



## PUBLIC DISCLOSURE

October 23, 2023

## 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

25 Jesse Street at Ecker Square  
16th Floor  
San Francisco, CA 94105

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.

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## Overall CRA Rating

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

**The lending test is rated: Satisfactory.**

**The community development test is rated: Satisfactory.**

The overall performance of Hawaii National Bank (HNB, or bank) is Satisfactory. The major factors that support this rating include:

- The Lending Test rating is based on the bank's performance in meeting the credit needs of its assessment areas (AAs).
  - The bank's Loan-to-Deposit ratio is reasonable given the bank's size, financial condition, and business strategy.
  - The bank originated a substantial majority of its loans within its AAs.
  - The bank's distribution of loans to borrowers of different income levels and business of different sizes is reasonable.
- The Community Development (CD) Test rating is based on the aggregate assessment of the bank's community development activities for loans, investments, and services.
  - The bank's CD activities demonstrate an adequate level of responsiveness to identified needs within the AA during the evaluation period.

### Loan-to-Deposit Ratio

Considering the HNB's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit (LTD) ratio is reasonable.

We analyzed the bank's quarterly LTD ratio over the 13 quarters since the prior examination period through June 30, 2023. During this period, HNB's average LTD ratio was 60.9 percent and ranged from a low of 49.9 percent to a high of 80.5 percent. The combined quarterly average of peer banks (other banks with their primary operations in the State of Hawaii) is 73.3 percent and ranged from a high of 85.4 percent to a low of 62.8 percent. While the bank's average LTD ratio was lower than the peer average during the evaluation period, it is reasonable and meets the standard for satisfactory performance.

### Lending in Assessment Area

A **majority** of the bank's loans are inside its assessment AAs.

The bank originated and purchased 67.5 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>
Small Business	43	71.7	17	28.3	60	12,281	84.4	2,267	15.6	14,548
Home Mortgage	38	63.3	22	36.7	60	27,346	70.0	11,692	30.0	39,038
<b>Total</b>	<b>81</b>	<b>67.5</b>	<b>39</b>	<b>32.5</b>	<b>120</b>	<b>39,627</b>	<b>74.0</b>	<b>13,959</b>	<b>26.1</b>	<b>53,586</b>

*Source: Bank Data; Random selection of loans to small business and home mortgages originated between 1/1/2020 and 12/31/2022. Due to rounding, totals may not equal 100.0%*

## Description of Institution

Hawaii National Bank (HNB) opened on September 19, 1960, and is headquartered in downtown Honolulu, Hawaii. HNB is a wholly owned subsidiary of Hawaii National Bancshares, Inc., which is a single bank holding company. 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 99 percent of the holding company.

At the beginning of the evaluation period, HNB operated a total of 13 branches. Nine branches were located on the island of Oahu with seven in the City of Honolulu, one in Kailua, and one in Pearl City. Two branches are located in the city of Hilo on the Big Island, and two branches on the island of Maui in the cities of Kahului and Kihei. During the evaluation period, bank management closed the branch in Kihei, and closed the Bishop Street branch in Honolulu. Bank management also relocated the Kahului branch in Maui. The closures and relocation were all in middle-income census tracts. HNB operates seven full-service and four envelope-deposit automated teller machines (ATMs). See Service Test for additional information.

The bank's primary focus is on small business customers, and, to a lesser extent, home loan and consumer credit customers within the AAs. The bank offers a variety of traditional loan products to meet the credit needs of its community including commercial real estate and single-family residential lending. Most of the bank's customers are small family enterprises and closely held businesses. Additionally, the bank offers various deposit products and account services through its branch locations, online, and mobile banking.

As of December 31, 2022, HNB reported total assets of \$847 million, total loans of \$433 million, total deposits of \$775 million, and total equity capital of \$65 million. The loan portfolio primarily consists of 1-4 family residential real estate loans totaling \$147 million or 34 percent of total loans, commercial real estate loans totaling \$156 million or 36 percent of total loans, and commercial loans totaling \$102 million or 24 percent of total loans.

There are no financial or legal factors that impede the bank's ability to help meet the credit needs of its communities. HNB received a "Satisfactory" rating under the Intermediate Small Bank (ISB) rating criteria at the prior CRA examination on August 3, 2020.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This performance evaluation (PE) assesses the Community Reinvestment Act (CRA) performance of HNB using ISB CRA examination procedures. The bank has three designated AAs: Urban Honolulu AA, Maui AA, and Hawaii Non-MSA (Metropolitan Statistical Area) AA. We performed a full-scope examination on the Urban Honolulu AA and limited-scope examinations on the Maui AA and Hawaii Non-MSA AA. HNB is ranked sixth in two assessment areas with a 1.51 percent deposit market share in the Urban Honolulu MSA and a 0.52 percent deposit market share in the Maui MSA. HNB ranked seventh in the Hawaii Non-MSA with a 1.33 percent deposit share. The bank's major deposit competitors are First Hawaiian Bank, Bank of Hawaii, and American Savings Bank.

The evaluation period for the Lending Test is January 1, 2020, through December 31, 2022. The lending test included an analysis of Home Mortgage Disclosure Act (HMDA) data for home mortgages, as well as a sample of loans to small businesses.

The evaluation period encompasses the COVID-19 (Coronavirus) Pandemic, which was declared a federal public health emergency (PHE) on January 31, 2020, and remained a PHE through the end of the evaluation period. The evaluation period will incorporate and evaluate, as applicable, the bank's participation in programs that were put in place when the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the Coronavirus Response and Consolidated Appropriations Act of 2021 were put into place. This will include an analysis of the bank's participation in the Small Business Administration Payroll Protection Program (PPP) under the Lending Test sections for Loans to Small Businesses.

Lending activity beginning January 1, 2020, through December 31, 2021, is evaluated using the 2015 Census American Community Survey (ACS) Data, along with Census Tracts delineated after the decennial 2010 United States Census. For lending activity from January 1, 2022, through December 31, 2022, we used the 2020 ACS Data; however, in certain instances aggregate (i.e. peer bank data) was not available for the analysis. The Urban Honolulu AA was the only one of the bank's three AAs that had changes in both the size and shape of the CTs used for their AA. The number of census tracts in the bank's Maui AA increased; however, the borders of that AA did not. The Hawaii Non-MSA AA was not changed.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA.

Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

HNB has three AAs. The performance in the Urban Honolulu AA received primary weight, with most of the customer deposits and loan volume located in this AA. The home mortgage and small business loans analyzed in the Lending Test received equal weighting.

The state ratings are based on performance in all bank AAs. Refer to the “Scope” section under the State Section for details regarding how the areas were weighted in arriving at the respective findings.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Hawaii

**CRA rating for the State of Hawaii:** Satisfactory.

**The Lending Test is rated:** Satisfactory.

**The Community Development Test is rated:** Satisfactory.

The major factors that support this rating include:

- The geographic distribution of loans reflects a reasonable distribution throughout the bank's AAs.
- Lending activities represent reasonable distribution to individuals of different income levels and businesses of different sizes.
- HNB's aggregate Community Development activities show adequate responsiveness to identified community needs.

### Description of Institution's Operations in Hawaii

HNB has branches on three islands in the state of Hawaii. Most of the bank's deposit and loan activity is located on the Island of Oahu in the Urban Honolulu AA, which received a full-scope review and primary weight in the evaluation of CRA performance. The Hawaii Non-MSA and the Maui MSA assessment areas received limited-scope reviews.

### Urban Honolulu Assessment Area

HNB has designated a significant part of the Honolulu MSA on the Island of Oahu as an AA. The AA includes 186 census tracts (CTs) surrounding the bank's eight full-service branches located in central Oahu, Pearl City, and Kailua. The AA includes six low-income, 53 moderate-income, 63 middle-income, 56 upper-income CTs. In addition, there are eight CTs that do not report data and are listed as unknown. As a result of the 2020 Census, this AA gained 37 CTs since the last evaluation with the changes being a decrease of two low-income CTs, an increase of 19 moderate-income CTs, an increase of six middle income CTs, an increase of 13 upper-income CTs, and an increase of one unknown CT. The AA meets the requirements of the regulation and does not exclude low- and moderate-income (LMI) geographies. The AA does exclude the CT that encompasses the U.S. Army installation known as Fort Shafter; this is acceptable as the CT is identified as middle-income and there are few, if any, lending opportunities there.

The Urban Honolulu AA is the bank's primary market with 89 percent of the bank's deposits, 67 percent of HMDA loans sampled, and 82 percent of small business loans sampled. Five of HNB's eight branches in the AA are full-service and offer deposit-taking ATMs. Two branches in the AA have ATMs that take envelope deposits. One branch will be closed during the next evaluation period (Hawaii Kai Branch in Honolulu), and the ATM was deactivated and removed prior to the end of this evaluation period. There are no branches located inside a low-income CT, and there is one branch located inside a moderate-income CT. HNB offers a variety of loan and

deposit products including online banking and mobile deposits. Branches are open normal banking hours on Monday through Friday, with no branches offering Saturday hours.

Competition from larger financial institutions in the AA is strong. As of June 30, 2022, the Federal Deposit Insurance Corporation (FDIC) Market Share report included 13 financial institutions with a combined 152 branches competing for over \$47.8 billion in deposits. HNB ranked sixth with \$723 million in deposits but represented only 1.51 percent of the market. The largest competitors included First Hawaiian Bank, Bank of Hawaii, American Savings Bank, Central Pacific Bank, and Territorial Savings Bank, which held a combined 96 percent of the deposit market share. In addition, there is competition for home mortgages and small business loans from large banks located on the mainland, mortgage finance companies, and credit unions.

We reviewed demographic information from Table A below, information obtained from three recent community contacts, and other economic data. The community contacts included two nonprofit community development financial institutions (CDFI) and a local Community Reinvestment Corporation. In addition, examiners obtained information from a regulatory-sponsored CRA Listening Group.

The city of Honolulu is the state’s capital and the primary population center in Hawaii. Aside from a large military presence, the economy is heavily dependent on travel and tourism. With a median housing value of \$688,077 and a median family income of \$103,845, affordable housing continues to be a primary community need. One community contact mentioned that many potential homeowners have high debt-to-income ratios due to heavy credit usage to make ends meet each month. This is a problem that has been exacerbated with rising housing, food, and energy costs.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Urban Honolulu MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	186	3.2	28.5	33.9	30.1	4.3
Population by Geography	539,024	2.9	26.3	37.0	32.9	0.9
Housing Units by Geography	214,153	2.8	31.1	35.9	29.2	1.0
Owner-Occupied Units by Geography	101,793	1.0	18.7	35.7	44.0	0.5
Occupied Rental Units by Geography	86,589	4.8	45.8	33.2	14.4	1.8
Vacant Units by Geography	25,771	3.2	30.9	45.5	20.3	0.2
Businesses by Geography	71,119	1.4	28.5	37.3	28.5	4.3
Farms by Geography	765	0.9	24.6	31.5	38.7	4.3
Family Distribution by Income Level	118,833	20.6	18.1	21.3	40.0	0.0
Household Distribution by Income Level	188,382	25.3	17.4	18.2	39.1	0.0
Median Family Income MSA - 46520 Urban Honolulu, HI MSA		\$103,845	Median Housing Value			\$688,077
			Median Gross Rent			\$1,729
			Families Below Poverty Level			5.4%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(* ) The NA category consists of geographies that have not been assigned an income classification.</i>						

**Hawaii Non-MSA Assessment Area**

HNB has designated an AA on the Island of Hawaii that is not part of an MSA. The AA includes nine census tracts which include the Hilo and Puainako communities. The AA is comprised of one low-income, one moderate-income, five middle-income, and two upper-income CTs. There were no changes in the number of CTs within this AA as part of the 2020 census. However, the CT income tract levels did change in 2022, with one CT moving from middle-income to lower-income and one CT moving from upper-income to middle-income. Three CTs showed improvements to their income tracts in 2022: two tracts moved from low-income to moderate-income and middle-income; and one moved from middle income to high income. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The Hawaii Non-MSA AA comprises 8 percent of the bank's deposits, 21 percent of the home mortgage loans sampled, and 13 percent of the small business loans sampled. HNB has two branches in the AA. One branch has a deposit-taking ATM in a low-income CT, and one branch has an envelope deposit ATM in a middle-income CT. There is a significant amount of competition from other financial institutions. As of June 30, 2022, the FDIC Market Share report included eight financial institutions with a combined 29 branches competing for over \$4.5 billion in deposits. HNB ranked seventh with \$60.8 million in deposits and only 1.33 percent of the market. The largest competitors included Bank of Hawaii, First Hawaiian Bank, American Savings Bank, Central Pacific Bank, and Territorial Savings Bank, which held a combined 96 percent of the deposit market share. There is also significant competition for home mortgages and small business loans from the larger banks and other financial companies.

Demographic information on the AA is provided in Table A below. Considering information from the table and community, identified community needs continue to include affordable housing, supporting small businesses, and promoting asset building. With 11.8 percent of families below poverty in the AA, there is also a significant need for community services for LMI individuals.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Hawaii Non-MSA (Big Island)</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	9	11.1	11.1	55.6	22.2	0.0
Population by Geography	44,083	8.7	13.5	57.4	20.4	0.0
Housing Units by Geography	18,462	10.2	13.2	56.9	19.7	0.0
Owner-Occupied Units by Geography	10,065	6.0	5.6	60.8	27.7	0.0
Occupied Rental Units by Geography	6,103	17.9	22.4	50.9	8.7	0.0
Vacant Units by Geography	2,294	8.5	21.7	55.9	13.9	0.0
Businesses by Geography	5,390	17.4	19.3	53.0	10.3	0.0
Farms by Geography	145	9.7	12.4	63.4	14.5	0.0
Family Distribution by Income Level	10,594	24.7	15.5	21.2	38.6	0.0
Household Distribution by Income Level	16,168	30.0	12.4	18.3	39.3	0.0
Median Family Income Non-MSAs - HI		\$80,982	Median Housing Value			\$329,344
			Median Gross Rent			\$1,128
			Families Below Poverty Level			11.8%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### **Maui Assessment Area**

HNB has designated part of the Maui MSA as an AA. The AA includes 20 census tracts in the Kahului community. The AA is comprised of one low-income, three moderate-income, 13 middle-income, and three upper-income CTs. As a result of the 2020 Census, this AA gained five CTs with the changes being an increase of one low-income CT, an increase of one moderate-income CT, an increase of two middle income CT, and an increase of one upper-income CT. The general shape of the AA remains the same, as the census tract changes involved dividing four older CTs into nine new CTs. In addition, two CTs that were designated as upper income prior to the 2020 census are now middle income. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The Maui AA comprises 3 percent of the bank's deposits, 12 percent of home mortgage loans sampled, and 5 percent of the small business loans sampled. HNB has one full-service branch with a deposit-taking ATM located in a middle-income CT. There is a significant amount of competition from other financial institutions. As of June 30, 2022, the FDIC Market Share report included seven financial institutions with a combined 37 branches competing for \$3.6 billion in deposits. HNB ranked sixth with \$27.9 million in deposits and only 0.52 percent of the market. The largest competitors included Bank of Hawaii, First Hawaiian Bank, American Savings Bank, Central Pacific Bank, and Territorial Savings Bank, which held a combined 99 percent of the deposit market share. There is also significant competition for home mortgages and small business loans from the larger banks and other financial companies.

Demographic information on the AA is provided in Table A below. Considering information from the table and community contacts, identified community needs continue to include affordable housing, supporting small businesses, and promoting asset building. The median price

of housing is \$629,939 compared to a median family income of \$92,627. Although the percentage of families below the poverty level has improved since the last evaluation, there is still a need for community services for LMI individuals.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Maui MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	20	5.0	15.0	65.0	15.0	0.0
Population by Geography	83,467	3.4	8.2	75.2	13.2	0.0
Housing Units by Geography	34,734	3.2	14.4	70.2	12.2	0.0
Owner-Occupied Units by Geography	17,383	2.3	9.8	72.5	15.4	0.0
Occupied Rental Units by Geography	10,474	5.8	10.7	74.1	9.4	0.0
Vacant Units by Geography	6,877	1.3	31.8	58.6	8.3	0.0
Businesses by Geography	10,657	6.6	8.3	74.8	10.3	0.0
Farms by Geography	215	7.0	5.1	75.3	12.6	0.0
Family Distribution by Income Level	20,356	19.5	16.7	24.5	39.2	0.0
Household Distribution by Income Level	27,857	23.7	15.8	20.2	40.4	0.0
Median Family Income MSA - 27980 Kahului-Wailuku-Lahaina, HI MSA		\$92,627	Median Housing Value			\$629,939
			Median Gross Rent			\$1,536
			Families Below Poverty Level			6.0%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data            Due to rounding, totals may not equal 100.0%            (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Hawaii

The CRA Evaluation determines the bank's record of meeting community credit needs. The OCC used a combination of bank and examiner generated loan and demographic reports to assess CRA performance. We used information obtained from multiple community groups that attended a CRA listening session on July 12, 2022, as well as contacts with economic development and community reinvestment corporations to determine the primary needs of the AAs. The Urban Honolulu AA is the bank's primary market with a large percentage of deposit and lending activity. The Urban Honolulu AA was selected for a full-scope review and received the primary weight in the overall evaluation of CRA performance. The Hawaii Non-MSA AA and the Maui AA had less deposit and loan activity than the Urban Honolulu AA and were selected to receive limited-scope reviews.

The evaluation period for the Lending Test is January 1, 2020, through December 31, 2022. We took a random sampling of 60 home mortgage loans and 60 commercial loans, which are the primary lending products for HNB. We also included in our evaluation the bank's participation in the SBA PPP program to respond to the COVID-19 PHE. The PPP information was used as a proxy for the distribution of loans by income level of the borrower for small business loans where Gross Annual Revenue (GAR) was not collected. We considered the bank's origination of a majority of loans inside the AAs and the significant amount of competition from larger

institutions when evaluating overall lending performance. Due to the high costs of housing in the AAs, we gave more weight in our consideration to the aggregate for mortgage loans than compared to the demographics. The high costs of housing the AAs limits the availability of affordable homes for LMI borrowers and reduces the opportunities for all lenders. In addition, we placed greater weight on the bank's performance compared to the aggregate in lending to small businesses as the demographics of the AAs indicate that some businesses with annual revenues less than or equal to \$1 million may not seek out lending opportunities.

## **Conclusions in Respect to Performance Tests in Hawaii**

### **Lending Test**

The bank's performance under the Lending Test in **Hawaii** is rated **Satisfactory**.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope review of the Urban Honolulu AA and limited-scope reviews of the Maui and Hawaii Non-MSA AAs, the bank's overall lending performance in the State of Hawaii is reasonable.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a reasonable geographic distribution of loans in the state of Hawaii.

### ***Home Mortgage Loans***

Please refer to Table O in the State of Hawaii section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. We analyzed the bank's geographic distribution of home mortgage loans based on a random sample of 60 home mortgage loans originated within the three assessment areas during the evaluation period. The home mortgage applications received in 2022 are broken out into a separate table because the census tracts in Honolulu changed in number, shape, and demography that year due to the results and analysis of the 2020 census.

### ***Urban Honolulu Assessment Area***

HNB's distribution of home mortgage loans in the Urban Honolulu AA shows a reasonable distribution in low- and moderate-income geographies. The sample did not include any loans made in low-income CTs; however, the opportunity for the bank to lend in these areas is minimal given that only 1 percent of units are owner-occupied. The bank's lending in moderate-income census tracts is 2.9 percent for 2020-2021 and 20 percent for 2022, which was near the 20.8 percent aggregate lending percentage. Given the demographic and competitive context in the Urban Honolulu AA and the reasonable distribution in moderate-income areas, the overall distribution of home mortgage loans is reasonable and meets the standards for satisfactory performance.

*Maui and Hawaii Non-MSA Assessment Areas*

HNB's distribution of home mortgage loans in the Maui and Hawaii Non-MSA AAs are reasonable in low- and moderate-income geographies. The Maui AA did not have any low-income CTs in 2020 or 2021, and one newly drawn CT in 2022 was designated as low-income. In the Hawaii Non-MSA AA in the years 2020 and 2021, the bank's lending in low-income census tracts is 9.1 percent, which is slightly lower than the aggregate of 10.5 percent and demographic of 10.4 percent.

*Small Loans to Businesses*

Refer to Table Q in the State of Hawaii section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

*Urban Honolulu Assessment Area*

HNB's distribution of small business loans in the Urban Honolulu AA reflects reasonable distribution in LMI geographies. For the years 2020 and 2021, the sample contained 39 loans to small businesses which totaled \$6.9 million in the Urban Honolulu AA. For 2020 to 2021, HNB originated 15.4 percent of these loans in low-income CTs, which exceeds both the demographic of 5.2 percent and the aggregate of 6.5 percent. The bank's 23.1 percent for moderate-income census tracts also exceeds the demographic of 18.9 percent and the aggregate of 19.9 percent. For the year 2022, the sample included 10 loans originated in the Urban Honolulu AA totaling \$3.0 million. Of those loans, 70 percent were originated in moderate-income tracts which exceeds the demographic of 28.5 percent. Aggregate data was not yet available for 2022. Given the primary weight to the bank's performance in low-income geographies, the bank's geographic distribution of small business loans is reasonable.

*Maui and Non-MSA Hawaii Assessment Areas*

HNB's distribution of loans to small businesses in the Hawaii Non-MSA AAs is reasonable in low- and moderate-income geographies. The sample for the Maui AA did not contain enough loans to small businesses for a meaningful analysis. For the years 2020 and 2021, HNB made 33.3 percent of the sampled small business loans in low-income CTs in the Hawaii Non-MSA AA, which is slightly below the aggregate of 34.9 percent. For 2022, the bank made 100 percent of the sampled small business loans in the Hawaii Non-MSA AA in low-income CTs. Aggregate data for the year 2022 is not available at this time.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits a **reasonable** distribution of loans to individuals and businesses of different income levels.

### ***Home Mortgage Loans***

Refer to Table P in the State of Hawaii section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.  
*Urban Honolulu Assessment Area*

HNB's overall distribution of mortgage loans in the Urban Honolulu AA to LMI borrowers is reasonable. For the years 2020 and 2021 of the evaluation period, the bank originated 17.1 percent of its home mortgage loans to moderate-income borrowers, which is slightly below the demographic of 18.2 percent, but above the aggregate of 14.2 percent. The sample did not include any loans to low-income borrowers for any year in the evaluation period. However, the aggregate level (which represents peer bank performance) for loans to low-income borrowers was 4.1 percent in the years 2020 and 2021 compared to the demographic of 19.8 percent, and 4.9 percent compared to the demographic of 20.6 percent in 2022. This disparity between the aggregate and demographic for low-income borrowers is an indication of the challenging lending environment all banks in the Urban Honolulu AA experience. During the evaluation period, the median home price in the Urban Honolulu MSA was around \$800 thousand. Given this performance, and the bank's reasonable lending to moderate-income borrowers, the overall distribution of mortgage loans to LMI borrowers is reasonable.

### ***Maui and Non-MSA Hawaii Assessment Areas***

HNB's overall distribution of loans in the Maui and the Non-MSA Hawaii AAs to LMI borrowers is reasonable. For the years 2020 and 2021, the bank originated 2.9 percent of its home mortgage loans in the Hawaii Non-MSA AA to low-income borrowers, which is below the aggregate level of 3.5 percent. For the same time period, the bank originated 18.2 percent of loans to moderate-income borrowers, which compares favorably to the aggregate of 14.2 percent. Also, in the period of 2020-2021, the bank originated 14.3 percent of loans to moderate-income borrowers in the Maui AA, which compares favorably to the aggregate of 14.5 percent. While the bank did not report any loans to low-income borrowers in the Maui AA for the entire evaluation period, it should be noted that the opportunities for lending to low-income borrowers in Maui is challenging. The disparity between the aggregate and the demographic for low-income families for Maui AA was evident in the years 2020 and 2021 with an aggregate of 4.7 percent compared with a demographic of 18.2 percent; and did not improve in 2022 with an aggregate of 4.1 percent compared to a demographic of 19.5 percent.

### ***Small Loans to Businesses***

Refer to Table R in the State of Hawaii section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

### ***Urban Honolulu Assessment Area***

Table R for 2020 and 2021 shows HNB lending to small businesses of 5.1 percent was significantly below the small business demographic and the aggregate lending statistics of the AA of 87.4 percent and 46.9 percent, respectively. This typically is indicative of a less than

satisfactory distribution. However, the origination of PPP loans during this time period to meet the credit needs of small businesses during the COVID-19 PHE did not require the collection of GAR data. Our sample included a random selection of these PPP loans, which resulted in 56.4 percent of the sample with no available GAR information. As a result, the comparison of HNB small business loan originations to AA demographic and aggregate percentages was not particularly meaningful. Therefore, examiners also analyzed the bank's distribution of small loans to businesses using PPP loan size as a proxy for revenue of the borrower.

The table below using the proxy analysis by loan size, representing all PPP loans extended within the Urban Honolulu AA in amounts equal to or less than \$1 million. We placed particular emphasis on the loan size of \$100,000 and under, which is strongly indicative of a business with gross annual revenues of \$1 million or less. According to our analysis of all PPP loans made within the Urban Honolulu AA, 76.9 percent of PPP loans by number were made in amounts less than or equal to \$100,000, reflecting responsiveness to the lending needs of small businesses, and representing a more than reasonable distribution of loans to small businesses and responsiveness to the community's credit needs.

<b>2020-2021, Borrower Distribution of PPP Loans to Businesses by Loan Size in the Urban Honolulu AA</b>				
Loan Size	Number of Loans	Percent of Number	Dollar Volume of Loans (000's)	Percent of Dollar Volume
\$0-\$100,000	673	76.9	20,617	24.2
\$100,001-\$250,000	103	11.8	21,321	25.0
\$250,001-\$500,000	72	8.2	23,742	27.9
\$500,001-\$750,000	16	1.8	9,522	11.2
\$750,001-\$1,000,000	11	1.3	9,993	11.7
<b>Total</b>	<b>875</b>	<b>100.0</b>	<b>85,195</b>	<b>100.0</b>

For 2022, our sample indicated the bank had originated 25 percent of loans to small businesses. This is less than the demographic of 89.4 percent; however, it has been noted that many businesses with revenues less than or equal to \$1 million may not pursue lending opportunities. This fact is evident in the disparity in 2020-2021 between the demographic of small businesses, which was 87.4 percent, and the aggregate of 46.9 percent. The disparity indicates that banks in the Urban Honolulu AA are somewhat challenged in meeting the credit needs of small business borrowers.

#### *Maui and Hawaii Non-MSA Assessment Area*

Our sample did not contain enough loans to small businesses originated in the Maui and Hawaii Non-MSA AAs for a meaningful analysis. For the years 2020 and 2021, the bank originated 33.3 percent of its loans to small businesses to businesses with GAR of \$1 million or less. However, we applied the same proxy analysis using the bank's active participation in the PPP program for the years 2020 and 2021 to demonstrate their responsiveness to the lending needs of small businesses in both the Maui AA and the Hawaii Non-MSA AA.

The two tables below use the proxy analysis using PPP loans originated in the Maui AA and the Hawaii Non-MSA AA that were in amounts less than \$1 million, with added emphasis on PPP

loans in the amount of \$100,000 or less. For the Maui AA, the bank made 82.5 percent of PPP loans in amounts of \$100,000 or less. For the Hawaii Non-MSA AA, the bank originated 82.6 percent of PPP loans in amounts of \$100,000 or less. In both AAs, this reflects a responsiveness to the lending needs of small businesses, and more than a reasonable distribution of loans to small businesses.

<b>2020-2021, Borrower Distribution of PPP Loans to Businesses by Loan Size in Maui AA</b>				
Loan Size	Number of Loans	Percent of Number	Dollar Volume of Loans (000's)	Percent of Dollar Volume
\$0-100,000	33	82.5	1,262	50.2
\$100,001-\$250,000	7	17.5	1,253	49.8
\$250,001-\$500,000	0	0	0	0
\$500,001-\$750,000	0	0	0	0
\$750,000-\$1,000,000	0	0	0	0
<b>Total</b>	<b>40</b>	<b>100</b>	<b>2,515</b>	<b>100</b>

<b>2020-2021, Borrower Distribution of PPP Loans to Businesses by Loan Size in Hawaii Non-MSA AA</b>				
Loan Size	Number of Loans	Percent of Number	Dollar Volume of Loans (000's)	Percent of Dollar Volume
\$0-100,000	71	82.6	2,739	48.2
\$100,001-\$250,000	13	15.1	2,174	38.3
\$250,001-\$500,000	2	2.3	766	13.5
\$500,001-\$750,000	0	0	0	0
\$750,000-\$1,000,000	0	0	0	0
<b>Total</b>	<b>86</b>	<b>100</b>	<b>5,679</b>	<b>100</b>

## Responses to Complaints

HNB did not receive any CRA-related complaints during the evaluation period.

## Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Maui AA and Non-MSA Hawaii AA is consistent with the bank's overall performance under the Lending Test in the full scope area.

## Community Development Test

The bank's performance under the Community Development Test in the state of **Hawaii** is rated **Satisfactory**.

### Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope and limited-scope reviews, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

The bank's aggregate new CD loans, investments, and donations during the evaluation period totaled \$6.9 million. The bank's aggregate CD service hours totaled 1,266 during the evaluation period. These activities adequately responded to identified community needs for LMI services, affordable housing, and small business loans. Most CD activities were provided in the Honolulu and the Hawaii Non-MSA AAs through CD loans, donations, and qualified service hours.

### Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Hawaii Non-MSA	12	57	2,702	40
Honolulu MSA	9	43	4,118	60

The level of CD loans represents an adequate responsiveness to identified needs within the AA. During the evaluation period, the bank made 21 CD loans which totaled \$6.8 million and were

primarily in the Honolulu and the Hawaii Non-MSA AAs. Examples of CD loans included community services, economic development, and affordable housing.

### Number and Amount of Qualified Investments

<i>Qualified Investments</i>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
All MSA and Non-MSA	-	-	17	53	17	60.7	53	64.8	-	-
Honolulu MSA	-	-	10	24	10	35.7	24	29.1	-	-
Hawaii Non-MSA	-	-	1	5	1	3.6	5	6.1	-	-

\* Prior Period Investments' means investments made in a previous evaluation 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.

HNB demonstrated adequate responsiveness to CD investment opportunities within the bank's AAs. During the evaluation period, the bank made 28 donations totaling \$82,000 to 10 qualified CD organizations within the AAs. This includes \$35,000 donated to charitable organizations that support LMI families and communities within the bank's AAs. Other donations primarily support organizations that provide services for LMI individuals or organizations which support small businesses.

### Extent to Which the Bank Provides Community Development Services

During the evaluation period, HNB employees provided their expertise to nine qualified CD organizations for a total of 1,266 hours. These organizations focused on community services and economic development. HNB provided qualified service hours to organizations in all of its AAs, including 928 hours in all MSAs/Non-MSAs and 338 hours specifically in the Honolulu MSA.

HNB also created and offers a BankOn certified checking account, which helps connect unbanked and underbanked individuals to safe and affordable bank accounts.

### Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope review, the bank's performance under the CD Test in the Maui AA is weaker than the bank's overall performance under the CD Test in the full scope areas. This is due to a lack of qualified loans in that AA. With the Maui AA representing the smallest percentage of HNB's deposits and lending activity, the weaker performance did not impact the overall assessment of HNB's performance under the CD Test.

## 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 nonmetropolitan 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>	01/01/2020 to 12/31/2022	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans Community development loans, qualified investments, and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Hawaii</b>		
Urban Honolulu AA	Full-Scope	
Hawaii Non-MSA AA	Limited-Scope	
Maui AA	Limited-Scope	

## Appendix B: Summary of MMSA and State Ratings

RATINGS Hawaii National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Hawaii National Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Hawaii	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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 householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope 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 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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-Scope 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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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.

**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.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

**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 1 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2020-21**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% Of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Urban Honolulu AA	35	24,992	80.6	22,977	1.1	--	0.7	14.4	2.9	15.1	41.1	28.6	35.5	43.3	68.6	48.6	0.1	--	0.1
Hawaii Non-MSA AA	11	3,890	12.6	1,395	10.4	9.1	10.5	0.0	--	0.0	64.0	45.5	57.8	25.6	45.5	31.7	0.0	--	0.0
Maui AA	7	2,107	6.8	4,297	0.0	--	0.0	4.9	--	7.1	79.3	42.9	79.0	15.8	57.1	13.9	0.0	--	0.0
<b>Total</b>	<b>53</b>	<b>30,989</b>	<b>100.0</b>	<b>28,669</b>	<b>1.7</b>	<b>1.9</b>	<b>1.1</b>	<b>12.1</b>	<b>1.9</b>	<b>13.2</b>	<b>47.7</b>	<b>34.0</b>	<b>43.1</b>	<b>38.5</b>	<b>62.3</b>	<b>42.6</b>	<b>0.0</b>	<b>--</b>	<b>0.1</b>

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, examiner selected sample of 60 home mortgage loans originated between 1/1/2020 and 12/31/2022, "--" data not available. Due to rounding, totals may not equal 100.0%.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Urban Honolulu AA	5	3,715	89.7	11,748	1.0	--	1.3	18.7	20.0	20.8	35.7	40.0	37.4	44.0	40.1	40.1	0.5	--	0.5
Hawaii Non-MSA AA	2	425	10.3	749	6.0	--	6.0	5.6	--	5.9	60.8	100.0	58.6	27.7	--	29.5	0.0	--	0.0
Maui AA	--	--	--	2,277	2.3	--	2.3	9.8	--	15.5	72.5	--	62.9	15.4	--	19.2	0.0	--	0.0
<b>Total</b>	<b>7</b>	<b>4,140</b>	<b>100.0</b>	<b>14,774</b>	<b>1.6</b>	<b>--</b>	<b>1.7</b>	<b>16.5</b>	<b>14.5</b>	<b>19.3</b>	<b>42.6</b>	<b>57.1</b>	<b>42.4</b>	<b>38.9</b>	<b>28.6</b>	<b>36.3</b>	<b>0.4</b>	<b>--</b>	<b>0.4</b>

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, examiner selected sample of 60 home mortgage loans originated between 1/1/2020 and 12/31/2022, "--" data not available. Due to rounding, totals may not equal 100.0%.

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Urban Honolulu AA	35	24,992	80.6	22,977	19.8	--	4.1	18.2	17.1	14.2	21.3	14.3	22.8	40.7	62.9	44.1	0.0	5.7	14.9
Hawaii Non-MSA AA	11	3,890	12.6	1,395	22.1	9.1	3.5	15.2	18.2	14.2	18.9	18.2	22.6	43.9	54.5	47.4	0.0	--	12.3
Maui AA	7	2,107	6.8	4,297	18.2	--	4.7	17.3	14.3	14.5	23.2	28.6	25.3	41.3	57.1	42.9	0.0	--	12.5
<b>Total</b>	<b>53</b>	<b>30,989</b>	<b>100.0</b>	<b>28,669</b>	<b>19.8</b>	<b>1.9</b>	<b>4.2</b>	<b>17.9</b>	<b>17.0</b>	<b>14.2</b>	<b>21.4</b>	<b>17.0</b>	<b>23.1</b>	<b>41.0</b>	<b>60.4</b>	<b>44.1</b>	<b>0.0</b>	<b>3.8</b>	<b>14.4</b>

*Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Urban Honolulu AA	5	3,715	89.7	11,748	20.6	--	4.9	18.1	--	13.7	21.3	--	20.8	40.0	100.0	50.6	0.0	--	10.1
Hawaii Non-MSA AA	2	425	10.3	749	24.7	--	6.9	15.5	--	16.7	21.2	50.0	28.4	38.6	50.0	39.3	0.0	--	8.7
Maui AA	--	--	--	2,277	19.5	--	4.1	16.7	--	11.2	24.5	--	20.6	39.2	--	54.5	0.0	--	9.6
<b>Total</b>	<b>7</b>	<b>4,140</b>	<b>100.0</b>	<b>14,774</b>	<b>20.7</b>	<b>--</b>	<b>4.8</b>	<b>17.7</b>	<b>--</b>	<b>13.4</b>	<b>21.8</b>	<b>14.3</b>	<b>21.2</b>	<b>39.8</b>	<b>85.7</b>	<b>50.6</b>	<b>0.0</b>	<b>--</b>	<b>10.0</b>

*Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% Of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Urban Honolulu AA	39	6,902	87.4	22,345	5.2	15.4	6.5	18.9	23.1	19.9	30.7	23.1	31.5	41.1	38.5	38.4	4.1	--	3.8
Non-MSA Hawaii	6	746	9.5	1,407	34.9	33.3	35.4	0.0	--	0.0	54.2	50.0	53.2	10.8	16.7	11.4	0.0	--	0.0
Maui AA	3	245	3.1	3,681	0.0	--	0.0	9.3	--	8.4	79.4	100.0	79.1	11.3	--	12.5	0.0	--	0.0
<b>Total</b>	<b>48</b>	<b>7,893</b>	<b>100.0</b>	<b>27,433</b>	<b>6.4</b>	<b>16.7</b>	<b>7.1</b>	<b>16.5</b>	<b>18.8</b>	<b>17.3</b>	<b>38.1</b>	<b>31.3</b>	<b>39.0</b>	<b>35.5</b>	<b>33.3</b>	<b>33.6</b>	<b>3.4</b>	<b>--</b>	<b>3.1</b>

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2022**

Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Urban Honolulu AA	10	2,990	92.3	1.4	--	28.5	70.0	37.3	20.0	28.5	10	4.3	--
Non-MSA Hawaii	2	250	7.7	17.4	100	19.3	--	53.0	--	10.3	--	0.0	--
Maui AA	0	0	--	6.6	--	8.3	--	74.8	--	10.3	--	0.0	--
<b>Total</b>	<b>12</b>	<b>3,240</b>	<b>100.0</b>	<b>3.0</b>	<b>16.7</b>	<b>25.5</b>	<b>58.3</b>	<b>42.9</b>	<b>16.7</b>	<b>25.2</b>	<b>8.3</b>	<b>3.5</b>	<b>--</b>

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available. CRA Aggregate Data for 2022 Not Available.  
Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2020-21</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Urban Honolulu AA	39	6,902	87.4	22,345	87.4	5.1	46.9	3.7	38.5	12.5	56.4	
Hawaii Non-MSA AA	6	746	9.5	1,407	83.9	--	46.9	3.7	33.3	8.2	66.7	
Maui AA	3	245	3.1	3,681	87.7	33.3	41.9	3.3	33.3	9.0	33.3	
<b>Total</b>	<b>48</b>	<b>7,893</b>	<b>100</b>	<b>27,433</b>	<b>87.3</b>	<b>6.3</b>	<b>42.6</b>	<b>4.2</b>	<b>37.5</b>	<b>8.5</b>	<b>56.3</b>	

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available or zero. Due to rounding, totals may not equal 100.0%  
Bank data from random sample of 60 commercial loans originated between January 1, 2020, and December 31, 2022. Data encompasses only two years due to census tract changes in 2022.

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2022</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Urban Honolulu AA	10	2,990	83.3	--	89.4	30.0	--	3.6	60.0	10.9	10.0	
Hawaii Non-MSA AA	2	250	16.7	--	86.0	50.0	--	3.1	50.0	7.9	--	
Maui AA	0	--	--	--	89.4	--	--	2.7	--	7.0	--	
<b>Total</b>	<b>12</b>	<b>3,240</b>	<b>100</b>	<b>--</b>	<b>89.2</b>	<b>33.3</b>	<b>--</b>	<b>3.4</b>	<b>58.3</b>	<b>7.4</b>	<b>8.3</b>	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0%