
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **January 25, 2010**

BANK OF HAWAII CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

1-6887
(Commission
File Number)

99-0148992
(IRS Employer
Identification No.)

130 Merchant Street, Honolulu, Hawaii
(Address of principal executive offices)

96813
(Zip Code)

(Registrant's telephone number, including area code) **(808) 694-8822**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))
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Item 2.02. Results of Operations and Financial Conditions.
On January 25, 2010, Bank of Hawaii Corporation announced its results of operations for the quarter ending December 31, 2009. The public announcement was made by means of a press release, the text of which is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) *Exhibits*

Exhibit No.

99.1 January 25, 2010 Press Release

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 25, 2010

BANK OF HAWAII CORPORATION

By: /s/ Mark A. Rossi
Mark A. Rossi
Vice Chairman and Corporate Secretary



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Bank of Hawaii Corporation 2009 Financial Results

- **2009 Diluted Earnings Per Share \$3.00**
- **2009 Net Income \$144.0 Million**
- **Diluted Earnings Per Share for the Fourth Quarter of 2009 \$0.84**
- **Net Income for the Fourth Quarter of 2009 \$40.5 Million**
- **Board of Directors Declares Dividend of \$0.45 Per Share**

FOR IMMEDIATE RELEASE

HONOLULU, HI (January 25, 2010) — Bank of Hawaii Corporation (NYSE: BOH) today reported diluted earnings per share of \$0.84 for the fourth quarter of 2009, up from \$0.76 per diluted share in the previous quarter, and higher than the \$0.82 per diluted share for the same quarter last year. Net income in the fourth quarter of 2009 was \$40.5 million, up from net income of \$36.5 million in the third quarter of 2009, and higher than net income of \$39.3 million in the fourth quarter last year. The return on average assets for the fourth quarter of 2009 was 1.31 percent and the return on average equity for the quarter was 16.91 percent.

“Bank of Hawaii Corporation finished 2009 with solid financial performance. We continue to maintain a strong balance sheet,” said Allan R. Landon, Chairman, and CEO. “We repositioned our investment portfolio recognizing gains and reducing risk while maintaining high levels of liquidity, reserves, and capital. Bank of Hawaii is well positioned to meet the needs of our marketplace.”

Diluted earnings per share were \$3.00 for the full year of 2009 compared with diluted earnings per share of \$3.99 in 2008. Net income for the year was \$144.0 million compared with net income of \$192.2 million in the previous year. The return on average assets in 2009 was 1.22 percent, down from 1.84 percent in 2008. The return on average equity for the year was 16.42 percent, down from 24.54 percent in 2008, partially the result of higher capital levels.

Financial Highlights

Net interest income, on a taxable equivalent basis, for the fourth quarter of 2009 was \$103.8 million, down \$5.4 million from net interest income of \$109.2 million in the third quarter of 2009 and down \$2.3 million from net interest income of \$106.1 million in the fourth quarter of 2008. Net interest income, on a taxable equivalent basis, for the full year of 2009 was \$413.5 million, down \$6.2 million from net interest income of \$419.7 million in 2008. Analyses of changes in net interest income are included in Tables 7a, 7b and 7c.

130 Merchant Street • PO Box 2900 • Honolulu HI 96846-6000 • Fax 808-694-8440 • Website www.boh.com

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Bank of Hawaii Corporation 2009 Financial Results

The net interest margin was 3.57 percent for the fourth quarter of 2009, a 28 basis point decrease from the previous quarter and an 86 basis point decrease from the same quarter last year. The net interest margin for the full year of 2009 was 3.72 percent, a 61 basis point decrease from 4.33 percent in 2008. The reduction in the net interest margin was largely the result of lower interest rates and the Company's strategy to limit interest rate risk on new investment securities.

Results for the fourth quarter of 2009 included a provision for credit losses of \$26.8 million compared to \$27.5 million in the third quarter of 2009 and \$18.6 million in the fourth quarter of 2008. The provision for credit losses exceeded net charge-offs in the fourth quarter of 2009 by \$1.0 million. Provision expense exceeded net charge-offs by \$5.2 million in the third quarter of 2009 and by \$8.0 million in the fourth quarter of 2008. The provision for credit losses for the full year of 2009 was \$107.9 million compared to \$60.5 million in 2008.

Noninterest income was \$80.8 million for the fourth quarter of 2009, an increase of \$24.0 million compared to \$56.8 million in the third quarter of 2009 and up \$26.3 million compared to \$54.5 million in the fourth quarter of 2008. The increase compared to the previous quarters was largely due to net gains of \$25.7 million on sales of investment securities, including a complete liquidation of the remaining private label mortgage securities. Noninterest income for the full year of 2009 was \$267.8 million, up \$9.7 million or 3.8 percent from noninterest income of \$258.1 million in 2008.

Noninterest expense was \$88.5 million in the fourth quarter of 2009, up \$4.5 million from noninterest expense of \$84.0 million in the third quarter of 2009, and up \$5.8 million compared with \$82.7 million in the same quarter last year. Noninterest expense in the fourth quarter of 2009 included \$4.1 million for grants to employees for the purchase of company stock, \$2.0 million for employee incentives, and a donation of \$1.0 million to the Bank of Hawaii Charitable Foundation. Full year salaries and benefits expense in 2009 were down \$3.4 million or 1.8 percent compared to 2008. An analysis of salary and benefit expenses is included in Table 8. Noninterest expense for the full year of 2009 was \$350.0 million, up \$3.3 million or 0.9 percent from noninterest expense of \$346.8 million in 2008. Excluding FDIC insurance, noninterest expense was down \$12.6 million or 3.6 percent.

The efficiency ratio for the fourth quarter of 2009 was 48.02 percent, lower than 50.69 percent in the previous quarter, and lower than 51.58 percent in the same quarter last year. The efficiency ratio for the full year of 2009 of 51.46 percent was relatively unchanged from 51.23 percent during the full year of 2008.

The Company's business segments are defined as Retail Banking, Commercial Banking, Investment Services, and Treasury & Other. Results are determined based on the Company's internal financial management reporting process and organizational structure. Selected financial information for the business segments is included in Tables 12a and 12b.

Asset Quality

Credit quality during the fourth quarter of 2009 continued to reflect a still weakened economy. Non-performing assets were \$48.3 million at December 31, 2009, down slightly from \$48.5 million at September 30, 2009, and up from \$14.9 million at December 31, 2008. As a percentage of total loans and leases (including loans held for sale and foreclosed real estate), non-performing assets were 0.84 percent at December 31, 2009.

Bank of Hawaii Corporation 2009 Financial Results

Accruing loans and leases past due 90 days or more were \$13.7 million at December 31, 2009, up from \$12.3 million at September 30, 2009, and down from \$14.2 million at December 31, 2008. The increase in past due residential mortgages was largely related to loans on neighbor island properties. More information on non-performing assets and accruing loans and leases past due 90 days or more is presented in Table 10.

Net charge-offs during the fourth quarter of 2009 were \$25.8 million compared with \$22.3 million in the third quarter of 2009, and \$10.6 million in the fourth quarter last year. Net charge-offs for the fourth quarter of 2009 included \$9.4 million for a leveraged lease related to the bankruptcy filing of an airline company, which was substantially reserved in the fourth quarter of 2008.

The allowance for loan and lease losses was \$143.7 million at December 31, 2009, up from \$142.7 million at September 30, 2009 and \$123.5 million at December 31, 2008. The ratio of the allowance for loan and lease losses to total loans and leases increased to 2.49 percent at December 31, 2009. The reserve for unfunded commitments at December 31, 2009 was unchanged at \$5.4 million. Details of charge-offs, recoveries and the components of the total reserve for credit losses are summarized in Table 11.

Other Financial Highlights

Total assets were \$12.41 billion at December 31, 2009, higher than total assets of \$12.21 billion at September 30, 2009, and up from total assets of \$10.76 billion at December 31, 2008. Average total assets were \$12.28 billion during the fourth quarter of 2009, higher than average assets of \$11.99 billion during the previous quarter, and up from average assets of \$10.31 billion during the fourth quarter last year. Growth in investment securities offset the continued decline in loan balances due to reduced loan demand, payoffs, and loan sales to reduce overall portfolio risk.

Total deposits increased to \$9.41 billion at December 31, 2009, higher than the \$9.25 billion at September 30, 2009, and up from \$8.29 billion at December 31, 2008. Average total deposits were \$9.32 billion in the fourth quarter of 2009, higher than average deposits of \$9.13 billion during the previous quarter, and up from \$7.72 billion during the fourth quarter last year.

As a result of the strong deposit growth, the investment portfolio grew to \$5.51 billion at year-end, compared to \$5.02 billion at September 30, 2009 and \$2.85 billion at December 31, 2008.

Consistent with the Company's strategy to build capital levels, no shares were repurchased during 2009. Remaining buyback authority under the share repurchase program was \$85.4 million at December 31, 2009. Total shareholders' equity was \$896.0 million at December 31, 2009, down slightly from \$902.8 million at September 30, 2009 due to a lower level of unrealized gains in the investment portfolio, and up from \$790.7 million at December 31, 2008.

The ratio of tangible common equity to risk-weighted assets was 15.45 percent at December 31, 2009, up from 14.56 percent at September 30, 2009, and higher than the 11.28 percent at December 31, 2008. At December 31, 2008, the Tier 1 leverage ratio was 6.78 percent compared to 6.67 percent at September 30, 2009 and 7.30 percent at December 31, 2008. The decrease in the Tier 1 leverage ratio compared to December 31, 2008 was due to significant growth in investment securities, primarily Ginnie Mae and Treasury securities.

The Company's Board of Directors declared a quarterly cash dividend of \$0.45 per share on the Company's outstanding shares. The dividend will be payable on March 12, 2010 to shareholders of record at the close of business on February 26, 2010.

Bank of Hawaii Corporation 2009 Financial Results

Hawaii Economy

Hawaii's economy during the fourth quarter of 2009 began to reflect some early signs of stabilization; however the slow U. S. and international economic conditions continue to result in weakness in the state. Visitor arrivals began to recover during the summer months and scheduled air seats for December 2009 through February 2010 are higher compared to a year ago. Visitor spending remains weak, down 12.8 percent year-to-date through November. The statewide unemployment rate improved slightly to a seasonally adjusted 6.9 percent in December and remains well below the national average. Neighbor islands continue to experience higher unemployment than Oahu. Home sales on Oahu are beginning to improve and months of inventory continue to decline. More information on Hawaii economic trends is presented in Table 14.

Business Outlook

During 2010, Bank of Hawaii will continue to focus on maintaining high levels of liquidity, strong capital, and reserves, as well as disciplined lending and investment strategies. The Bank will maintain an emphasis on improved productivity, technology and service enhancements, as well as management of risk and expenses. Bank of Hawaii remains committed to producing superior financial performance over time with priority given to soundness and service.

Conference Call Information

The Company will review its 2009 financial results today at 8:00 a.m. Hawaii Time (1:00 p.m. Eastern Time). The call will be accessible via teleconference and via the Investor Relations link of Bank of Hawaii Corporation's web site, www.boh.com. The conference call number for participants in the United States is 866-543-6407. International participants should call 617-213-8898. Use the pass code "Bank of Hawaii" to access the call. A replay of the conference call will be available for one week beginning Monday, January 25, 2010 by calling 888-286-8010 in the United States or 617-801-6888 internationally and entering the number 26440784 when prompted. A replay will also be available via the Investor Relations link of the Company's web site.

Forward-Looking Statements

This news release, and other statements made by the Company in connection with it may contain "forward-looking statements", such as forecasts of our financial results and condition, expectations for our operations and business prospects, and our assumptions used in those forecasts and expectations. Do not unduly rely on forward-looking statements. Actual results might differ significantly from our forecasts and expectations because of a variety of factors. More information about these factors is contained in Bank of Hawaii Corporation's Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the U.S. Securities and Exchange Commission. We do not promise to update forward-looking statements to reflect later events or circumstances

Bank of Hawaii Corporation is a regional financial services company serving businesses, consumers and governments in Hawaii, American Samoa, and the West Pacific. The Company's principal subsidiary, Bank of Hawaii, was founded in 1897 and is the largest independent financial institution in Hawaii. For more information about Bank of Hawaii Corporation, see the Company's web site, www.boh.com.

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Bank of Hawaii Corporation and Subsidiaries
Financial Highlights

Table 1

| (dollars in thousands, except per share amounts) | Three Months Ended | | | Year Ended | |
|--|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2009 | September 30, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| For the Period: | | | | | |
| Operating Results | | | | | |
| Net Interest Income | \$ 103,534 | \$ 108,887 | \$ 105,854 | \$ 412,334 | \$ 418,777 |
| Provision for Credit Losses | 26,801 | 27,500 | 18,558 | 107,878 | 60,515 |
| Total Noninterest Income | 80,811 | 56,800 | 54,463 | 267,808 | 258,113 |
| Total Noninterest Expense | 88,520 | 83,987 | 82,690 | 350,024 | 346,774 |
| Net Income | 40,516 | 36,471 | 39,307 | 144,033 | 192,213 |
| Basic Earnings Per Share | 0.85 | 0.76 | 0.83 | 3.02 | 4.03 |
| Diluted Earnings Per Share | 0.84 | 0.76 | 0.82 | 3.00 | 3.99 |
| Dividends Declared Per Share | 0.45 | 0.45 | 0.45 | 1.80 | 1.77 |
| Performance Ratios | | | | | |
| Return on Average Assets | 1.31% | 1.21% | 1.52% | 1.22% | 1.84% |
| Return on Average Shareholders' Equity | 16.91 | 16.44 | 19.56 | 16.42 | 24.54 |
| Efficiency Ratio (1) | 48.02 | 50.69 | 51.58 | 51.46 | 51.23 |
| Operating Leverage (2) | 17.29 | 11.77 | 5.23 | — | 10.00 |
| Net Interest Margin (3) | 3.57 | 3.85 | 4.43 | 3.72 | 4.33 |
| Dividend Payout Ratio (4) | 52.94 | 59.21 | 54.22 | 59.60 | 43.92 |
| Average Shareholders' Equity to Average Assets | 7.74 | 7.34 | 7.76 | 7.44 | 7.50 |
| Average Balances | | | | | |
| Average Loans and Leases | \$ 5,847,820 | \$ 6,034,956 | \$ 6,537,134 | \$ 6,144,976 | \$ 6,542,178 |
| Average Assets | 12,279,458 | 11,988,995 | 10,307,814 | 11,783,404 | 10,448,223 |
| Average Deposits | 9,322,632 | 9,131,064 | 7,724,309 | 9,108,432 | 7,851,327 |
| Average Shareholders' Equity | 950,833 | 880,003 | 799,387 | 877,170 | 783,114 |
| Market Price Per Share of Common Stock | | | | | |
| Closing | \$ 47.06 | \$ 41.54 | \$ 45.17 | \$ 47.06 | \$ 45.17 |
| High | 48.14 | 42.92 | 57.81 | 48.14 | 70.00 |
| Low | 39.43 | 33.65 | 36.32 | 25.33 | 36.32 |
| As of Period End: | | | | | |
| Balance Sheet Totals | | | | | |
| Loans and Leases | | \$ 5,759,785 | \$ 5,931,358 | \$ 6,530,233 | |
| Total Assets | | 12,414,827 | 12,208,025 | 10,763,475 | |
| Total Deposits | | 9,409,676 | 9,250,100 | 8,292,098 | |
| Long-Term Debt | | 90,317 | 91,424 | 203,285 | |
| Total Shareholders' Equity | | 895,973 | 902,799 | 790,704 | |
| Asset Quality | | | | | |
| Allowance for Loan and Lease Losses | | \$ 143,658 | \$ 142,658 | \$ 123,498 | |
| Non-Performing Assets (5) | | 48,331 | 48,536 | 14,949 | |
| Financial Ratios | | | | | |
| Allowance to Loans and Leases Outstanding | | 2.49% | 2.41% | 1.89% | |
| Tier 1 Capital Ratio | | 14.88 | 13.43 | 11.24 | |
| Total Capital Ratio | | 16.15 | 14.70 | 12.49 | |
| Leverage Ratio | | 6.78 | 6.67 | 7.30 | |
| Tangible Common Equity to Total Assets (6) | | 6.96 | 7.11 | 7.01 | |
| Tangible Common Equity to Risk-Weighted Assets (6) | | 15.45 | 14.56 | 11.28 | |
| Non-Financial Data | | | | | |
| Full-Time Equivalent Employees | | 2,418 | 2,474 | 2,581 | |
| Branches and Offices | | 83 | 85 | 85 | |
| ATMs | | 485 | 485 | 462 | |

- (1) Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and total noninterest income).
- (2) Operating leverage is defined as the percentage change in income before the provision for credit losses and the provision for income taxes. Measures are presented on a linked quarter basis.
- (3) Net interest margin is defined as net interest income, on a taxable equivalent basis, as a percentage of average earning assets.
- (4) Dividend payout ratio is defined as dividends declared per share divided by basic earnings per share.
- (5) Excluded from non-performing assets are contractually binding non-accrual loans held for sale of \$4.2 million and \$7.7 million as of December 31, 2009 and September 30, 2009, respectively.

- (6) Tangible common equity, a non-GAAP financial measure, is defined by the Company as shareholders' equity minus goodwill and intangible assets. Intangible assets are included as a component of other assets in the Consolidated Statements of Condition.
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Bank of Hawaii Corporation and Subsidiaries
Net Significant Income (Expense) Items

Table 2

| (dollars in thousands) | Three Months Ended | | | Year Ended | |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2009 | September 30, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| Leveraged Lease Residual Value Impairment | \$ — | \$ (968) | \$ — | \$ (968) | \$ — |
| SILO Leveraged Lease | — | — | — | — | (3,981) |
| Investment Securities Gains, Net | 25,707 | — | — | 25,707 | — |
| Gain on Disposal of Leased Equipment | 977 | — | — | 13,795 | 11,588 |
| Gain on Sale of Insurance Subsidiary | 1,511 | — | — | 2,363 | — |
| Gain on Mandatory Redemption of Visa Shares | — | — | — | — | 13,737 |
| Increase in Allowance for Loan and Lease Losses | (1,000) | (5,242) | (8,000) | (20,160) | (32,500) |
| FDIC Special Assessment | — | — | — | (5,744) | — |
| Market Premium on Repurchased Long-Term Privately Placed Debt | — | — | — | (875) | — |
| Cash Grants for the Purchase of Company Stock | (4,100) | — | — | (4,100) | (4,640) |
| Employee Incentive Awards | (2,000) | — | — | (2,000) | (2,000) |
| Legal Contingencies | 1,152 | (838) | — | (1,007) | (2,911) |
| Bank of Hawaii Charitable Foundation and Other Contributions | (1,000) | — | — | (1,000) | (2,250) |
| Call Premium on Capital Securities | — | — | — | — | (991) |
| Separation Expense | — | — | — | — | (615) |
| Reversal of Visa Legal Costs | — | — | — | — | 5,649 |
| Significant Income (Expense) Items Before the Provision (Benefit) for Income Taxes | 21,247 | (7,048) | (8,000) | 6,011 | (18,914) |
| Income Taxes Impact Related to Lease Transactions | 568 | (373) | — | 3,781 | (14,331) |
| Income Tax Impact | 7,095 | (2,128) | (2,800) | (2,385) | (9,291) |
| Net Significant Income (Expense) Items | <u>\$ 13,584</u> | <u>\$ (4,547)</u> | <u>\$ (5,200)</u> | <u>\$ 4,615</u> | <u>\$ 4,708</u> |

Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Income

Table 3

| (dollars in thousands, except per share amounts) | Three Months Ended | | | Year Ended | |
|--|----------------------|-----------------------|--------------------------|----------------------|--------------------------|
| | December 31, 2009 | September 30, 2009 | December 31, 2008 (1) | December 31, 2009 | December 31, 2008 (1) |
| Interest Income | | | | | |
| Interest and Fees on Loans and Leases | \$ 77,457 | \$ 79,530 | \$ 95,598 | \$ 326,921 | \$ 390,714 |
| Income on Investment Securities | | | | | |
| Trading | — | — | 1,152 | 594 | 4,695 |
| Available-for-Sale | 41,369 | 46,419 | 34,352 | 158,244 | 139,076 |
| Held-to-Maturity | 2,018 | 2,179 | 2,735 | 9,133 | 11,877 |
| Deposits | 2 | 3 | 25 | 20 | 457 |
| Funds Sold | 353 | 320 | 48 | 1,776 | 1,601 |
| Other | 277 | 277 | 276 | 1,106 | 1,681 |
| Total Interest Income | 121,476 | 128,728 | 134,186 | 497,794 | 550,101 |
| Interest Expense | | | | | |
| Deposits | 10,317 | 12,235 | 16,960 | 54,058 | 82,399 |
| Securities Sold Under Agreements to Repurchase | 6,411 | 6,394 | 7,984 | 25,934 | 33,764 |
| Funds Purchased | 7 | 5 | 175 | 22 | 1,585 |
| Short-Term Borrowings | — | — | 103 | — | 162 |
| Long-Term Debt | 1,207 | 1,207 | 3,110 | 5,446 | 13,414 |
| Total Interest Expense | 17,942 | 19,841 | 28,332 | 85,460 | 131,324 |
| Net Interest Income | 103,534 | 108,887 | 105,854 | 412,334 | 418,777 |
| Provision for Credit Losses | 26,801 | 27,500 | 18,558 | 107,878 | 60,515 |
| Net Interest Income After Provision for Credit Losses | 76,733 | 81,387 | 87,296 | 304,456 | 358,262 |
| Noninterest Income | | | | | |
| Trust and Asset Management | 11,746 | 10,915 | 12,275 | 46,174 | 57,014 |
| Mortgage Banking | 4,218 | 4,656 | 508 | 22,995 | 8,164 |
| Service Charges on Deposit Accounts | 14,160 | 14,014 | 13,306 | 54,470 | 50,845 |
| Fees, Exchange, and Other Service Charges | 14,935 | 14,801 | 14,897 | 60,122 | 61,995 |
| Investment Securities Gains (Losses), Net | 25,707 | (5) | 86 | 25,770 | 532 |
| Insurance | 2,326 | 7,304 | 5,953 | 20,015 | 24,575 |
| Other | 7,719 | 5,115 | 7,438 | 38,262 | 54,988 |
| Total Noninterest Income | 80,811 | 56,800 | 54,463 | 267,808 | 258,113 |
| Noninterest Expense | | | | | |
| Salaries and Benefits | 50,973 | 46,387 | 43,737 | 188,568 | 191,958 |
| Net Occupancy | 10,367 | 10,350 | 11,548 | 41,053 | 45,129 |
| Net Equipment | 4,393 | 4,502 | 4,573 | 17,713 | 18,143 |
| Professional Fees | 3,243 | 2,642 | 3,040 | 12,439 | 11,511 |
| FDIC Insurance | 3,251 | 3,290 | 693 | 17,342 | 1,510 |
| Other | 16,293 | 16,816 | 19,099 | 72,909 | 78,523 |
| Total Noninterest Expense | 88,520 | 83,987 | 82,690 | 350,024 | 346,774 |
| Income Before Provision for Income Taxes | 69,024 | 54,200 | 59,069 | 222,240 | 269,601 |
| Provision for Income Taxes | 28,508 | 17,729 | 19,762 | 78,207 | 77,388 |
| Net Income | \$ 40,516 | \$ 36,471 | \$ 39,307 | \$ 144,033 | \$ 192,213 |
| Basic Earnings Per Share | \$ 0.85 | \$ 0.76 | \$ 0.83 | \$ 3.02 | \$ 4.03 |
| Diluted Earnings Per Share | \$ 0.84 | \$ 0.76 | \$ 0.82 | \$ 3.00 | \$ 3.99 |
| Dividends Declared Per Share | \$ 0.45 | \$ 0.45 | \$ 0.45 | \$ 1.80 | \$ 1.77 |
| Basic Weighted Average Shares | 47,813,490 | 47,745,375 | 47,481,779 | 47,702,500 | 47,674,000 |
| Diluted Weighted Average Shares | 48,223,406 | 48,045,873 | 47,927,532 | 48,009,277 | 48,200,650 |

(1) Certain prior period information has been reclassified to conform to current presentation.

Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Condition

Table 4

| (dollars in thousands) | December 31, 2009 | September 30, 2009 | December 31, 2008 |
|---|----------------------|-----------------------|----------------------|
| Assets | | | |
| Interest-Bearing Deposits | \$ 8,755 | \$ 5,863 | \$ 5,094 |
| Funds Sold | 291,546 | 401,200 | 405,789 |
| Investment Securities | | | |
| Trading | — | — | 91,500 |
| Available-for-Sale | 5,330,834 | 4,827,588 | 2,519,239 |
| Held-to-Maturity (Fair Value of \$186,668; \$201,118; and \$242,175) | 181,018 | 194,444 | 239,635 |
| Loans Held for Sale | 16,544 | 19,346 | 21,540 |
| Loans and Leases | 5,759,785 | 5,931,358 | 6,530,233 |
| Allowance for Loan and Lease Losses | (143,658) | (142,658) | (123,498) |
| Net Loans and Leases | 5,616,127 | 5,788,700 | 6,406,735 |
| Total Earning Assets | 11,444,824 | 11,237,141 | 9,689,532 |
| Cash and Noninterest-Bearing Deposits | 254,766 | 291,480 | 385,599 |
| Premises and Equipment | 110,976 | 110,173 | 116,120 |
| Customers' Acceptances | 1,386 | 950 | 1,308 |
| Accrued Interest Receivable | 45,334 | 43,047 | 39,905 |
| Foreclosed Real Estate | 3,132 | 201 | 428 |
| Mortgage Servicing Rights | 25,970 | 25,437 | 21,057 |
| Goodwill | 31,517 | 34,959 | 34,959 |
| Other Assets | 496,922 | 464,637 | 474,567 |
| Total Assets | \$ 12,414,827 | \$ 12,208,025 | \$ 10,763,475 |
| Liabilities | | | |
| Deposits | | | |
| Noninterest-Bearing Demand | \$ 2,252,083 | \$ 2,055,872 | \$ 1,754,724 |
| Interest-Bearing Demand | 1,609,413 | 1,588,705 | 1,854,611 |
| Savings | 4,405,969 | 4,365,257 | 3,104,863 |
| Time | 1,142,211 | 1,240,266 | 1,577,900 |
| Total Deposits | 9,409,676 | 9,250,100 | 8,292,098 |
| Funds Purchased | 8,888 | 8,670 | 15,734 |
| Short-Term Borrowings | 6,900 | 7,200 | 4,900 |
| Securities Sold Under Agreements to Repurchase | 1,618,717 | 1,524,755 | 1,028,835 |
| Long-Term Debt (includes \$119,275 carried at fair value as of December 31, 2008) | 90,317 | 91,424 | 203,285 |
| Banker's Acceptances | 1,386 | 950 | 1,308 |
| Retirement Benefits Payable | 37,435 | 43,918 | 54,776 |
| Accrued Interest Payable | 7,026 | 9,740 | 13,837 |
| Taxes Payable and Deferred Taxes | 229,140 | 254,375 | 229,699 |
| Other Liabilities | 109,369 | 114,094 | 128,299 |
| Total Liabilities | 11,518,854 | 11,305,226 | 9,972,771 |
| Shareholders' Equity | | | |
| Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: December 31, 2009 - 57,028,239 / 48,018,943; September 30, 2009 - 57,028,554 / 47,937,543; and December 31, 2008 - 57,019,887 / 47,753,371) | 569 | 569 | 568 |
| Capital Surplus | 494,318 | 492,346 | 492,515 |
| Accumulated Other Comprehensive Income (Loss) | 6,925 | 37,307 | (28,888) |
| Retained Earnings | 843,521 | 825,709 | 787,924 |
| Treasury Stock, at Cost (Shares: December 31, 2009 - 9,009,296; September 30, 2009 - 9,091,011; and December 31, 2008 - 9,266,516) | (449,360) | (453,132) | (461,415) |
| Total Shareholders' Equity | 895,973 | 902,799 | 790,704 |
| Total Liabilities and Shareholders' Equity | \$ 12,414,827 | \$ 12,208,025 | \$ 10,763,475 |

Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity

Table 5

| (dollars in thousands) | Total | Common Stock | Capital Surplus | Accum. Other Comprehensive (Loss) Income | Retained Earnings | Treasury Stock | Comprehensive Income |
|--|-------------------|-----------------|--------------------|--|----------------------|---------------------|-------------------------|
| Balance as of December 31, 2008 | \$ 790,704 | \$ 568 | \$ 492,515 | \$ (28,888) | \$ 787,924 | \$ (461,415) | |
| Comprehensive Income: | | | | | | | |
| Net Income | 144,033 | — | — | — | 144,033 | — | \$ 144,033 |
| Other Comprehensive Income, Net of Tax: | | | | | | | |
| Change in Unrealized Gains and Losses on Investment Securities Available-for-Sale | 30,567 | — | — | 30,567 | — | — | 30,567 |
| Unamortized Gain Related to Defined Benefit Plans | 3,750 | — | — | 3,750 | — | — | 3,750 |
| Amortization of Net Loss Related to Pension and Postretirement Benefit Plans | 1,496 | — | — | 1,496 | — | — | 1,496 |
| Total Comprehensive Income | | | | | | | \$ 179,846 |
| Share-Based Compensation | 3,552 | — | 3,552 | — | — | — | |
| Common Stock Issued under Purchase and Equity Compensation Plans and Related Tax Benefits (301,306 shares) | 9,444 | 1 | (1,749) | — | (2,200) | 13,392 | |
| Common Stock Repurchased (35,734 shares) | (1,337) | — | — | — | — | (1,337) | |
| Cash Dividends Paid | (86,236) | — | — | — | (86,236) | — | |
| Balance as of December 31, 2009 | <u>\$ 895,973</u> | <u>\$ 569</u> | <u>\$ 494,318</u> | <u>\$ 6,925</u> | <u>\$ 843,521</u> | <u>\$ (449,360)</u> | |
| Balance as of December 31, 2007 | \$ 750,255 | \$ 567 | \$ 484,790 | \$ (5,091) | \$ 688,638 | \$ (418,649) | |
| Cumulative-Effect Adjustment of a Change in Accounting Principle, Net of Tax: | | | | | | | |
| Adoption of Accounting Standards Related to the Fair Value Option | (2,736) | — | — | — | (2,736) | — | |
| Comprehensive Income: | | | | | | | |
| Net Income | 192,213 | — | — | — | 192,213 | — | \$ 192,213 |
| Other Comprehensive Income, Net of Tax: | | | | | | | |
| Change in Unrealized Gains and Losses on Investment Securities Available-for-Sale | (2,889) | — | — | (2,889) | — | — | (2,889) |
| Unamortized Loss Related to Defined Benefit Plans | (20,967) | — | — | (20,967) | — | — | (20,967) |
| Amortization of Net Loss Related to Pension and Postretirement Benefit Plans | 59 | — | — | 59 | — | — | 59 |
| Total Comprehensive Income | | | | | | | \$ 168,416 |
| Share-Based Compensation | 5,808 | — | 5,808 | — | — | — | |
| Common Stock Issued under Purchase and Equity Compensation Plans and Related Tax Benefits (431,254 shares) | 15,831 | 1 | 1,917 | — | (5,336) | 19,249 | |
| Common Stock Repurchased (1,267,528 shares) | (62,015) | — | — | — | — | (62,015) | |
| Cash Dividends Paid | (84,855) | — | — | — | (84,855) | — | |
| Balance as of December 31, 2008 | <u>\$ 790,704</u> | <u>\$ 568</u> | <u>\$ 492,515</u> | <u>\$ (28,888)</u> | <u>\$ 787,924</u> | <u>\$ (461,415)</u> | |

Bank of Hawaii Corporation and Subsidiaries
Average Balances and Interest Rates - Taxable Equivalent Basis

Table 6a

| (dollars in millions) | Three Months Ended December 31, 2009 | | | Three Months Ended September 30, 2009 | | | Three Months Ended December 31, 2008 | | |
|---|---|--------------------|----------------|--|--------------------|----------------|---|--------------------|----------------|
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Earning Assets | | | | | | | | | |
| Interest-Bearing Deposits | \$ 8.2 | \$ — | 0.09% | \$ 5.1 | \$ — | 0.28% | \$ 13.9 | \$ — | 0.71% |
| Funds Sold | 534.1 | 0.3 | 0.26 | 489.7 | 0.3 | 0.26 | 66.6 | — | 0.28 |
| Investment Securities | | | | | | | | | |
| Trading | — | — | — | — | — | — | 90.6 | 1.2 | 5.09 |
| Available-for-Sale | 4,939.2 | 41.6 | 3.37 | 4,491.2 | 46.7 | 4.16 | 2,535.6 | 34.6 | 5.46 |
| Held-to-Maturity | 188.4 | 2.0 | 4.29 | 202.0 | 2.2 | 4.31 | 244.7 | 2.7 | 4.47 |
| Loans Held for Sale | 15.6 | 0.2 | 3.95 | 25.2 | 0.2 | 2.95 | 8.8 | 0.1 | 5.54 |
| Loans and Leases (1) | | | | | | | | | |
| Commercial and Industrial | 820.3 | 8.3 | 4.01 | 884.4 | 9.0 | 4.06 | 1,071.1 | 13.7 | 5.08 |
| Commercial Mortgage | 793.9 | 10.2 | 5.09 | 787.0 | 10.2 | 5.14 | 724.6 | 10.8 | 5.94 |
| Construction | 132.2 | 1.3 | 3.81 | 140.9 | 1.4 | 3.81 | 155.7 | 2.1 | 5.37 |
| Commercial Lease Financing | 438.0 | 3.6 | 3.34 | 464.0 | 3.0 | 2.56 | 466.1 | 4.9 | 4.21 |
| Residential Mortgage | 2,223.3 | 32.1 | 5.77 | 2,273.8 | 33.0 | 5.81 | 2,468.1 | 37.2 | 6.02 |
| Home Equity | 939.2 | 11.9 | 5.05 | 963.3 | 12.3 | 5.08 | 1,019.6 | 13.9 | 5.41 |
| Automobile | 291.8 | 5.8 | 7.85 | 304.5 | 6.1 | 7.88 | 382.3 | 7.7 | 8.02 |
| Other (2) | 209.1 | 4.1 | 7.76 | 217.1 | 4.3 | 7.95 | 249.6 | 5.2 | 8.36 |
| Total Loans and Leases | 5,847.8 | 77.3 | 5.26 | 6,035.0 | 79.3 | 5.24 | 6,537.1 | 95.5 | 5.82 |
| Other | 79.7 | 0.3 | 1.39 | 79.7 | 0.3 | 1.39 | 79.7 | 0.3 | 1.38 |
| Total Earning Assets (3) | 11,613.0 | 121.7 | 4.18 | 11,327.9 | 129.0 | 4.54 | 9,577.0 | 134.4 | 5.60 |
| Cash and Noninterest-Bearing Deposits | 209.0 | | | 203.5 | | | 252.3 | | |
| Other Assets | 457.5 | | | 457.6 | | | 478.5 | | |
| Total Assets | \$ 12,279.5 | | | \$ 11,989.0 | | | \$ 10,307.8 | | |
| Interest-Bearing Liabilities | | | | | | | | | |
| Interest-Bearing Deposits | | | | | | | | | |
| Demand | \$ 1,573.7 | 0.2 | 0.06 | \$ 1,625.6 | 0.2 | 0.06 | \$ 1,747.3 | 0.7 | 0.16 |
| Savings | 4,415.6 | 5.5 | 0.49 | 4,190.2 | 6.6 | 0.63 | 2,827.9 | 6.4 | 0.90 |
| Time | 1,188.2 | 4.6 | 1.53 | 1,264.7 | 5.4 | 1.69 | 1,561.6 | 9.8 | 2.51 |
| Total Interest-Bearing Deposits | 7,177.5 | 10.3 | 0.57 | 7,080.5 | 12.2 | 0.69 | 6,136.8 | 16.9 | 1.10 |
| Short-Term Borrowings | 27.9 | — | 0.10 | 18.1 | — | 0.12 | 166.4 | 0.3 | 0.66 |
| Securities Sold Under Agreements to Repurchase | | | | | | | | | |
| Repurchase | 1,452.2 | 6.4 | 1.73 | 1,464.3 | 6.4 | 1.71 | 1,032.2 | 8.0 | 3.04 |
| Long-Term Debt | 91.4 | 1.2 | 5.27 | 91.4 | 1.2 | 5.26 | 204.0 | 3.1 | 6.09 |
| Total Interest-Bearing Liabilities | 8,749.0 | 17.9 | 0.81 | 8,654.3 | 19.8 | 0.91 | 7,539.4 | 28.3 | 1.49 |
| Net Interest Income | | \$ 103.8 | | | \$ 109.2 | | | \$ 106.1 | |
| Interest Rate Spread | | | 3.37% | | | 3.63% | | | 4.11% |
| Net Interest Margin | | | 3.57% | | | 3.85% | | | 4.43% |
| Noninterest-Bearing Demand Deposits | 2,145.2 | | | 2,050.5 | | | 1,587.5 | | |
| Other Liabilities | 434.5 | | | 404.2 | | | 381.5 | | |
| Shareholders' Equity | 950.8 | | | 880.0 | | | 799.4 | | |
| Total Liabilities and Shareholders' Equity | \$ 12,279.5 | | | \$ 11,989.0 | | | \$ 10,307.8 | | |

(1) Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.

(2) Comprised of other consumer revolving credit, installment, and consumer lease financing.

(3) Interest income includes taxable equivalent basis adjustments, based upon a federal statutory tax rate of 35%, of \$251,000, \$329,000, and \$234,000 for the three months ended December 31, 2009, September 30, 2009, and December 31, 2008, respectively.

Bank of Hawaii Corporation and Subsidiaries
Average Balances and Interest Rates - Taxable Equivalent Basis

Table 6b

| (dollars in millions) | Year Ended December 31, 2009 | | | Year Ended December 31, 2008 | | |
|---|---------------------------------|--------------------|----------------|---------------------------------|--------------------|----------------|
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Earning Assets | | | | | | |
| Interest-Bearing Deposits | \$ 5.8 | \$ — | 0.34% | \$ 20.1 | \$ 0.4 | 2.27% |
| Funds Sold | 690.9 | 1.8 | 0.26 | 78.6 | 1.6 | 2.04 |
| Investment Securities | | | | | | |
| Trading | 12.0 | 0.6 | 4.94 | 94.1 | 4.7 | 4.99 |
| Available-for-Sale | 3,938.2 | 159.4 | 4.05 | 2,604.4 | 140.0 | 5.38 |
| Held-to-Maturity | 211.2 | 9.1 | 4.33 | 263.7 | 11.9 | 4.50 |
| Loans Held for Sale | 21.7 | 0.8 | 3.85 | 8.8 | 0.5 | 5.72 |
| Loans and Leases (1) | | | | | | |
| Commercial and Industrial | 929.4 | 37.6 | 4.05 | 1,061.7 | 58.4 | 5.50 |
| Commercial Mortgage | 769.1 | 39.9 | 5.19 | 683.1 | 41.9 | 6.14 |
| Construction | 142.9 | 5.7 | 3.97 | 173.4 | 10.3 | 5.93 |
| Commercial Lease Financing | 453.7 | 13.8 | 3.04 | 471.8 | 13.2 | 2.80 |
| Residential Mortgage | 2,322.6 | 136.1 | 5.86 | 2,484.9 | 150.9 | 6.07 |
| Home Equity | 982.3 | 49.9 | 5.08 | 997.9 | 58.9 | 5.90 |
| Automobile | 319.3 | 25.3 | 7.91 | 411.8 | 33.4 | 8.11 |
| Other (2) | 225.7 | 17.8 | 7.87 | 257.6 | 23.2 | 9.01 |
| Total Loans and Leases | 6,145.0 | 326.1 | 5.31 | 6,542.2 | 390.2 | 5.96 |
| Other | 79.7 | 1.1 | 1.39 | 79.6 | 1.7 | 2.11 |
| Total Earning Assets (3) | 11,104.5 | 498.9 | 4.49 | 9,691.5 | 551.0 | 5.69 |
| Cash and Noninterest-Bearing Deposits | 214.8 | | | 273.3 | | |
| Other Assets | 464.1 | | | 483.4 | | |
| Total Assets | \$ 11,783.4 | | | \$ 10,448.2 | | |
| Interest-Bearing Liabilities | | | | | | |
| Interest-Bearing Deposits | | | | | | |
| Demand | \$ 1,747.7 | 1.1 | 0.06 | \$ 1,663.7 | 5.5 | 0.33 |
| Savings | 4,046.7 | 28.1 | 0.69 | 2,808.7 | 28.6 | 1.02 |
| Time | 1,320.1 | 24.9 | 1.88 | 1,637.2 | 48.3 | 2.95 |
| Total Interest-Bearing Deposits | 7,114.5 | 54.1 | 0.76 | 6,109.6 | 82.4 | 1.35 |
| Short-Term Borrowings | 20.3 | — | 0.11 | 106.2 | 1.7 | 1.65 |
| Securities Sold Under Agreements to | | | | | | |
| Repurchase | 1,257.0 | 25.9 | 2.06 | 1,083.3 | 33.8 | 3.12 |
| Long-Term Debt | 100.4 | 5.4 | 5.43 | 218.2 | 13.4 | 6.15 |
| Total Interest-Bearing Liabilities | 8,492.2 | 85.4 | 1.01 | 7,517.3 | 131.3 | 1.75 |
| Net Interest Income | | \$ 413.5 | | | \$ 419.7 | |
| Interest Rate Spread | | | 3.48% | | | 3.94% |
| Net Interest Margin | | | 3.72% | | | 4.33% |
| Noninterest-Bearing Demand Deposits | 1,993.9 | | | 1,741.8 | | |
| Other Liabilities | 420.1 | | | 406.0 | | |
| Shareholders' Equity | 877.2 | | | 783.1 | | |
| Total Liabilities and Shareholders' Equity | \$ 11,783.4 | | | \$ 10,448.2 | | |

- (1) Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.
- (2) Comprised of other consumer revolving credit, installment, and consumer lease financing.
- (3) Interest income includes taxable equivalent basis adjustments, based upon a federal statutory tax rate of 35%, of \$1,137,000 and \$945,000 for the year ended December 31, 2009 and 2008, respectively.

Bank of Hawaii Corporation and Subsidiaries
 Analysis of Change in Net Interest Income - Taxable Equivalent Basis

Table 7a

| (dollars in millions) | Three Months Ended December 31, 2009 Compared to September 30, 2009 | | |
|--|--|-----------------|-----------------|
| | Volume (1) | Rate (1) | Total |
| Change in Interest Income: | | | |
| Investment Securities | | | |
| Available-for-Sale | \$ 4.4 | \$ (9.5) | \$ (5.1) |
| Held-to-Maturity | (0.2) | — | (0.2) |
| Loans Held for Sale | (0.1) | 0.1 | — |
| Loans and Leases | | | |
| Commercial and Industrial | (0.6) | (0.1) | (0.7) |
| Commercial Mortgage | 0.1 | (0.1) | — |
| Construction | (0.1) | — | (0.1) |
| Commercial Lease Financing | (0.2) | 0.8 | 0.6 |
| Residential Mortgage | (0.7) | (0.2) | (0.9) |
| Home Equity | (0.3) | (0.1) | (0.4) |
| Automobile | (0.3) | — | (0.3) |
| Other (2) | (0.1) | (0.1) | (0.2) |
| Total Loans and Leases | (2.2) | 0.2 | (2.0) |
| Total Change in Interest Income | 1.9 | (9.2) | (7.3) |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Savings | 0.4 | (1.5) | (1.1) |
| Time | (0.3) | (0.5) | (0.8) |
| Total Interest-Bearing Deposits | 0.1 | (2.0) | (1.9) |
| Securities Sold Under Agreements to Repurchase | (0.1) | 0.1 | — |
| Total Change in Interest Expense | — | (1.9) | (1.9) |
| Change in Net Interest Income | \$ 1.9 | \$ (7.3) | \$ (5.4) |

- (1) The changes for each category of interest income and expense are allocated between the portion of changes attributable to the variance in volume and rate for that category.
- (2) Comprised of other consumer revolving credit, installment, and consumer lease financing.

Bank of Hawaii Corporation and Subsidiaries
Analysis of Change in Net Interest Income - Taxable Equivalent Basis

Table 7b

| (dollars in millions) | Three Months Ended December 31, 2009 Compared to December 31, 2008 | | |
|--|---|------------------|-----------------|
| | Volume (1) | Rate (1) | Total |
| Change in Interest Income: | | | |
| Funds Sold | \$ 0.3 | \$ — | \$ 0.3 |
| Investment Securities | | | |
| Trading | (0.6) | (0.6) | (1.2) |
| Available-for-Sale | 23.9 | (16.9) | 7.0 |
| Held-to-Maturity | (0.6) | (0.1) | (0.7) |
| Loans Held for Sale | 0.1 | — | 0.1 |
| Loans and Leases | | | |
| Commercial and Industrial | (2.8) | (2.6) | (5.4) |
| Commercial Mortgage | 1.0 | (1.6) | (0.6) |
| Construction | (0.3) | (0.5) | (0.8) |
| Commercial Lease Financing | (0.3) | (1.0) | (1.3) |
| Residential Mortgage | (3.6) | (1.5) | (5.1) |
| Home Equity | (1.0) | (1.0) | (2.0) |
| Automobile | (1.8) | (0.1) | (1.9) |
| Other (2) | (0.8) | (0.3) | (1.1) |
| Total Loans and Leases | (9.6) | (8.6) | (18.2) |
| Total Change in Interest Income | 13.5 | (26.2) | (12.7) |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Demand | (0.1) | (0.4) | (0.5) |
| Savings | 2.7 | (3.6) | (0.9) |
| Time | (1.9) | (3.3) | (5.2) |
| Total Interest-Bearing Deposits | 0.7 | (7.3) | (6.6) |
| Short-Term Borrowings | (0.2) | (0.1) | (0.3) |
| Securities Sold Under Agreements to Repurchase | 2.6 | (4.2) | (1.6) |
| Long-Term Debt | (1.5) | (0.4) | (1.9) |
| Total Change in Interest Expense | 1.6 | (12.0) | (10.4) |
| Change in Net Interest Income | \$ 11.9 | \$ (14.2) | \$ (2.3) |

- (1) The changes for each category of interest income and expense are allocated between the portion of changes attributable to the variance in volume and rate for that category.
- (2) Comprised of other consumer revolving credit, installment, and consumer lease financing.

Bank of Hawaii Corporation and Subsidiaries
Analysis of Change in Net Interest Income - Taxable Equivalent Basis

Table 7c

| (dollars in millions) | Year Ended December 31, 2009 Compared to December 31, 2008 | | |
|--|---|------------------|-----------------|
| | Volume (1) | Rate (1) | Total |
| Change in Interest Income: | | | |
| Interest-Bearing Deposits | \$ (0.2) | \$ (0.2) | \$ (0.4) |
| Funds Sold | 2.7 | (2.5) | 0.2 |
| Investment Securities | | | |
| Trading | (4.1) | — | (4.1) |
| Available-for-Sale | 59.9 | (40.5) | 19.4 |
| Held-to-Maturity | (2.3) | (0.5) | (2.8) |
| Loans Held for Sale | 0.5 | (0.2) | 0.3 |
| Loans and Leases | | | |
| Commercial and Industrial | (6.7) | (14.1) | (20.8) |
| Commercial Mortgage | 4.9 | (6.9) | (2.0) |
| Construction | (1.6) | (3.0) | (4.6) |
| Commercial Lease Financing | (0.5) | 1.1 | 0.6 |
| Residential Mortgage | (9.7) | (5.1) | (14.8) |
| Home Equity | (0.9) | (8.1) | (9.0) |
| Automobile | (7.3) | (0.8) | (8.1) |
| Other (2) | (2.7) | (2.7) | (5.4) |
| Total Loans and Leases | (24.5) | (39.6) | (64.1) |
| Other | — | (0.6) | (0.6) |
| Total Change in Interest Income | 32.0 | (84.1) | (52.1) |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Demand | 0.3 | (4.7) | (4.4) |
| Savings | 10.4 | (10.9) | (0.5) |
| Time | (8.2) | (15.2) | (23.4) |
| Total Interest-Bearing Deposits | 2.5 | (30.8) | (28.3) |
| Short-Term Borrowings | (0.8) | (0.9) | (1.7) |
| Securities Sold Under Agreements to Repurchase | 4.9 | (12.8) | (7.9) |
| Long-Term Debt | (6.6) | (1.4) | (8.0) |
| Total Change in Interest Expense | — | (45.9) | (45.9) |
| Change in Net Interest Income | \$ 32.0 | \$ (38.2) | \$ (6.2) |

- (1) The changes for each category of interest income and expense are allocated between the portion of changes attributable to the variance in volume and rate for that category.
- (2) Comprised of other consumer revolving credit, installment, and consumer lease financing.

Bank of Hawaii Corporation and Subsidiaries
Salaries and Benefits

Table 8

| (dollars in thousands) | Three Months Ended | | | Year Ended | |
|--|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2009 | September 30, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| Salaries | \$ 29,323 | \$ 29,988 | \$ 31,328 | \$ 119,888 | \$ 120,440 |
| Incentive Compensation | 5,465 | 5,524 | 3,011 | 17,688 | 19,369 |
| Share-Based Compensation and Cash Grants for the | | | | | |
| Purchase of Company Stock | 5,789 | 595 | 1,097 | 7,775 | 9,689 |
| Commission Expense | 1,543 | 1,523 | 1,423 | 7,071 | 6,941 |
| Retirement and Other Benefits | 4,040 | 3,962 | 2,838 | 16,425 | 14,660 |
| Payroll Taxes | 1,952 | 2,176 | 2,108 | 9,972 | 10,175 |
| Medical, Dental, and Life Insurance | 2,482 | 2,619 | 1,589 | 9,001 | 9,010 |
| Separation Expense | 379 | — | 343 | 748 | 1,674 |
| Total Salaries and Benefits | \$ 50,973 | \$ 46,387 | \$ 43,737 | \$ 188,568 | \$ 191,958 |

Bank of Hawaii Corporation and Subsidiaries
Loan and Lease Portfolio Balances

Table 9

| (dollars in thousands) | December 31, 2009 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 |
|-------------------------------|----------------------|-----------------------|---------------------|---------------------|----------------------|
| Commercial | | | | | |
| Commercial and Industrial | \$ 795,167 | \$ 845,056 | \$ 932,444 | \$ 1,000,640 | \$ 1,053,781 |
| Commercial Mortgage | 841,431 | 777,498 | 788,226 | 726,193 | 740,779 |
| Construction | 108,395 | 137,414 | 140,455 | 153,754 | 153,952 |
| Lease Financing | 412,933 | 458,696 | 468,030 | 454,822 | 468,140 |
| Total Commercial | 2,157,926 | 2,218,664 | 2,329,155 | 2,335,409 | 2,416,652 |
| Consumer | | | | | |
| Residential Mortgage | 2,190,677 | 2,246,729 | 2,309,971 | 2,402,061 | 2,461,824 |
| Home Equity | 921,571 | 952,076 | 977,632 | 1,016,381 | 1,033,221 |
| Automobile | 283,937 | 299,657 | 309,877 | 343,642 | 369,789 |
| Other (1) | 205,674 | 214,232 | 223,276 | 241,233 | 248,747 |
| Total Consumer | 3,601,859 | 3,712,694 | 3,820,756 | 4,003,317 | 4,113,581 |
| Total Loans and Leases | \$ 5,759,785 | \$ 5,931,358 | \$ 6,149,911 | \$ 6,338,726 | \$ 6,530,233 |

Higher Risk Loans Outstanding

| (dollars in thousands) | December 31, 2009 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 |
|-------------------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| Residential Home Building (2) | \$ 31,067 | \$ 38,592 | \$ 22,850 | \$ 8,536 | \$ 5,001 |
| Residential Land Loans (3) | 37,873 | 43,128 | 47,871 | 50,663 | 54,483 |
| Home Equity Loans (4) | 28,076 | 24,339 | 21,832 | 19,431 | 14,917 |
| Air Transportation (5) | 50,426 | 60,996 | 62,148 | 76,303 | 79,692 |

- (1) Comprised of other revolving credit, installment, and lease financing.
- (2) Residential home building loans are collateralized by residential developments and comprised 51% of total commercial construction as of December 31, 2009. Higher risk exposures represent 54% of total residential home building and include \$9,219 outside of Oahu and \$6,285 in non-accrual loans, inclusive of \$3,005 in non-accrual loans held for sale, as of December 31, 2009.
- (3) Included in residential mortgage, residential land loans are collateralized by land in the state of Hawaii and includes \$32,454 outside of Oahu as of December 31, 2009.
- (4) Included in home equity, home equity loans in the state of Hawaii with current FICO scores less than 600 and original LTV above 70%, all originated after 2004.
- (5) Equity in seven leases, five of which are leveraged, all to passenger carriers, one of which is based outside the United States as of December 31, 2009.

Deposits

| (dollars in thousands) | December 31, 2009 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 |
|------------------------|----------------------|-----------------------|---------------------|---------------------|----------------------|
| Consumer | \$ 4,926,567 | \$ 4,776,626 | \$ 4,747,612 | \$ 4,702,494 | \$ 4,593,248 |
| Commercial | 4,114,583 | 4,002,068 | 3,828,521 | 3,645,842 | 3,221,668 |
| Public and Other | 368,526 | 471,406 | 443,528 | 864,455 | 477,182 |
| Total Deposits | \$ 9,409,676 | \$ 9,250,100 | \$ 9,019,661 | \$ 9,212,791 | \$ 8,292,098 |

Bank of Hawaii Corporation and Subsidiaries
Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More

Table 10

| (dollars in thousands) | December 31, 2009 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 |
|--|----------------------|-----------------------|---------------------|---------------------|----------------------|
| Non-Performing Assets (1) | | | | | |
| Non-Accrual Loans and Leases | | | | | |
| Commercial | | | | | |
| Commercial and Industrial | \$ 6,646 | \$ 9,924 | \$ 10,511 | \$ 21,839 | \$ 3,869 |
| Commercial Mortgage | 1,167 | 1,193 | 1,219 | — | — |
| Construction | 8,154 | 15,534 | 6,548 | 5,001 | 5,001 |
| Lease Financing | 631 | 690 | 956 | 910 | 133 |
| Total Commercial | 16,598 | 27,341 | 19,234 | 27,750 | 9,003 |
| Consumer | | | | | |
| Residential Mortgage | 19,893 | 16,718 | 16,265 | 9,230 | 3,904 |
| Home Equity | 5,153 | 3,726 | 2,567 | 1,620 | 1,614 |
| Other (2) | 550 | 550 | 550 | 1,383 | — |
| Total Consumer | 25,596 | 20,994 | 19,382 | 12,233 | 5,518 |
| Total Non-Accrual Loans and Leases | 42,194 | 48,335 | 38,616 | 39,983 | 14,521 |
| Non-Accrual Loans Held for Sale | 3,005 | — | — | — | — |
| Foreclosed Real Estate | 3,132 | 201 | 438 | 346 | 428 |
| Total Non-Performing Assets | \$ 48,331 | \$ 48,536 | \$ 39,054 | \$ 40,329 | \$ 14,949 |
| Accruing Loans and Leases Past Due 90 Days or More | | | | | |
| Commercial | | | | | |
| Commercial and Industrial | \$ 623 | \$ 137 | \$ 13 | \$ — | \$ 6,785 |
| Construction | — | 3,005 | — | — | — |
| Lease Financing | 120 | — | — | 257 | 268 |
| Total Commercial | 743 | 3,142 | 13 | 257 | 7,053 |
| Consumer | | | | | |
| Residential Mortgage | 8,979 | 5,951 | 4,657 | 4,794 | 4,192 |
| Home Equity | 2,210 | 1,698 | 2,879 | 1,720 | 1,077 |
| Automobile | 875 | 749 | 769 | 776 | 743 |
| Other (2) | 886 | 739 | 1,270 | 1,100 | 1,134 |
| Total Consumer | 12,950 | 9,137 | 9,575 | 8,390 | 7,146 |
| Total Accruing Loans and Leases Past Due 90 Days or More | \$ 13,693 | \$ 12,279 | \$ 9,588 | \$ 8,647 | \$ 14,199 |
| Restructured Loans Not Included in Non-Accrual Loans and Accruing Loans Past Due 90 Days or More | | | | | |
| | \$ 7,274 | \$ 7,578 | \$ 2,307 | \$ — | \$ — |
| Total Loans and Leases | \$ 5,759,785 | \$ 5,931,358 | \$ 6,149,911 | \$ 6,338,726 | \$ 6,530,233 |
| Ratio of Non-Accrual Loans and Leases to Total Loans and Leases | | | | | |
| | 0.73% | 0.81% | 0.63% | 0.63% | 0.22% |
| Ratio of Non-Performing Assets to Total Loans and Leases, Loans Held for Sale, and Foreclosed Real Estate | | | | | |
| | 0.84% | 0.82% | 0.63% | 0.63% | 0.23% |
| Ratio of Commercial Non-Performing Assets to Total Commercial Loans and Leases, Commercial Loans Held for Sale, and Commercial Foreclosed Real Estate | | | | | |
| | 1.03% | 1.23% | 0.82% | 1.19% | 0.37% |
| Ratio of Consumer Non-Performing Assets to Total Consumer Loans and Leases and Consumer Foreclosed Real Estate | | | | | |
| | 0.72% | 0.57% | 0.52% | 0.31% | 0.14% |
| Ratio of Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More to Total Loans and Leases, Loans Held for Sale, and Foreclosed Real Estate | | | | | |
| | 1.07% | 1.02% | 0.79% | 0.77% | 0.44% |
| Quarter to Quarter Changes in Non-Performing Assets (1) | | | | | |
| Balance at Beginning of Quarter | \$ 48,536 | \$ 39,054 | \$ 40,329 | \$ 14,949 | \$ 5,927 |
| Additions | 14,874 | 22,856 | 22,459 | 29,164 | 15,464 |
| Reductions | | | | | |
| Payments | (4,128) | (6,899) | (15,593) | (874) | (2,440) |
| Return to Accrual Status | (1,818) | (3,373) | (230) | (768) | (1,468) |
| Sales of Foreclosed Real Estate | (38) | (237) | — | (82) | — |

| | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Charge-offs/Write-downs | <u>(9,095)</u> | <u>(2,865)</u> | <u>(7,911)</u> | <u>(2,060)</u> | <u>(2,534)</u> |
| Total Reductions | <u>(15,079)</u> | <u>(13,374)</u> | <u>(23,734)</u> | <u>(3,784)</u> | <u>(6,442)</u> |
| Balance at End of Quarter | <u>\$ 48,331</u> | <u>\$ 48,536</u> | <u>\$ 39,054</u> | <u>\$ 40,329</u> | <u>\$ 14,949</u> |

-
- (1) Excluded from non-accrual loans held for sale are contractually binding non-accrual loans held for sale of \$4.2 million, \$7.7 million, and \$5.2 million as of December 31, 2009, September 30, 2009, and June 30, 2009, respectively.
- (2) Comprised of other revolving credit, installment, and lease financing.
-

Bank of Hawaii Corporation and Subsidiaries
Reserve for Credit Losses

Table 11

| (dollars in thousands) | Three Months Ended | | | Year Ended | |
|--|----------------------|-----------------------|----------------------|----------------------|---------------------|
| | December 31, 2009 | September 30, 2009 | December 31, 2008 | December 31, 2009 | 2008 |
| Balance at Beginning of Period | \$ 148,077 | \$ 142,835 | \$ 120,667 | \$ 128,667 | \$ 96,167 |
| Loans and Leases Charged-Off | | | | | |
| Commercial | | | | | |
| Commercial and Industrial | (3,148) | (4,769) | (3,490) | (26,641) | (8,059) |
| Commercial Mortgage | — | (2,092) | — | (2,092) | — |
| Construction | (4,515) | (5,845) | (1,932) | (10,360) | (1,932) |
| Lease Financing | (9,409) | (120) | — | (14,022) | (304) |
| Consumer | | | | | |
| Residential Mortgage | (2,697) | (2,430) | (192) | (7,768) | (723) |
| Home Equity | (3,489) | (3,614) | (732) | (12,722) | (2,530) |
| Automobile | (2,209) | (2,602) | (3,277) | (9,903) | (11,236) |
| Other (1) | (2,981) | (3,032) | (2,363) | (13,233) | (10,564) |
| Total Loans and Leases Charged-Off | (28,448) | (24,504) | (11,986) | (96,741) | (35,348) |
| Recoveries on Loans and Leases Previously Charged-Off | | | | | |
| Commercial | | | | | |
| Commercial and Industrial | 189 | 252 | 227 | 1,211 | 1,634 |
| Commercial Mortgage | 45 | — | — | 45 | — |
| Construction | 476 | — | — | 476 | — |
| Lease Financing | 50 | 49 | 3 | 131 | 10 |
| Consumer | | | | | |
| Residential Mortgage | 340 | 448 | 13 | 1,059 | 175 |
| Home Equity | 125 | 67 | 25 | 364 | 108 |
| Automobile | 842 | 849 | 622 | 3,153 | 2,817 |
| Other (1) | 580 | 581 | 538 | 2,584 | 2,589 |
| Total Recoveries on Loans and Leases Previously Charged-Off | 2,647 | 2,246 | 1,428 | 9,023 | 7,333 |
| Net Loans and Leases Charged-Off | (25,801) | (22,258) | (10,558) | (87,718) | (28,015) |
| Provision for Credit Losses | 26,801 | 27,500 | 18,558 | 107,878 | 60,515 |
| Provision for Unfunded Commitments | — | — | — | 250 | — |
| Balance at End of Period (2) | \$ 149,077 | \$ 148,077 | \$ 128,667 | \$ 149,077 | \$ 128,667 |
| Components | | | | | |
| Allowance for Loan and Lease Losses | \$ 143,658 | \$ 142,658 | \$ 123,498 | \$ 143,658 | \$ 123,498 |
| Reserve for Unfunded Commitments | 5,419 | 5,419 | 5,169 | 5,419 | 5,169 |
| Total Reserve for Credit Losses | \$ 149,077 | \$ 148,077 | \$ 128,667 | \$ 149,077 | \$ 128,667 |
| Average Loans and Leases Outstanding | \$ 5,847,820 | \$ 6,034,956 | \$ 6,537,134 | \$ 6,144,976 | \$ 6,542,178 |
| Ratio of Net Loans and Leases Charged-Off to Average Loans and Leases Outstanding (annualized) | 1.75% | 1.46% | 0.64% | 1.43% | 0.43% |
| Ratio of Allowance for Loan and Lease Losses to Loans and Leases Outstanding | 2.49% | 2.41% | 1.89% | 2.49% | 1.89% |

(1) Comprised of other revolving credit, installment, and lease financing.

(2) Included in this analysis is activity related to the Company's reserve for unfunded commitments, which is separately recorded in other liabilities in the Consolidated Statements of Condition.

Bank of Hawaii Corporation and Subsidiaries
Business Segments Selected Financial Information

Table 12a

| (dollars in thousands) | Retail Banking | Commercial Banking | Investment Services | Treasury and Other | Consolidated Total |
|---|---------------------|-----------------------|------------------------|-----------------------|-----------------------|
| Three Months Ended December 31, 2009 | | | | | |
| Net Interest Income | \$ 51,510 | \$ 39,480 | \$ 4,349 | \$ 8,195 | \$ 103,534 |
| Provision for Credit Losses | 11,886 | 14,439 | 489 | (13) | 26,801 |
| Net Interest Income After Provision for Credit Losses | 39,624 | 25,041 | 3,860 | 8,208 | 76,733 |
| Noninterest Income | 25,103 | 12,249 | 14,646 | 28,813 | 80,811 |
| Noninterest Expense | (44,590) | (24,943) | (16,775) | (2,212) | (88,520) |
| Income Before Income Taxes | 20,137 | 12,347 | 1,731 | 34,809 | 69,024 |
| Provision for Income Taxes | (7,483) | (3,770) | (640) | (16,615) | (28,508) |
| Net Income | 12,654 | 8,577 | 1,091 | 18,194 | 40,516 |
| Total Assets as of December 31, 2009 | \$ 3,340,804 | \$ 2,465,128 | \$ 212,145 | \$ 6,396,750 | \$ 12,414,827 |
| Three Months Ended December 31, 2008 (1) | | | | | |
| Net Interest Income | \$ 59,409 | \$ 36,903 | \$ 3,912 | \$ 5,630 | \$ 105,854 |
| Provision for Credit Losses | 5,933 | 12,625 | — | — | 18,558 |
| Net Interest Income After Provision for Credit Losses | 53,476 | 24,278 | 3,912 | 5,630 | 87,296 |
| Noninterest Income | 25,707 | 14,112 | 14,713 | (69) | 54,463 |
| Noninterest Expense | (42,182) | (24,226) | (14,891) | (1,391) | (82,690) |
| Income Before Income Taxes | 37,001 | 14,164 | 3,734 | 4,170 | 59,069 |
| Provision for Income Taxes | (13,696) | (4,955) | (1,382) | 271 | (19,762) |
| Net Income | 23,305 | 9,209 | 2,352 | 4,441 | 39,307 |
| Total Assets as of December 31, 2008 (1) | \$ 3,994,532 | \$ 2,729,738 | \$ 278,748 | \$ 3,760,457 | \$ 10,763,475 |

(1) Certain prior period information has been reclassified to conform to current presentation.

Bank of Hawaii Corporation and Subsidiaries
Business Segments Selected Financial Information

Table 12b

| (dollars in thousands) | Retail Banking | Commercial Banking | Investment Services | Treasury and Other | Consolidated Total |
|---|---------------------|-----------------------|------------------------|-----------------------|-----------------------|
| Year Ended December 31, 2009 | | | | | |
| Net Interest Income | \$ 218,681 | \$ 158,259 | \$ 16,942 | \$ 18,452 | \$ 412,334 |
| Provision for Credit Losses | 56,807 | 49,308 | 2,073 | (310) | 107,878 |
| Net Interest Income After Provision for Credit Losses | 161,874 | 108,951 | 14,869 | 18,762 | 304,456 |
| Noninterest Income | 103,864 | 67,282 | 57,732 | 38,930 | 267,808 |
| Noninterest Expense | (174,755) | (103,396) | (64,085) | (7,788) | (350,024) |
| Income Before Income Taxes | 90,983 | 72,837 | 8,516 | 49,904 | 222,240 |
| Provision for Income Taxes | (34,096) | (25,734) | (3,151) | (15,226) | (78,207) |
| Net Income | 56,887 | 47,103 | 5,365 | 34,678 | 144,033 |
| Total Assets as of December 31, 2009 | \$ 3,340,804 | \$ 2,465,128 | \$ 212,145 | \$ 6,396,750 | \$ 12,414,827 |
| Year Ended December 31, 2008 (1) | | | | | |
| Net Interest Income | \$ 245,768 | \$ 149,472 | \$ 15,643 | \$ 7,894 | \$ 418,777 |
| Provision for Credit Losses | 27,347 | 32,915 | 1,088 | (835) | 60,515 |
| Net Interest Income After Provision for Credit Losses | 218,421 | 116,557 | 14,555 | 8,729 | 358,262 |
| Noninterest Income | 98,795 | 66,524 | 69,452 | 23,342 | 258,113 |
| Noninterest Expense | (169,917) | (99,537) | (64,917) | (12,403) | (346,774) |
| Income Before Income Taxes | 147,299 | 83,544 | 19,090 | 19,668 | 269,601 |
| Provision for Income Taxes | (54,545) | (32,088) | (7,063) | 16,308 | (77,388) |
| Net Income | 92,754 | 51,456 | 12,027 | 35,976 | 192,213 |
| Total Assets as of December 31, 2008 (1) | \$ 3,994,532 | \$ 2,729,738 | \$ 278,748 | \$ 3,760,457 | \$ 10,763,475 |

(1) Certain prior period information has been reclassified to conform to current presentation.

| (dollars in thousands, except per share amounts) | Three Months Ended | | | | |
|--|----------------------|-----------------------|------------------|-------------------|--------------------------|
| | December 31, 2009 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 (1) |
| Quarterly Operating Results | | | | | |
| Interest Income | | | | | |
| Interest and Fees on Loans and Leases | \$ 77,457 | \$ 79,530 | \$ 83,342 | \$ 86,592 | \$ 95,598 |
| Income on Investment Securities | | | | | |
| Trading | — | — | — | 594 | 1,152 |
| Available-for-Sale | 41,369 | 46,419 | 38,155 | 32,301 | 34,352 |
| Held-to-Maturity | 2,018 | 2,179 | 2,369 | 2,567 | 2,735 |
| Deposits | 2 | 3 | 5 | 10 | 25 |
| Funds Sold | 353 | 320 | 526 | 577 | 48 |
| Other | 277 | 277 | 276 | 276 | 276 |
| Total Interest Income | 121,476 | 128,728 | 124,673 | 122,917 | 134,186 |
| Interest Expense | | | | | |
| Deposits | 10,317 | 12,235 | 14,481 | 17,025 | 16,960 |
| Securities Sold Under Agreements to Repurchase | 6,411 | 6,394 | 6,477 | 6,652 | 7,984 |
| Funds Purchased | 7 | 5 | 5 | 5 | 175 |
| Short-Term Borrowings | — | — | — | — | 103 |
| Long-Term Debt | 1,207 | 1,207 | 859 | 2,173 | 3,110 |
| Total Interest Expense | 17,942 | 19,841 | 21,822 | 25,855 | 28,332 |
| Net Interest Income | 103,534 | 108,887 | 102,851 | 97,062 | 105,854 |
| Provision for Credit Losses | 26,801 | 27,500 | 28,690 | 24,887 | 18,558 |
| Net Interest Income After Provision for Credit Losses | 76,733 | 81,387 | 74,161 | 72,175 | 87,296 |
| Noninterest Income | | | | | |
| Trust and Asset Management | 11,746 | 10,915 | 11,881 | 11,632 | 12,275 |
| Mortgage Banking | 4,218 | 4,656 | 5,443 | 8,678 | 508 |
| Service Charges on Deposit Accounts | 14,160 | 14,014 | 12,910 | 13,386 | 13,306 |
| Fees, Exchange, and Other Service Charges | 14,935 | 14,801 | 15,410 | 14,976 | 14,897 |
| Investment Securities Gains (Losses), Net | 25,707 | (5) | 12 | 56 | 86 |
| Insurance | 2,326 | 7,304 | 4,744 | 5,641 | 5,953 |
| Other | 7,719 | 5,115 | 9,432 | 15,996 | 7,438 |
| Total Noninterest Income | 80,811 | 56,800 | 59,832 | 70,365 | 54,463 |
| Noninterest Expense | | | | | |
| Salaries and Benefits | 50,973 | 46,387 | 44,180 | 47,028 | 43,737 |
| Net Occupancy | 10,367 | 10,350 | 10,008 | 10,328 | 11,548 |
| Net Equipment | 4,393 | 4,502 | 4,502 | 4,316 | 4,573 |
| Professional Fees | 3,243 | 2,642 | 4,005 | 2,549 | 3,040 |
| FDIC Insurance | 3,251 | 3,290 | 8,987 | 1,814 | 693 |
| Other | 16,293 | 16,816 | 17,902 | 21,898 | 19,099 |
| Total Noninterest Expense | 88,520 | 83,987 | 89,584 | 87,933 | 82,690 |
| Income Before Provision for Income Taxes | 69,024 | 54,200 | 44,409 | 54,607 | 59,069 |
| Provision for Income Taxes | 28,508 | 17,729 | 13,403 | 18,567 | 19,762 |
| Net Income | \$ 40,516 | \$ 36,471 | \$ 31,006 | \$ 36,040 | \$ 39,307 |
| Basic Earnings Per Share | \$ 0.85 | \$ 0.76 | \$ 0.65 | \$ 0.76 | \$ 0.83 |
| Diluted Earnings Per Share | \$ 0.84 | \$ 0.76 | \$ 0.65 | \$ 0.75 | \$ 0.82 |
| Balance Sheet Totals | | | | | |
| Loans and Leases | \$ 5,759,785 | \$ 5,931,358 | \$ 6,149,911 | \$ 6,338,726 | \$ 6,530,233 |
| Total Assets | 12,414,827 | 12,208,025 | 12,194,695 | 11,448,128 | 10,763,475 |
| Total Deposits | 9,409,676 | 9,250,100 | 9,019,661 | 9,212,791 | 8,292,098 |
| Total Shareholders' Equity | 895,973 | 902,799 | 845,885 | 833,935 | 790,704 |
| Performance Ratios | | | | | |
| Return on Average Assets | 1.31% | 1.21% | 1.06% | 1.32% | 1.52% |
| Return on Average Shareholders' Equity | 16.91 | 16.44 | 14.49 | 17.86 | 19.56 |
| Efficiency Ratio (2) | 48.02 | 50.69 | 55.07 | 52.52 | 51.58 |
| Net Interest Margin (3) | 3.57 | 3.85 | 3.73 | 3.76 | 4.43 |

(1) Certain prior period information has been reclassified to conform to current presentation.

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

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

Bank of Hawaii Corporation and Subsidiaries
Hawaii Economic Trends

Table 14

| (in thousands, except jobs) | Eleven Months Ended | | Year Ended | | | |
|---|---|--------------------|---------------------------------------|------------------------|-------------------|------|
| | November 30, 2009 | | December 31, 2008 | | December 31, 2007 | |
| Hawaii Economic Trends | | | | | | |
| State General Fund Revenues (1) | \$ 3,697.1 | (12.5)% | \$ 4,611.2 | (1.5)% | \$ 4,683.1 | 3.6% |
| General Excise and Use Tax Revenue (1) | \$ 2,124.5 | (9.6) | \$ 2,570.5 | (2.0) | \$ 2,623.5 | 6.8 |
| Jobs, seasonally adjusted (2) | 607.5 | (3.4) | 625.4 | (0.7) | 630.1 | 1.0 |
| (annual percentage, except 2009) | December 31, 2009 | September 30, 2009 | June 30, 2009 | December 31, 2008 2007 | | |
| Unemployment (3) | | | | | | |
| Statewide, seasonally adjusted | 6.9% | 7.2% | 7.3% | 4.0% | 2.6% | |
| Oahu | 5.3 | 6.3 | 6.8 | 3.5 | 2.5 | |
| Island of Hawaii | 9.6 | 10.8 | 11.4 | 5.5 | 3.3 | |
| Maui | 8.8 | 9.7 | 10.0 | 4.5 | 2.8 | |
| Kauai | 8.9 | 9.6 | 11.0 | 4.4 | 2.5 | |
| (percentage change, except months of inventory) | December 31, 2009 | September 30, 2009 | December 31, 2008 2007 | | | |
| Housing Trends (Single Family Oahu) (4) | | | | | | |
| Median Home Price | (7.9)% | (8.0)% | (3.0)% | 2.1% | | |
| Home Sales Volume (units) | (5.7) | (16.2) | (24.4) | (10.2) | | |
| Months of Inventory | 4.2 | 5.3 | 8.0 | 6.0 | | |
| (in thousands) | Monthly Visitor Arrivals, Seasonally Adjusted | | Percentage Change from Previous Month | | | |
| Tourism (2) | | | | | | |
| November 30, 2009 | 532.8 | | (0.8)% | | | |
| October 31, 2009 | 537.3 | | (2.2) | | | |
| September 30, 2009 | 549.2 | | 2.8 | | | |
| August 31, 2009 | 534.4 | | 3.2 | | | |
| July 31, 2009 | 517.7 | | 2.5 | | | |
| June 30, 2009 | 504.8 | | (9.0) | | | |
| May 31, 2009 | 554.5 | | (0.1) | | | |
| April 30, 2009 | 555.1 | | 8.9 | | | |
| March 31, 2009 | 509.6 | | (7.2) | | | |
| February 28, 2009 | 549.4 | | 1.7 | | | |
| January 31, 2009 | 540.0 | | 4.4 | | | |
| December 31, 2008 | 517.4 | | (4.1) | | | |

(1) Source: Hawaii Department of Business, Economic Development & Tourism.

(2) Source: University of Hawaii Economic Research Organization.

(3) Source: University of Hawaii Economic Research Organization, State of Hawaii Department of Labor and Industrial Relations.

(4) Source: Honolulu Board of REALTORS.