



Building Relationships. Fulfilling Your Aspirations.

 **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	2006	2005
	EARNINGS HIGHLIGHTS AND PERFORMANCE RATIOS		
	Net Income	\$ 180,359	\$ 181,561
	Basic Earnings Per Share	3.59	3.50
	Diluted Earnings Per Share	3.52	3.41
	Dividends Declared Per Share	1.52	1.36
	Net Income to Average Total Assets (ROA)	1.76%	1.81%
	Net Income to Average Shareholders' Equity (ROE)	25.90%	24.83%
	Net Interest Margin ¹	4.25%	4.38%
	Efficiency Ratio ²	51.87%	53.15%

AS OF DECEMBER 31

STATEMENT OF CONDITION HIGHLIGHTS AND PERFORMANCE RATIOS

Net Loans and Leases	\$ 6,532,169	\$ 6,077,446
Total Assets	10,571,815	10,187,038
Total Deposits	8,023,394	7,907,468
Total Shareholders' Equity	719,420	693,352
Book Value Per Common Share	\$ 14.45	\$ 13.52
Allowance / Loans and Leases Outstanding	1.37%	1.48%
Employees (FTE)	2,586	2,585
Branches and Offices	86	85
Market Price Per Share of Common Stock for the Year Ended December 31		
Closing	\$ 53.95	\$ 51.54
High	\$ 55.15	\$ 54.44
Low	\$ 47.00	\$ 43.82

FOR THE QUARTER ENDED DECEMBER 31

EARNINGS HIGHLIGHTS AND PERFORMANCE RATIOS

Net Income	\$ 50,913	\$ 44,781
Basic Earnings Per Share	1.03	0.88
Diluted Earnings Per Share	1.01	0.86
Net Income to Average Total Assets (ROA)	1.94%	1.76%
Net Income to Average Shareholders' Equity (ROE)	28.56%	25.19%
Net Interest Margin ¹	4.15%	4.43%
Efficiency Ratio ²	53.08%	53.92%

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

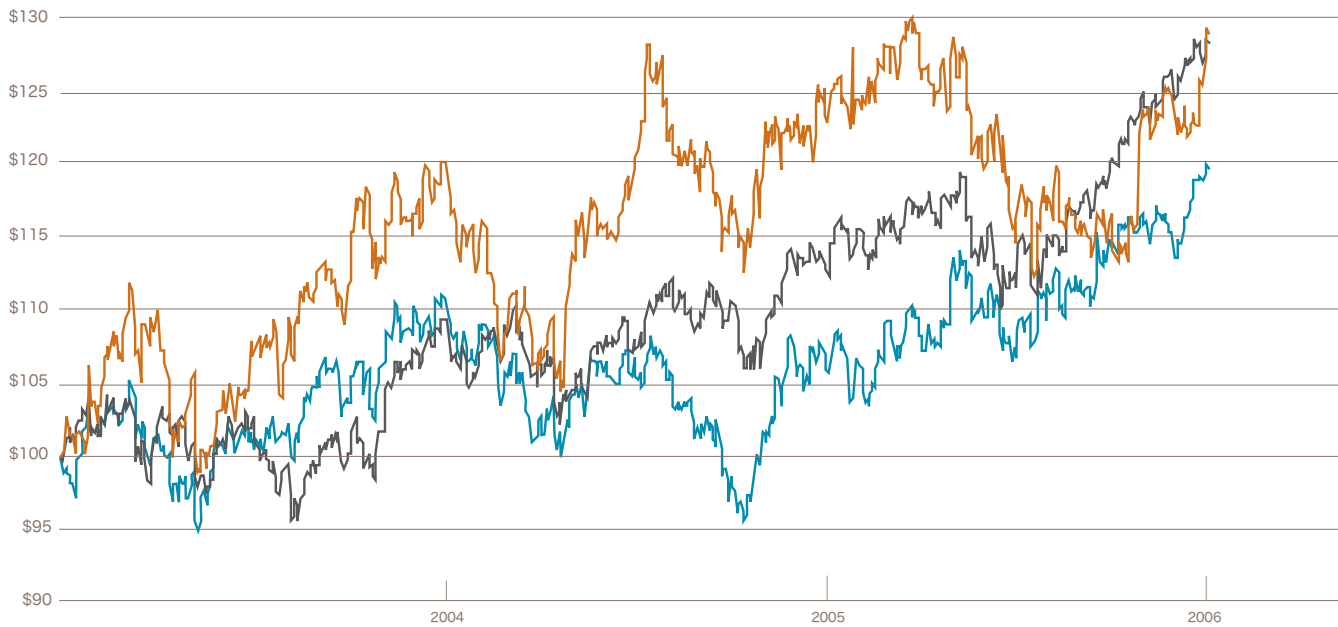
² The efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and noninterest income).

Cover photo: Pictured are three generations from Hana's oldest family-owned business, the Hasegawa General Store. From left: Harry Hasegawa, President, and son Neil, Vice President and General Manager, with grandson Brayden.

Our Vision:

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

2004-2006 Relative Price Performance



From 2004 - 2006, Bank of Hawaii Corporation's share price out-performed the S&P 500 and S&P Banking Index.

BOH S&P Bank Index S&P 500



ALLAN R. LANDON
Chairman of the Board
Chief Executive Officer

Dear Fellow Shareholders,

Our performance ratios were excellent. We achieved the financial objectives of our 2004-2006 Plan. Growth in our net income was reversed by a tax law change, although earnings per share grew to \$3.52 from \$3.41 in 2005.

One thing you have come to expect from Bank of Hawaii is consistency and we delivered another good financial performance in 2006. Our earnings for 2006 were \$180.4 million, down slightly from \$181.6 million in 2005. We were able to increase revenues slightly, due to increased non-interest income. Our expenses were further reduced. The decrease in net income was due to an

increased provision for credit losses and a higher effective income tax rate. Earnings per share increased to \$3.52 from \$3.41 in 2005, as the benefits of our share repurchase program continued.

Growth in revenue was our most challenging goal in 2006. Our effort was great, although our success was modest due mostly to the unusual interest rate environment, where short-term rates were higher than long-term rates. An important aspect of our 2004-2006 plan was to integrate our businesses and we continued that process in 2006. Sales and service cooperation improved and we designated Jim Polk, Roberta Chu and Kevin Baptist as coordinators of our Pacific Islands, Hawaii and Maui markets, respectively. Also relating to people, we expanded our Managing Committee, adding Peter Biggs, John Gray, Wayne Hamano, Toby Martyn and Shelley Thompson. Mark Rossi joined our management team early in 2007 as Vice Chairman and Chief Administrative Officer, allowing Donna Tanoue to focus on Client and Community Relations. Under the leadership of Mary Sellers and Sharon Crofts, Bank of Hawaii continued to strengthen its compliance team.

Our efficiency ratio improved to 51.87 percent. In the future, we will focus more on operating leverage, which measures the growth in revenues relative to expenses. Credit quality remained excellent and we maintained our targeted seven percent capital ratio during the year. We increased our dividends per share to \$1.52 from \$1.36. We also repurchased 2.5 million of our common stock shares.

The Hawaii economy had another strong year contributing to the bank's solid performance. Tourism enjoyed near record levels. The gross state product was up, estimated to be nearly \$57 billion. Home prices moderated, which was welcome news in some ways. However inflation was greater than anticipated, limiting the financial power of consumers.

The governing objective of Bank of Hawaii is to maximize shareholder value over time. The closing price of our stock was \$53.95 at the end of 2006, up from \$51.54 at the end of 2005. With our dividend included, the Total Shareholder Return was 7.8 percent up from 4.4 percent for 2005. Bank stocks in aggregate had a total return of 12.5 percent and the S&P Index offered a total return of 15.8 percent.

Our five key financial performance measures for 2006 compared favorably to our plan goals, established three years ago.

	2006	Goal
Net Income	\$180 million	\$178 million
Earnings Per Share	\$3.52	\$3.40
Return on Equity	25.9%	23.8%
Efficiency Ratio	51.9%	52.8%
Return on Average Assets	1.76%	1.66%

OTHER HIGHLIGHTS

During 2006, Bank of Hawaii's major accomplishments included:

- Introduction of the "Fast Track" commercial real estate loan program for amounts under \$5 million.
- Reintroduction of a Bank of Hawaii Visa card, allowing our customers to have a choice of Visa or American Express credit cards.
- Upgrade of the Bank of Hawaii ATM network to include enhanced functionality and security.
- Opening our new bank branch in Kunia in West Oahu.
- Establishment of a Financial Institutions unit to focus on serving credit unions and community banks in our markets.
- Adoption of image technology for the bank's operating platforms.
- Reintroduction of the consumer Visa Debit Card which earns Hawaiian Airlines frequent-flyer rewards.
- Selection of Bank of Hawaii as the "Lender of the Year" by the U.S. Small Business Administration's Hawaii District Office for the fourth consecutive year.

Letter to Shareholders

There were several other initiatives that were undertaken by Bank of Hawaii to strengthen important activities, including improved customer service and security of customer information. We continued to focus on compliance, adding both human and technological resources to reduce risk in this important area.

Community support continued to receive increased attention. Bank of Hawaii and our employees supported numerous organizations both financially and with skills and time of employee volunteers. Our bank remains committed to being a leader in community support.

Last year, I complimented three officers who made special contributions to Bank of Hawaii. In 2006, many names come to mind. I want to mention two – Vince Barfield and Natalie Ota. After making great improvements in our Retirement Services business, Vince transferred to Commercial Real Estate where he led the introduction of our “Fast Track” loan program with great success. Natalie has demonstrated efficiency and dependability in her role of directing our management accounting activities and information control system.

We greatly appreciate the many years of service by director Peter Baldwin who retired from our board in 2006. Our board spent many hours helping define the bank’s 2007+ Plan. These strategy sessions were valuable from several perspectives and will become a part of our annual board agenda. Our Board of Directors took important steps to further strengthen our corporate governance. Kent Lucien joined our board in April. A successful businessman with a financial background, Kent is a great addition to our board.

[2007+ PLAN](#)

In January, we announced our plan for Bank of Hawaii in 2007 and beyond. The plan was prepared by the leaders of our business elements, and reviewed by a team of 15 of our best business leaders from across the bank. Consistent with the solid financial performance of the bank, three of the major themes in the plan are similar to our previous plan – Growth, Integration and People. The other two themes, Brand and Discipline, build upon the bank’s prior accomplishments. To enhance our Bank of Hawaii brand, we are focusing on

building and maintaining relationships built on great service. Our goal is to attract, broaden, and maintain more customer relationships by understanding and fulfilling the financial services needs of our customers. Discipline is our commitment to consistently deliver superior financial results, without taking undue risks.

Execution of our 2007+ Plan must be balanced. But the most important factor is growth that will build value. Our best prospects for growth are in our current markets and we have no acquisitions in our plan.

ECONOMY

The economic outlook for Bank of Hawaii's markets in 2007 looks modestly better than 2006. Tourism is expected to continue at recent high levels. Housing development and prices have moderated. Commercial construction remains robust. Government spending is also expected to remain at high levels. Real personal income growth should improve slightly as inflation, still above the national average, is expected to moderate. A constraint in Hawaii is the workforce, as unemployment is about two percent. Although we expect a movement toward more normal interest rates, the timing and direction of change is uncertain. Absent negative shocks, we expect the economy to be a positive factor.

CONCLUSION

2006 was another year of solid performance for Bank of Hawaii. Thanks go to our employees, who worked very hard to achieve the goals in our 2004-2006 Plan. I am very pleased that we met our key goals. Our customers responded with additional business opportunities. We also appreciate the efforts of our Board of Directors. As we begin 2007, we remain optimistic about the future of Bank of Hawaii and are committed to building value. Thank you for your continued confidence in Bank of Hawaii.



ALLAN R. LANDON

*Chairman of the Board
Chief Executive Officer*

Building Relationships. Fulfilling Your Aspirations.

All of us have goals and aspirations. Some big, some small, and some in between. We know that's true for our customers, and we're committed to providing them with the highest quality service to help them achieve what they aspire to be. Whether it's owning a home or remodeling an existing one; expanding a business or launching a new one; planning retirement or enjoying it by traveling the world.

Our 2007+ Plan builds upon the successful strategy of our 2004-2006 Plan. Key to our new plan is a continued emphasis on growing our business through building long-term relationships with our customers. We provide financial products that offer meaningful solutions and are easy to use. Our business units work together to exceed our customers' expectations while we meet their needs.

Our customers know they're number one with us. We appreciate their business and what our customers have to share. Here is what some of them are saying.

That's My Bank!

Mary "Betty" Pinnow: My husband Mervyn and I started going to the Kaimuki Branch close to 50 years ago. I do most of my main banking there with Esther Awaya, the Consumer Banking Representative Manager. The service is wonderful. The people are very personal, very polite. They're just...my bank. I wouldn't think of going anywhere else.

Esther is really an outstanding lady, not just a banker but a friend. She's so good to everybody. She never makes you feel rushed. She's really understanding. If I have any questions at any given time, I just call Esther, leave my number, and she's right on it.

I've also cried many tears with her since Mervyn died eight years ago. She knew him so I could talk to her. My husband was one of those people who – no matter how little we made – we were able to put away a little every month, and that's how we got acquainted with everybody at the bank.

Mervyn really took care of things, and I never had to worry about anything. And then when he passed away, it was an abrupt change for me. I had to learn to do different things, and the people at the bank just really helped me. I feel very confident in Bank of Hawaii. It's just all-around a good bank.

I've had several different types of accounts there all these years. I liked it when the bank recently brought back the Visa credit card. I thought it was a very good idea. I had previously had their Visa card for many years. So when it was reintroduced, I signed up. It has been working really well for me.

My experience with Bank of Hawaii has truly been outstanding. It's just a great place. When I see the TV commercials, I say, "Yes, that's right. That's my bank!"



*Mary "Betty" Pinnow
Kaimuki Branch Customer
Honolulu*

“THE SERVICE IS WONDERFUL. THE PEOPLE ARE VERY PERSONAL, VERY POLITE. THEY’RE JUST... MY BANK. I WOULDN’T THINK OF GOING ANYWHERE ELSE.” — Mary “Betty” Pinnow



BUILDING EXCEPTIONAL VALUE FOR OUR CUSTOMERS

In 2006, we continued to demonstrate our firm commitment to building value for our customers. Client survey results showed that overall customer satisfaction, customer loyalty, and our ability to provide value and convenience improved across the board.

We continue to offer the largest branch and ATM network in the state, a locally-staffed 24/7 call center, and extensive e-Bankoh internet banking services.

Last May, we opened our 73rd branch in the fast-growing community of Kunia on the island of Oahu. The new full-service, 4,000 square-foot branch offers consumer and business clients accessibility, convenience and the latest banking technology.

Our major product lines rank as number one or two in terms of market share. For example, the bank is the number one home equity lender and one of the premier auto lenders in Hawaii.

Attractive interest rates and streamlined service have contributed to the success of our mortgage lending, refinancing and home equity products.

Last year, we successfully relaunched our VISA credit card for consumers and businesses after a five-year absence. Under a joint marketing agreement with FIA Card Services, N.A. (formerly MBNA America Bank, N.A.), Bank of Hawaii offers Visa credit cards in addition to its existing American Express credit card program—making it one of the few banks to offer both cards. Customer response has been positive.

We also reintroduced a check card that is unique in the Hawaii marketplace. The Bankoh Hawaiian Airlines® Visa® Check Card lets customers earn one HawaiianMile® point toward travel for every two dollars spent on qualified purchases using the check card.

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*Subject to the HawaiianMiles Program terms and conditions.

“THE BANK REALLY SUPPORTS THE COMMUNITY. IN MY MIND, THEY PERSONIFY THE HAWAII SPIRIT. THAT’S WHAT MAKES A DIFFERENCE FOR ME — WHAT YOU DO FOR THE COMMUNITY, WHAT YOU GIVE BACK AND HOW YOU GIVE IT BACK. THEY’RE GOOD PEOPLE.” — Chuck Wathen

*Chuck and Devra Wathen
Private Banking Clients
Honolulu*

Making a Difference

Chuck Wathen: We’ve been with Bank of Hawaii for about five years. It started as a business banking relationship. I had received poor service from another local bank, and I switched to Bank of Hawaii for our business. Now we do our private banking there too. What I like about the bank is their extra concern with detail and follow-through. They take care of you, and they do a great job.

Devra Wathen: The personal care means a lot. Jan Kuromoto in Personal Trust, Cheryl Tagawa and Gigi Teves of Private Client Services are just really great. They always follow through.

Jan knows how important finances are to me as a woman. She really takes a hands-on, personal approach in explaining investments and has taken the time to educate me on estate planning, retirement funds and how to manage money. Jan has such a solid background in all of this that just makes me feel very comfortable. She really watches out for my best interest.

The Bank of Hawaii team has a “can-do” attitude and always stays on top of what they offer their clients.

Chuck: On the business side, Bank of Hawaii was very helpful in working out a complex, unusual loan for a residential project that I was developing in Moanalua. It was an affordable housing property, and they were willing to loan the money, which, in essence, helped finance affordable housing.

The bank really supports the community. In my mind, they personify the Hawaii spirit. That’s what makes a difference for me—what you do for the community, what you give back and how you give it back. They’re good people.



“WE REALLY LIKE
WORKING WITH BANK
OF HAWAII. IT’S LOCAL
STYLE — YOU CAN TALK
TO THEM AND THEY
UNDERSTAND AND ARE
THERE TO HELP YOU.”

— Neil Hasegawa

*Harry Hasegawa (President) and
son Neil (Vice President and General
Manager) with grandson, Brayden
Hasegawa General Store, Hana*

Taking Care of Business — Hana Style

Harry Hasegawa: My grandfather Shoichi Hasegawa started Hasegawa General Store in Hana, Maui in 1906. Then my parents Toshimasa and Shizuko managed the business. Later, my wife Nita and I did the same. Now I'm semi-retired and our son Neil is general manager. So we're a fourth generation business.

As long as there's been a Bank of Hawaii Hana Branch, we've been clients. The branch is very helpful. It has currency when we need it and is there for us to make deposits. We're a convenience store that's 60 miles away from the nearest "big box." We sell things that Hana residents and visitors need. Where else would you be able to find galvanized common nails, machetes, lumber, and copper fittings in addition to tourist souvenirs and groceries?

Neil Hasegawa: Hana is our home, and our store is the kind of place where people feel at home. It's like the TV show, "Cheers," where everybody knows your name and greets you when you come in. It's a place where we chat with our neighbors about how their fishing is going and where employees tell tourists about the best way to catch *papio* (island fish species).

Harry: In 1989, the store was destroyed by fire. A year later, we started operating out of the Old Hana Theater and have been here ever since. We plan to rebuild on the original site. The new store will be larger, and it'll have new services such as a laundromat, bakery and sandwich shop. Right now, we're in the building permit phase, and we're talking with the Wailuku Branch about our plan.

Neil: We really like working with Bank of Hawaii. It's local style — you can talk to them and they understand and are there to help you. We feel really comfortable asking them questions. If there's a problem, we just call them up, and it gets resolved real quick. You don't get bounced around. Fred Nii (Wailuku Branch Manager) is great to work with.

Harry: What I also like about Bank of Hawaii is that their people genuinely care about the community. Clyde Kono, Senior Vice President of Business Banking, serves with me on the board of the Hana Community Health Center, a nonprofit organization and the only medical facility on this side of the island. He was instrumental in obtaining financing from Bank of Hawaii for the center during a critical period when we needed to keep operations going as we awaited federal and state financing.

Another Bank of Hawaii manager, the late Bill Balthis, founded the Hana Maui Trust, which supports the health, welfare and development of the people of Hana.

Neil: In a sense, Hasegawa General Store and Bank of Hawaii are aiming for the same thing. We both want to help the community the best way we can while running our business and taking care of our customers.



“BANK OF HAWAII IS A
LONGTIME MEMBER OF THE
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AS INDIVIDUALS AS OPPOSED
TO JUST BANKERS. BANK OF
HAWAII SAYS, ‘WE WANT TO
TAKE CARE OF OUR PEOPLE IN
HAWAII,’ AND IT CERTAINLY
RESONATES WITH US.”

— Duncan MacNaughton

*Duncan MacNaughton (Chairman)
and Jeff Arce (Chief Financial Officer)
The MacNaughton Group, Honolulu*

Building Dynamic Solutions

Duncan MacNaughton: In the early '80s, we came upon a unique project that needed some creative financing, and I took it to a senior executive of Bank of Hawaii who has since retired. At first he asked, "What warehouse?" Costco was an unknown entity in Hawaii's real estate and retail world, and the bank wanted a company that would be successful in the space we were developing. Outside the state, the chairman of Costco was known as someone who could produce. He came in and sat down with the bank, which researched the firm and was willing to understand this unique consumer warehouse concept. They felt comfortable with Costco as a tenant and came up with the financing. That was the first Costco store in Hawaii.

Jeff Arce: What I've found that's special about Bank of Hawaii is that they'll always listen. They'll always be real positive. And then they look for solutions to get it done. Coming up with creative solutions for unique issues isn't easy. Not everyone is willing to make the effort to do it. Bank of Hawaii is very open-minded and always tries to solve the problem. Instead of saying, "It doesn't work," they try to make it work.

The bank is very accommodating—whether it's a staff person working on underwriting a deal or the assistant in private banking, or the account reps. Like when we have to wire something in a half-hour. If it can't be done, it can't be done—but they definitely try. And if there's a way to get it done, they will get it done.

Also, I think what's key for Bank of Hawaii is that they're very proactive. It's not easy for us to be fully aware of all the products and services they have, and what we've found is that the bank has done a really good job of coming and talking to us about their services—commercial, real estate, corporate—and bringing opportunities to our attention, such as how to better structure our accounts.

Duncan: They have *our* interests in mind. Some banking institutions across the country will over-lend to developers in a very dynamic market. Sometimes we developers blame banks for getting us in trouble by making access to money too easy. Having our best interests in mind can also apply to throttling us back and making sure that we've thought through all the options.

Jeff: It's a constructive process, where the bank is not only protecting its own interests, they're working with us in a collaborative fashion to ensure our best interests. They're helping us as a partner.

On the commercial real estate side, I often work with Ralph Mesick, executive vice president of the Commercial Real Estate Loan Division. Ralph is a really good listener. Bank of Hawaii has learned to trust our judgment. I think the bank, overall, has a mentality of, "Duncan and his team know what they're doing. We trust what they're doing, and we're going to help them with their issues."

Duncan: Bank of Hawaii is a longtime member of the community. Historically, a lot of its senior management has been "homegrown." They're well-known in the community and participate in it. We know them as individuals as opposed to just bankers. Bank of Hawaii says, "We want to take care of our people in Hawaii," and it certainly resonates with us. We return our successes to the community. I like doing business with them.

EXCEPTIONAL INNOVATION

(continued from page 8)

In 2006, the bank took innovation to a new level with the introduction of Hawaii's first wireless ATMs through a partnership with Sprint Hawaii. The wireless broadband technology provides customers with fast, convenient and secure access to their accounts at any location that the bank places these portable ATMs.

In addition, Bank of Hawaii became the state's first bank to begin using a web-based software technology, "e-Contracting," that expedites the automotive financing process with electronic application and contract filings. The bank is making the service available to auto dealers in the West Pacific as well.

Meeting the Needs of Businesses

Bank of Hawaii understands the needs of businesses from family-owned companies to mid-sized enterprises and large corporations—and has the knowledge and experience to help them grow and achieve their financial goals.

The focused efforts of our Business Banking Group earned us top recognition by the U.S. Small Business Administration as SBA Lender of the Year—for an unprecedented fourth year in a row. The honor recognizes exceptional leadership in providing financing to promising small companies in Hawaii, Guam and American Samoa. In 2006, Bank of Hawaii generated more than 60 percent of all SBA loans made by Hawaii banks.

Our division of more than 75 business banking officers and managers at our Business Banking Service Centers are dedicated to meeting the needs of small businesses.

For mid-sized companies and large corporations, our highly talented team of commercial and corporate bankers provides sophisticated funding solutions and advice for a broad range of needs—from commercial real estate and construction loans to equipment financing. They work closely with other business units, such as Private Client Services, to meet and exceed their clients' expectations.

Unparalleled Client Service

In 2006, the bank expanded its senior manage-

ment team within the Investment Services Group (ISG) to better serve the needs of its discriminating clients. The group serves corporate and institutional clients seeking specialized asset management services, and affluent private banking and personal trust clients seeking comprehensive wealth management services.

ISG has added enhanced financial planning services and established new client service teams, each with a particular client focus such as business owners or professionals. In addition, the group has developed an enlarged set of investment products, which offers diversity and more consistent investment performance.


ISG will continue to work closely with the Commercial Banking and Retail Banking Groups to provide incomparable service and knowledgeable advice.

Commitment to Our Communities

Bank of Hawaii is committed to making a positive difference in the communities it serves. We provide charitable funding to nonprofit organizations in five areas: education, healthcare, community development, human services and culture and the arts.

The bank is also focusing its efforts on affordable housing, which ranks as a major concern among Hawaii residents. Last August, we launched *Bankohale*, a program that assists first-time homebuyers and supports affordable housing initiatives through Special Loans & Programs, Employee Volunteers, Community Partnerships and Event Sponsorships.

In August, we sponsored Hawaii's first national Community Build Day, an annual event organized by the Financial Services Roundtable in which bank volunteers across the country build homes for deserving families. We partnered with **Honolulu Habitat for Humanity** to help a Hawaiian family on Hawaiian homestead land rebuild its house, which is home to four generations of family members.

In October, we introduced a new mortgage loan program to assist the Native Hawaiian community. The **Bankoh Hawaiian Homelands Loan Program** provides Department of Hawaiian Home Lands lessees with expanded financing options. 

“I’M REALLY HAPPY THAT THERE IS A PROGRAM LIKE THE HAWAII HOMEOWNERSHIP CENTER AND THAT THEY HAVE GOOD PARTNERS LIKE BANK OF HAWAII.” — Trina Adaro

*Trina Adaro (Mortgage Banking Customer)
Graduate of Hawaii HomeOwnership Center’s
Homebuyer Education Program
Ewa Beach*



Homeownership Dream Fulfilled

Trina Adaro: A lot of people living in Hawaii think that owning a home is unattainable but owning a home is not as far-fetched as I used to think it was. Through the Hawaii HomeOwnership Center (HHOC) I learned about how to purchase a home and it was so beneficial for me as a first-time homebuyer to learn how to prepare for the process.

I attended a one-hour orientation along with two more sessions. It took less than a year and I didn’t expect to purchase a place so soon. It all happened so fast, and now I’m living in a studio condo in Ewa Gentry.

I chose Bank of Hawaii as my mortgage lender and Dwight Bolosan was very helpful as my loan officer. He made me feel very comfortable and practically held my hand through the whole thing. It was scary at times. In fact, I pulled out three times! It seemed easier to do that than to commit, but I’m glad I stuck with it. I would definitely encourage my friends and relatives to go to HHOC and obtain a mortgage loan through Bank of Hawaii.

I’m really happy that there is a program like the Hawaii HomeOwnership Center and that they have good partners like Bank of Hawaii.

Consolidated Statements of Income

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

FOR THE YEAR ENDED DECEMBER 31	2006	2005
INTEREST INCOME		
Interest and Fees on Loans and Leases	\$ 425,473	\$ 368,664
Income on Investment Securities Available-for-Sale	126,817	113,608
Income on Investment Securities Held-to-Maturity	18,255	21,360
Deposits	211	219
Funds Sold	767	1,329
Other	1,149	1,262
Total Interest Income	<u>572,672</u>	<u>506,442</u>
INTEREST EXPENSE		
Deposits	103,677	58,426
Securities Sold Under Agreements to Repurchase	42,189	21,187
Funds Purchased	8,504	4,515
Short-Term Borrowings	318	188
Long-Term Debt	15,371	15,013
Total Interest Expense	<u>170,059</u>	<u>99,329</u>
Net Interest Income	402,613	407,113
Provision for Credit Losses	<u>10,758</u>	<u>4,588</u>
Net Interest Income After Provision for Credit Losses	391,855	402,525
NONINTEREST INCOME		
Trust and Asset Management	58,740	56,830
Mortgage Banking	10,562	10,399
Service Charges on Deposit Accounts	41,756	39,945
Fees, Exchange, and Other Service Charges	62,441	59,588
Investment Securities Gains, Net	172	341
Insurance	20,388	19,643
Other	22,117	22,568
Total Noninterest Income	<u>216,176</u>	<u>209,314</u>
NONINTEREST EXPENSE		
Salaries and Benefits	176,457	176,310
Net Occupancy	38,976	38,273
Net Equipment	20,127	21,541
Professional Fees	6,854	15,702
Other	78,548	75,816
Total Noninterest Expense	<u>320,962</u>	<u>327,642</u>
Income Before Provision for Income Taxes	287,069	284,197
Provision for Income Taxes	<u>106,710</u>	<u>102,636</u>
NET INCOME		
	<u>\$ 180,359</u>	<u>\$ 181,561</u>
Basic Earnings Per Share	\$ 3.59	\$ 3.50
Diluted Earnings Per Share	\$ 3.52	\$ 3.41
Dividends Declared Per Share	\$ 1.52	\$ 1.36
Basic Weighted Average Shares	50,176,685	51,848,765
Diluted Weighted Average Shares	51,178,943	53,310,816

Refer to the Company's Annual Report on form 10-K for the fiscal year ended December 31, 2006 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	2006	2005
ASSETS		
Interest-Bearing Deposits	\$ 4,990	\$ 4,893
Funds Sold	50,000	-
Investment Securities Available-for-Sale		
Held in Portfolio	1,846,742	2,333,417
Pledged as Collateral	751,135	204,798
Investment Securities Held-to-Maturity (Fair Value of \$360,719 and \$442,989)	371,344	454,240
Loans Held for Sale	11,942	17,915
Loans and Leases	6,623,167	6,168,536
Allowance for Loan and Lease Losses	(90,998)	(91,090)
Net Loans and Leases	<u>6,532,169</u>	<u>6,077,446</u>
Total Earning Assets	9,568,322	9,092,709
Cash and Noninterest-Bearing Deposits	398,342	493,825
Premises and Equipment	125,925	133,913
Customers' Acceptances	1,230	1,056
Accrued Interest Receivable	49,284	43,033
Foreclosed Real Estate	407	358
Mortgage Servicing Rights	19,437	18,010
Goodwill	34,959	34,959
Other Assets	<u>373,909</u>	<u>369,175</u>
Total Assets	<u>\$ 10,571,815</u>	<u>\$ 10,187,038</u>
LIABILITIES		
Deposits		
Noninterest-Bearing Demand	\$ 1,993,794	\$ 2,134,916
Interest-Bearing Demand	1,642,375	1,678,454
Savings	2,690,846	2,819,258
Time	<u>1,696,379</u>	<u>1,274,840</u>
Total Deposits	<u>8,023,394</u>	<u>7,907,468</u>
Funds Purchased	60,140	268,110
Short-Term Borrowings	11,058	9,447
Securities Sold Under Agreements to Repurchase	1,047,824	609,380
Long-Term Debt	260,288	242,703
Banker's Acceptances	1,230	1,056
Retirement Benefits Payable	48,309	71,116
Accrued Interest Payable	22,718	10,910
Taxes Payable and Deferred Taxes	277,202	269,094
Other Liabilities	<u>100,232</u>	<u>104,402</u>
Total Liabilities	9,852,395	9,493,686
SHAREHOLDERS' EQUITY		
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: 2006 - 56,848,609 / 49,777,654 and 2005 - 56,827,483 / 51,276,286)	566	565
Capital Surplus	475,178	473,338
Accumulated Other Comprehensive Loss	(39,084)	(47,818)
Retained Earnings	630,660	546,591
Deferred Stock Grants	-	(11,080)
Treasury Stock, at Cost (Shares: 2006 - 7,070,955 and 2005 - 5,551,197)	<u>(347,900)</u>	<u>(268,244)</u>
Total Shareholders' Equity	<u>719,420</u>	<u>693,352</u>
Total Liabilities and Shareholders' Equity	<u>\$ 10,571,815</u>	<u>\$ 10,187,038</u>

Refer to the Company's Annual Report on form 10-K for the fiscal year ended December 31, 2006 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, 2006)



Managing Committee (left to right, seated): David W. Thomas, Donna A. Tanoue, Allan R. Landon, Peter S. Ho, Mary E. Sellers. (Left to right, standing): Wayne Y. Hamano, Peter M. Biggs, John E. Gray, Jr., Shelley B. Thompson, Richard C. Keene, Neal C. Hocklander, Tobias M. Martyn.

ALLAN R. LANDON
Chairman, Chief Executive Officer
and President

PETER S. HO
Vice Chairman
Chief Banking Officer
Investment Services and
Commercial Banking Groups

NEAL C. HOCKLANDER
Vice Chairman
Information, Operations and
Human Services

RICHARD C. KEENE
Vice Chairman
Chief Financial Officer

MARY E. SELLERS
Vice Chairman
Chief Risk Officer
Corporate Risk Group

DONNA A. TANOUE
Vice Chairman
Chief Administrative Officer
Corporate and Regulatory
Administration

DAVID W. THOMAS
Vice Chairman
Chief Operating Officer
Retail Banking Group

PETER M. BIGGS
Senior Executive Vice President
Consumer Products

JOHN E. GRAY, JR.
Senior Executive Vice President
Mortgage Banking Division

WAYNE Y. HAMANO
Senior Executive Vice President
Corporate Banking Division
and TRIAD Insurance Agency

TOBIAS M. MARTYN
Senior Executive Vice President
Chief Investment Officer
Institutional Client Management

SHELLEY B. THOMPSON
Senior Executive Vice President
Chief Fiduciary Officer
Trust and Private Banking

Board of Directors

Bank of Hawaii (As of December 31, 2006)



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



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



Michael J. Chun*
President and Headmaster
Kamehameha Schools



Clinton R. Churchill*
Trustee
The Estate of James Campbell



David A. Heenan*
Trustee
The Estate of James
Campbell



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



Robert A. Huret*
Managing Member
Financial Technology
Management



Alton T. Kuiuoka
Vice Chairman
Client Relations
Bank of Hawaii Corporation
and Bank of Hawaii



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



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



Martin A. Stein*
Partner
RSA Ventures



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



Barbara J. Tanabe*
Principal
Ho'akea Communications



Donna A. Tanoue
Vice Chairman and Chief
Administrative Officer
Bank of Hawaii Corporation
and Bank of Hawaii



David W. Thomas
Vice Chairman and
Chief Operating Officer
Bank of Hawaii Corporation
and Bank of Hawaii



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

**Bank of Hawaii Corporation
Board of Directors*

Bank of Hawaii Locations



Facts About Hawaii, Guam and Samoa

HAWAII

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

Hawaii gross state product (GSP) in 2005: \$54.0 billion. Estimated 2006 Hawaii GSP: \$57.3 billion.²

Largest shares of Hawaii gross product: real estate (includes fixed capital's value-added), 16.4 percent; state and local government, 8.8 percent; federal military, 8.1 percent; retail trade, 7.4 percent; health care and social assistance, 6.8 percent.² Tourism's share of gross product (includes some of the above): 17.3 percent.³

State of Hawaii resident population as of July 1, 2006: 1,285,498.¹

GUAM⁵

- U.S. Territory
- Capital: Hagåtña (Agana)
- Resident population: 167,371⁶
- Main industries: government, including defense; tourism, construction

AMERICAN SAMOA⁵

- U.S. Territory
- Capital: Pago Pago
- Resident population: 57,902
- 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, 2006)

	Branches & In-Store Branches	ATMs
STATE OF HAWAII	73	414
Island of Oahu	42	304
Island of Hawaii	11	44
Island of Maui	12	32
Island of Kauai	6	32
Island of Lanai	1	1
Island of Molokai	1	1
AMERICAN SAMOA	3	8
WEST PACIFIC	9	45
CNMI/Saipan	2	8
Guam	6	35
Palau	1	2
GRAND TOTAL	85	467

Forward Looking Statements

This report contains forward-looking statements concerning, among other things, the economic and business environment in our service area and elsewhere, business and government spending, 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 the Company serves; 5) changes in accounting standards; 6) changes in tax laws or regulations or the interpretation of such laws and regulations; 7) changes in the Company's credit quality or risk profile that may increase or decrease the required level of reserve for credit losses; 8) changes in market interest rates that may affect the Company's credit markets and ability to maintain its net interest margin; 9) unpredictable costs and other consequences of legal or regulatory matters; 10) changes to the amount and timing of proposed equity repurchases; and 11) geopolitical risk, military or terrorist activity, natural disaster, adverse weather, public health and other conditions impacting the Company and its 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, 2006, 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 exclusive means of identifying such statements. We do not undertake an obligation to update forward-looking statements to reflect later events or circumstances.

Shareholder Information

CORPORATE HEADQUARTERS

Bank of Hawaii Corporation
130 Merchant Street
Honolulu, Hawaii 96813

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.

ANNUAL MEETING

The annual meeting of shareholders will be held on Friday,
April 27, 2007 at 8:30 a.m. at the Bank of Hawaii Main Office,
6th Floor, 111 South King Street, Honolulu, Hawaii.

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.

TRANSFER AGENT AND REGISTRAR

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

INVESTORS AND ANALYSTS SEEKING FINANCIAL INFORMATION

Contact:
Cindy Wyrick
Executive Vice President, Investor Relations
Phone: 1-808-537-8430

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."

FOR GENERAL INQUIRIES:

Phone: 1-888-643-3888

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.

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.

