



*the value of service* SUMMARY ANNUAL REPORT 2005

BANK OF HAWAII  
CORPORATION  
AND SUBSIDIARIES

FINANCIAL SUMMARY

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

FOR THE YEAR ENDED DECEMBER 31	2005	2004
<b>EARNINGS HIGHLIGHTS AND PERFORMANCE RATIOS</b>		
Net Income	\$ 181,561	\$ 173,339
Basic Earnings Per Share	3.50	3.26
Diluted Earnings Per Share	3.41	3.08
Dividends Declared Per Share	1.36	1.23
Net Income to Average Total Assets (ROA)	1.81%	1.78%
Net Income to Average Shareholders' Equity (ROE)	24.83%	22.78%
Net Interest Margin <sup>1</sup>	4.37%	4.32%
Efficiency Ratio <sup>2</sup>	53.15%	56.14%
<b>AS OF DECEMBER 31</b>		
<b>STATEMENT OF CONDITION HIGHLIGHTS AND PERFORMANCE RATIOS</b>		
Total Assets	\$ 10,187,038	\$ 9,766,191
Net Loans	6,077,446	5,880,134
Total Deposits	7,907,468	7,564,667
Total Shareholders' Equity	693,352	814,834
Book Value Per Common Share	\$ 13.52	\$ 14.83
Allowance / Loans and Leases Outstanding	1.48%	1.78%
Employees (FTE)	2,585	2,623
Branches and Offices	85	87
<b>Market Price Per Share of Common Stock for the Year Ended December 31:</b>		
Closing	\$ 51.54	\$ 50.74
High	\$ 54.44	\$ 51.10
Low	\$ 43.82	\$ 40.97
<b>FOR THE QUARTER ENDED DECEMBER 31</b>		
<b>EARNINGS HIGHLIGHTS AND PERFORMANCE RATIOS</b>		
Net Income	\$ 44,781	\$ 46,241
Basic Earnings Per Share	0.88	0.86
Diluted Earnings Per Share	0.86	0.82
Net Income to Average Total Assets (ROA)	1.76%	1.89%
Net Income to Average Shareholders' Equity (ROE)	25.19%	23.63%
Net Interest Margin <sup>1</sup>	4.42%	4.40%
Efficiency Ratio <sup>2</sup>	53.92%	55.37%

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

<sup>2</sup> The efficiency ratio is defined as non-interest expense divided by total revenue (net interest income and non-interest income).

**On the front cover:** Bank of Hawaii employees including Consumer Banking Representative Marie Espiritu (wearing kukui nut lei) and Damien Lorentz (side profile). **Background:** Scott Yoshihara and Waialae-Kahala Branch Manager Margie Mung Lim.

**On the back cover:** (from left): Bank of Hawaii employees Chuang Chan, Darin Shigeta, Shayna Love, Corie Cushnie, Thomas Grofcsik, Steven Kaneko, and Nancy Usui. Photographed at Waialae-Kahala Branch.

## 2004-2005 relative price performance

2004 - 2005



From 2004 - 2005, Bank of Hawaii Corporation's share price out-performed the S&P 500 and S&P Banking Index.

BOH

S&P 500

S&P BANKING INDEX

### OUR VISION:

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



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

Dear Fellow Shareholders,

Bank of Hawaii delivered another solid performance in 2005. And many aspects of our performance were outstanding. We accomplished the major objectives of our 2004-2006 plan. Our revenue increased, although at a slightly slower rate than we would like. We made progress on better integrating our businesses, and we have more opportunity in this area. We strengthened our management team by recognizing three vice chairmen who have taken on greater responsibilities: Peter Ho, Mary Sellers and Dave Thomas. We also added senior officers to our leadership team, including Shelley Thompson, who heads Trust and Private Banking, and broadened the duties of new Executive Vice Presidents Sharon Crofts, Cindy Wyrick and Derek Baughman.

In 2005, our efficiency ratio improved to 53.15% from 56.14%. We continued our solid risk and capital management as we improved our already excellent asset quality. We reached our target capital level of 7% through the repurchase of over 5 million shares of our stock and an increase in our dividend to the current quarterly rate of \$0.37 per share.

Bank of Hawaii's strong performance was due in large part to the excellent management of our business by the officers who set our direction and our fine employees who execute our strategy. We also recognize the contribution of the strong Hawaii economy, which created the environment for our solid performance.

Our governing objective is to maximize shareholder value over time. Our share value, while strong, grew at a slower rate than in the last few years. Bank of Hawaii's stock price was \$51.54 at the end of 2005, up from \$50.74 at the end of 2004. Combined with our dividends, this gave our shareholders a total return of 4.4%. By comparison, bank stocks in aggregate had a return of approximately 1.5%, and the S&P Index offered a return of approximately 3.0%.

Here is how we did on 5 key financial measures:

	AMOUNT	CHANGES FROM 2004
Net Income	\$181.6 million	Up 4.7 percent
EPS	\$3.41	Up 10.7 percent
Efficiency	53.15 percent	Improved from 56.14 percent
ROE	24.83 percent	Improved from 22.78 percent
Operating Leverage	10.5 percent	Down from 14.2 percent

#### OTHER HIGHLIGHTS FOR 2005

- *Bank Director Magazine* named Bank of Hawaii as the top performing bank among the 150 largest publicly owned banks and thrifts in the U.S., based on six performance criteria that measure profitability, balance sheet strength, and asset quality.
- Both Fitch Ratings and Moody's Investors Service upgraded their credit ratings of the bank noting our strategic focus, improved profitability and reduced risk profile.
- The analyst firm Morningstar ranked the nation's top 50 banks from two viewpoints: "Banks to Bank On" (best performing banks for shareholders) and "Banks to Bank With" (lowest-priced banks for customers). Bank of Hawaii was one of only three banks to make both lists.
- Bank of Hawaii was named "Lender of the Year" for the third year in a row by the U.S. Small Business Administration. Our bank made approximately 41% of all SBA loans made by Hawaii banks.
- 2005 marked the successful completion of our eight-year, \$5 million commitment to the 2nd Century Scholars Program dedicated to helping 100 deserving high school students graduate from college. Many of the scholars were the first family members to earn a college diploma. The program was initiated to commemorate the bank's 100th anniversary.
- In a study issued by Corporate Women Directors International, Bank of Hawaii was cited as having the third-highest percentage of women on its board among the 100 largest U.S. banks.

Many of our initiatives at Bank of Hawaii are not subject to independent measurement or public recognition. But in our judgment these activities are critical to our success. A top priority for most of our team is **improving customer service**. We survey customer satisfaction throughout the year, and these satisfaction levels are at all-time highs. Another top priority is **compliance**. We have worked hard to stay ahead of increasing expectations in this area.

An important part of our vision is **community support**. Bank of Hawaii and its employee volunteers put a great deal of effort into a broad range of community activities and achieved record levels of community support.

Bank of Hawaii is committed to **developing our people**. We continue to strengthen our leadership development and employee recognition programs. Two employee groups, in my opinion, deserve special recognition for their sustained efforts to improve our bank's performance. One is management of our investment products, headed by Roger Khlopin and Bob Crowell. The other is our Treasury, headed by Dean Shigemura. These units and their leaders have been key contributors to our success.

## MANAGEMENT

During 2005 we announced some important changes to our Managing Committee. Peter Ho was named Chief Banking Officer and will manage our Commercial Banking segment as well as our Investment Services Group. Alton Kuioka will continue his focus on major customers and community relations. Mary Sellers became our Chief Risk Officer. She succeeds Bill Nelson who retired after playing a key role in strengthening Bank of Hawaii. Dave Thomas was named Chief Operating Officer and will manage our Operations and Technology functions in addition to his role as head of Retail Banking. I anticipate additional organizational changes in 2006 as we further develop our management.

## ECONOMY

Hawaii's economy enjoyed a record-breaking year in many areas, including tourism, real estate, construction, employment and personal income. These records came after

a strong 2004. We are optimistic that the economy will remain very strong in 2006. These positive expectations assume the absence of geopolitical or economic shocks.

### LOOKING FORWARD

In 2006 we plan to accomplish the rest of our 2004-2006 plan. Revenue growth will be an even greater challenge, given the unique interest rate environment and strong competition. We are enthused about our new arrangement that will allow Bank of Hawaii to offer Visa as well as American Express credit cards. Our recent management changes should help us better integrate our business. We plan to improve our efficiency through better application of technology and improved processes. We will enhance our risk management by focusing on reducing operating risk while maintaining our low levels of credit risk. Our share repurchases are expected to slow now that we have reached our 7% target level of capital.

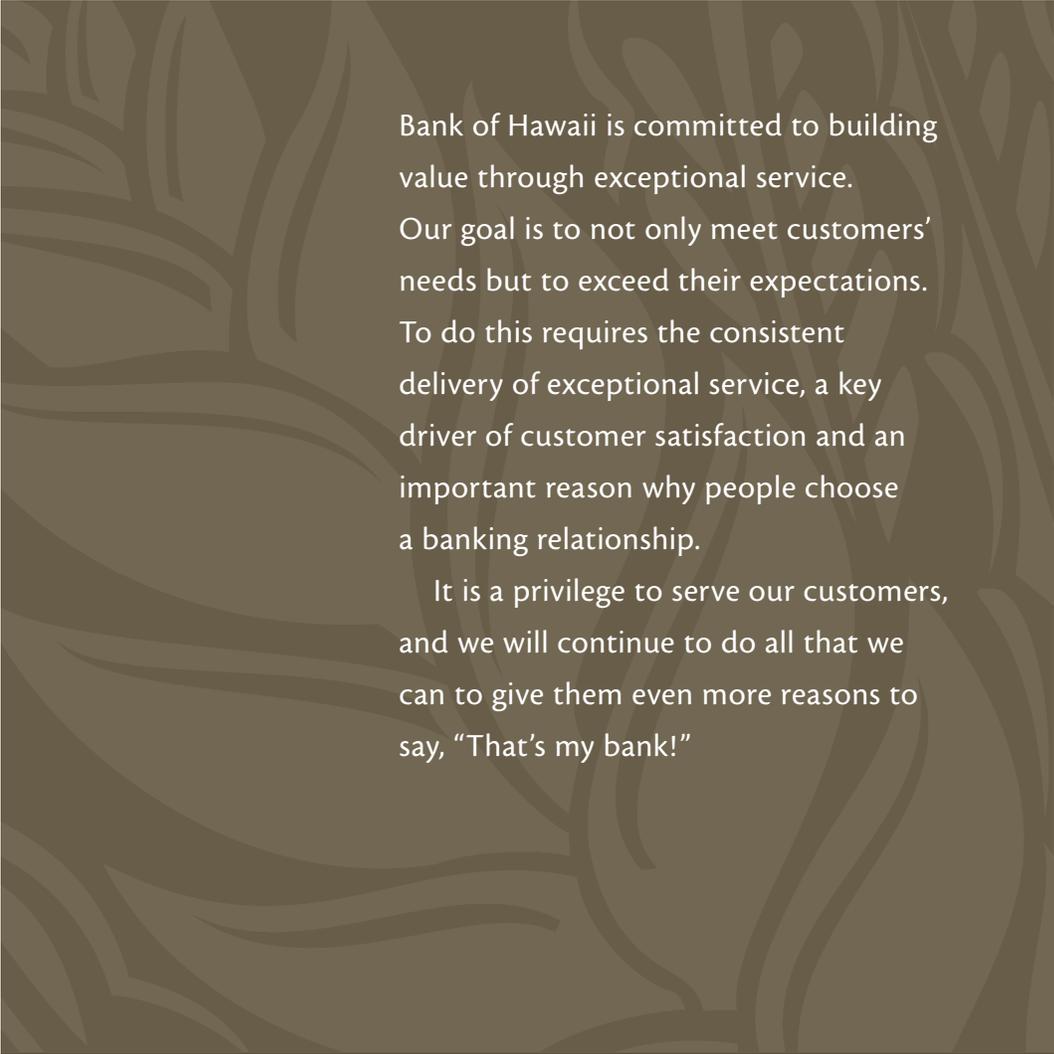
### CONCLUSION

2005 was a year of solid performance for Bank of Hawaii. We appreciate the support of our customers and hard work of our employees. Our board of directors has provided excellent guidance and oversight. All of us at Bank of Hawaii remain focused on maximizing shareholder value by following these simple words – “Perform Well and Repeat Regularly.”

2006 should be another good year for Bank of Hawaii. Thank you for your continued confidence in our bank.



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



Bank of Hawaii is committed to building value through exceptional service.

Our goal is to not only meet customers' needs but to exceed their expectations.

To do this requires the consistent delivery of exceptional service, a key driver of customer satisfaction and an important reason why people choose a banking relationship.

It is a privilege to serve our customers, and we will continue to do all that we can to give them even more reasons to say, "That's my bank!"

## BUILDING A SERVICE CULTURE

At Bank of Hawaii, we continue to reinforce a culture of service excellence in all that we do. In 2005, we launched a new initiative called *Building Value Through Exceptional Service*, which highlights best practices in customer service and defines specific service expectations for employees to help them build value for customers. These service expectations include being:

- Responsive: Following up and following through
- Accountable: Taking ownership
- Positive: Demonstrating a positive attitude
- Proactive: Taking the first step

A series of internal training programs, including our ongoing *Excellence in Sales/Service*, is used to reinforce this service culture. We have also developed a special component for the bank's "new hire" orientation, in which new employees receive an introduction to our core service values.

Teamwork is vital to delivering exceptional service. By applying the concept of "OneBankism" across our business units – Retail Banking, Commercial Banking and Investment Services Group – we work together to meet customers' full range of financial needs.

Customers are noticing our positive progress in service excellence. Our quarterly customer satisfaction surveys tell us that overall satisfaction ratings are at an all-time high. Satisfied customers lead to a

loyal customer base and ultimately lead to increased shareholder value.

## DOING MORE FOR OUR CUSTOMERS

In addition to our emphasis on service, our strong product lineup and the robust Hawaii economy have contributed to growth in many of our business units.

In 2005, our Retail Banking Group saw an increase in home equity and residential mortgage lending. Our home equity loan portfolio grew by 22 percent. In response to customers' needs, our Consumer Lending Division introduced several product enhancements. We launched the Bankoh Express EquityLine, an "express" version of our home equity line of credit. We also added a 15-year amortization feature to our Bankoh Home EquityLine.

Our Mortgage Banking Division hit the \$1 billion mark in funding for retail and wholesale residential loans last year, enabling us to maintain a leadership position in financing direct mortgage loans in the state of Hawaii. The division has achieved consistently high customer satisfaction scores in post-closing surveys of borrowers. Ninety-seven percent of customers say they are likely to refer family and friends. With 11 residential loan centers throughout the state, our clients enjoy easy access to the division's staff of highly experienced loan officers.

Last year, our Dealer Commercial Services Department experienced record growth with a 49 percent increase in dealer inventory financing accounts. Strong auto sales and an increase in customer service satisfaction



Charles and Lynne Toma, (*pictured in background*) owners of Sam Sato's, Inc. in Wailuku, Maui, offer friendly service with their popular noodle dishes and baked manju pastries to longtime friend Donald M. Takaki. Don is a Bank of Hawaii board member and former Paia, Maui native. Once a small business owner himself, he now serves as chairman and CEO of HawkTree International, Inc., a diversified holding company of several Hawaii-based businesses.

Son and co-owner Kirk Toma (*pictured in foreground*) stands in the popular eatery founded by his grandfather in 1933.

*“As a third generation family business, we really appreciate the services of Bank of Hawaii. The bank has been extremely helpful in our company’s expansion. From our move to the Millyard over 10 years ago to the purchase and construction of a commercial building next door two years ago, Bank of Hawaii has been and continues to be very supportive. The staff of the Wailuku and Kahului Branches and the Business Banking section are always friendly and pleasant. Our relationship with them has been superb.”*

Charles Toma  
President, Sam Sato’s, Inc.

were driving forces for a successful season.

Our extensive network of branches in the state of Hawaii, the West Pacific and American Samoa continues to provide customers with convenient access to financial services. Our Hawaii branch network will expand to 73 with the addition of a new full-service branch in Kunia, West Oahu, which is slated for completion in mid-2006. The branch will offer self-service safe deposit boxes, a branch lanai with two ATMs, and a night depository for merchants with 24-hour access.

We pride ourselves in offering convenient access to our services through our large network of ATMs. We are continuing to upgrade our more than 500 ATMs to provide faster service and increased security features utilizing the Triple Data Encryption Standard, a new security encryption method for Personal Identification Numbers (PIN). The upgrades will also offer enhanced accessibility options for hearing- and

sight-impaired customers. Among the new ATM features are larger viewing screens, and check cashing, automated envelope dispensing and audio capabilities.

#### THE BUSINESS OF SERVICE

For the third straight year, Bank of Hawaii was named the U.S. Small Business Administration’s Lender of the Year for the State of Hawaii – underscoring our status as *the* bank for small businesses. Last year was a record-breaking year for number of loans generated by our Business Banking Division. Bank of Hawaii generated approximately 41 percent of all SBA loans made by Hawaii banks.

Our commitment to the small business market can also be seen in our Business Banking team of more than 70 officers and managers who are solely focused on helping small businesses grow and prosper. Our Business Banking Centers throughout Hawaii and Business Banking Service Center continue to serve the needs of our small business clients.



David Carey, president and CEO of Outrigger Enterprises, Inc., overlooks the \$460 million Waikiki Beach Walk development project. The 7.9-acre hotel-retail-entertainment venture will feature signature restaurants, specialty retailers, an outdoor entertainment plaza and a diversity of unique attractions for visitors and local residents.

*“Over the past 60 years, Outrigger Enterprises has evolved from a small Hawaii hotel company to a multi-faceted international corporation. Throughout much of our history, Bank of Hawaii has been at our side offering a deep understanding of our industry, our business and our evolving needs. The bank has been a key source for competitive financing in both good times and bad. We rely on the expertise the bank provides us in all of our business dealings and appreciate the wide range of services they offer. Bank of Hawaii is a true business partner to Outrigger.”*

W. David Carey III  
President and CEO of Outrigger Enterprises, Inc.

#### SERVICE THAT DELIVERS

Our Commercial Banking Group continues to build and support long-term relationships with mid-sized companies and large corporations. Our corporate and commercial bankers serve as trusted advisors and work closely with other business units, such as Bank of Hawaii Private Client Services, to meet clients' sophisticated financial service needs.

Our Commercial Real Estate Loan Division's loan production significantly increased in 2005 as a result of strong growth in the real estate and construction industries statewide. Major, long-term building projects, such as the start of revitalization efforts in Waikiki, contributed to increased construction lending and are expected to continue to support economic development in 2006.

With operations on Oahu, Maui and the Big Island, Bank of Hawaii Insurance Services, Inc. continues to grow by providing businesses with a full range of

comprehensive insurance programs from top-rated companies.

#### THE VALUE OF UNPARALLELED SERVICE

To better serve the needs of its clients, the bank's Investment Services Group (ISG) has added top leadership expertise to its experienced management team and repositioned its brand in the marketplace. Corporate and institutional clients seeking specialized asset management are served by the group's Institutional Sales and Service and the Retirement Plan Services lines of business. The goal of our asset management business is to deliver unparalleled client service and provide consistent investment returns over time.

Bank of Hawaii Private Client Services serves affluent individuals and family businesses seeking tailored, comprehensive wealth management services – from financial planning and personal investment management to private banking and personal trust. As knowledgeable, trusted



Sharon Fung with daughter, Tiffany, at their Aiea townhouse. Sharon was the first person to purchase a home after completing the Hawai'i HomeOwnership Center's homebuyer education program. Bank of Hawaii helped establish the non-profit organization in 2002, which provides education and assistance to first-time homebuyers in the state. Employees of the bank serve on the board, assist with fundraising and teach homebuyer education classes.

*“The Hawai‘i HomeOwnership Center helped make my dream come true. As a recent immigrant and single mother, I didn’t know if I could afford a home, or where to start. I’m so glad I made the right decision to become educated before purchasing a home. The center worked with me and provided a lot of support. Buying a home is a big investment, and I’m grateful for the help I received. It is good that Bank of Hawaii is giving back to the community by supporting the Hawai‘i HomeOwnership Center.”*

Sharon Fung  
Aiea homeowner

advisors, the team maintains close, long-term relationships with clients and their families, assisting them in growing, preserving and transferring wealth in a tax-efficient manner.

With a renewed client focus, ISG’s dedicated, knowledgeable teams of experts continue to work closely with the Commercial Banking and Retail Banking groups to ensure that the needs of referred clients are well met.

#### **BUILDING STRONGER COMMUNITIES**

Bank of Hawaii is committed to supporting our unique island communities. We believe that companies do well if communities do well. In 2005, Bank of Hawaii and our charitable foundation contributed a total of \$2.6 million to non-profit organizations that help improve the quality of life, health and well-being of people in our local communities.

Contributions included \$262,530 in scholarships to nearly 100 Hawaii students from low- and moderate-income families in

the final year of the bank’s \$5 million 2nd Century Scholars Program. The eight-year landmark education initiative ensured that the students attended a four-year accredited college of their choice. Many are the first in their families to become college graduates.

Our charitable foundation contributed nearly \$1.2 million in grants – a significant portion of which supported non-profit organizations that serve low- to moderate-income people. We are proud to maintain our “Outstanding” rating in regard to activities related to the Community Reinvestment Act.

We remain a strong supporter of the United Way Agencies in Hawaii. In 2005, our combined corporate and employee donations reached \$1.07 million for Aloha United Way (Oahu) and neighbor island (Hawaii, Kauai, Maui and Molokai) campaigns.

Bank of Hawaii will continue to explore new and innovative ways to make a positive difference in our island communities.

*managing committee*

BANK OF HAWAII CORPORATION/BANK OF HAWAII  
(AS OF DECEMBER 31, 2005)



Managing Committee (Left to right seated): Donna A. Tanoue, Allan R. Landon, Mary E. Sellers.  
(Left to right standing): Alton T. Kuioka, Neal C. Hocklander, Richard C. Keene, David W. Thomas, Peter S. Ho.

**ALLAN R. LANDON**

Chairman, Chief Executive Officer  
and President

**PETER S. HO**

Vice Chairman  
Investment Services Group

**NEAL C. HOCKLANDER**

Vice Chairman  
Information, Operations & Human Services

**RICHARD C. KEENE**

Vice Chairman  
Chief Financial Officer

**ALTON T. KUIOKA**

Vice Chairman  
Commercial Banking Group

**MARY E. SELLERS**

Vice Chairman  
Chief Risk Officer  
Corporate Risk Group

**DONNA A. TANOUE**

Vice Chairman  
Chief Administrative Officer  
Corporate & Regulatory Administration

**DAVID W. THOMAS**

Vice Chairman  
Retail Banking Group

### **CORPORATE HEADQUARTERS**

Bank of Hawaii Corporation  
130 Merchant Street  
Honolulu, Hawaii 96813

### **ANNUAL MEETING**

The annual meeting of shareholders will be held on Friday, April 28, 2006 at 8:30 a.m. at the Bank of Hawaii Main Office, 6th Floor, 111 South King Street, Honolulu, Hawaii.

### **TRANSFER AGENT AND REGISTRAR**

Continental Stock Transfer & Trust Company  
17 Battery Place, New York, NY 10004

### **COMMON STOCK LISTING NYSE: BOH**

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

### **DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN (DRP)**

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

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

Detailed information about Bank of Hawaii Corporation's DRP can be found online at [www.boh.com](http://www.boh.com) or by calling Continental Stock Transfer & Trust Company at 1-800-509-5586.

### **INQUIRIES**

Shareholders with questions about stock transfer services, share holdings or dividend reinvestment may contact Continental Stock Transfer & Trust Company at 1-800-509-5586 between 8:30 a.m. and 5:30 p.m. Eastern Standard Time.

### **INVESTORS AND ANALYSTS SEEKING FINANCIAL INFORMATION**

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

**For general inquiries:**  
Phone: 1-888-643-3888

### **[www.boh.com](http://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](http://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.

*consolidated statements of income*

BANK OF HAWAII CORPORATION AND SUBSIDIARIES

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

YEAR ENDED DECEMBER 31	2005	2004
<b>INTEREST INCOME</b>		
Interest and Fees on Loans and Leases	\$ 368,664	\$ 327,953
Income on Investment Securities - Available for Sale	113,608	93,528
Income on Investment Securities - Held to Maturity	21,360	26,204
Deposits	219	3,480
Funds Sold	1,329	1,058
Other	1,262	2,791
Total Interest Income	506,442	455,014
<b>INTEREST EXPENSE</b>		
Deposits	58,426	36,743
Securities Sold Under Agreements to Repurchase	21,187	9,353
Funds Purchased	4,515	1,815
Short-Term Borrowings	188	82
Long-Term Debt	15,013	16,431
Total Interest Expense	99,329	64,424
Net Interest Income	407,113	390,590
Provision for Credit Losses	4,588	(10,000)
Net Interest Income After Provision for Credit Losses	402,525	400,590
<b>NON-INTEREST INCOME</b>		
Trust and Asset Management	56,830	53,465
Mortgage Banking	10,399	8,012
Service Charges on Deposit Accounts	39,945	39,117
Fees, Exchange, and Other Service Charges	59,588	54,907
Investment Securities Gains (Losses)	341	(794)
Insurance	19,643	19,241
Other	22,568	31,146
Total Non-Interest Income	209,314	205,094
<b>NON-INTEREST EXPENSE</b>		
Salaries and Benefits	176,310	184,299
Net Occupancy	38,273	38,347
Net Equipment	21,541	23,926
Professional Fees	15,702	14,212
Other	75,816	73,656
Total Non-Interest Expense	327,642	334,440
Income Before Income Taxes	284,197	271,244
Provision for Income Taxes	102,636	97,905
<b>NET INCOME</b>	<u>\$ 181,561</u>	<u>\$ 173,339</u>
Basic Earnings Per Share	\$ 3.50	\$ 3.26
Diluted Earnings Per Share	\$ 3.41	\$ 3.08
Dividends Declared Per Share	\$ 1.36	\$ 1.23
Basic Weighted Average Shares	51,848,765	53,232,815
Diluted Weighted Average Shares	53,310,816	56,241,044

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 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)

DECEMBER 31	2005	2004
<b>ASSETS</b>		
Interest-Bearing Deposits	\$ 4,893	\$ 4,592
Investment Securities - Available for Sale		
Held in Portfolio	2,333,417	2,483,719
Pledged as Collateral	204,798	-
Investment Securities - Held to Maturity (Fair Value of \$442,989, \$475,884, and \$585,836)	454,240	589,908
Funds Sold	-	21,000
Loans Held for Sale	17,915	17,642
Loans and Leases	6,168,536	5,986,930
Allowance for Loan and Lease Losses	(91,090)	(106,796)
Net Loans and Leases	6,077,446	5,880,134
Total Earning Assets	9,092,709	8,996,995
Cash and Non-Interest-Bearing Deposits	493,825	225,359
Premises and Equipment	133,913	146,095
Customers' Acceptance Liability	1,056	1,406
Accrued Interest Receivable	43,033	36,044
Foreclosed Real Estate	358	191
Mortgage Servicing Rights	18,010	18,769
Goodwill	34,959	36,216
Other Assets	369,175	305,116
<b>TOTAL ASSETS</b>	<b><u>\$10,187,038</u></b>	<b><u>\$ 9,766,191</u></b>
<b>LIABILITIES</b>		
Deposits		
Non-Interest-Bearing Demand	\$ 2,134,916	\$ 1,977,703
Interest-Bearing Demand	1,678,454	1,536,323
Savings	2,819,258	2,960,351
Time	1,274,840	1,090,290
Total Deposits	7,907,468	7,564,667
Securities Sold Under Agreements to Repurchase	609,380	568,981
Funds Purchased	268,110	149,635
Short-Term Borrowings	9,447	15,000
Banker's Acceptances Outstanding	1,056	1,406
Retirement Benefits Payable	71,116	65,708
Accrued Interest Payable	10,910	7,021
Taxes Payable and Deferred Taxes	269,094	229,928
Other Liabilities	104,402	96,373
Long-Term Debt	242,703	252,638
<b>TOTAL LIABILITIES</b>	<b><u>9,493,686</u></b>	<b><u>8,951,357</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Common Stock (\$.01 par value); authorized 500,000,000 shares; issued / outstanding:		
Dec. 2005 - 56,827,483 / 51,276,286, Dec. 2004 - 81,711,752 / 54,960,857	565	813
Capital Surplus	473,338	450,998
Accumulated Other Comprehensive Income (Loss)	(47,818)	(12,917)
Retained Earnings	546,591	1,282,425
Deferred Stock Grants	(11,080)	(8,433)
Treasury Stock, at Cost (Shares: December 2005 - 5,551,197, December 2004 - 26,750,895)	(268,244)	(898,052)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>693,352</u></b>	<b><u>814,834</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>\$10,187,038</u></b>	<b><u>\$ 9,766,191</u></b>

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm thereon.

*board of directors*

BANK OF HAWAII (AS OF DECEMBER 31, 2005)



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



Peter D. Baldwin\*  
Owner  
Piipholo Ranch, LLC



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, Investment  
Services Group  
Bank of Hawaii Corporation  
and Bank of Hawaii



Robert A. Huret\*  
Managing Member  
Financial Technology  
Management



Alton T. Kuiuoka  
Vice Chairman,  
Commercial Banking Group  
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



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 & Chief  
Administrative Officer  
Bank of Hawaii Corporation  
and Bank of Hawaii



David W. Thomas  
Vice Chairman,  
Retail Banking Group  
Bank of Hawaii Corporation  
and Bank of Hawaii



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



**BANK OF HAWAII BRANCHES & ATMS**

(as of December 31, 2005)

	Branches and In-Store Branches	ATMs
<b>State of Hawaii</b>	72	447
Island of Oahu	41	335
Island of Hawaii	11	44
Island of Maui	12	34
Island of Kauai	6	32
Island of Lanai	1	1
Island of Molokai	1	1
<b>American Samoa</b>	3	7
<b>West Pacific</b>	9	48
Commonwealth of the Northern Mariana Islands/Saipan	2	11
Guam	6	35
Palau	1	2
<b>Grand Total</b>	<b>84</b>	<b>502</b>

## HAWAII

- Businesses: 95 percent have fewer than 50 employees, and 53 percent have fewer than five.<sup>1</sup>
- Hawaii gross state product (GSP) in 2004: \$50.3 billion. Estimated 2005 Hawaii GSP: \$53.6 billion.<sup>2</sup>
- Largest shares of Hawaii gross product: tourism (23.1 percent), government (22.6 percent) including federal military (7.8 percent).<sup>3</sup>
- Fastest-growing industries (NAICS definitions) ranked in terms of compound annual growth rates (in percent) of GSP contributions, 1997-2003.<sup>4</sup>

1	Administrative and waste services	8.2
2	Construction	5.5
3	Federal military	5.4
4	Health care and social assistance	5.2
5	Professional and technical services	4.7
6	Educational services	4.6
7	Federal civilian	4.6
8	Real estate, rental, and leasing	4.0
9	Wholesale trade	3.5
10	Finance and insurance	3.5
11	Accommodation and food services	3.2

- Fastest-growing sub-sectors (NAICS definitions) ranked in terms of compound annual growth rates (in percent) of GSP contributions, 1997-2003:<sup>5</sup>

1	Computer systems design and related services	16.8
2	Information and data processing services	15.6
3	Warehousing and storage	10.3
4	Administrative and support services	8.7
5	Social assistance	8.6
6	Professional, scientific and technical services	6.0
7	Ambulatory health care services	5.3
8	Insurance carriers and related activities	4.8
9	Motion picture and sound recording industries	4.7
10	Truck transportation	4.7

- State of Hawaii resident population as of July 1, 2005: 1,275,194.<sup>6</sup>

## GUAM<sup>7</sup>

- U.S. Territory
- Capital: Hagåtña (Agana)
- Resident population: 168,584<sup>8</sup>
- Main industries: government, including defense; tourism, and construction.

## AMERICAN SAMOA<sup>9</sup>

- U.S. Territory
- Capital: Pago Pago
- Resident population: 57,902
- Main industries: tuna fishing and processing, and government services.

<sup>1</sup> <http://www.hawaii.gov/dbedt/>

<sup>2-5</sup> <http://www.bea.doc.gov/bea/regional/gsp.htm>, Bank of Hawaii

<sup>6</sup> [http://www.hawaii.gov/dbedt/info/economic/census/popestimate/05state-pop/population\\_facts\\_2005\\_state\\_pop.pdf](http://www.hawaii.gov/dbedt/info/economic/census/popestimate/05state-pop/population_facts_2005_state_pop.pdf)

<sup>7-9</sup> Pacific Islands Development Program, East-West Center, Honolulu, Hawaii

<sup>8</sup> Guam Bureau of Statistics and Plans

## FORWARD LOOKING STATEMENTS

This report contains forward-looking statements concerning, among other things, the economic and business environment in our service area and elsewhere, efficiency improvements, product offerings, implementation of our 2004-2006 business plan, credit quality, 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) unanticipated changes in business and economic conditions, the competitive environment, fiscal and monetary policies, taxing authority interpretations, legislation in Hawaii and the other markets we serve, or the timing and interpretation of proposed accounting standards; 2) changes in our credit quality or risk profile that may increase or decrease the required level of reserve for credit losses; 3) changes in market interest rates that may affect our credit markets and ability to maintain our net interest margin; 4) unpredictable costs and other consequences of legal or regulatory matters involving us; 5) changes to the amount and timing of our proposed equity repurchases; 6) real or threatened acts of war or terrorist activity affecting business conditions; and 7) adverse weather, public health and other natural conditions impacting us or our customers' operations. For a detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements please refer to the risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, 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.

