



**LARGE BANK**

---

Comptroller of the Currency  
Administrator of National Banks

---

Washington, DC 20219

## **Public Disclosure**

**April 13, 2005**

### **Community Reinvestment Act**

### **Performance Evaluation**

**Hawaii National Bank  
Charter Number: 14911**

**45 North King Street  
Honolulu, HI 96817**

**Office of the Comptroller of the Currency**

**San Francisco Field Office  
One Front Street, Suite 1000  
San Francisco, CA 94111**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## Table of Contents

<b>OVERALL CRA RATING .....</b>	<b>1</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>2</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>5</b>
<b>SCOPE OF THE EVALUATION .....</b>	<b>6</b>
<b>FAIR LENDING REVIEW .....</b>	<b>8</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS .....</b>	<b>9</b>
LENDING TEST .....	9
INVESTMENT TEST .....	12
SERVICE TEST .....	13
<b>APPENDIX A: SCOPE OF EXAMINATION .....</b>	<b>A-1</b>
<b>APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS .....</b>	<b>B-1</b>
<b>APPENDIX C: TABLES OF PERFORMANCE DATA .....</b>	<b>C-1</b>

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **Hawaii National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Hawaii National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The bank originated a low volume of home mortgage loans and an adequate volume of small business loans within the assessment area (AA). The geographic distribution of small business loans is excellent. The distribution of small business loans to businesses with revenues less than \$1 million is adequate. Community development lending performance is excellent.
- The bank has an overall adequate level of investments, grants, and donations that are responsive to the housing needs of low- and moderate-income families. None of the investments are complex or innovative.
- The bank has a good distribution of branches that are accessible to geographies and individuals of different income levels. The bank also provides an excellent level of community development services that are responsive and supportive of community development needs in the AA.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Hawaii National Bank (HNB) is a wholly owned subsidiary of Hawaii National Bancshares, Inc. The bank opened in September 19, 1960, and is headquartered in downtown Honolulu, HI. The bank is an intrastate bank and operates 15 branch offices on three islands. HNB offers a full range of products through its 11 full-service branch offices located in the more populated areas of Honolulu, Pearl City, and Kailua on the island of Oahu. The bank operates two full-service branches on the island of Hawaii located in the communities of Hilo and Pauinako; and two full-service branches on the island of Maui in the communities of Kahului and Kihei.

As of June 30, 2005, HNB had total assets of \$433 million and equity capital of \$31 million. The bank has not engaged in any merger activity during the assessment period. As of June 30, 2005, net loans represented 61.5% of total assets. HNB's commercial loans totaled \$104 million or 38% of total loans. One-to-four family residential loans totaled \$64 million or 23% of total loans.

The bank's primary focus is on small business customers and to a lesser extent to individuals for home loans and consumer credit within the bank's AA. Most of the bank's customers are small family enterprises and closely-held businesses. HNB is the smallest commercial bank headquartered and doing business in Hawaii. When comparing the bank to its peers, we are referring to this group of local banks that includes Bank of Hawaii, First Hawaiian Bank, American Savings Bank, Central Pacific Bank, City Bank, Territorial Savings and Loan Association and Finance Factors Limited.

The bank has 1.79% of the state's FDIC insured deposits. The bank competes for business loans in the AA with commercial banks headquartered in Hawaii. The bank also competes with two large savings and loans. The total number of financial institutions reporting small business loans in the state of Hawaii in 2003 was 79. Of these, 16 had more than 1% market share. Of the top ten lenders, seven were either national credit card lenders or commercial banks headquartered on the mainland.

The Hawaiian market for home and consumer loans is also very competitive. The reported Home Mortgage Disclosure Act (HMDA) data shows that there were 312 mortgage lenders active in the state of Hawaii. The HMDA reporters include local banks, financial institutions from the mainland, numerous local credit unions, and non-bank lenders. Of the top ten HMDA lenders, six were financial institutions from the mainland.

HNB is affiliated through common ownership as defined in 12 U.S.C. § 371c with various business entities of the Luke family who own more than 85% of the holding company, Hawaii National Bancshares, Inc. These business entities contributed services and investments for various community development projects. After a review of the assets and profitability of the Luke family's enterprises, we conclude that these enterprises are not engaged in banking activities and the bank does not conduct banking activities through these affiliated entities. The contributions and investments made by the affiliated entities were considered in our assessment of the bank's performance under the CRA. HNB's CRA performance was evaluated at this examination using Large Retail Bank CRA procedures. The bank's CRA performance was rated Satisfactory at the CRA examination in April 2002.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We evaluated HNB's small business and residential mortgage loan originations and purchases from January 1, 2002 through December 31, 2003. Since the MSA changes occurred from 2002 to 2003, we could not include tables that combined the 2002 and 2003 data. Therefore we only included the 2003 tables. Community development loans, services, and investments were evaluated during the time period from April 16, 2002 through September 26, 2005. Refer to Appendix A for additional details of the examination scope.

### Data Integrity

We performed a data integrity examination in January 2005 to determine the accuracy of the bank's small business lending data that we used for this evaluation. We also reviewed all community development loans, CRA investments, and service activities to determine if each activity has community development as its primary purpose. Based on our sampling, we did not identify any significant errors. Management's review process is adequate.

### Selection of Areas for Full-Scope Review

HNB operates in three assessment areas in Hawaii. The Oahu assessment area (AA) is comprised of part of the Honolulu MSA and the other two are selected census tracts on the islands of Maui and Hawaii. These two AAs are combined for purposes of this analysis since the two islands contain a smaller portion of the state's population. We performed a full-scope review of the Oahu AA because it represents HNB's major market and accounts for 81% of the bank's deposit activity and 87% of the bank's reported lending activity. Refer to Appendix B for a complete description of this AA.

### Ratings

HNB's overall rating is based primarily on performance in the Oahu MSA (HNB Main). In arriving at the bank's overall record of performance, we evaluated activities under the Lending, Investment, and Service Tests in the HNB Main AA. The rating method is structured such that the Lending Test weighs more heavily in the final determination than the Investment and Service Tests. In the area of HMDA lending, we gave the greatest weight to home purchase and home refinance loans due to the higher volume relative to home improvement loans. Additionally, home purchase and home refinance lending has a direct impact on new affordable housing lending. We also considered community development lending under the Lending Test. Community development lending volume, including any community development loans that were complex or innovative, can only enhance the bank's rating under the Lending Test.

### Other

We considered information obtained from community contacts that the OCC and other federal financial institution regulators previously conducted. These interviews were with local organizations that are involved in small business lending, affordable housing, and redevelopment and revitalization of



economically depressed communities in the assessment areas. The most pressing needs that the organizations identified included refinancing for the construction and rehabilitation of affordable housing units in low-income neighborhoods. Specific loan programs needed are 30-year fixed mortgages with more flexible qualification requirements, i.e. higher debt-to-income ratios for first time homebuyers. In addition, funding for housing, temporary shelter facilities, and supportive services for the homeless continue to be needed.

## **Fair Lending Review**

We found no evidence of illegal discrimination or other illegal credit practices.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Performance under the lending test is rated **"High Satisfactory."** Performance in the Oahu AA is good.

Peer lending data for the year 2003 showed HNB with an overall market share of 10.91% of the dollar volume and 2.52% of the number of loans to businesses in the Oahu AA. This is excellent compared to the 1.96% market share of deposits in the Honolulu MSA. In the Hawaii Maui AA, the bank has a market share of 4.11% of the dollar volume of loans compared to its 1.26% and 0.92% market share of deposits on the islands of Hawaii and Maui respectively.

HNB's distribution of small business loans and HMDA loans in low- and moderate-income geographies is good. The following provides a breakdown of the bank's lending activity based on product type.

- HNB's distribution of small business loans in low-income areas is adequate. The table shows that 5.33% of loans were made in low-income geographies, which equals the percentage of businesses located in those areas. However, lending activity during 2002 in low-income areas indicates poor performance. HNB's loan distribution in moderate-income areas is excellent. Data shows that 56.62% of loans were made in moderate-income geographies, which exceeds the percentage of businesses located in those areas. Lending activity in moderate-income areas during 2002 also indicated excellent penetration.
- HNB's distribution of refinance loans in moderate-income areas is adequate. The table shows that 17.16% of loans were made in moderate-income geographies, which is somewhat lower than the percentage of owner-occupied units in those areas. Lending activity during 2002 indicated similar lending patterns. We did not evaluate the bank's lending in low-income areas because the percentage of owner-occupied units is minimal.
- HNB's distribution of home purchase loans in moderate-income areas is excellent. The table shows that 38.89% of loans were made in moderate-income geographies, which exceeds the percentage of owner-occupied units in those areas. Lending activity during 2002 indicated similar lending patterns. We did not evaluate the bank's lending in low-income areas because the percentage of owner-occupied units is minimal.

Small business lending in the Hawaii Maui AA is good. We did not evaluate HMDA lending in the Hawaii Maui AA due to the low volume and number of loans in the AA.

A substantial majority of HNB's reportable loans were made inside its AA. The percentage of loans originated by number and dollar amount to borrowers located within the AA were 85% and 83%, respectively.

Given the demographics of the AA, the bank's distribution of loans reflects adequate penetration among businesses of different sizes and borrowers of different income levels. To analyze the bank's lending to low-income borrowers, the percentage of the population that is defined as low-income families is adjusted by subtracting the percentage of families that earn a wage below the poverty level because those individuals are not traditionally in the housing market. Appendix B provides the poverty levels for the bank's assessment areas. The following provides a breakdown of the bank's lending activity based on product type.

- ❑ Lending to small business is adequate. Loans to businesses with revenues of \$1 million or less represented 43.10% of the bank's reportable loans, which was less than the 64.09% of area businesses that had revenues of less than \$1 million. Lending activity during 2002 indicated similar lending patterns. However, the majority of the bank's loans are for less than \$100,000 indicating responsiveness to the needs of the businesses in the area. The bank's market share of loans to small businesses is greater than its overall market share to all businesses further indicating responsiveness to the needs of small businesses.
- ❑ Refinance lending to low- and moderate-income individuals is adequate. The table indicates that 3.55% of loans were made to low-income individuals, which is significantly lower than the percentage of low-income families of those income levels. HNB's lending to moderate-income individuals is adequate. Year 2003 data indicates that 14.20% of loans were made to moderate-income borrowers, which is somewhat lower than the percentage of families with those income levels. Lending activity during 2002 indicated similar lending patterns.
- ❑ Home purchase lending to low- and moderate-income individuals is adequate. The table indicates that 5.56% of loans were made to low-income individuals, which is lower than the percentage of low-income families of those income levels. Lending activity during 2002 indicated similar lending patterns. HNB's lending to moderate-income individuals is adequate. The data shows that 22.22% of loans were made to moderate-income borrowers, which exceeds the percentage of families with those income levels. However, 2002 data indicates that lending to moderate-income individuals was significantly lower. The cost of housing in the Oahu AA is one of the highest in the United States and the supply is limited. The high cost of housing coupled with the below average median incomes makes home ownership and affordable home mortgages almost impossible for low-income borrowers and difficult for moderate-income borrowers.

Small business lending in the Hawaii Maui AA is adequate. We did not evaluate HMDA lending in the Hawaii Maui AA due to the low volume and number of loans in the AA.

## Community Development Lending

Refer to Table 1 Lending volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending (CD).

CD lending in Hawaii made a positive impact upon the bank's performance in the assessment areas. The level and nature of CD lending activity is adequate. The bank placed much of its CD loan emphasis on affordable housing, a primary need identified in each of the AAs.

HNB made a total of twelve CD loans totaling \$476,000 in Oahu. These loans were commitments to a consortium to provide affordable lending to low-and moderate-income families. All loans are responsive to the identified needs in the community.

Two consortium loans totaling \$48,000 represent participations with the Hawaii Community Reinvestment Corporation in affordable housing projects throughout the bank's non-MSA AA. The bank committed to projects that provide 98 units of specifically designated low- and moderate-income housing on the island of Hawaii.

### **Innovative/Flexible Underwriting**

The bank has not developed any innovative or flexible loan products. The bank partners with several other institutions to offer affordable housing loan products. Because only a small number of loans have been made under the program, these products have a neutral impact on the bank's CRA performance evaluation.

HNB participates in the Home\$tart Plus Savings program with the Federal Home Loan Bank of Seattle. The program matches savings of low- and moderate-income families. While this is not a direct lending program, this program did facilitate a number of first time homebuyers through their involvement in this program.

## **INVESTMENT TEST**

### **Conclusions for Area Receiving Full-Scope Review**

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test is rated "**Low Satisfactory.**" Based on the full scope review, the bank's performance in the Oahu AA is adequate.

HNB investments are considered responsive to the needs of the community and the level is adequate considering the limited number of qualified investments available in the assessment areas. See the "Market Profile of the Assessment Areas" section for further discussion of the opportunities for investment.

Investments totaled \$320,000 from April 16, 2002 to September 26, 2005. A significant portion of these investments focused on the Honolulu area since it has the majority of the population and a significant portion of the need within the state of Hawaii. The largest investments are to a Small Business Investment Corporation (SBIC) benefiting small businesses and low- and moderate-income targeted donations to the Red Cross and the United Way. Examples of grants and investments are discussed below.

HMS Hawaii – The bank, through its affiliate KJL Associates, funded an investment in the HMS Hawaii SBIC, one of only four SBICs or Certified Development Companies licensed in the state. The SBIC uses the funds for Hawaiian start up companies and programs that benefit small businesses to provide jobs and revitalize the economy.

Aloha United Way – HNB and its affiliates continue to donate to United Way programs targeted to low- and moderate-income persons in Hawaii. The bank donated \$21,000 to the Aloha chapter of the United Way during the assessment period.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the non-MSAs on the Islands of Maui and Hawaii is weaker than the overall "Low Satisfactory" performance under the Investment Test. The opportunities for investments are less than in the HNB Main AA and the competition for the few opportunities is intense. Accordingly, this performance did not adversely affect the overall rating of the bank.

## SERVICE TEST

### Conclusions for Area Receiving Full-Scope Reviews

Hawaii National Bank's performance under the Service Test is rated "**High Satisfactory.**" This is based on the following factors:

- The branches and other alternative delivery systems are accessible to geographies and individuals of different income levels in its AA.
- Bank services are tailored to the needs of the AA and do not vary in a way that would inconvenience portions of the AA.

The bank has a good level of community development services, which are responsive to the needs of the AA.

### Retail Banking Services

#### Branch Distribution

The bank's branches are accessible to essentially all of the AAs. No branches have been closed since the prior Community Reinvestment Act Performance Evaluation. The Puainako branch opened on July 27, 2002. Eleven of the fifteen branches of the bank are located on the island of Oahu. There are five low-income geographies on Oahu. HNB's branch distribution in the low- and moderate-income geographies meets the demographics with 36% of the bank's branches in low- or moderate-income geographies compared to 36% of the population living in low- and moderate-income geographies. Branch office hours and services are consistent among the branch locations, with all offering extended hours on Fridays. Both the Moanalua and Puainako branches are open on Saturday.

#### Alternate Delivery Systems

HNB's retail services and alternate delivery systems are responsive to the needs of the community. Alternative delivery systems include toll-free Bank-by-Phone, Bank-by-Mail, Electronic Benefits Transfer, and Online banking. Bilingual services are available through a network of employees throughout the bank that speak Chinese, Filipino, Korean, Spanish, Japanese, French, and Vietnamese. These alternate delivery systems provide excellent responsiveness to the needs of the assessment areas.

The bank continues to provide the following services specifically tailored to the needs of low- and moderate-income account holders:

- The bank has established "Household accounts" for account holders with lower minimum opening balances, maintenance fees and no charges for five checks per month as a service to low- and moderate-income persons.
- Low cost checking accounts are available for those receiving electronic benefits transfers from the federal government.
- The bank has established lock box arrangements with five low-income rental housing projects that will allow renters without checking accounts to make their rent payments at any branch.

## Community Development Services

HNB provides services that are responsive to the identified needs of the assessment areas particularly in the areas of affordable housing and small business, and neighborhood revitalization. The bank provides meeting facilities free of charge to several of the groups. A break down by AA and some example of these services are listed below.

### Statewide

- Ongoing monthly or quarterly participation in several organizations promoting small business lending, affordable housing or other community services.
- HNB CEO and President Warren Luke serves as a director and one of the founding members of the Hawaii Community Reinvestment Corporation. This is a community development financial institution (CDFI) that channels investments and funds into affordable housing throughout Hawaii. The bank's participation in several of the multi-family affordable housing loans was made through this organization.

### Island of Oahu

- Ongoing monthly or quarterly participation in four different organizations promoting small business, affordable housing or other community services.
- The bank participated in several workshops or events that promoted small business, affordable housing or other community services. Four of these provided services very responsive to the needs of the small business community.
- Hawaii Community Loan Fund – a member of management serves on the Finance committee. This organization assists in community-based economic development for disadvantaged individuals or economically distressed communities.

## Conclusions for Areas Receiving Limited-Scope Reviews

### Islands of Maui and Hawaii

- Ongoing monthly participation in three different organizations that promote small business, affordable housing or other community services.
- A member of bank management serves as chairman of the rural development loan committee for Lokahi Pacific, a CDFI providing funds for rural economic development.



## Appendix A: Scope of Examination

---

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (1/01/02 to 12/31/03) Investment and Service Tests and CD Loans: (4/15/02 to 9/26/05).	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Hawaii National Bank (HNB) Oahu, Hawaii	Home Mortgage loans, small business loans, CD loans.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
HNB Main AA #26180	Full Scope	N/A
Nonmetropolitan Areas	Limited Scope	
Island of Maui Island of Hawaii	Limited Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### Hawaii National Bank Main Assessment Area.

Demographic Information for Full Scope Area: Oahu AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts BNAs)	140	4.29	32.86	30.00	31.43	1.43
Population by Geography	507,675	2.83	33.89	31.19	32.09	0.00
Owner-Occupied Housing by Geography	93,058	0.71	20.71	32.24	46.35	0.00
Business by Geography	30,941	5.44	41.41	35.74	15.68	1.73
Farms by Geography	293	2.39	25.26	36.18	36.18	0.00
Family Distribution by Income Level	121,451	20.55	17.93	20.73	40.78	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	46,739	5.17	48.85	28.46	17.52	0.00
Median Family Income		60,118	Median Housing Value	254,169		
HUD Adjusted Median Family Income for 2003		65,200	Unemployment Rate (2000	2.91%		
Households Below Poverty Level		9.71%	US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2002 HUD updated MFI.

HNB's primary AA consists of the Island of Oahu, which includes the Honolulu MSA. The island of Oahu has about 70% of the state's population and is the site of state government. This island also generates most of the state's tourism revenue. The bank serves the AA with eleven branches, equipped with ATMs, located throughout the Island.

As of the bank's June 30, 2005 Consolidated Report of Income and Condition, it reported approximately \$400 million in total deposits with over 80% generated from the Hawaiian Islands. The bank originated over 90% of its home mortgage, small business, small farm, and community development loans within its AA during the evaluation period.

## Appendix C: Tables of Performance Data

---

### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also

presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-,

moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/AA.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: HAWAII												
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003												
MA/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Oahu AA	86.84	192	44,281	580	76,866	0	0	12	476	784	121,623	1.96
<b>Limited Review:</b>												
Hawaii Maui AA	13.16	28	3,888	89	8,810	0	0	2	48	119	12,746	.92

\* Loan Data as of December 31, 2003. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 16, 2002 to September 26, 2005.

\*\*\* Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: HAWAII				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oahu AA	18	90.00	0.71	0.00	20.71	38.89	32.24	27.78	46.35	33.33	0.34	0.00	0.31	0.34	0.38
<b>Limited Review:</b>															
Hawaii Maui AA	2	10.00	0.00	0.00	8.40	0.00	66.90	50.00	24.70	50.00	0.13	0.00	0.00	0.13	0.19

\* Based on 2003 Peer Mortgage Data (WE)

\*\* Home purchase loans originated and purchased in the MA/as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT															Geography: HAWAII					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Oahu AA	4	80.00	0.71	0.00	20.71	0.00	32.24	25.00	46.35	75.00	1.24	0.00	0.00	0.95	1.85									
<b>Limited Review:</b>																								
Hawaii Maui AA	1	20.00	0.00	0.00	8.40	0.00	66.90	100.00	24.70	0.00	1.11	0.00	0.00	1.37	0.00									

\* Based on 2003 Peer Mortgage Data (WE)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.



**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: HAWAII		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>										
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Oahu AA	169	87.11	0.71	1.18	20.71	17.16	32.24	26.63	46.35	55.03	0.53	1.64	0.52	0.48	0.55						
<b>Limited Review:</b>																					
Hawaii Maui AA	25	12.89	0.00	0.00	8.40	12.00	66.90	64.00	24.70	24.00	0.34	0.00	1.13	0.32	0.27						

<sup>\*</sup> Based on 2003 Peer Mortgage Data (WE)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															
Geography: HAWAII															
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003															
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oahu AA	1	100.00	4.15	0.00	62.26	0.00	27.31	100.00	6.27	0.00	1.33	0.00	0.00	6.25	0.00
<b>Limited Review:</b>															
Hawaii Maui AA	0	0.00	0.00	0.00	17.23	0.00	77.00	0.00	5.77	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2003 Peer Mortgage Data (WE)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: HAWAII															
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oahu AA	544	85.94	5.44	5.33	41.41	56.62	35.74	29.78	15.68	8.27	2.53	3.44	3.85	2.20	0.91
<b>Limited Review:</b>															
Hawaii Maui AA	89	14.06	0.79	1.12	24.83	16.85	63.20	65.17	11.18	16.85	0.81	3.57	1.10	0.95	0.84

\* Based on 2003 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2003).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															Geography: HAWAII		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Oahu AA	0	0.00	2.39	0.00	25.26	0.00	36.18	0.00	36.18	0.00	0.00	0.00	0.00	0.00	0.00						
<b>Limited Review:</b>																					
Hawaii Maui AA	0	0.00	0.00	0.00	17.29	0.00	69.17	0.00	13.53	0.00	1.52	0.00	9.52	0.00	0.00						

\* Based on 2003 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2003).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: HAWAII				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>					
<b>Full Review:</b>															
Oahu AA	18	90.00	20.55	5.56	17.93	22.22	20.73	5.56	40.78	66.67	0.38	0.26	0.36	0.29	0.45
<b>Limited Review:</b>															
Hawaii Maui AA	2	10.00	19.75	0.00	16.75	50.00	21.52	0.00	41.98	50.00	0.16	0.00	0.28	0.16	0.13

<sup>\*</sup> Based on 2003 Peer Mortgage Data (WE)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: HAWAII				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
<b>Full Review:</b>															
Oahu AA	4	80.00	20.55	25.00	17.93	25.00	20.73	25.00	40.78	25.00	1.41	6.25	1.92	1.52	0.67
<b>Limited Review:</b>															
Hawaii Maui AA	1	20.00	19.75	0.00	16.75	0.00	21.52	100.00	41.98	0.00	1.23	0.00	0.00	5.56	0.00

\* Based on 2003 Peer Mortgage Data (WE)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

## Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: HAWAII					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Oahu AA	169	87.11	20.55	3.55	17.93	14.20	20.73	24.26	40.78	57.99	0.60	0.71	0.53	0.52	0.65	
<b>Limited Review:</b>																
Hawaii Maui AA	25	12.89	19.75	0.00	16.75	8.00	21.52	28.00	41.98	64.00	0.39	0.00	0.23	0.37	0.48	

<sup>\*</sup> Based on 2003 Peer Mortgage Data (WE)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: HAWAII			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Oahu AA	580	86.70	64.09	43.10	68.97	15.86	15.17	2.53	3.22
<b>Limited Review:</b>									
Hawaii Maui AA	89	13.30	64.89	55.06	79.78	7.87	12.36	0.81	1.30

<sup>1</sup> Based on 2003 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

<sup>\*\*\*\*</sup> Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 7.47% of small loans to businesses originated and purchased by the bank.



**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: HAWAII		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Oahu AA	0	0.00	78.84	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Hawaii Maui AA	0	0.00	82.71	0.00	0.00	0.00	0.00	1.52	2.06

<sup>\*</sup> Based on 2003 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: HAWAII		Evaluation Period: April 16 2002 TO September 26, 2005				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Oahu AA	1	75	53	320	54	395	94.05	3	1,900
<b>Limited Review:</b>									
Hawaii Maui AA	1	25	0	0	1	25	5.95	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: HAWAII																	
Evaluation Period: APRIL 15, 2002 TO APRIL 13, 2005																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Oahu AA *	81.20	11	100.00	18.18	18.18	45.45	9.09	0	0	0	0	0	0	2.83	33.89	31.19	32.09
<b>Limited Review:</b>																	
Hawaii Maui AA	18.80	4	100.00	0.00	25.00	75.00	0.00	1	0	0	0	1	0	0.01	12.55	64.40	23.04

\* One branch in an Census Tract not designated by income.