



160

**YEARS
OF
YES**



First Hawaiian, Inc.
2017 ANNUAL REPORT

TABLE OF CONTENTS

- 1 FHI by the Numbers
- 2 CEO's Report to Shareholders
- 5 Financial Highlights
- 6 Business Banking
- 8 Corporate Banking
- 10 Small Business Banking
- 12 Personal Banking
- 14 Wealth Management & Private Banking
- 16 Employee Volunteerism
- 18 Consolidated Statements of Income
- 19 Consolidated Balance Sheets
- 20 GAAP/Non-GAAP Reconciliation
- 21 Philanthropy
- 22 Senior Management Committee
- 24 Senior Officers
- Boards of Directors (Inside Back Cover)
- Shareholder Information (Back Cover)



First Hawaiian, Inc.

First Hawaiian, Inc. (NASDAQ: FHB) is a bank holding company headquartered in Honolulu, Hawai'i. Its principal subsidiary, First Hawaiian Bank, was founded in 1858 as Bishop & Co., and today is Hawai'i's oldest and largest financial institution with assets of \$20.5 billion at December 31, 2017. The bank has 57 branches throughout Hawai'i, three in Guam and two in Saipan. The company offers a comprehensive suite of banking services to consumer and commercial customers including deposit products, loans, wealth management, insurance, trust, retirement planning, credit card and merchant processing services. Customers may also access their accounts through ATMs, online and mobile banking channels. For more information about First Hawaiian, Inc., visit www.fhb.com.

First Hawaiian's Vision: To be the best relationship bank in the markets we serve.

Our Mission: To grow an innovative and successful bank that delivers excellent service and value to our customers, cares for our employees like family and is committed to the communities we serve.

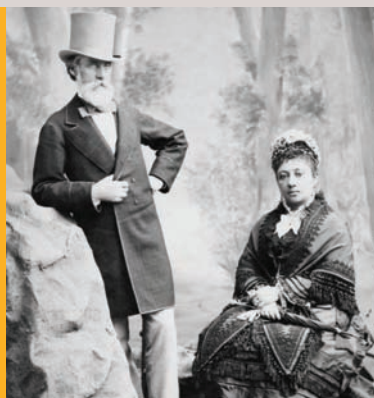
Our Core Values:

CARING — Our employees have a caring spirit, a sincere compassion, combined with the professional capability to help customers, each other and our communities.

CHARACTER — Our employees understand that our bank was built upon and depends on the trust of our customers, as well as trust among each other.

COLLABORATION — We work together and support each other in serving our customers and communities while making the bank successful.

1858 Bishop & Co., forerunner of First Hawaiian Bank, is founded by businessman Charles Reed Bishop. His wife, Princess Bernice Pauahi Bishop, founded Kamehameha Schools through her estate in 1887.



\$230.4 MILLION

*2017 CORE NET INCOME

UP 6.1% FROM 2016

\$12.3 billion
Loans at 12/31/2017,
up 6.6% from 2016

2,271
employees

\$17.6 billion
Deposits at 12/31/2017,
up 4.9% from 2016

4.5%
increase
of
Total
Assets

from 2016
(\$20.5 BILLION AT 12/31/2017)

62 BRANCHES of
FIRST HAWAIIAN BANK

By the
Numbers

No. 1

Largest among all
Hawai'i banking
companies in loans,
deposits, assets

AT 12/31/17

*47.0%

2017 Core
Efficiency
Ratio

310 ATMs

1878

Bishop &
Co. builds this building
on Merchant Street as
its new headquarters.
The building is occupied
today by law offices.

\$0.88 Dividends
declared per
common share

*Core net income excludes certain gains, expenses and one-time items.
Core efficiency ratio is the ratio of core noninterest expense to the
sum of core net interest income and core noninterest income. See
GAAP/Non-GAAP Reconciliation on Page 20 of this Annual Report for a
reconciliation of our core net income and the components of our core
efficiency ratio to comparable GAAP measures.

\$2.5 billion
Stockholders' equity

AT 12/31/2017



As we approach our 160th anniversary, Hawai'i's oldest banking company is stronger than at any time in our history.

At the end of 2017, our first full year as a newly public company, First Hawaiian, Inc. set records for assets, loans and deposits:

- ▶ Assets, \$20.5 billion, up 4.5% from 2016;
- ▶ Loans, \$12.3 billion, up 6.6%;
- ▶ Deposits, \$17.6 billion, up 4.9%.

Core net income was \$230.4 million, up 6.1% over 2016 core net income.⁽¹⁾

The Board of Directors declared a quarterly cash dividend of \$0.24 per share payable March 9, 2018, an increase of 9.1% from the dividend paid in December 2017.

We are the largest Hawai'i-based bank in assets, loans, deposits and core net income. A best-in-class community institution, First Hawaiian has a track record of strong organic growth in loans and deposits and excellent expense management (best efficiency ratio of any bank in the state) and credit quality. Year-end nonperforming assets stood at 0.08% of total loans, well below peer U.S. banks, a tribute to underwriting based on our longstanding customer relationships and market knowledge.

Underlying our financial performance are two key drivers: the continuing strength in the Hawai'i economy and our continued successful execution of our relationship banking strategy.

Hawai'i Economy

Our home state's economy enjoyed its eighth consecutive year of growth. At the end of 2017, the Hawai'i unemployment rate hit an all-time low of 2.0%, well

below the rate in every other state. State and University of Hawai'i economists forecast continued positive expansion through at least 2020—albeit at a slower rate—in visitor arrivals, visitor spending, real GDP and real personal income.

The mainstay of the economy is, as always, tourism. The perception of Hawai'i as a safe place to visit and a great travel experience led to a sixth consecutive record year in the tourism sector. Visitor arrivals were up 5% to 9.38 million and visitor expenditures rose 6% to \$16.78 billion. Planned increases in airlift by both existing and new carriers help buoy economists' optimism for 2018.

On O'ahu, residential real estate sales are strong, with median prices increasing to record levels in 2017.

Relationship Strategy

Since 1995, our bank has consistently emphasized building long-term, person-to-person customer relationships. Bankers reach out proactively to understand each client's needs and offer tailored, holistic financial solutions. Customers know their First Hawaiian bankers stand by them through thick and thin, as exemplified by the customer stories in this report. The relationship building strategy and the talented bankers who execute it have produced consistent corporate growth in good economic times and bad, helping First Hawaiian become and remain Hawai'i's largest bank.

⁽¹⁾Core net income excludes certain gains, expenses and one-time items. See GAAP/Non-GAAP Reconciliation on Page 20 of this Annual Report.

During 2017:

- ▶ Recognizing our strong record in small business and economic development loans, the U.S. Small Business Administration (SBA) awarded First Hawaiian both the Hawai'i SBA Lender of the Year—Category 1 and the SBA 504 Lender of the Year awards. This is the first time a local bank has received both awards outright in a single year.
- ▶ We invested in a new mortgage lending model, going from a branch-based business to a mortgage loan officer model.
- ▶ We opened our first branch on O'ahu with a modern, customer-centric open-floor concept. In the new Liliha branch, the traditional teller counter has been replaced by three "service pods," creating a more personalized experience for customers working with bank staff and strengthening relationships with our customers.
- ▶ While brick-and-mortar branches continue to be a major part of our relationship strategy, customers' preferences are changing the way they interact with the bank. Supporting that trend, First Hawaiian Bank launched enhanced mobile and online banking applications for consumers and small businesses, providing a better customer experience for their digital banking needs.

We appreciate the strong support of BNP Paribas, which owned this company from 2001 until 2016, when it announced its intent to sell 100% of its interest over time. Following our Initial Public Offering of common stock in August 2016 and a second offering in February 2017, BNP Paribas owns 62% of First Hawaiian, Inc.

Employee Engagement

Our goal is to continue making First Hawaiian a desirable place to work—a centerpiece of our success. One of the ways we did this was raising our minimum employee wage to \$15. We also gave out \$1,500 cash bonuses to most employees.

At First Hawaiian, we want to do more than pay a competitive wage; we want to foster innovation and collaboration by employees, allowing individuals to make a meaningful difference within our organization and our community.



Robert S. Harrison

Employee engagement encompasses the spirit of our workforce—how they go about their everyday roles as well as how they feel about coming to work. Employee engagement steps we have taken:

- ▶ Launched year-long Emerging Leaders and Advanced Leaders Programs and graduated our first class.
- ▶ Expanded our "Strive" Online Learning Center, offering both live and online classes.
- ▶ Employees collaborated with the University of Hawai'i and Hawai'i Bankers Association to develop a universal banker curriculum.
- ▶ Offered generous tuition reimbursement for career education.

Such programs help employees become engaged with our company, our customers, our community. A satisfied, engaged workforce translates to less turnover than the Hawai'i industry average, which leads to better, long-lasting customer relationships . . . and better profitability for stockholders.



Getting Wet and Dirty for a Good Cause. Employee Community Care volunteers form an assembly line to move pōhaku (stones) to restore the 600-year-old He'eia fishpond in Windward O'ahu.

Philanthropy

We give back to our communities because we know that our company's strength depends on the well-being of our neighbors. In 2017, our bank, our employees and the First Hawaiian Bank Foundation donated \$4.2 million to more than 400 nonprofits in the fields of health, education, cultural support and social welfare.

Our employees have the same spirit of giving. Community Care is a bank-sponsored program in which teams of employees volunteer to help nonprofit organizations or schools. Nearly 1,200 volunteers took part in one of 19 Community Care projects on seven islands.

They carried tons of rock and coral to restore an ancient Hawaiian fishpond, spruced up housing for the homeless, built garden beds for a charter school and assembled Aloha Care packages for deployed U.S. Navy sailors. Our Community Care teams cleaned beaches, a park and a library, packed boxes for food banks and created a school Fun Fair.

Overall, bank employees put in nearly 13,000 hours of community service volunteer time, saying "Yes" to neighbors in need.

Employees dug deep into their wallets, too. First Hawaiian's in-house employee fundraising campaign, Kōkua Mai, raised a record \$777,125 for dozens of charitable agencies in Hawai'i, Guam and Saipan. An impressive 99% of our employees participated.

They are ambassadors of our core value—caring. We care for our customers, for our community, for each other and for our bank.



Six veteran members of our bank Board of Directors retired in 2017: Paul Mullin Ganley, Warren H. Haruki, John A. Hoag, Dr. Richard R. Kelley, Dee Jay A. Mailer and John K. Tsui. Combined, they had 151 years of board service. We shall miss their wise counsel, good humor and friendship. Joining the board was Albert M. Yamada, retired Vice Chairman with long tenure as a top bank executive.

Longtime bank Vice Chairmen Gary L. Caulfield and Robert T. Fujioka, who together had 77 years in banking, retired from Senior Management. Succeeding Fujioka on Senior Management was Commercial Banking Group Executive Vice President Lance A. Mizumoto.



Whether you are a stockholder of First Hawaiian, Inc. or a client of its subsidiary, First Hawaiian Bank, we appreciate your confidence in our management and in the 2,271 bankers who believe that, in building a customer relationship—***It All Starts with Yes.***

Aloha and mahalo,

ROBERT S. HARRISON
Chairman & Chief Executive Officer

FINANCIAL HIGHLIGHTS

FIRST HAWAIIAN, INC.

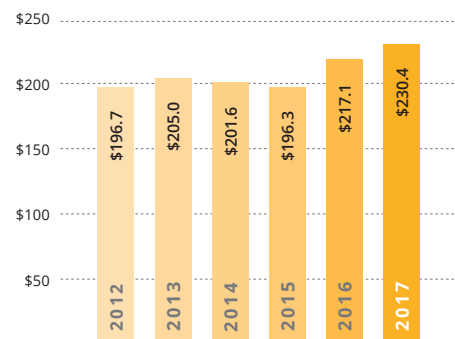
(dollars in thousands, except per share data)

Year Ended December 31,

	2017	2016
INCOME STATEMENT DATA		
Interest income	\$ 570,768	\$ 518,520
Interest expense	41,964	26,848
Net interest income	528,804	491,672
Provision for loan and lease losses	18,500	8,600
Net interest income after provision for loan and lease losses	510,304	483,072
Noninterest income	205,605	226,037
Noninterest expense	347,554	337,280
Income before provision for income taxes	368,355	371,829
Provision for income taxes	184,673	141,651
Net income	\$ 183,682	\$ 230,178
Core adjustments (Non-GAAP) ⁽¹⁾	46,684	(13,067)
Core net income (Non-GAAP) ⁽¹⁾	\$ 230,366	\$ 217,111
Core basic earnings per share (Non-GAAP) ⁽¹⁾	\$ 1.65	\$ 1.56
Core diluted earnings per share (Non-GAAP) ⁽¹⁾	\$ 1.65	\$ 1.56
Basic weighted-average outstanding shares	139,560,305	139,487,762
Diluted weighted-average outstanding shares	139,656,993	139,492,608
OTHER FINANCIAL INFO / PERFORMANCE RATIOS		
Core net interest margin (Non-GAAP) ⁽²⁾	2.99%	2.88%
Core efficiency ratio (Non-GAAP) ⁽²⁾	47.02%	47.94%
Core return on average total assets (Non-GAAP) ⁽²⁾	1.16%	1.12%
Core return on average total stockholders' equity (Non-GAAP) ⁽²⁾	9.08%	8.45%
BALANCE SHEET DATA		
Loans and leases	\$ 12,277,925	\$ 11,520,378
Allowance for loan and lease losses	137,253	135,494
Interest-bearing deposits in other banks	667,560	798,231
Investment securities	5,234,658	5,077,514
Goodwill	995,492	995,492
Total assets	20,549,461	19,661,829
Total deposits	17,612,122	16,794,532
Total liabilities	18,016,910	17,185,344
Total stockholders' equity	2,532,551	2,476,485
Book value per share	18.14	17.75
ASSET QUALITY RATIOS		
Non-performing loans and leases / total loans and leases	0.08%	0.08%
Allowance for loan and lease losses / total loans and leases	1.12%	1.18%
Net charge-offs (recoveries) / average total loans and leases	0.14%	0.08%
CAPITAL RATIOS		
Common Equity Tier 1 capital ratio	12.45%	12.75%
Tier 1 capital ratio	12.45%	12.75%
Total capital ratio	13.50%	13.85%
Tier 1 leverage ratio	8.52%	8.36%
Total stockholders' equity to total assets	12.32%	12.60%
Tangible stockholders' equity to tangible assets	7.86%	7.93%

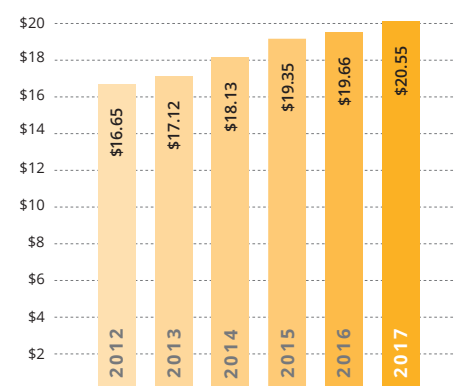
CORE NET INCOME (IN MILLIONS)⁽¹⁾

2017 Core Net Income (Non-GAAP): \$230.4 million
5-Year Compound Annual Growth Rate: 3.2%



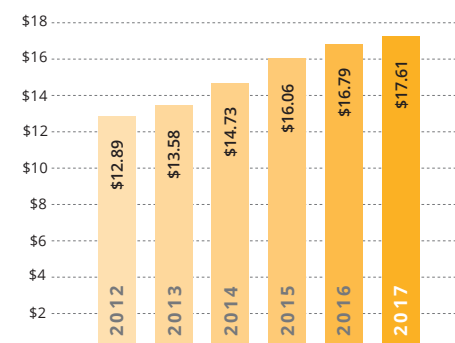
ASSETS (IN BILLIONS)

Total Assets (12/31/17): \$20.5 billion
5-Year Compound Annual Growth Rate: 4.3%

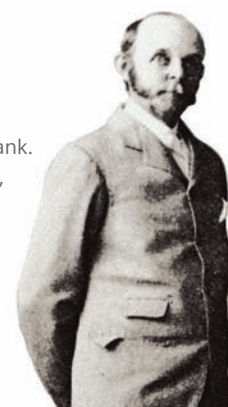


DEPOSITS (IN BILLIONS)

Total Deposits (12/31/17): \$17.6 billion
5-Year Compound Annual Growth Rate: 6.4%



1895 Samuel M. Damon acquires all shares of Bishop's bank. After Damon's death, his estate remained the bank's largest shareholder until its 2001 sale to BNP Paribas.



⁽¹⁾ These amounts are Non-GAAP financial measures. See GAAP/Non-GAAP Reconciliation on Page 20 of this Annual Report for reconciliations of core net income, core basic earnings per share and core diluted earnings per share to comparable GAAP measures.

⁽²⁾ These ratios are Non-GAAP financial measures. For an explanation of how these ratios are computed, as well as a reconciliation of the components of such ratios to comparable GAAP measures, see GAAP/Non-GAAP Reconciliation on page 20 of this Annual Report, including Notes (1) through (4) in that section.

BUSINESS BANKING





BOWERS + KUBOTA CONSULTING

Brian Bowers, P.E., CCM &
Dexter Kubota, P.E.

Waipahu, O'ahu

In 2006, Brian Bowers and Dexter Kubota were shocked when their application for a construction loan for their architectural firm met with resistance from their former bank. Dexter reached out to a classmate who worked at First Hawaiian Bank.

"I reached out on a Friday; by Monday we had a meeting with Ray Ono and Joanne Arizumi. This was our first time meeting them. We didn't have any accounts with First Hawaiian. After talking with us, within an hour, First Hawaiian gave us a \$3.3 million loan commitment," recalls Kubota.

"The speed in which they said 'Yes' to us was incredible. Without First Hawaiian, we would not have been able to build our new headquarters. Today, it's home to about 200 employees."

"First Hawaiian Bank has been a great partner for us," added Bowers. "We were never asked to move our business and personal loans over. We did that on our own because it was the right thing to do. First Hawaiian believed in our potential. We were treated as a valued customer, even though we weren't even a customer yet. The bank is here to help us so we can focus on growing our business."

Today, Bowers + Kubota is the second largest architectural firm in the state with projects in Hawai'i and throughout the Pacific.

1925 The Bank of Bishop & Co. Ltd. moves into this new structure it built at Bishop and King Streets. It was called the Damon Building in honor of Samuel M. Damon, who died the year before.



CORPORATE BANKING





KAMEHAMEHA SCHOOLS

Livingston "Jack" Wong,
Chief Executive Officer

Honolulu, O'ahu

"Our pilina (relationship) with First Hawaiian Bank dates back to the 19th century, starting with the bank's founder, Charles Reed Bishop, whose wife, Princess Bernice Pauahi Bishop, founded Kamehameha Schools in 1887. To this day, Mr. Bishop's business log is still kept in the bank's founder's room—and his original desk still sits in our Heritage Center at Kapālama. That strong connection and our shared commitment to the community have been there, unbroken, since the 1800s.

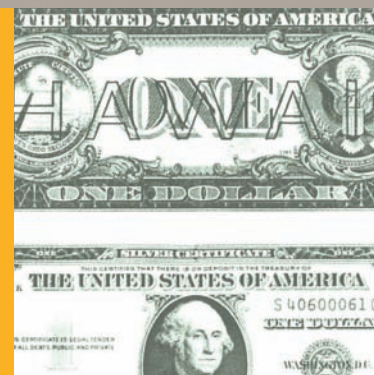
"At Kamehameha Schools, we have kuleana (responsibility) to manage our endowment in a globally connected way; the bank helps us do that. But just as important, our work is in every part of our community, just as First Hawaiian is. Together, we need to understand what drives each region and community, so that we can serve our customers.

"First Hawaiian supports our ability to go from local, to national, to global and back in approaching our work—just as we teach our haumāna (students) to do. Our bank helps us navigate that chain with ease.

"In Kaka'ako, we're dealing with residential units and affordable housing—issues that affect people. We have to think about how to help finance them, to understand the market and build relationships with developers and buyers. The bank helps us do all of that well.

"Like First Hawaiian, we organize our work and our efforts around what's best for our community. That's what makes us great partners."

1941 Following Pearl Harbor attack, Bishop National Bank helps U.S. government burn \$200 million in currency at Aiea sugar mill. Bills were replaced by wartime currency overprinted with "HAWAII" so money would not fall into enemy hands if Islands were invaded.



SMALL BUSINESS BANKING





AINA HAINA PET HOSPITAL

Dr. Allen Takayama &
Cathy Takayama

Kaimukī, O'ahu

"First Hawaiian has always been our family's bank. We've been customers for over 40 years. My dad started Aina Haina Pet Hospital, Inc. in 1965 and we moved to our Kaimukī location in 2009. We are a locally owned, family-run veterinary clinic. My wife, Cathy, and her sister, Diane, take care of the front office while Dr. Nicole Tsutahara, our Vet Techs, and I focus on caring for our patients.

"First Hawaiian is like family to us. Lois Tojio was our banker before she retired and we now enjoy working with May Nishijima, whom we have known for years. They understand our business and provide a level of service that can't be beat. Through the years, they have helped us when we needed construction loans to expand our business and have helped us with our mortgage and personal loans too. Our Wealth Advisor, Chieh Fu Lu, is a trusted advisor for our entire family, including my parents. It's nice to be able to pick up the phone and talk to May or Chieh whenever we have any questions.

"It's really a one-stop shop kind of bank. With First Hawaiian, I have everything I need for my business and my family."

— Dr. Allen Takayama, DVM

1962 The First National Bank of Hawaii builds state's first "skyscraper" (18 stories) behind Damon Building.



PERSONAL BANKING





CARISSA MOORE

Pro Surfer

3-Time World Champion

Honolulu, O'ahu

"My grandmother and my dad help me considerably with my finances. That way I can focus on surfing and doing my best in the water. It's definitely a team effort to keep everything organized and safe and up to date. They both bank with First Hawaiian, so it was only natural that I did as well.

"My grandmother introduced me to her banker, Paula Kaneshiro, who helped us set up my account in 2004 when I was in intermediate school. It's been important for me to build my own banking relationship with Paula and now Greg Sitar.

"I travel on tour 6 months out of the year. Paula has been super helpful when I need to do wire transfers and Greg always makes certain my credit card functions when I'm travelling internationally. It's nice to have that level of service and trust in a bank.

"I've been surfing since I was 4 or 5 years old and just completed my eighth year on the championship tour. I'm so grateful for the opportunity to do what I love. Win or lose, what matters the most in life is being with the one that you love, spending time with family and sharing laughs with good friends."

1969 Name changed for last time to First Hawaiian Bank. New marketing slogan, "The Bank that Says Yes."



**WEALTH
MANAGEMENT
AND PRIVATE
BANKING**





HAUNANI LEMN & SCOTT NUNOKAWA

Waikapū, Maui

“When Scott and I left our demanding jobs to form our own real estate development and construction company, friends and family thought we were more than a little crazy. Our timing seemed ill-advised since we’d recently welcomed home twins to join our 5-year-old son.

“For nearly 20 years, First Hawaiian Bank has been a part of our team as we steadily expanded our business while keeping our focus on family and community. The bank has provided us with an array of services—commercial banking, wealth management, life insurance, credit cards, residential mortgage loans.

“Our Private Banking experts have always been at the hub of these services. In our business, they help us assist other families achieve their own dreams of home ownership. In our private lives, knowing their assistance is just a phone call away allows us greater freedom to be active in the family activities that make our life special—band trips, coaching sports, scouting mentorship, science fairs, speech tournaments, drama performances, campouts, and sendoffs to college.

“Our Private Banking team, including Stephen Brock, Vicky Taylor, Scott Tanaka, Neill Char, and Kim Choy, make us feel a part of a much bigger family and help simplify our crazy, complicated, hectic lives. Mahalo FHB Private Banking!”

— Haunani Lemn

1991 First Hawaiian acquires First Interstate Bank of Hawaii, followed by 1993 acquisition of Pioneer Federal Savings Bank.





“The Aloha Care packages we made will go to the 100 youngest sailors aboard the USS Chafee. Aboard ship a lot of people don’t have much family support. They don’t get a lot of care packages. Packages like the ones we sent provide a reminder of home and an important break from routine.”

Raoul Magana, FHB Bank Vice President (standing, above left), who organized the project for Chafee sailors, is also a lieutenant commander in the U.S. Navy Reserve. He was activated and deployed to Afghanistan shortly after the project.

“Thanks, First Hawaiian Bank, from the bottom of our hearts. It’s awesome to see 100-plus bankers giving their time on a Saturday, wading through the water, lugging coral and lava rock to restore the wall and backbone of He’eia Fishpond. This fishpond was built 800 years ago by community members. The heavy work by First Hawaiian volunteers will help make sure it lasts another 800.”

Keli’i Kotubetey
Assistant Executive Director, Paepae o He’eia

“First Hawaiian’s paint-and-cleanup project at Mā’ili Land Transitional Housing helps homeless families who had been living on the beach. Mā’ili Land helps them get into permanent housing, earn a GED, find a job. It gives you goose bumps to see lives improve—especially the keiki. Without volunteers, Mā’ili Land wouldn’t be possible. First Hawaiian believes in the community; they get their hands dirty to help.”

Terry Walsh
CEO/President, Catholic Charities Hawai’i

“The impact of their employees’ volunteerism is a testament to the corporate culture at First Hawaiian Bank, which engages its employees with the wider community. I was blown away by how many First Hawaiian people came out on a Saturday, giving their time and sweat to a small school like ours.”

Kapono Ciotti
CEO, Head of School,
Wai’ālae Elementary Public Charter School





CARING *for* COMMUNITY

"I was blown away by how many bank volunteers came out to help."

Nearly 120 First Hawaiian bankers toiled 15 tons of rock and coral—hand to hand, rock by rock and bucket by bucket—to help restore the walls of the ancient Hawaiian fishpond at He'eia.

As Saturday dawn peeked over the Wai'anae Range, 140 First Hawaiian volunteers were already working up a sweat painting and sprucing up Mā'ili Land, a transitional housing program for homeless families.

Thanks to First Hawaiian volunteers who dug, weeded, planted and poured concrete, Wai'alaie Elementary Public Charter School students have new garden beds for their "outdoor classroom," where they learn how to live closer to the 'aina (land).

And 100 young sailors deployed aboard the destroyer USS Chafee had a mail-call surprise—Aloha Care packages of snacks, magazines and handwritten notes from bank volunteers.

These were just four of the 19 projects completed by First Hawaiian's Community Care employee volunteer program during 2017. Hundreds of bank volunteers put in nearly 13,000 hours on Community Care projects and helping community development organizations make neighborhoods better.

Employees cleaned beaches and helped raise funds for nonprofits. Created warm blankets for the sick. Packed boxes for food banks. Collected school supplies for needy kids. And created a Fun Fair for youngsters.

Along the way, they lived one of First Hawaiian's Core Values: "Caring . . . a caring spirit, a sincere compassion, combined with the professional capability to help customers, each other and our communities."

1994 Dynamite implosion levels bank's headquarters. High-rise and neighboring Damon Building were razed to make way for 30-story First Hawaiian Center.



CONSOLIDATED STATEMENTS OF INCOME

FIRST HAWAIIAN, INC.

(dollars in thousands except per share amounts)

	Year Ended December 31,	
	2017	2016
INTEREST INCOME		
Loans and lease financing	\$ 462,675	\$ 428,419
Available-for-sale securities	102,272	83,019
Other	5,821	7,082
Total interest income	<u>570,768</u>	<u>518,520</u>
INTEREST EXPENSE		
Deposits	41,944	26,650
Short-term borrowings and long-term debt	20	198
Total interest expense	<u>41,964</u>	<u>26,848</u>
Net interest income	<u>528,804</u>	491,672
Provision for loan and lease losses	18,500	8,600
Net interest income after provision for loan and lease losses	<u>510,304</u>	<u>483,072</u>
NONINTEREST INCOME		
Service charges on deposit accounts	35,807	37,392
Credit and debit card fees	64,049	65,262
Other service charges and fees	34,063	35,355
Trust and investment services income	30,485	29,440
Bank-owned life insurance	13,283	15,021
Net gains on investment securities	—	27,277
Other	27,918	16,290
Total noninterest income	<u>205,605</u>	<u>226,037</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	175,351	169,233
Contracted services and professional fees	45,011	45,345
Occupancy	23,485	21,606
Equipment	17,247	16,912
Regulatory assessment and fees	14,907	12,972
Advertising and marketing	6,191	6,127
Card rewards program	23,363	22,459
Other	41,999	42,626
Total noninterest expense	<u>347,554</u>	<u>337,280</u>
Income before provision for income taxes	<u>368,355</u>	371,829
Provision for income taxes	184,673	141,651
Net income	<u>\$ 183,682</u>	<u>\$ 230,178</u>
Core adjustments (Non-GAAP) ⁽¹⁾	<u>46,684</u>	<u>(13,067)</u>
Core net income (Non-GAAP)⁽¹⁾	<u>\$ 230,366</u>	<u>\$ 217,111</u>
Core basic earnings per share (Non-GAAP) ⁽¹⁾	<u>\$ 1.65</u>	<u>\$ 1.56</u>
Core diluted earnings per share (Non-GAAP) ⁽¹⁾	<u>\$ 1.65</u>	<u>\$ 1.56</u>
Basic weighted-average outstanding shares	<u>139,560,305</u>	<u>139,487,762</u>
Diluted weighted-average outstanding shares	<u>139,656,993</u>	<u>139,492,608</u>

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm, thereon.

⁽¹⁾ Core net income excludes certain gains, expenses and one-time items. See GAAP/Non-GAAP Reconciliation on page 20 of this Annual Report for reconciliations of core net income, core basic earnings per share and core diluted earnings per share to comparable GAAP measures.

CONSOLIDATED BALANCE SHEETS

FIRST HAWAIIAN, INC.

(dollars in thousands)

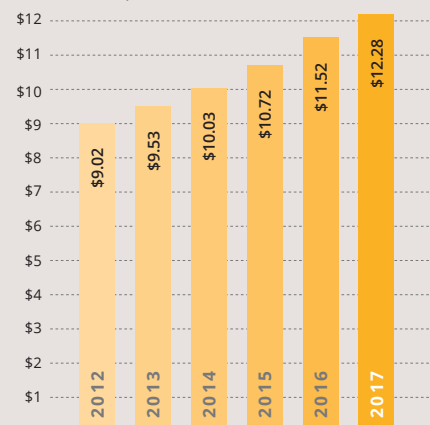
Year Ended December 31,

	2017	2016
ASSETS		
Cash and due from banks	\$ 367,084	\$ 253,827
Interest-bearing deposits in other banks	667,560	798,231
Investment securities	5,234,658	5,077,514
Loans and leases	12,277,925	11,520,378
Less: allowance for loan and lease losses	137,253	135,494
Net loans and leases	12,140,672	11,384,884
Premises and equipment, net	289,215	300,788
Other real estate owned and repossessed personal property	329	329
Accrued interest receivable	47,987	41,971
Bank-owned life insurance	438,010	429,209
Goodwill	995,492	995,492
Other intangible assets	13,196	16,809
Other assets	355,258	362,775
Total assets	\$ 20,549,461	\$ 19,661,829
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Interest-bearing	\$ 11,485,269	\$ 10,801,915
Noninterest-bearing	6,126,853	5,992,617
Total deposits	17,612,122	16,794,532
Short-term borrowings	—	9,151
Long-term debt	34	41
Retirement benefits payable	134,218	132,904
Other liabilities	270,536	248,716
Total liabilities	18,016,910	17,185,344
Stockholders' equity		
Common stock	1,396	1,395
Additional paid-in capital	2,488,643	2,484,251
Retained earnings	139,177	78,850
Accumulated other comprehensive loss, net	(96,383)	(88,011)
Treasury stock	(282)	—
Total stockholders' equity	2,532,551	2,476,485
Total liabilities and stockholders' equity	\$ 20,549,461	\$ 19,661,829

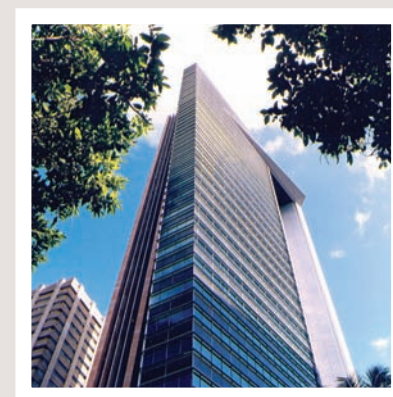
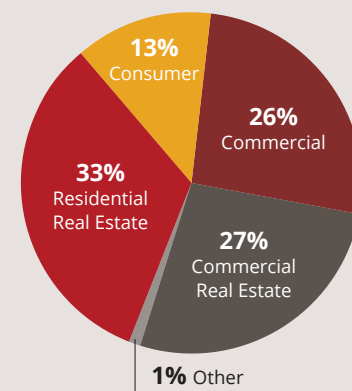
Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm, thereon.

LOANS AND LEASES (IN BILLIONS)

Total Loans & Leases (12/31/17): \$12.3 billion
5-Year Compound Annual Growth Rate: 6.4%



DIVERSIFIED LOAN & LEASE PORTFOLIO



1996 First Hawaiian moves into new corporate headquarters—First Hawaiian Center, state's tallest building at 428 feet, 11½ inches. It's designed to sway lightly in heavy winds.

GAAP/NON-GAAP RECONCILIATION

We present net interest income, noninterest income, noninterest expense, net income, earnings per share and the related ratios described below, on an adjusted, or “core,” basis, each a Non-GAAP financial measure. These core measures exclude from the corresponding GAAP measure the impact of certain items that we do not believe are representative of our financial results. We believe that the presentation of these Non-GAAP financial measures helps identify underlying trends in our business from period to period that could otherwise be distorted by the effect of certain expenses, gains and other items included in our operating results. We believe that these core measures provide useful information about our operating results and enhance the overall understanding of our past performance and future performance. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. Non-GAAP measures have limitations as analytical tools and investors should not consider them in isolation or as a substitute for analysis of our financial results or financial condition as reported under GAAP. The following table provides a reconciliation of net interest income, noninterest income, noninterest expense and net income to their “core” Non-GAAP financial measures:

(dollars in thousands except per share data)

	Year Ended December 31,	
	2017	2016
Net interest income	\$ 528,804	\$ 491,672
Core net interest income (Non-GAAP)	\$ 528,804	\$ 491,672
Noninterest income	\$ 205,605	\$ 226,037
Gains on sale of securities	—	-4,566
Gains on sale of Visa stock	—	-22,678
Gains on sale of real estate and other assets	-6,922	—
Core noninterest income (Non-GAAP)	\$ 198,683	\$ 198,793
Noninterest expense	\$ 347,554	\$ 337,280
One-time items ^(a)	-5,457	-6,220
Core noninterest expense (Non-GAAP)	342,097	331,060
Net income	\$ 183,682	\$ 230,178
Gains on sale of securities	—	-4,566
Gains on sale of stock (Visa/MasterCard)	—	-22,678
Gains on sale of real estate and other assets	-6,922	—
One-time items ^(b)	5,457	6,220
Tax reform bill	47,598	—
Tax adjustments ^(c)	551	7,957
Total core adjustments	46,684	-13,067
Core net income (Non-GAAP)	\$ 230,366	\$ 217,111
Core basic earnings per share (Non-GAAP)	\$ 1.65	\$ 1.56
Core diluted earnings per share (Non-GAAP)	\$ 1.65	\$ 1.56

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

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

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

Note (1): Core net interest margin is a Non-GAAP financial measure. We compute our core net interest margin as the ratio of core net interest income to average earning assets. For a reconciliation to the most directly comparable GAAP financial measure for core net interest income, see GAAP/Non-GAAP Reconciliation above.

Note (2): Core efficiency ratio is a Non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. For a reconciliation to the most directly comparable GAAP financial measure for core noninterest expense, core net interest income and core noninterest income, see GAAP/Non-GAAP Reconciliation above.

Note (3): Core return on average total assets is a Non-GAAP financial measure. We compute our core return on average total assets as the ratio of core net income to average total assets. For a reconciliation to the most directly comparable GAAP financial measure for core net income, see GAAP/Non-GAAP Reconciliation above.

Note (4): Core return on average total stockholders’ equity is a Non-GAAP financial measure. We compute our core return on average total stockholders’ equity as the ratio of core net income to average total stockholders’ equity. For a reconciliation to the most directly comparable GAAP financial measure for core net income, see GAAP/Non-GAAP Reconciliation above.



PHILANTHROPY

"We know First Hawaiian is in our corner"

"Rehabilitation Hospital of the Pacific (REHAB), the only inpatient medical rehabilitation facility in Hawai'i, is in the business of helping people rebuild their lives and return home. We were able to complete our recent renovations with the support of First Hawaiian and its foundation. In addition to helping us with funding, First Hawaiian's senior managers have devoted countless hours to leadership on the REHAB Board of Directors."

— REHAB President & CEO Dr. Timothy J. Roe, MD, MBA

As Hawai'i's oldest bank, First Hawaiian has an especially strong sense of aloha for the communities we serve. REHAB Hospital is among more than 400 nonprofits which benefited from our generosity in 2017.

All told, the bank, our employees and First Hawaiian Bank Foundation made philanthropic contributions totaling \$4.2 million to schools, hospitals and other charitable organizations in Hawai'i, Guam and Saipan to support education, health care, human services and the arts.

Our employees donated a record \$777,125 to our 11-year-old Kōkua Mai in-house drive which helps dozens of charities. From tellers to vice presidents to senior management, 99% of employees participated. Also, bank employees regularly donate time as board members of dozens of nonprofits.

"First Hawaiian helps us to be our patients' safety net. Our longstanding relationship helps serve as a foundation for REHAB. We know First Hawaiian is in our corner."

— Dr. Timothy J. Roe, MD, MBA



2001 First Hawaiian, through its parent, becomes a subsidiary of BNP Paribas, one of the world's largest and strongest banks with operations in over 70 countries.



BNP PARIBAS

SENIOR MANAGEMENT



Christopher L. Dods
Executive Vice President,
Consumer Banking &
Marketing Group

Mitchell E. Nishimoto
Executive Vice President,
Retail Banking Group

Gina O.W. Anonuevo
Executive Vice President &
Chief Compliance Officer

Alan H. Arizumi
Vice Chairman, Wealth
Management Group

Robert S. Harrison
Chairman & Chief
Executive Officer



Eric K. Yeaman
President & Chief
Operating Officer

Iris Y. Matsumoto
Executive Vice
President, Human
Resources Division

Ralph M. Mesick
Executive Vice
President & Chief Risk
Officer

Lance A. Mizumoto
Executive Vice
President, Commercial
Banking Group

Joel E. Rappoport
Executive Vice President,
General Counsel &
Corporate Secretary

2016 First Hawaiian, Inc. made its Initial Public Offering (IPO) of shares at Nasdaq. BNP Paribas, which has announced plans to sell all its stock over time, currently owns 62% of First Hawaiian, Inc. shares.



SENIOR OFFICERS

First Hawaiian Bank

EXECUTIVE
VICE PRESIDENTS

Tony K.F. Au
Residential Real Estate Division

Derek A. Baughman
Enterprise Technology
Management

Neill A. Char
Private Banking Division and
Wealth Advisory Division

Michael A. Coates
Enterprise Operations
Services Division

Dawn Hofmann
Corporate Banking Division

Keethe T. Koyanagi
Chief Credit Officer

James W. Mills
Service Delivery Division

Curt T. Otaguro
Digital Banking Division

SENIOR VICE PRESIDENTS

Benjamin K. Akana
Dealer Division

Joanne H. Arizumi
Main Banking Region

Darlene N. Blakeney
Corporate Banking Division

Joyce W. Borthwick
Residential Real Estate Division

Sharon S. Brown
Community Relations Division

Martha L. Camacho
Waipahu Area

Paula C.H. Chang
Dealer Division

Darrick J.M. Ching
Consumer Branch Banking
Division

Song H. Choi
Marketing Communications
Division

Shirley M. Durham
Enterprise Operations
Services Division

Conrado Figueroa
Western Region Dealer Center

Paulette L. Franklin
Credit Administration Division

John S. Fujimoto
Controller's Division

Jerome K. Fukuhara
Management Reporting &
Analysis Division

Glenn T. Goya
Makiki Area

Calvin K. Hangai
Controller

Bradford L. Harrison
Wealth Advisory Division

Kevin S. Haseyama
President's Office

Gregory S. Hester
IT Division

Jeffrey N.M. Higashi
Pearlridge Area

Gregg M. Hirano
Card Services Division

Theresa A. Hirata
Wealth Management
Service Center

Shigeo Hone
Japan Business Development

David A. Honma
Hawaii Region Office

Alyssa S.N. Hostelley
Business Services Division

Stephen E.K. Kaa
Waikiki Area

Leland K. Kahawai
Kahului Branch

Brian M. Kakihiro
Maui Region Office

James S. Kaneshiro
Enterprise Operations
Services Division

Kent R. Lau
Main Banking Region

Tricia K.F. Lee
Corporate Compliance Division

George C.K. Leong, Jr.
Commercial Real Estate Division

Kenneth L. Miller
Institutional Advisory Services

Jody J. Mukaigawa
Kapi'olani Banking Region

Candice Y. Naito
O'ahu Region

Lea M. Nakamura
Risk Management Group

Vernon Y. Nakamura
Credit Administration Division

Cameron W. Nekota
Bank Properties Division

Michael T. Nishida
Enterprise Information Security

Daniel A. Nishikawa
Commercial Real Estate Division

Todd T. Nitta
Corporate Banking Division

Todd D. Noia
Credit Administration Division

Glen R. Okazaki
Service Delivery Division

Anna Ono
Audit Division

Carol M. Ono
Human Resources Division

Mark F. Oyadomori
Wealth Advisory Division

David K. Rair
Legal & Corporate Services
Division

Joyce Y. Sakai
Commercial Real Estate Division

Alethea A. Seto
Sales, Service & Retail Training
Division

Bryan I. Shigezawa
Treasury & Investment Division

Guy J. Shindo
Commercial Real Estate Division

Gregory J. Sitar
Kāhala Area

Susan A. Strong
Omni Channel Center

Wayne K. Suehiro
University Area

Lynn M. Takahashi
Private Banking Division

Mark S. Taylor
Risk Analysis Division

Michael G. Taylor
Wealth Advisory Division

Robert N. Taylor
Risk Management Group

Elizabeth L. Tom
Private Banking Division

Lisa A. Tomihama
Main Banking Region

Michael A. Tottori
Wealth Advisory Division

Jaylene S.L. Tsukayama
Digital Banking Division

Edward G. Untalan
Guam & CNMI Region Office

Jeffrey S. Ventura
Windward Area

Glenn N. Wachi
Kapi'olani Banking Region

Wesley M. Wakamura
Kapi'olani Banking Region

Derek M.S. Wong
Credit Products Department

Kendall J.H. Wong
Kalihi Area

Vernon Y.C. Wong
Wealth Advisory Division

Brian K. Yamase
Kaua'i Region Office

Eric B. Yee
Private Banking Division

Sherri Y. Yim
Management Reporting &
Analysis Division

Eliza E. Young
Credit Department

First Hawaiian Leasing, Inc.

Robert S. Harrison
Chairman

Lance A. Mizumoto
Chief Executive Officer

Darlene N. Blakeney
President

Brian Y.C. Lau
Senior Vice President

Bishop Street Capital Management

Kenneth L. Miller
Chairman, Chief Executive
Officer, Chief Investment Officer
& Director of Equity

Jennifer C.M. Carias
President

Ryan S. Ushijima
Senior Vice President &
Chief Compliance Officer

First Hawaiian Bank Foundation

Robert S. Harrison
Chairman

Walter A. Dods, Jr.
Chairman Emeritus

Sharon S. Brown
President



THE 62 BRANCHES of FIRST HAWAIIAN BANK

BOARDS OF DIRECTORS

■ First Hawaiian, Inc. Board of Directors

▲ First Hawaiian Bank Board of Directors

Robin K. Campaniano ■▲

*President and Chief Executive Officer (Retired),
AIG Hawaii Insurance Company*

Matthew J. Cox ■▲

*Chairman and Chief Executive Officer,
Matson, Inc.*

W. Allen Doane ■▲

*Chairman and Chief Executive Officer (Retired),
Alexander & Baldwin, Inc.*

Walter A. Dods, Jr. ▲

*Chairman and Chief Executive Officer (Retired),
First Hawaiian Bank*

Michael K. Fujimoto ▲

*Chairman and Chief Executive Officer,
HPM Building Supply*

Thibault Fulconis ■▲

*Vice Chairman,
BancWest Corporation*

*Chief Operating Officer and Vice Chairman,
Bank of the West*

G rard Gil ■▲

*President,
GSG Consulting*

*Senior Advisor (Retired),
BNP Paribas*

Jean-Milan Givadinovitch ■▲

*Head of Op.RISK Framework
Design and Strategy,
BNP Paribas*

Robert S. Harrison ■▲

*Chairman and Chief Executive Officer,
First Hawaiian Bank*

Robert P. Hiam ▲

*President and Chief Executive
Officer (Retired),
Hawaii Medical Service Association*

Donald G. Horner ▲

*Partner,
Malu Investments*

David C. Hulihee ▲

*Chairman and President,
Royal Contracting Company, Ltd.*

Bert T. Kobayashi, Jr. ▲

*Senior Partner,
Kobayashi, Sugita & Goda*

Faye W. Kurren ▲

*President and Chief Executive
Officer (Retired),
Hawaii Dental Service*

Leighton S. L. Mau ▲

*President and Chief Operating Officer,
Waikiki Business Plaza, Inc.*

Michael Shepherd ■▲

*Chairman,
BNP Paribas USA, Inc., BancWest
Corporation, and Bank of the West*

Eric K. Shinseki ▲

*General,
U.S. Army (Retired)*

Allen B. Uyeda ■▲

*Chief Executive Officer (Retired),
First Insurance Company of Hawaii, Ltd.*

Michel Vial ■▲

*Head of Group Strategy and Development,
BNP Paribas*

Jenai S. Wall ▲

*Chairman and Chief Executive Officer,
Foodland Super Market, Ltd.*

Craig Scott Wo ▲

*Owner/Executive Team,
C. S. Wo & Sons, Ltd.*

Albert M. Yamada ▲

*Vice Chairman, Chief Administrative Officer
and Secretary (Retired),
First Hawaiian Bank*

Eric K. Yeaman ▲

*President and Chief Operating Officer,
First Hawaiian Bank*

Directors who retired during 2017:

Paul Mullin Ganley

Warren H. Haruki

John A. Hoag

Dr. Richard R. Kelley

Dee Jay A. Mailer

John K. Tsui



First Hawaiian, Inc.

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

First Hawaiian, Inc.
999 Bishop Street, Honolulu, Hawai'i 96813

TRANSFER AGENT AND REGISTRAR

American Stock Transfer & Trust Company LLC,
6201 15th Avenue, Brooklyn, NY 11219
help@astfinancial.com

COMMON STOCK LISTING: FHB

The common stock of First Hawaiian, Inc. is traded on the Nasdaq Global Select Market under the ticker symbol FHB.

INQUIRIES

Shareholders with questions about stock transfer services or share holdings may contact American Stock Transfer & Trust Company LLC, by calling (800) 937-5449, visiting www.astfinancial.com, or via email at help@astfinancial.com. Beneficial stockholders with shares held by a broker in the name of a brokerage house should contact their broker.

Investor Relations Contact:

Kevin Haseyama
(808) 525-6268 | ir@fhb.com

Media Contact:

Susan Kam
(808) 525-6254 | skam@fhb.com

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would," "annualized" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. For a discussion of some of the risks and important factors that could affect our future results and financial condition, see our Annual Report on Form 10-K for the Year Ended December 31, 2017 filed with the Securities and Exchange Commission.