

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

ANNUAL REPORTS  
FORM X-17A-5  
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12

SEC FILE NUMBER
8-44201

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2021 AND ENDING 12/31/2021  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Bankoh Investment Services, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant  
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

130 Merchant Street

(No. and Street)

Honolulu

HI

96813

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

David Brant

402-215-1352

david.brant@boh.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Ernst & Young, LLP

(Name – if individual, state last, first, and middle name)

1003 Bishop Street, Suite 2600

Honolulu

HI

96813

(Address)

(City)

(State)

(Zip Code)

10/20/2003

42

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

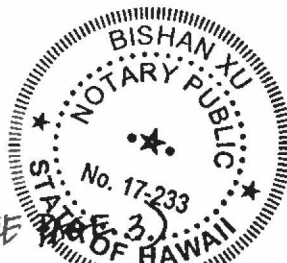
Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, Christopher Otto, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Bankoh Investment Services, Inc., as of March 31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Notary Public BISHAN XU (SEE PAGE 3.)



Signature: 

Title:  
President / CEO

### This filing\*\* contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☐ (b) Notes to consolidated statement of financial condition.
- ☒ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: \_\_\_\_\_

**\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.**

# INDIVIDUAL ACKNOWLEDGMENT

State/Commonwealth of HAWAII  
County of HONOLULU } ss.

On this the 31<sup>st</sup> day of March, 2022, before  
me, BISHAN XU, the undersigned Notary  
Name of Notary Public  
Public, personally appeared Christopher A Otto,  
Name(s) of Signer(s)

☐ personally known to me - OR -

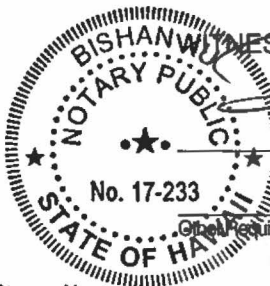
☒ proved to me on the basis of satisfactory  
evidence

to be the person(s) whose name(s) is/are  
subscribed to the within instrument, and  
acknowledged to me that he/she/they  
executed the same for the purposes therein  
stated.

## NOTARY PUBLIC CERTIFICATION

Bishan Xu First Judicial Circuit  
Doc. Description: US Securities & Exchange Commission  
- Christopher A Otto

No. of Pages: 3 Date of Doc. March 31, 2022  
March 31, 2022  
Signature Date



Place Notary Seal and/or Any Stamp Above

## OPTIONAL

Although the information in this section is not required by law, it may prove valuable to  
persons relying on the document and could prevent fraudulent removal and reattachment  
of this form to another document.

### Description of Attached Document

Title or Type of Document: US Securities & Exchange Commission

Document Date: Mar 31, 2022 Number of Pages: 3

Signer(s) Other Than Named Above: \_\_\_\_\_

Right Thumbprint  
of Signer

Top of thumb here

FINANCIAL STATEMENTS AND SUPPLEMENTAL  
INFORMATION

Bankoh Investment Services, Inc.  
Year Ended December 31, 2021  
With Report of Independent Registered Public Accounting Firm

Bankoh Investment Services, Inc.

Financial Statements and Supplemental Information

Year ended December 31, 2021

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## **Report of Independent Registered Public Accounting Firm**

To the Shareholder and the Board of Directors of Bankoh Investment Services, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Bankoh Investment Services, Inc. (the Company) as of December 31, 2021, the related statements of loss, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### **Supplemental Information**

The accompanying information contained in Schedule I has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 1992.  
March 30, 2022

Bankoh Investment Services, Inc.

Statement of Financial Condition

December 31, 2021

**Assets**

Cash and cash equivalents	\$ 1,387,447
Commissions receivable from brokers and dealers, net	96,709
Equipment, net	31,278
Other assets	117,870
Total assets	<u>\$ 1,633,304</u>

**Liabilities and stockholder's equity**

Liabilities:

Due to parent for income taxes payable	31,194
Accrued expenses and other liabilities	468,785
Total liabilities	<u>499,979</u>

Stockholder's equity:

Common stock (\$10 par value), authorized, issued and outstanding 50,000 shares	500,000
Additional paid-in capital	1,000,000
Accumulated deficit	(366,675)
Total stockholder's equity	<u>1,133,325</u>
Total liabilities and stockholder's equity	<u>\$ 1,633,304</u>

*See accompanying notes.*

Bankoh Investment Services, Inc.

Statement of Loss

Year Ended December 31, 2021

**Revenues**

Annuity and insurance fee income	\$ 2,570,101
Mutual fund and securities income	2,071,575
Investment advisor fees	2,732,065
Other income	12,326
	<u>7,386,067</u>

**Expenses**

Salaries, commissions and benefits	5,366,683
Broker charges	1,101,229
Occupancy	406,388
Equipment	173,059
Legal	258,816
Intercompany services expense	181,728
General excise tax	272,490
Other operating expenses	151,041
	<u>7,911,434</u>

Loss before income taxes	(525,367)
Benefit for income taxes	<u>(150,856)</u>
Net loss	<u>\$ (374,511)</u>

*See accompanying notes.*



Bankoh Investment Services, Inc.

Statement of Changes in Stockholder's Equity

Year Ended December 31, 2021

	<b>Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Retained Earnings (Accumulated Deficit)</b>	<b>Total</b>
Balance at December 31, 2020	\$ 500,000	\$ —	\$ 7,836	\$ 507,836
Net loss	—	\$ —	(374,511)	(374,511)
Cash contribution from Parent	—	\$ 1,000,000	—	1,000,000
Balance at December 31, 2021	<u>\$ 500,000</u>	<u>\$ 1,000,000</u>	<u>\$ (366,675)</u>	<u>\$ 1,133,325</u>

*See accompanying notes.*

Bankoh Investment Services, Inc.

Statement of Cash Flows

Year Ended December 31, 2021

**Operating activities**

Net loss \$ (374,511)

Adjustments to reconcile net loss to net cash

used by operating activities:

Deferred taxes (22,901)

Depreciation and amortization 20,277

Increase in commissions receivable from brokers and dealers, net (6,480)

Decrease in other assets 25,062

Increase in due to/from parent for income taxes 200,093

Increase in accrued expenses and other liabilities 37,472

Net cash used by operating activities (120,988)

**Financing activities**

Cash contribution from parent 1,000,000

Increase in cash and cash equivalents 879,012

Cash and cash equivalents at beginning of year 508,435

Cash and cash equivalents at end of year \$ 1,387,447

*See accompanying notes.*

# Bankoh Investment Services, Inc.

## Notes to Financial Statements

December 31, 2021

### **1. Organization**

Bankoh Investment Services, Inc. (the “Company”) is a wholly-owned subsidiary of Bank of Hawaii (the “Bank”). The Bank is a wholly-owned subsidiary of Bank of Hawaii Corporation (the “Parent”). The Company is a broker-dealer in securities registered with the Securities and Exchange Commission (“SEC”). The Company is exempt from Rule 15c3-3 under paragraph (k)(2)(ii) of the Securities Exchange Act of 1934, which provides that all funds and securities belonging to the Company’s customers be handled by a correspondent broker-dealer. The Company acts only as an introducing broker-dealer. The Company is a member of the Financial Industry Regulatory Authority and Securities Investor Protection Corporation (“SIPC”) and provides access to a broad range of investments through major financial markets, including the New York Stock Exchange, Chicago Board Options Exchange and the NASDAQ market. The Company is also licensed to sell annuity, life insurance and other retirement plan products under a sub-agent agreement with a general agency. Additionally, the Company is a Registered Investment Advisor offering a variety of managed account solutions directed by third-party asset managers. The Company conducts its business primarily in the State of Hawaii.

The Company executes its customers’ transactions on a fully-disclosed basis through an unaffiliated clearing broker-dealer, National Financial Services, LLC (“NFS”), which maintains the accounts and securities of the Company’s customers.

### **2. Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The accounting and reporting principles of the Company conform with U.S. generally accepted accounting principles (“GAAP”) and prevailing practices within the industry. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results may differ from those estimates and such differences could be material to the financial statements.

#### **Cash Equivalents**

The Company has defined cash equivalents as highly liquid investments with original maturities of less than ninety days. Cash equivalents include funds held in a money market fund that totaled \$1,338,551 as of December 31, 2021.

# Bankoh Investment Services, Inc.

## Notes to Financial Statements

December 31, 2021

### Revenue Recognition

Revenue is largely derived from commissions received from the sale of annuity and life insurance products, mutual funds, and securities. In addition, the Company earns investment advisor fees from the Company's Managed Account Platform Services wealth management product. See Note 9. Revenue Recognition for more information.

### 3. Service Agreement

The Company has a service agreement with NFS who provides certain services as the Company's clearing firm. These services include carrying customers' cash and margin accounts on a fully disclosed basis; executing transactions in the customers' accounts as instructed by the Company; preparing transaction confirmations and monthly statements for customers; settling contracts and transactions in securities on behalf of the Company; performing cashiering functions for customer accounts, including receipt and delivery of securities purchased, sold, borrowed and loaned; providing custody and safekeeping of customers' securities and cash; and handling margin accounts, dividends and exchanges, and rights and tender offers.

### 4. Regulatory and Net Capital Requirements

The Company is subject to the SEC's Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15-to-1. At December 31, 2021, the Company had net capital of \$908,001, which was \$858,001 in excess of its required net capital of \$50,000. The Company's aggregate indebtedness to net capital ratio was 0.593-to-1. The Company had no subordinated debt at December 31, 2021, or at any time during the year then ended.

### 5. Related Party Transactions

The Bank, pursuant to an internal expense sharing agreement, allocates certain personnel and operating costs to the Company. These expenses are reimbursed by the Company and recorded in the appropriate expense line item. Allocated expenses in 2021 included:

Occupancy	405,854
Other operating expenses	181,728



# Bankoh Investment Services, Inc.

## Notes to Financial Statements

December 31, 2021

At December 31, 2021, amounts due to the Bank included in accrued expenses and other liabilities totaled \$177,016. At December 31, 2021, the Company maintained \$30,885 in cash in non-interest bearing accounts at the Parent.

### 6. Income Taxes

The Company is included in the consolidated federal income tax and State of Hawaii franchise tax returns of the Parent. Income taxes are provided based upon the taxable income or loss of the Company. The Parent's tax sharing policy provides for the settlement of income taxes with the Company, as if the Company had filed a separate return. Payments are made to the Parent for current tax liabilities, and if current tax benefits are generated, payments are received from the Parent for the benefits as used.

The Company received \$328,048 from the Parent for income tax benefits during 2021.

The Company had a federal deferred tax asset of \$8,602 as of December 31, 2021, which is predominantly the result of temporary differences relating to the state tax benefit for 2021 and included in other liabilities. The Company had a state deferred tax asset of \$8,200 as of December 31, 2021, which is predominantly the result of temporary differences relating to accrued vacation and included in other assets. Management believes it is more likely than not that the deferred tax assets will be realized.

The components of the benefit for income taxes for the year ended December 31, 2021, are as follows:

Current:	
Federal	\$ (79,042)
State	(48,913)
Total Current	<u>(127,955)</u>
Deferred:	
Federal	(20,484)
State	(2,417)
Total Deferred	<u>(22,901)</u>
Benefit for income taxes	<u>\$ (150,856)</u>

# Bankoh Investment Services, Inc.

## Notes to Financial Statements

December 31, 2021

The benefit for income taxes is different from that which would be obtained by applying the statutory federal income tax rate of 21% to loss before income taxes primarily due to the effect of state taxes.

The Parent's federal tax returns for 2018 through 2020 remain subject to examination. The Parent's State of Hawaii income tax returns for 2018 through 2020 remain subject to examination by the taxing authorities.

### **7. Employee Benefits**

The Company participates in the Parent's Retirement Savings Plan (the "Savings Plan"). The Savings Plan has three Company contribution components in addition to employee contributions: 1) 401(k) matching; 2) a 3% fixed amount based on eligible compensation; and 3) a discretionary value-sharing contribution. Under the 401(k) component, participating employees may contribute up to 50% of their eligible compensation (within federal limits) to the Savings Plan. The Company makes matching contributions on behalf of the participants equal to \$1.25 for each \$1.00 contributed by participants, up to 2% of the participants' eligible compensation, and \$0.50 for every \$1.00 contributed by participants over 2%, up to 5% of the participants' eligible compensation. A 3% fixed contribution and discretionary value-sharing contribution that is linked to the Parent's financial goals, are made regardless of whether the participant contributes to the Savings Plan and are invested in accordance with the participant's selection of investment options available under the Savings Plan. The Company's expense for the Savings Plan totaled \$291,550 in 2021 and was included in salaries, commissions and benefits.

In 1995, the Parent froze its non-contributory, qualified defined-benefit retirement plan ("Retirement Plan") and excess retirement plan ("Excess Plan"), which covered employees of the Parent and participating subsidiaries who met certain eligibility requirements. Beginning January 1, 2001, the Retirement Plan and Excess Plan no longer provides for compensation increases in the determination of benefits. The assets of the Retirement Plan primarily consist of equity and fixed income mutual funds. The Parent's postretirement benefit plan provides retirees with medical and dental insurance coverage. The costs of providing postretirement benefits are "shared costs" where both the employer and former employees pay a portion of the premium. The Parent has no segregated assets to provide for postretirement benefits. For the year ended December 31, 2021, the Company's expense for the Retirement Plan, Excess Plan and postretirement benefits was \$35,382 and was included in salaries, commissions and benefits.



# Bankoh Investment Services, Inc.

## Notes to Financial Statements

December 31, 2021

### **8. Contingencies**

During 2021, a few customers filed separate FINRA Arbitration Claims against the Company. The claims allege negligence, breach of fiduciary duty and negligent supervision by the Company in the sale of products offered by Northstar Financial Services Bermuda Ltd. The claims seek damages, punitive damages, attorney's fees, interest, costs and any further relief the arbitration panel deems proper. The Company has filed its responses to the claims. As there are many unresolved issues of fact and law, no liabilities associated with these matters have been recognized. Management disputes any wrongdoing and the cases are being vigorously defended.

In addition to the litigation noted above, the Company is occasionally subject to lawsuits, investigations and claims arising out of the conduct of our business. Based on information currently available, management believes the eventual outcome of any claims against the Company will not have a material adverse effect on the Company's statements of income and financial condition. However, in the event of unexpected future developments, it is possible the ultimate resolution of those matters, if unfavorable, may be material to the Company's financial statements.

### **9. Revenue Recognition**

The Company's significant revenue streams are discussed below.

#### *Mutual Fund and Securities Income*

Mutual fund and securities income primarily consists of commissions from sales of mutual funds and other investments. Commissions from the sale of mutual funds and other investments are recognized at a point in time on trade date, which is when the Company satisfies its performance obligation of executing the sale. The Company also receives periodic service fees (i.e., 12b-1 fees) from mutual fund companies typically based on a percentage of net asset value. Trailer revenue is recorded over time, usually monthly or quarterly, as net asset value is determined.

# Bankoh Investment Services, Inc.

## Notes to Financial Statements

December 31, 2021

### *Annuity and Insurance Fee Income*

Annuity and insurance income primarily consists of commissions received on annuity product sales, primarily fixed annuities. The Company acts as an intermediary between the Company's customer and the insurance carrier. The Company's performance obligation is generally satisfied upon the issuance of the annuity policy. Shortly after the policy is issued, the carrier remits the commission payment to the Company and the Company recognizes the revenue. The majority of the trailer commission fees relates to variable annuity products and are calculated based on a percentage of market value at period end. Although much of the performance obligation is satisfied upon the sale of the policy, revenue for trailer commission fees remains constrained until the Company can confirm that the annuity is still active at period end and the market value can be determined. Therefore, trailer commission fees are recognized over time as the constraints are resolved.

### *Investment Advisor Fees*

Investment advisor fees from the Company's Managed Account Platform Services (MAPS) wealth management product are earned over time (as the performance obligation is satisfied) and based on an annual percentage rate of the net asset value. The investment advisor fees are charged to the customer's account in advance, on the first month of the quarter, and the revenue is recognized over the following three-month period.

### *Contract Balances*

Receivables arise when the Company has an unconditional right to receive payment under a contract with a customer and are derecognized when the cash is received. Receivables from NFS and Lincoln Financial Group of \$96,709 as of December 31, 2021, are reported in net commissions receivable from brokers and dealers in the statement of financial condition.

## **10. Subsequent Events**

Subsequent events have been evaluated through March 30, 2022, the date the financial statements were issued. No other subsequent events were noted that would have a material impact on the financial statements.

## Supplemental Information

# Bankoh Investment Services, Inc.

## Schedule I – Computation of Net Capital Under Rule 15c3-1

As of December 31, 2021

### Net capital

Total stockholder's equity qualified for net capital	\$ 1,133,325
Deductions and/or charges:	
Nonallowable assets:	
Commissions receivable from brokers and dealers	31,355
Due from parent for income taxes	38,050
Deferred taxes	16,802
Equipment	31,278
Other assets	51,068
	<hr/> 168,553
Deduction for excess fidelity bond	<hr/> 30,000
Total deductions and charges	<hr/> 198,553
Net capital before haircuts on securities positions: (tentative net capital)	934,772
Haircuts on money market funds	(26,771)
Net capital	<hr/> \$ 908,001 <hr/>

### Aggregate indebtedness

Items included in statement of financial condition:	
Due to parent for income taxes payable	\$ 69,244
Accrued expenses and other liabilities	468,785
Total aggregate indebtedness	<hr/> \$ 538,029 <hr/>

### Computation of basic net capital requirement

Minimum net capital required (6-2/3% of total aggregate indebtedness)	<hr/> \$ 35,869 <hr/>
Minimum dollar net capital requirement	<hr/> \$ 50,000 <hr/>
Net capital requirement (greater of above two minimum requirement amounts)	<hr/> \$ 50,000 <hr/>
Net capital in excess of required minimum	<hr/> \$ 858,001 <hr/>
Ratio: aggregate indebtedness to net capital	<hr/> 0.593 to 1 <hr/>

There are no material differences between the net capital, as reported in the Company's Part II (unaudited) FOCUS Report and the Schedule I in the audited financial statements as of December 31, 2021.





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Suite 2600  
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Tel: +1 808 531 2037  
Fax: +1 808 548 7744  
ey.com

## Report of Independent Registered Public Accounting Firm

The Board of Directors and Management of Bankoh Investment Services, Inc.

We have reviewed management's statements, included in the accompanying Bankoh Investment Services, Inc.'s Exemption Report, in which Bankoh Investment Services, Inc. (the Company) stated that:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (k): (2)(ii) (the "exemption provision").
- (2) The Company met the identified exemption provision of §240.15c3-3 (k) throughout the most recent fiscal year ended December 31, 2021.
- (3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to: effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds for or to customers, other than funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year ended December 31, 2021, without exception.

Management is responsible for compliance with 17 C.F.R. § 240.15c3-3 and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with 17 C.F.R. § 240.15c3-3. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in Rule 15c3-3 under the Securities Exchange Act of 1934 and pursuant to footnote 74 of SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, other regulatory agencies that rely on Rule 17a-5 under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and other recipients specified by Rule 17a-5(d)(6) and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst & Young LLP*

March 30, 2022

## **Bankoh Investment Services, Inc.**

*A non-banking subsidiary of Bank of Hawaii • Member FINRA/SIPC*

### **Bankoh Investment Services, Inc.'s Exemption Report**

Bankoh Investment Services, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provision of 17 C.F.R. §240.15c3-3 (k)(2)(ii).

(2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3 (k) throughout the most recent fiscal year without exception.

(3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds for or to customers, (other than funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

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#### **Bankoh Investment Services, Inc.**

I, Christopher A. Otto, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: Christopher A. Otto

Title: President & Chief Executive Officer

March 30, 2022