Credit: First Hawaiian Bank

First Hawaiian and TriCo Join Forces: Two Strong Banks, Not a Rescue

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First Hawaiian Bank is returning to the U.S. mainland, announcing a $2 billion acquisition of California-based Trico Bancshares , parent company of Tri Counties Bank. It's the bank's first move to re-establish physical retail locations outside of Hawaii, Guam and Saipan. The deal, expected to close by the end of 2026, will create a combined institution with roughly $34 billion in assets, which is a significant leap for Hawaii's largest bank by assets.

We sat down virtually with First Hawaiian CEO Bob Harrison and TriCo CEO Rick Smith to talk about why now, why each other and why they're both adamant this isn't the rescue deal it might look like on paper.

Bob Harrison has been mulling this deal for the better part of a decade. "I think I've been working on it for five years... but I've been thinking about it for seven, eight, nine years," the First Hawaiian Bank CEO admitted.

The math behind the patience is straightforward. Hawaii's economy grows at a steady 1-2% a year; the mainland runs closer to 3-4%. "I'm not saying Hawaii has peaked, but it's just growing slower," Harrison said. "We'd like to grow a little bit better than that, because we're held to a standard that is not a Hawaii bank standard. We're held to a bank standard for the industry, and the industry is growing faster."

So Harrison went looking for a partner, not a project. "Literally everything we're looking for is what TriCo represents," he said. "Strong, community-based bank relationship focus, conservative credit." TriCo CEO Rick Smith checked every box – and the two spent roughly a year and a half quietly building trust before anyone drew up paperwork.

It was not a rescue effort. Both executives were careful – almost insistent – that this isn't one bank throwing a life line to another. "There's two really strong banks. Really good performers," Harrison said. "It's two banks wanting to come together, not a bank needing somebody to help them. Two willing partners coming together."

Smith framed it less as a deal and more as an ongoing conversation that eventually found its own conclusion: "Bob and I talked about banking before... not thinking about, 'Should we do it together?', but how do we figure it out together for ourselves? And at the end of the day, it made more sense to join together."

The best moment in the interview might be Smith describing his own research process.

Digging through First Hawaiian's website and annual report for cultural red flags, he found something else entirely: he couldn't tell the two companies apart. "I kept looking at both companies and looking at what they do for their communities," he said. "After a while, I would look at a picture, and I would not be able to tell if it was our bank – or First Hawaiian. You could do it yourself."

Both banks have survived catastrophic wildfires; TriCo alone lost 30 employees' homes in the Paradise fire. "They came to work with literally the clothes on their back," Harrison recalled. Smith put it plainly: "There are synergies. There are also just the emotional connections between two companies that you don't always find in all these transactions that are generally financially engineered, not emotionally engineered."

What's next?

Harrison expects four to six months of regulatory and shareholder approval, followed by a longer runway – 12 to 18 months – of integration. And he's blunt about why size increasingly matters in banking: "AI is extraordinarily expensive to invest in, and therefore that's another reason why size matters."

For customers, the message is that nothing changes today. "There's no change," Harrison said. "We're still there for the customers." Smith, for his part, will join First Hawaiian's board and management team, splitting time between Hawaii and California.

Thank you for reading,

Jennifer Ablan, Editor-in-Chief of *Hawaii Business Magazine*

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