

SUMMARY ANNUAL REPORT 2007

With You All the Way

Helping you fulfill your aspirations



h Bank of Hawaii
Corporation

FINANCIAL SUMMARY *(dollars in thousands, except per-share amounts)*

Bank of Hawaii Corporation and Subsidiaries

FOR THE YEAR ENDED DECEMBER 31	2007	2006
Earnings Highlights and Performance Ratios		
Net Income	\$ 183,703	\$ 180,359
Basic Earnings Per Share	3.75	3.59
Diluted Earnings Per Share	3.69	3.52
Dividends Declared Per Share	1.67	1.52
Net Income to Average Total Assets (ROA)	1.75%	1.76%
Net Income to Average Shareholders' Equity (ROE)	25.15%	25.90%
Net Interest Margin ¹	4.08%	4.25%
Efficiency Ratio ²	52.78%	51.87%
Market Price Per Share of Common Stock:		
Closing	\$ 51.14	\$ 53.95
High	\$ 55.94	\$ 55.15
Low	\$ 46.05	\$ 47.00

AS OF DECEMBER 31

Statement of Condition Highlights and Performance Ratios

Loans and Leases	\$ 6,580,861	\$ 6,623,167
Total Assets	10,472,942	10,571,815
Total Deposits	7,942,372	8,023,394
Total Shareholders' Equity	750,255	719,420
Book Value Per Common Share	\$ 15.44	\$ 14.45
Allowance to Loans and Leases Outstanding	1.38%	1.37%
Full-Time Equivalent Employees	2,594	2,586
Branches and Offices	83	86

FOR THE QUARTER ENDED DECEMBER 31

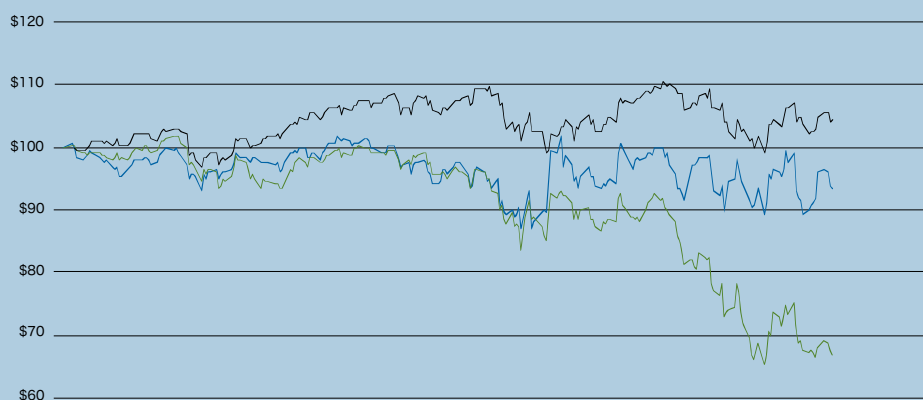
Earnings Highlights and Performance Ratios

Net Income	\$ 40,860	\$ 50,913
Basic Earnings Per Share	0.84	1.03
Diluted Earnings Per Share	0.83	1.01
Net Income to Average Total Assets (ROA)	1.55%	1.94%
Net Income to Average Shareholders' Equity (ROE)	21.51%	28.56%
Net Interest Margin ¹	4.12%	4.15%
Efficiency Ratio ²	57.61%	53.08%

¹ Net interest margin is defined as net interest income, on a taxable equivalent basis, as a percentage of average earning assets.

² Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and total noninterest income).

2007 RELATIVE PRICE PERFORMANCE

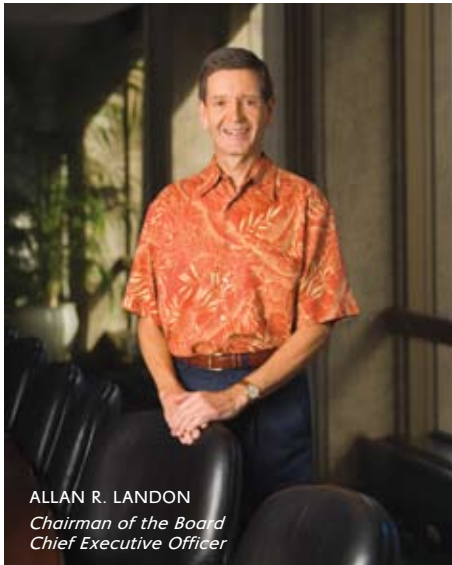


[BOH](#) [S&P Bank Index](#) [S&P 500](#)

Cover photo: Photograph taken in Waimanalo, Oahu, courtesy of the Chun family nursery.

OUR VISION

Exceptional people building exceptional value for our customers, our island communities, our shareholders and each other.



Dear fellow shareholders,

Our Bank earnings for 2007 were \$183.7 million, up slightly from \$180.4 million in 2006. Our performance measures were respectable; return on assets was 1.75%, return on equity was 25.15% and operating leverage for the year was positive. Compared to many other banks our 2007 results were outstanding.

In last year's annual report, we introduced our 2007+ Plan. The Plan incorporated five themes:

- Business Growth
- Integration
- People Development
- Brand Enhancement
- Performance Discipline

In many ways the 2007+ Plan continues strategies that have been successful in recent years. The Plan was based upon economic and other conditions observable in late 2006. At that time, the economy was strong, although we saw signs that growth was slowing. It appeared that some financial institutions were stretching for loan and deposit growth by offering rate and term concessions. The importance of compliance and risk management was clear. Accordingly, our Plan was balanced between growth and risk management.

The following summarizes our results by Plan area.

Business Growth

Our strategies for growth focused on our existing markets. We were able to attract new loan and deposit customers and the number of customers increased. Our average loans grew by 3% and average deposits grew by 2%. As to specific growth initiatives, we enhanced our bonus rate savings product, appointed Chicago Equity Partners as an equity sub-advisor, increased the amount of small loans we originated, and selected the sites for our new International Banking Center and Waikiki Branch. Each initiative was designed to build value over the longer term.

As to risk management, it became more clear as 2007 progressed, that economic growth would slow and that offering unsustainable pricing or credit terms would be harmful. Bank of Hawaii focused on delivering value by offering products with realistic prices and terms. We tightened our loan standards and helped clients who required higher leverage to find other financing.

Integration

Our strategies for integration focus on better aligning our business units to address common customer and community needs.

Most significantly, we realigned our customer facing business units to report to Peter Ho, our Chief Banking Officer. Peter has made several other organizational changes to improve focus on customers and make it easier to do business with our Bank. We have placed compliance specialists in more business units, where they are closer to transactions. And we are integrating our voice communications system with our data system.

People Development

Our strategies for people development focus on providing growth opportunities and skills for our most capable staff members. In addition to expanding duties for our Chief Banking Officer, we added new leaders to our senior management team. Mark Rossi joined Bank of Hawaii as General Counsel and Vice Chairman. Dan Stevens joined Bank of Hawaii as Chief Financial Officer and Vice Chairman. We also appointed Kathy Fujihara-Chong and Tom Koide to our Managing Committee. We expanded our leadership and skill development courses which were attended by 1,275 employees.

Brand Enhancement

Many of our business units developed strategies to make our Bank and their products and services more prominent to customers. Collectively, we refer to these initiatives as branding. To ensure a uniform and consistent effort we developed our Brand Promise – “At Bank of Hawaii we understand who you are and help you achieve what you aspire to be.” We shared the Brand Promise with more than 1,900 employees in structured programs. The Brand Promise is now the basis of customer interactions. And our customer satisfaction levels are at new highs.

Performance Discipline

Our business unit strategies recognize that much of Bank of Hawaii’s success in recent years has been due to maintaining discipline. As economic trends emerged in 2007 we increased our emphasis on asset quality. The Bank finished 2007 with solid credit measures. Nonperforming assets were at all time lows, and except for our small indirect consumer portfolio, we go into a slowing economy with solid credit. We continued to strengthen our compliance team, where Peg Meagher rejoined our Bank and we added six other compliance specialists.

Our financial performance was also solid, although our fourth quarter results included some unexpected expenses. Bank of Hawaii was able to accomplish our major financial objectives for 2007.

The governing objective of Bank of Hawaii is to maximize shareholder value over time. As we saw in 2007, maximizing value may mean avoiding a decrease in value. Our year end share value was \$51.14, down slightly from 2006 and our total return for 2007 was -2.1%. This rate of return is disappointing until we compare it to other banks. The total shareholder return of banks that we compare ourselves to averaged -23.9% in 2007. The graph on the Financial Summary page illustrates the relative stock performance of Bank of Hawaii.

Other Results

During 2007, Bank of Hawaii and its employees received several recognitions that deserve mention:

- U.S. Banker Magazine ranked Bank of Hawaii the No. 1 Performing large bank in America
- Forbes Magazine rated Bank of Hawaii No. 1 in deposit gathering efficiency
- Aloha United Way named Bank of Hawaii as Company of the Year and we received its Spirit of Community Award.
- The SBA named Bank of Hawaii “Lender of the Year” for the 5th consecutive year in Hawaii, and 3rd consecutive year in Guam.
- Bank of Hawaii received an “Outstanding” Community Reinvestment Act rating

These awards along with consistent quality results, demonstrate what a great team we have at Bank of Hawaii. I want to compliment our employees for their hard work and dedication to the community.

In recent years I have recognized officers who I believe made special contributions to the success of Bank of Hawaii. This selection is a challenge because of the great work of many. But in 2007 two individuals stand out – Sharon Crofts and Ron Cannoles. Sharon has done an exceptional job in building our Compliance function during a period of high expectation. Ron transferred from Kona, where he was a regional manager, to Guam where he is a great addition to our management team.

I also want to recognize the great work done by Dave Thomas, our Chief Operating Officer and Vice Chairman, who retired at the end of 2007. Dave led our retail segment through a major turnaround starting in 2001. As our retail units became a source of strength, he took on leadership of technology and operations. For the past two years Dave served as Chairman of Aloha United Way. We appreciate Dave's contributions and wish him the best.

Economy

Last year I indicated that we expected the economy in our island markets to be a positive factor for Bank of Hawaii. We also thought interest rates would return to a more typical structure. The economy in Hawaii was strong during 2007, but the structure of rates was atypical, which limited our net interest income.

As we begin 2008, the economy in Hawaii is better than many other U.S. markets. Unemployment is low at about 3%. House prices are stable after only modest increase in the last two years. Foreclosure rates are low. Commercial development remains strong. Visitor arrival forecasts for 2008 are mixed, with only small changes expected. And the rate of inflation is decreasing. The statistics and forecasts suggest a solid year for the economy in Hawaii and Guam. But we are cautious. We see signs of slowing in the Hawaii economy. And we recognize that recessionary pressures elsewhere ultimately will affect Hawaii. As we start 2008, we will work hard to achieve growth that adds to shareholder value while we continue to emphasize discipline and profitability.

Conclusion

2007 was another year of solid performance for Bank of Hawaii. Our business plan was well executed as our employees adjusted to the unsettled business conditions. As a result, Bank of Hawaii met its primary performance objectives. With good asset quality, solid earnings prospects and strong capital, we are well positioned for good performance in 2008. I want to thank our employees and directors for their hard work and support of our Bank and community. And I want to thank our customers and shareholders for your continued confidence in Bank of Hawaii.



ALLAN R. LANDON
Chairman of the Board, Chief Executive Officer

WITH YOU ALL THE WAY. *Helping you fulfill your aspirations.*

Goals can come in many shapes and sizes. Whether it's sending your child to college, going on the vacation of your dreams, starting a new business, or taking your company to the next level, Bank of Hawaii is with you all the way. We listen to understand your needs and work closely with you to help you fulfill your aspirations.

We know that exceptional service and convenience are key to customer satisfaction, and are just two of the reasons why so many people choose Bank of Hawaii for their financial services needs. As an industry leader, we've been helping generations of families and businesses, large and small, achieve their goals, and we'll continue to do so in the future. On the next several pages, we invite you to read about some of our satisfied customers and the aspirations we are helping to fulfill.

COMMITMENT TO CUSTOMER SERVICE AND CONVENIENCE

Bank of Hawaii remains committed to delivering the highest quality service and convenience to our customers. We have the largest network of branches and ATMs in Hawaii, and we're the only bank in the state to offer mobile banking via cell phone or personal digital assistant (PDA) device – saving our customers valuable time. We also offer online banking, a 24-hour customer call center and 24-hour BankLanaʻi with business ATMs. Whether we're serving you on the phone, online, or in person, Bank of Hawaii is dedicated to making your experience with us the best it can be.

Mobile Banking for Banking on the Go

We are the first financial institution in Hawaii to offer wireless mobile banking for people on the go. If you subscribe to Internet access on a cell phone, smart phone, or PDA, you can conveniently access your financial accounts to check balances, view transactions, make transfers and pay bills safely and securely – anytime, anywhere. Regardless of which wireless carrier you use, you have fast, direct online access via mobile.boh.com.

Branch Renovations and Openings

We continue to enhance our branch network to better serve our customers.

Oahu: We most recently completed a renovation of the customer service area and exterior signage at our Ala Moana Branch and will begin renovation of our Waianae Branch in early 2008. A new in-store branch will open at the Star Market in Mililani Town Center during the first quarter of 2008.

Maui: We expect to complete major refurbishment of our Pukalani Branch and renovation of our Piilani Safeway in-store branch by mid-year.

Big Island: We renovated our historic Kohala Branch which was damaged during the October 2006 earthquake, and installed a new photovoltaic system, which is expected to provide increased energy efficiency.

PROVIDING SOLUTIONS TO MEET CUSTOMERS' NEEDS

We offer a wide range of financial products and services to help our customers meet their goals. Some of our new offerings and ongoing services include:

Reverse Mortgages

To help senior homeowners and their families, the bank established the Reverse Mortgage Loan Center, which offers education and advice about reverse mortgages and a safe, regulated product that gives seniors greater financial security by enabling them to borrow against the equity in their residence.

Native Hawaiian Mortgage Product

As part of our Bankohale initiative to address affordable housing, we introduced our newest mortgage loan option. The HUD I84A Native Hawaiian Housing Loan Guarantee Program complements our existing programs for Native Hawaiians and assists in the purchase, construction and/or renovation of their homes.

Investment Products and Solutions

To provide our clients with more investment options and customized investment solutions, Bank of Hawaii will be offering new investment products through special partnerships with expert advisors. Our clients will benefit from local investment management combined with the best investment products available nationally, along with our expertise in other areas including financial and tax planning, trust administration, tax preparation, and fiduciary real estate management.

The bank recently entered into an alliance with Chicago Equity Partners (CEP) to enhance the performance of our Pacific Capital Funds. As sub-advisors to the equity funds, CEP augments our research capabilities.

ENHANCED SECURITY AND EFFICIENCY

As a leading financial institution, we continue to enhance security and efficiency through technology.

Face-Recognition Technology

We are the first bank in Hawaii to implement state-of-the-art face recognition technology in our branches. The specialized surveillance equipment scans the faces of people entering our branches to alert staff to known fraud or robbery suspects. The new system serves as another tool against identity theft and check fraud.

Enhanced Online Security

We have also implemented additional security to our online banking and cash management services to further protect against fraudulent online activities. Multi-factor authentication, such as visual cues and confirmation questions, assure customers they are signing onto our online services and ensure that financial information can only be accessed by authorized individuals.

Technology Services Agreement

We extended our technology services agreement with Metavante, a banking technology leader, to continue to increase our efficiency and reduce operating costs.

SERVING THE NEEDS OF BUSINESSES

Providing solutions that help companies grow is our priority. Whether you operate a family-owned business, a mid-sized company or large corporation, we're committed to understanding your needs and helping you achieve your financial goals.

Helping Businesses Succeed

Small businesses represent the largest and fastest growing business segment in the country. With more than 75 business banking officers and managers at our Business Banking Centers, our Business Banking Group remains committed to meeting the needs of small businesses.

The group's diligent efforts in providing SBA-backed financing to promising new and existing small businesses resulted in Bank of Hawaii receiving the **SBA Lender of the Year Award** from the U.S. Small Business Administration's (SBA) Hawaii District Office for an *unprecedented fifth year in a row*. In addition, we were named **SBA Lender of the Year in Guam** for the third consecutive year.

Business Products and Services

Bank of Hawaii continues to provide products and services to meet businesses' needs. We recently introduced:

- **Sole Proprietor Package**—We are the only bank in Hawaii that offers a complete banking package tailored for sole business owners. It includes special offers for business services most used by sole proprietors, including free business checking, mileage debit card, and bill pay.
- **Remote Deposit Capture**—We introduced Remote Deposit Capture, a service that enables business customers to deposit checks without physically taking them to the bank. They use a special scanner at their business location to scan checks and electronically transmit the images over the Internet for deposit. Accelerated check clearing and availability of deposits enable business customers to enhance their cash flow.

Helping Larger Businesses Grow

For mid-sized companies and large corporations, our experienced, professional team of commercial and corporate bankers continues to provide sophisticated funding solutions and advice for a range of needs, including commercial real estate, construction loans and equipment financing. The team works closely with other business units, such as Private Client Services, to meet and exceed clients' expectations.

Commercial Banking Group

To better serve our commercial customers, we have made several changes in our Commercial Banking Group. Mainland-based large corporate and leasing clients will now be served by Corporate Banking. Hawaii-based commercial clients will be served by one of two newly established commercial banking centers on Oahu. These changes will enable more of our banking officers to be in the field serving our larger business clients and providing them with solutions to meet their particular needs.

International Banking Center

Bank of Hawaii recently opened its new 4,600-square foot International Banking Center in Waikiki—making it the first local bank to have a branch dedicated to serving international clientele. The center serves international businesses, corporate clients and private clients and has more than 20 employees with language capabilities in Chinese (Cantonese and Mandarin), Japanese, Korean, Vietnamese and French. Operations are housed on the third floor of the Kalakaua Business Center which has been renamed the **Bank of Hawaii Waikiki Center**. Our current Waikiki Branch will relocate to the building's ground floor by the fourth quarter of 2008.

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“Our ukuleles have a cherished place in people’s hearts and are often passed down from generation to generation. That’s kind of like our relationship with Bank of Hawaii. It started with my grandfather...and continues to this day.”

Fred Kamaka Jr., *Kamaka Hawaii, Inc., Honolulu*

Kamaka Hawaii, Inc.

Fred Kamaka Sr., Co-Owner/Vice President

Fred Kamaka Jr., Business Manager

Fred Kamaka Sr.: Kamaka Hawaii, Inc. is a third-generation, family-owned and operated business. My father, Sam Kamaka Sr., founded our company in 1916, and we’ve been making ukuleles ever since. Our instruments are known for their rich tone and detailed craftsmanship. My father was adamant about quality. His guiding philosophy was: “If you make instruments and use the family name, don’t make junk.” When my brother Sam and I carried on the business after he passed away 54 years ago, we kept that same commitment to quality, and now our sons are following that advice.

Our family has been a customer of Bank of Hawaii for a long time, both on the personal and the business side. My father opened a savings account for me when I was three years old. In 1967, we opened our business banking account with Bank of Hawaii, and we’ve maintained that relationship to this day.

Fred Kamaka Jr.: We produce 4,000 ukuleles a year, and demand continues to grow. The bank is very responsive to our needs and proactive in letting us know the latest on products and services that can help our company. As a small business, we don’t always have time to research things, so this is really helpful and allows us to focus on our business.

Bryan Yamashita, our business banking officer, recently helped us open a line of credit so we have resources available when we need them, without having to touch our time deposit account. A week after opening it, we used some of the funds to purchase needed equipment. Bryan also invites us to Bank of Hawaii-sponsored events, which provide useful information and networking opportunities.

The 50-year lease on our building ends in 2008, and we have been looking for a commercial space to move into. Bryan understands our situation, and when we are ready to make the move, we know the bank will be there to assist us in that transition.

We like being associated with a local business like Bank of Hawaii. Like us, they’re a part of our community.

Our ukuleles have a cherished place in people’s hearts and are often passed down from generation to generation. That’s kind of like our relationship with Bank of Hawaii. It all started with my grandfather, Sam Kamaka Sr., and continues to this day.

The Kamakas (left to right): Chris Kamaka (Sam’s son), Fred Kamaka Sr., Fred Kamaka Jr., Sam Kamaka Jr.



“Service and relationships are important...Bank of Hawaii has been my bank since 1972. Trusted relationships and wonderful service. They’re fast as lightning and go beyond the call of duty...That’s my bank!”

Mitch D’Olier, *Honolulu*

Mitch and Bambi D’Olier

Private Client Services Clients

Mitch: Our relationship with Bank of Hawaii began in 1972, when we moved to Hawaii from Iowa. I used to work as an associate and then a partner in a law firm that represented the bank and had offices in its building. We opened a personal account at the bank at that time. In 1973, we bought our first home—a condominium unit on Punchbowl—and the bank financed that purchase.

Service and relationships are important. Our Private Client Services Officer Jan Kuromoto and her assistant Shirlyn Ogata provide amazing service in terms of quick turnaround and sound financial advice. I’m hard to give advice to because I’m strong-willed, and I talk a lot. Jan is a great listener, tactful and asks really good questions that keep me on track and make me think about what I’m doing. For example, she makes me think about investment strategy for post retirement and about gifting to my kids. She helps me execute whatever transactions we want to do. Jan does a great job.

When we were buying our present home, Jan helped facilitate our ability to close quickly. We were selling our old house, and she helped to arrange a bridge loan. During that process, she raised the question of whether we wanted a mortgage on the house so we could get the tax deduction. My accountant confirmed it was a good idea, and the bank put the whole package together—mortgage and bridge loan—at extremely competitive rates. If the sale of the house we were buying had to close before our other house sold, we were in position to do it.

We also do family investments with the bank. Jan helped me set up a “competition.” Part of my funds are managed by Bank of Hawaii, and the other part is self-managed. Every quarter, we look at the investments to see who’s “winning.” It keeps us on our toes.

Bambi: Jan Kuromoto and the service she provides are excellent. She’s just a phone call away. And, she always remembers my birthday!

Jan has done a nice job of teaching our children about financial responsibility. We set up small accounts for our kids and wanted them to manage the investments. She introduced them to someone with whom they could have a financial relationship, and she provided counsel to help them make responsible financial decisions.

Mitch: How would I describe Bank of Hawaii? That’s my bank! They’ve been my bank since 1972. Trusted relationships and wonderful service. They’re fast as lightning and go beyond the call of duty.

The D’Oliers (left to right): Bambi and Mitch D’Olier are pictured with family pet Captain Jack Sparrow D’Olier.



“The bank has an incredible reputation...The bank is a problem solver with us... They’re very creative folks...We’ve experienced really, really great service at Bank of Hawaii...personal attention, proactive service and their spirit of aloha.”

Bert “BJ” Kobayashi Jr., Kathy Whang Inouye, Patrick Kobayashi and Alana Kobayashi Pakkala, *Kobayashi Group, Honolulu*

The Kobayashi Group

Bert A. Kobayashi Sr., Senior Advisor; Bert “BJ” Kobayashi Jr., President and CEO; Kathy Whang Inouye, Chief Operating Officer; Patrick K. Kobayashi, Executive Vice President; Alana Kobayashi Pakkala, Executive Vice President

Kathy: We have a lot of relationships at Bank of Hawaii. They’re very customer oriented.

Bert Sr.: And, they’re proactive. I appreciate how they look after the customer.

Alana: My experience with the bank’s business and private banking areas has been outstanding. I’ve been very impressed with the staff’s commitment to personal attention, proactive service and their spirit of aloha.

BJ: We work with Ralph Mesick and Tony Mizuno on the real estate side. They’re very creative folks. With the Kapolei Commons project, we wanted to manage the (risk) exposure and be able to build this fairly large project in phases. Their willingness to look at it in that way allowed us greater flexibility with our development plan. I’m not sure we would have gotten the same reception from another lending group. Tony was integral in getting that project across the goal line. We also have a strong relationship and rapport with Corporate Banking.

Patrick: We started investment accounts with the bank a few years ago. It’s very interactive. We get personal calls along with reports during every major market move, oftentimes before normal business hours, so you know they’re on it. We’ve experienced really, really great service at Bank of Hawaii. Clint Kuboyama, in Investments, and Kevin McCrary, in Private Client Services, are able to communicate in clear, layman’s terms what’s going on in the market.

Kathy: The bank is a problem solver with us when we face challenges. And in terms of stature, when we mention the bank’s involvement with a project, it helps with the project’s credibility.

BJ: The bank has an incredible reputation. They’re also known for being conservative and prudent when they make loans, so the fact that they endorse our products is meaningful to us.

I think we’ll see some choppy waters in the next few years with the economy, and developers and real estate investors will have challenging times. I think the bank will be there for its clients. Having confidence in the bank—for our investments and development businesses—lets us sleep at night.

Bert Sr.: Bank of Hawaii is very good to the community. Their senior executives and employees devote a lot of time to community service and philanthropic endeavors.

BJ: In fact, Patrick, my father and I serve on nonprofit boards with Vice Chairman Peter Ho. It goes way beyond business. The bank has a big commitment to Hawaii, and it benefits everyone.

The Kobayashi Group (left to right): Bert A. Kobayashi Sr., Alana Kobayashi Pakkala, Patrick K. Kobayashi, Kathy Whang Inouye, Bert “BJ” Kobayashi Jr.



“We have Bank of Hawaii brand loyalty...We use the bank for everything – both for business and personal banking...I am glad that our business, for 88 years, has used the services of Bank of Hawaii and will continue to do so.”

Michael Tokunaga, S. Tokunaga Store, Inc., Hilo

S. Tokunaga Store, Inc., Hilo

Michael Tokunaga, President

Peggy Tokunaga, Vice President

Michael: This might sound like a Bank of Hawaii commercial, but we use Bank of Hawaii for everything—both for our business and personal banking needs. Service is of utmost importance, and the bank has been giving us great service over the years.

We're in a small town so everybody knows each other. I know people personally at the bank and that makes it much easier to work with them.

Cheryl Octavio, business banking officer, is a true professional, easy to work with and very personable. I really like her. Recently, we switched our credit card processing back to Bank of Hawaii after trying another service suggested by a friend. Cheryl was instrumental in helping us with the transition, which went very smoothly.

We have Bank of Hawaii brand loyalty. When my grandfather started the business early on, the bank really helped him by listening and giving him the opportunity that he needed to start the business.

To me, Bank of Hawaii stands for convenience. It's conveniently located in our area and gives us the best service you could ask for. Peggy especially likes the convenience of using the business line at the branch. It's specifically for businesses so you don't have to wait in the general line, and you get served more quickly.

Peggy: I like banking at the Kaiko'o Branch because the employees are friendly, and I know practically everyone there.

I am happy with Bank of Hawaii because I can do everything in one place. Everything is under one roof, which, for me, is convenient. The mortgage for my home is there. Right now, Joyce Yoshimura of Kaiko'o Branch is helping me settle my mother-in-law's estate. I talk to Tom Kalili of Bankoh Investment Services, Wes Kimura of Residential Lending and Alan Shiraishi, branch manager at Kaiko'o Branch, whenever I need something.

The trust we have in Bank of Hawaii is very important. The fact that we have been doing business with the bank for such a long time, we don't have to worry and ask ourselves, "Are our funds and financial matters in good hands?"

Michael: I am glad that our business, for the past 88 years, has used the services of Bank of Hawaii and will continue to do so.

The Tokunagas (left to right): Peggy and Michael Tokunaga with daughter Mykala.

BANK OF HAWAII CHARITY WALK BENEFITS IHS

Throughout the years, Bank of Hawaii has sponsored and participated in numerous fundraising walks for charity. In 2007, we took a new approach by organizing our own charity walk and asked employees to vote on the beneficiary of their choice, which needed to be a Hawaii-based nonprofit organization that would otherwise not have the infrastructure to hold its own fundraising walk. Employees chose the Institute for Human Services (IHS) and raised \$134,000.



Bank of Hawaii CEO Al Landon and President of Bank of Hawaii Foundation Donna Tanoue (far left) presented a check for \$125,000 at the Charity Walk to IHS Executive Director Connie Mitchell (far right) and her fellow board members. In the end, the bank employees raised \$134,000.

Institute for Human Services

Connie Mitchell, IHS Executive Director

The Institute for Human Services is the largest provider to the homeless in the state of Hawaii. We clothe, feed, shelter and house men, women and families with children on Oahu who have become homeless or are on the brink of homelessness. We're doing everything we can to end the cycle of homelessness by teaching people skills that will help them end their homelessness. This means helping them increase their ability to earn an income to afford housing on their own, and to learn important lifelong skills, such as budgeting.

The support we received from Bank of Hawaii and its employees through the Charity Walk was absolutely awesome! The \$134,000 raised will go far in helping us provide temporary assistance to homeless families seeking permanent housing. It will help underwrite the cost of our Housing Programs which provide rental deposits or first month's rent, classes on budgeting and being a good tenant, furniture and other living necessities. Some of the monies will also augment our general budget for the shelters.

The Charity Walk was such a wonderful experience of partnering with the Bank of Hawaii and talking to a lot of people in our community about what IHS is doing. The bank's support was so heartening and encouraging. It demonstrated that people really do care about those who are homeless and that the "aloha spirit" is alive and well.

IHS wants to engage and collaborate with partners in the community to help solve major issues. We can't do it alone. The Bank of Hawaii Charity Walk was a stellar example of a business recognizing this—not just watching this socioeconomic problem unfold in our community, but also actively participating in solving it. The more nonprofits can build relationships like this, the more successful we'll be in making significant inroads in solving not just homelessness, but a lot of other community challenges.

Thank you Bank of Hawaii, for your creativity and the magnanimous generosity that was demonstrated by the Charity Walk. From the bank's leadership on down throughout the whole organization, your united efforts make a real difference in our community!

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STRENGTHENING OUR COMMUNITIES

Bank of Hawaii continues its long-standing commitment to strengthening our island communities. In 2007, the bank's charitable foundation provided \$2.6 million to nonprofit organizations in five areas: education, healthcare, community development, human services and culture and the arts. As part of our efforts to support community organizations, we also provide business expertise and assistance through the active involvement of our employees who serve as board members and volunteers.

Affordable Housing and Homeownership

The bank takes a special interest in finding ways to increase access to housing through homeownership, rental opportunities and transitional housing. Targeted grants provide support for a broad range of housing-related nonprofit organizations including *Hawaii HomeOwnership Center*, which provides education and support for first-time homebuyers; *Hale Mabaolu*, which provides low- and moderate-income housing units for families, elderly and the disabled on Maui; *Housing Solutions, Inc.* which operates shelters for homeless families and the elderly on Oahu; *Hawaiian Community Assets*, which provides homebuyer education and counseling to Native Hawaiian families; and *Honolulu Habitat for Humanity*, which helps families who cannot afford a traditional mortgage build their own homes.

The bank sponsored Hawaii's second annual national Community Build Day—partnering with *Honolulu Community Action Program* (HCAP) and its Ohana Hou program to help renovate eight vacant public housing units at Ho'okipa Housing Complex in Kahaluu. More than 70 BOH volunteers helped



refurbish the units, which are now completely occupied. In addition, BOH volunteers helped *Hilo Habitat* build two homes for needy families on the Big Island.

Aloha United Way Award

Bank of Hawaii recently received the Company of the Year Spirit of Community Award from Aloha United Way (AUW) for exceptional year-round commitment and campaign results. Our company and employees exceeded our AUW fundraising goal—raising nearly \$509,000 for the 2007 campaign.

Outstanding CRA Rating

We are proud to maintain our “Outstanding” rating from the Federal Reserve Bank for our community reinvestment programs.



Volunteering to help Honolulu Habitat for Humanity

CONSOLIDATED STATEMENTS OF INCOME

Bank of Hawaii Corporation and Subsidiaries
(dollars in thousands, except per-share amounts)

For the Year Ended December 31	2007	2006
Interest Income		
Interest and Fees on Loans and Leases	\$ 446,381	\$ 425,473
Income on Investment Securities		
Trading	4,903	-
Available-for-Sale	129,601	126,817
Held-to-Maturity	14,935	18,255
Deposits	1,549	211
Funds Sold	3,050	767
Other	1,456	1,149
Total Interest Income	<u>601,875</u>	<u>572,672</u>
Interest Expense		
Deposits	137,847	103,677
Securities Sold Under Agreements to Repurchase	47,031	42,189
Funds Purchased	5,965	8,504
Short-Term Borrowings	356	318
Long-Term Debt	15,658	15,371
Total Interest Expense	<u>206,857</u>	<u>170,059</u>
Net Interest Income	395,018	402,613
Provision for Credit Losses	15,507	10,758
Net Interest Income After Provision for Credit Losses	<u>379,511</u>	<u>391,855</u>
Noninterest Income		
Trust and Asset Management	62,926	58,740
Mortgage Banking	11,725	10,562
Service Charges on Deposit Accounts	46,260	41,756
Fees, Exchange, and Other Service Charges	65,825	62,441
Investment Securities Gains, Net	1,485	172
Insurance	23,177	20,388
Other	29,089	22,117
Total Noninterest Income	<u>240,487</u>	<u>216,176</u>
Noninterest Expense		
Salaries and Benefits	180,865	176,457
Net Occupancy	40,073	38,976
Net Equipment	19,274	20,127
Professional Fees	11,206	6,854
Other	83,989	78,548
Total Noninterest Expense	<u>335,407</u>	<u>320,962</u>
Income Before Provision for Income Taxes	284,591	287,069
Provision for Income Taxes	<u>100,888</u>	<u>106,710</u>
Net Income	<u>\$ 183,703</u>	<u>\$ 180,359</u>
Basic Earnings Per Share	\$ 3.75	\$ 3.59
Diluted Earnings Per Share	\$ 3.69	\$ 3.52
Dividends Declared Per Share	\$ 1.67	\$ 1.52
Basic Weighted Average Shares	49,033,208	50,176,685
Diluted Weighted Average Shares	49,833,546	51,178,943

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm thereon.

CONSOLIDATED STATEMENTS OF CONDITION

Bank of Hawaii Corporation and Subsidiaries
(dollars in thousands)

As of December 31	2007	2006
Assets		
Interest-Bearing Deposits	\$ 4,870	\$ 4,990
Funds Sold	15,000	50,000
Investment Securities		
Trading	67,286	-
Available-for-Sale	2,563,190	2,597,877
Held-to-Maturity (Fair Value of \$287,644 and \$360,719)	292,577	371,344
Loans Held for Sale	12,341	11,942
Loans and Leases	6,580,861	6,623,167
Allowance for Loan and Lease Losses	(90,998)	(90,998)
Net Loans and Leases	6,489,863	6,532,169
Total Earning Assets	9,445,127	9,568,322
Cash and Noninterest-Bearing Deposits	368,402	398,342
Premises and Equipment	117,177	125,925
Customers' Acceptances	1,112	1,230
Accrued Interest Receivable	45,261	49,284
Foreclosed Real Estate	184	407
Mortgage Servicing Rights	27,588	19,437
Goodwill	34,959	34,959
Other Assets	433,132	373,909
Total Assets	<u>\$ 10,472,942</u>	<u>\$ 10,571,815</u>
Liabilities		
Deposits		
Noninterest-Bearing Demand	\$ 1,935,639	\$ 1,993,794
Interest-Bearing Demand	1,634,675	1,642,375
Savings	2,630,471	2,690,846
Time	1,741,587	1,696,379
Total Deposits	7,942,372	8,023,394
Funds Purchased	75,400	60,140
Short-Term Borrowings	10,427	11,058
Securities Sold Under Agreements to Repurchase	1,029,340	1,047,824
Long-Term Debt	235,371	260,288
Banker's Acceptances	1,112	1,230
Retirement Benefits Payable	29,984	48,309
Accrued Interest Payable	20,476	22,718
Taxes Payable and Deferred Taxes	278,218	277,202
Other Liabilities	99,987	100,232
Total Liabilities	9,722,687	9,852,395
Shareholders' Equity		
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: December 2007 - 56,995,447 / 48,589,645 and December 2006 - 56,848,609 / 49,777,654)	567	566
Capital Surplus	484,790	475,178
Accumulated Other Comprehensive Loss	(5,091)	(39,084)
Retained Earnings	688,638	630,660
Treasury Stock, at Cost (Shares: December 2007 - 8,405,802 and December 2006 - 7,070,955)	(418,649)	(347,900)
Total Shareholders' Equity	750,255	719,420
Total Liabilities and Shareholders' Equity	<u>\$ 10,472,942</u>	<u>\$ 10,571,815</u>

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm thereon.

MANAGING COMMITTEE *Bank of Hawaii Corporation/Bank of Hawaii (As of December 31, 2007)*



Managing Committee (left to right, seated): Peter S. Ho, Allan R. Landon, Mary E. Sellers, Donna A. Tanoue. (Left to right, standing): Kathleen J. Fujihara-Chong, Tobias M. Martyn, Wayne Y. Hamano, Shelley B. Thompson, Peter M. Biggs, Daniel C. Stevens, Mark A. Rossi, Thomas J. Koide.

Allan R. Landon
Chairman, Chief Executive
Officer and President

Peter S. Ho
Vice Chairman and
Chief Banking Officer

Mark A. Rossi
Vice Chairman, Chief
Administrative Officer,
General Counsel
and Corporate Secretary

Daniel C. Stevens
Vice Chairman and
Chief Financial Officer

Mary E. Sellers
Vice Chairman and
Chief Risk Officer

Donna A. Tanoue
Vice Chairman, Client and
Community Relations

Shelley B. Thompson
Vice Chairman and
Chief Fiduciary Officer

Peter M. Biggs
Senior Executive Vice President
Consumer Products

Kathleen J. Fujihara-Chong
Senior Executive Vice President
Business Banking Division

Wayne Y. Hamano
Senior Executive Vice President
and Chief Commercial Officer
Commercial Banking Group

Thomas J. Koide
Senior Executive Vice President
Retail Delivery Channel

Tobias M. Martyn
Senior Executive Vice President
and Chief Investment Officer
Institutional Sales & Services,
Asset Management Group,
Investment Products
and Retirement Plan Services

BOARD OF DIRECTORS *Bank of Hawaii Corporation/Bank of Hawaii (As of December 31, 2007)*



S. Haunani Apoliona*
Chairman and Trustee
Office of Hawaiian Affairs



David A. Heenan*
Trustee
The Estate of
James Campbell



Allan R. Landon*
Chairman, Chief Executive
Officer and President
Bank of Hawaii Corporation
and Bank of Hawaii



Barbara J. Tanabe*
Principal
Ho'akea
Communications LLC



Mary G. F. Bitterman*
President and Trustee
The Bernard Osher
Foundation



Peter S. Ho
Vice Chairman and
Chief Banking Officer
Bank of Hawaii



Kent T. Lucien*
Trustee
C. Brewer & Co. Ltd.



Donna A. Tanoue
Vice Chairman
Client and
Community Relations
Bank of Hawaii



Michael J. Chun*
President and
Headmaster
Kamehameha Schools



Robert Huret*
Managing Member
Financial Technology
Management



Martin A. Stein*
Partner
RSA Ventures



Robert W. Wo Jr.*
President and Director
C.S. Wo & Sons, Ltd.



Clinton R. Churchill*
Trustee
The Estate of
James Campbell



Alton T. Kuioka
Vice Chairman
Client Relations
Bank of Hawaii



Donald M. Takaki*
Chairman and CEO
HawkTree International, Inc.

**Bank of Hawaii Corporation
Board of Directors*



BANK OF HAWAII LOCATIONS

Facts About Hawaii, Guam and Samoa

Hawaii

Hawaii business establishments: 98 percent have fewer than 100 employees, 95 percent have fewer than fifty, and 53 percent have fewer than five.¹

Hawaii gross domestic product by state (GSP) in 2006: \$58.3 billion. Estimated 2007 Hawaii GSP: \$61.8 billion.²

Largest shares of Hawaii gross product: real estate (primarily fixed capital's value-added), 17.9 percent; non-financial professional, technical, administrative, management and information services, 11.6 percent; state and local government 8.8 percent; accommodation and food services, 8.4 percent; federal military, 8.1 percent; retail trade, 7.3 percent; health care and social assistance, 6.7 percent. Tourism's share of gross product (includes portions of the above): 16.4 percent.³

State of Hawaii resident population as of July 1, 2007: 1,283,388.⁴

Guam⁵

- U.S. Territory
- Capital: Hagåtña (Agana)
- Resident population: 173,456⁶
- Main industries: government, including defense; tourism, construction.

American Samoa⁵

- U.S. Territory
- Capital: Pago Pago
- Resident population: 64,245
- Main industries: tuna fishing and processing, and government services.

¹ Table 15.20 Hawaii DBEDT *State of Hawaii Data Book* (2005) from the US Census Bureau *County Business patterns* (various)

² Bank of Hawaii calculation based on <http://www.bea.gov/bea/regional/gsp.htm>

³ Bank of Hawaii calculation based on Table 7.31 Hawaii DBEDT *State of Hawaii Data Book* (2005) from Hawaii DBEDT *The Economic Contribution of Waikiki* (May 2003).

⁴ <http://www.hawaii.gov/dbedt/info/census/population-estimate>

⁵ Pacific Islands Development Program, East-West Center, Honolulu, Hawaii

⁶ Guam Bureau of Statistics and Plans

Bank of Hawaii Branches & ATMs (as of December 31, 2007)

	Branches & In-Store Branches	ATMs
State of Hawaii	71	362
Island of Oahu	40	255
Island of Hawaii	11	40
Island of Maui	12	35
Island of Kauai	6	30
Island of Lanai	1	1
Island of Molokai	1	1
American Samoa	3	8
West Pacific	9	41
CNMI/Saipan	2	8
Guam	6	31
Palau	1	2
Grand Total	83	411

SHAREHOLDER INFORMATION

Corporate Headquarters
Bank of Hawaii Corporation
130 Merchant Street
Honolulu, Hawaii 96813

Annual Meeting

The annual meeting of shareholders will be held on Friday, April 25, 2008 at 8:30 a.m. at the Bank of Hawaii Main Office, 6th Floor, 111 South King Street, Honolulu, Hawaii.

Transfer Agent and Registrar

Computershare Investor Services, LLC
250 Royall Street
Canton, MA 02021

Common Stock Listing

NYSE: BOH

The common stock of Bank of Hawaii Corporation is traded on the New York Stock Exchange under the ticker symbol BOH and is quoted daily in leading financial publications as "Bank of Hawaii."

Dividend Reinvestment and Stock Purchase Plan (DRP)

Bank of Hawaii Corporation's Dividend Reinvestment and Stock Purchase Plan (DRP) allows existing shareholders to purchase common shares of the company's stock by either reinvesting their stock dividends or by optional cash payments.

- Individuals must possess at least one share of the company's stock to participate in the DRP.
- Shares are purchased on the 10th business day of each month based on the average of five trading days ending on the day of purchase.
- Minimum payment for purchase of shares is \$25 and the maximum is \$5,000 per calendar quarter.
- There are no fees for purchasing shares or for the safekeeping of stock certificates. Fees are assessed on the sale of shares in the DRP.

Detailed information about Bank of Hawaii Corporation's DRP can be found online at www.boh.com or by calling Computershare Investor Services, LLC at 1-888-660-5443.

Inquiries

Shareholders with questions about stock transfer services, share holdings or dividend reinvestment may contact Computershare Investor Services, LLC at 1-888-660-5443 between 7:00 a.m. and 5:00 p.m. Central Standard Time.

Investors and Analysts Seeking Financial Information

Contact:

Cindy Wyrick
Executive Vice President,
Investor Relations
Phone: 1-808-694-8430

For General Inquiries:
Phone: 1-888-643-3888

www.boh.com

Information about Bank of Hawaii Corporation and Bank of Hawaii, as well as economic information on the markets we serve, can be found online at www.boh.com.

At the Company's Investor Relations site, investors can access Bank of Hawaii Corporation's stock quotes, historical stock charts, financial media releases, SEC filings, corporate governance information and more. The e-mail alert listing enables those interested to be notified when announcements about Bank of Hawaii Corporation are released.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements concerning, among other things, the economic and business environment in our service area and elsewhere, product offerings, interest rates, discussion of our 2007+ business plan, and other financial and business matters in future periods. Our forward-looking statements are based on numerous assumptions, any of which could prove to be inaccurate and actual results may differ materially from those projected because of a variety of risks and uncertainties, including, but not limited to: 1) general economic conditions are less favorable than expected; 2) competitive pressure among financial services and products; 3) the impact of legislation and the regulatory environment; 4) fiscal and monetary policies of the markets in which we operate; 5) any actual or alleged conduct which could harm our reputation; 6) changes in accounting standards; 7) changes in tax laws or regulations or the interpretation of such laws and regulations; 8) changes in our credit quality or risk profile that may increase or decrease the required level of reserve for credit losses; 9) changes in market interest rates that may affect our credit markets and ability to maintain our net interest margin; 10) unpredicted costs and other consequences of legal or regulatory matters involving the Company; 11) changes to the amount and timing of proposed equity repurchases; and 12) geopolitical risk, military or terrorist activity, natural disaster, adverse weather, public health and other conditions impacting us and our customers' operations. For a detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements please refer to the risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, and any subsequently filed reports with the U.S. Securities and Exchange Commission. Words such as "believes," "anticipates," "expects," "intends," "targeted," and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not undertake an obligation to update forward-looking statements to reflect later events or circumstances.



BANK OF HAWAII CORPORATION P.O. BOX 2900, HONOLULU, HI 96846 Bank of Hawaii Corporation is a regional financial services company serving businesses, consumers and governments in Hawaii, American Samoa and the West Pacific. Our subsidiary, Bank of Hawaii, was founded in 1897 and is the leading independent financial institution in Hawaii. For more information about Bank of Hawaii Corporation, visit our website, www.boh.com.