (notes 11, 15 and 16)		
Stockholders' equity:		
Common stock $5 par value Authorized -- 100,000,000 shares Issued -- 32,542,797 shares in 1995 and 1994	162,713	162,713
Surplus	133,925	133,820
Retained earnings	385,976	346,339
Unrealized valuation adjustment	5,489	(1,033)
Treasury stock, 1,397,957 shares in 1995 and 516,623 shares in 1994, at cost	(38,566)	(13,895)
Total stockholders' equity	649,537	627,944
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$925,489	$923,346

STATEMENTS OF INCOME

(in thousands)	Year Ended December 31, 1995	1994	1993
INCOME			
Dividends from:			
First Hawaiian Bank	$84,660	$34,660	$33,551
Other subsidiaries	8,300	7,560	4,590
Interest from First Hawaiian Bank	520	448	419
Interest and fees from other subsidiaries	3,043	799	321
Other interest and dividends	1,359	1,149	1,148
Total income	97,882	44,616	40,029
EXPENSES			
Interest expense:			
Commercial paper	1,669	663	259
Long-term debt	10,299	9,711	5,514
Other	114	107	254
Provision for loan losses	100	--	--
Professional services	494	289	493
Other	339	351	381
Total expenses	13,015	11,121	6,901
Income before income tax benefit and equity in undistributed income of			

subsidiaries	84,867	33,495	33,128
Income tax benefit	3,178	3,344	1,763
Income before equity in undistributed income of subsidiaries	88,045	36,839	34,891
Equity in undistributed income of subsidiaries:			
First Hawaiian Bank	(15,634)	26,713	38,620
Other subsidiaries	4,594	8,959	8,346
NET INCOME	$77,005	$72,511	$81,857

NOTES TO FINANCIAL STATEMENTS (Continued) First Hawaiian, Inc. and Subsidiaries

STATEMENTS OF CASH FLOWS

(in thousands)	YEAR ENDED DECEMBER 31, 1995	1994	1993
CASH AT BEGINNING OF YEAR	$ 110	$ 250	$ 985
Cash flows from operating activities:			
Net income	77,005	72,511	81,857
Excess of equity in earnings of subsidiaries over dividends received	11,040	(35,672)	(46,966)
Other	449	(630)	(439)
Net cash provided by operating activities	88,494	36,209	34,452
Cash flows from investing activities:			
Net change in:			
Securities sold to (purchased from) First Hawaiian Bank	(3,750)	6,945	(2,545)
Loans made to directors and executive officers	1,525	(1,246)	(657)
Repayments from (advances to) subsidiaries	8,750	(34,600)	(100)
Sale of investment securities	43,490	5,000	--
Purchase of investment securities	(43,490)	--	(5,000)
Purchase of Pioneer Fed BanCorp, Inc.	--	--	(87,107)
Other	--	--	(343)
Net cash provided by (used in) investing activities	6,525	(23,901)	(95,752)
Cash flows from financing activities:			
Net change in commercial paper balances	(32,946)	37,118	(632)
Proceeds from long-term debt	--	--	100,000
Cash dividends paid	(37,368)	(38,008)	(36,821)
Issuance of common stock under IPKE	--	--	493
Repurchase of common stock	(24,671)	(11,558)	(2,475)
Net cash provided by (used in) financing activities	(94,985)	(12,448)	60,565
CASH AT END OF YEAR	$ 144	$ 110	$ 250
Supplemental disclosures:			
Interest paid	$ 12,251	$ 10,338	$ 3,740
Net income taxes refunded	$ (3,211)	$ (2,502)	$ (375)

CORPORATE ADDRESSES

FIRST HAWAIIAN, INC.
1132 Bishop Street
Honolulu, Hawaii 96813
or
P.O. Box 3200
Honolulu, Hawaii 96847

FIRST HAWAIIAN CREDITCORP, INC.
Interstate Building, Second Floor
1314 South King Street
Honolulu, Hawaii 96814
Telephone: (808) 593-5500

FIRST HAWAIIAN LEASING, INC.
Interstate Building, Second Floor
1314 South King Street
Honolulu, Hawaii 96814
Telephone: (808) 593-5300

PIONEER FEDERAL SAVINGS BANK
900 Fort Street
Honolulu, Hawaii 96813
Telephone: (808) 522-6777

FIRST HAWAIIAN BANK
1132 Bishop Street
Honolulu, Hawaii 96813
or
P.O. Box 3200
Honolulu, Hawaii 96847
Telephone: (808) 525-7000
Cable Address: FIRSTBANK (Honolulu, Hawaii)
S.W.I.F.T.: FHBKUS77
FedWire: ABA 121301015 FST HAW HONO
Internet's World Wide Web Address:
http://www.fhb.com/

Japan Representative Office
Yasutaka P. Onodera
Senior Vice President and Representative
Ohtemachi Building 6-1, Room 202
Ohtemachi 1-Chome, Chiyoda-Ku,
Tokyo 100, Japan
Telephone: (03) 3201-6081
Facsimile: (03) 3215-0566

SUPPLEMENTAL INFORMATION

First Hawaiian, Inc.'s shares are traded on The Nasdaq Stock Market under the Nasdaq symbol: FHWN.

TRANSFER AGENT
American Stock Transfer & Trust Company
40 Wall Street, 46th Floor
New York, New York 10005

FORM 10-K AND OTHER FINANCIAL INFORMATION

The Company's 1995 Form 10-K annual report, which is to be filed with the Securities and Exchange Commission by March 30, 1996, will be available to stockholders after that date. Analysts, investors and others seeking a copy of the Form 10-K or any other financial information should write to:
Howard H. Karr
Executive Vice President and Treasurer
First Hawaiian, Inc.
P.O. Box 3200
Honolulu, Hawaii 96847

GENERAL INFORMATION
News media representatives and others seeking general information should contact:
Gerry Keir
Senior Vice President
Corporate Communications
(808) 525-7086

ANNUAL MEETING
The annual meeting of stockholders of First Hawaiian, Inc. will be held on Thursday, April 18, 1996 at 9:30 A.M. in the 20th floor Dining Room of The Plaza Club, 900 Fort Street, Honolulu, Hawaii.

DIVIDEND REINVESTMENT PLAN
Stockholders may reinvest their dividends in additional shares of the First Hawaiian, Inc. common stock through the Dividend Reinvestment Plan. Stockholders wishing to participate in the Plan can receive a descriptive brochure and authorization card by writing to:
American Stock Transfer & Trust Company
40 Wall Street, 46th Floor
New York, New York 10005
or calling toll free at 1-800-937-5449

EXHIBIT 21.

SUBSIDIARIES OF THE REGISTRANT

The Corporation or one of its wholly-owned subsidiaries beneficially owns 100% of the outstanding capital stock and voting securities of the following corporations. The Corporation is indirectly the sole general partner of First Hawaiian Center Limited Partnership.

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
First Hawaiian Bank	Hawaii
First Hawaiian Overseas Corporation	Hawaii
FIH International, Inc.	Hawaii
American Security Properties, Inc.	Hawaii
Real Estate Delivery, Inc.	Hawaii
FH Center, Inc.	Hawaii
FHB Mortgage Company, Inc.	Hawaii
FHB Properties, Inc.	Hawaii
First Hawaiian Center Limited Partnership	Hawaii
First Hawaiian Dealer Center, Inc.	Hawaii
OMP, Inc.	Hawaii
2200 Main, Inc.	Hawaii
First Hawaiian Creditcorp, Inc.	Hawaii
First Hawaiian Leasing, Inc.	Hawaii
FHL SPC One, Inc.	Hawaii
FHI International, Inc.	Hawaii
Pioneer Federal Savings Bank	Federal
Pioneer Advertising Agency, Inc.	Hawaii

All subsidiaries were included in the consolidated financial statements of the Corporation.

9
1
U.S. DOLLARS

YEAR
DEC-31-1995
JAN-01-1995
DEC-31-1995
1
304,051
244,570
169,803
0
1,175,293
0
0
5,259,545
78,733
7,564,509
5,358,313
1,083,179
232,733
238,752
0
0
162,713
486,824
7,564,509
481,444
62,783
15,730
559,957
176,048
265,297
294,660
38,107
144
229,293
122,138
77,005
0
0
77,005
2.43
2.43
8.22
79,733
28,790
3,182
0
61,250
22,845
2,221
78,733
36,135
1,430
41,168