Bank of Hawaii Corporation Third Quarter 2002 Financial Results

October 23, 2002

-- Net Income $30.2 Million, or $0.43 Per Share
-- Board of Directors Increases Dividend to $0.19 Per Share
-- Shares Repurchases Total 4.0 Million During the Quarter

HONOLULU, Oct 23, 2002 (BUSINESS WIRE) --Bank of Hawaii Corporation (NYSE:BOH) today reported diluted earnings per share of $0.43 for the third quarter of 2002, an increase of 16.2 percent from $0.37 in the third quarter of 2001. Net income for the quarter was $30.2 million, down slightly from $31.1 million in the comparable quarter last year. The return on average assets for the quarter was 1.22 percent, up from 1.00 percent in the same period last year. The return on average equity was 10.40 percent for the quarter, compared to 8.88 percent in the third quarter of 2001.

"We continued to make progress on several key initiatives in the third quarter of 2002," said Michael E. O'Neill, Chairman, CEO and President. "Our credit quality continued to improve, we are progressing on our systems conversions and are investing in our Hawaii market to improve our customer service. We are encouraged by the strengthening economy in Hawaii which is being led by the construction and real estate sectors."

For nine months ended September 30, 2002, net income was $92.3 million, up slightly from net income of $91.5 million for the same period last year. Diluted earnings per share were $1.26 for the first nine months of 2002, an increase of 13.5 percent from $1.11 per share for the first nine months of 2001. The year-to-date return on average assets was 1.22 percent, up from 0.94 percent for the same nine months in 2001. The year-to-date return on average equity was 10.10 percent versus 8.96 percent for the nine months ended September 30, 2001.

The presence of non-core items and the effects of business divestitures in prior quarters continue to have a significant impact on the comparability of results. Included in the third quarter of 2002 were charges of $6.6 million related to the information technology systems replacement project. Earnings for the third quarter of 2001 included a gain of $49.4 million from divestitures offset by related sales costs, tax obligations, other non-recurring adjustments and restructuring costs, which netted to a cost of $0.4 million after tax. Supplemental information has been provided in Table 11 that summarizes the continuing core business results for the last seven quarters.

Financial Highlights

Net interest income for the third quarter of 2002 on a fully taxable equivalent basis was $92.2 million, down $0.8 million from the previous quarter. Net interest income was down $19.6 million from the prior year quarter primarily due to lower earning assets related to the divestitures, the exit of the Asia business and the managed reduction of loans in an effort to reduce credit risk.

Bank of Hawaii Corporation's net interest margin was 4.03 percent for the third quarter of 2002, a 6 basis point increase from 3.97 percent in the previous quarter and a 14 basis point increase from 3.89 percent in the third quarter last year. The improvement in the margin was due to lengthening the maturities of some short-term investments, reductions in short-term borrowings and time deposits, and debt repurchases, which lowered the Company's cost of funds. The Company remains asset sensitive.

Given further improvements in Bank of Hawaii's credit quality and the resiliency of the Hawaii economy, the Company did not recognize a provision for loan and lease losses and thereby reduced its allowance by net charge-offs of $4.5 million during the third quarter. The provision for loan and lease losses was $3.3 million in the second quarter of 2002 and $0.9 million in the third quarter last year. The lower provision in the third quarter of 2001 was the result of significant recoveries during that quarter, including a $6.5 million recovery in Asia.

Non-interest income was $48.2 million for the quarter, a decrease of $0.7 million, or 1.4 percent, from $48.9 million in the second quarter of 2002. The decrease was primarily due to a reduction in revenue from trust and asset management activities. Non-interest income of $113.4 million for the third quarter of 2001 included $51.6 million in non-recurring items. Excluding these items, non-interest income for the quarter decreased $13.5 million from the previous year quarter largely due to decreased mortgage banking income and reductions in revenue associated with the divested businesses.

Non-interest expense for the third quarter of 2002 was $93.0 million, including $6.6 million in information technology system replacement costs. Excluding these charges, non-interest expense declined by $4.0 million, or 4.4 percent, to $86.4 million compared to $90.4 million in the previous quarter. Non-interest expense of $122.6 million for the third quarter of 2001 included restructuring and other related costs of $3.0 million. Excluding these items, non-interest expense declined $33.2 million, or 27.8 percent, from the same quarter last year. The most significant reduction from the prior year was salaries, which were largely associated with the divested businesses.

The efficiency ratio was 66.2 percent for the third quarter of 2002. Excluding the systems replacement costs, the efficiency ratio was 61.5 percent compared to 63.7 percent in the previous quarter and a continuing business ratio of 61.0 percent in the same quarter last year. For the nine months ending September 30, 2002, the continuing business efficiency ratio was 62.0 percent compared to 60.8 percent in the same period last year.

The 35.9 percent effective tax rate for the first nine months of 2002 is a decrease from the prior year as the effective tax rate in 2001 reflected the impact of divestitures and foreign taxes.

Asset Quality

Bank of Hawaii Corporation's credit quality continued to improve during the third quarter of 2002 as measured by reductions in non-performing assets, the decline in year-to-date net charge-off rates and additional improvement in the Company's internal credit risk ratings.

Non-performing assets were $63.3 million at the end of the third quarter of 2002, a decrease of $15.5 million, or 19.7 percent, from $78.8 million at the end of the second quarter. The decline is primarily due to the return to accrual and payoff of loans to two Hawaii borrowers. Compared to the same quarter last year, non-performing assets declined $43.1 million, or 40.5 percent. At September 30, 2002 the ratio of non-performing assets to total loans plus foreclosed assets and non-performing loans held for sale was 1.20 percent, down from 1.45 percent at June 30, 2002 and down from 1.56 percent at September 30, 2001.

Non-accrual loans were $45.7 million at September 30, 2002, a reduction of $15.9 million, or 25.8 percent, from $61.6 million at June 30, 2002 and down $16.1 million, or 26.1 percent, from $61.8 million at September 30, 2001. Non-accrual loans as a percentage of total loans were 0.87 percent at September 30, 2002, down from 1.14 percent the previous quarter and down from 0.91 percent at September 30, 2001.

Net charge-offs for the third quarter of 2002 were $4.5 million, or 0.33 percent, of total average loans (annualized). Charge-offs of $7.2 million were partially offset by recoveries of $2.7 million. Year-to-date net charge-offs were 0.39 percent of total average loans (annualized), a significant improvement from net charge-offs of 1.76 percent in the prior year.

The allowance for loan and lease losses of $154.5 million at September 30, 2002 declined by $4.5 million, the amount of net charge-offs, from June 30, 2002 and represented a decrease of $28.0 million from September 30, 2001. The decline from the previous year also reflects the South Pacific divestitures. The ratio of the allowance for loan and lease losses to total loans was 2.94 percent at the end of the third quarter of 2002, unchanged from the end of the previous quarter and up from 2.70 percent at the end of the same quarter last year.

The concentration of credit exposure to selected industries and the amount of the Company's syndicated exposure are summarized in Table 7.

Other Financial Highlights

Total assets were $9.7 billion at the end of September 30, 2002, down from $10.6 billion at December 31, 2001 and down from $11.9 billion at the end of September 30, 2001. The most significant reductions were in commercial loans and foreign loans resulting from the divestitures and strategic risk reductions in the portfolio. In addition, the Company significantly reduced its loans held for sale.

Compared to June 30, 2002, total assets decreased $121 million from $9.8 billion. The decrease was due to comparable reductions in both the commercial and consumer loan portfolios. Commercial loans decreased as the Company utilized opportunities during the quarter to further reduce syndicated loans outstanding by $36 million. Reductions in the consumer loan portfolio were due to a small increase in mortgage prepayments, which more than offset growth in home equity and other consumer loans.

Mortgage servicing rights represent approximately 0.78 percent of the balance of loans serviced and did not require an adjustment for impairment at September 30, 2002 as the market value substantially exceeded the carrying value. Hawaii prepayment speeds remain significantly slower than national averages.

Investment securities increased during the quarter as some of the excess liquidity was invested in medium-term securities.

Total deposits at September 30, 2002 were $6.6 billion, essentially flat with December 31, 2001 and down $0.8 billion from the end of September 30, 2001. The decline from the prior year is primarily due to the divested foreign operations.

Compared to June 30, 2002, total deposits increased $172 million from $6.5 billion. Growth in demand and savings deposits more than offset a $123 million decrease in time and foreign deposits. Long-term debt, including current maturities, decreased $95 million due to repayments and repurchases. The Company continues to manage down its higher cost funds, including time deposits, purchased funds, short-term borrowings and long-term debt.

During the third quarter of 2002, Bank of Hawaii Corporation repurchased 4.0 million shares of common stock at an average cost of $27.55, totaling $109.4 million. At September 30, 2002, the Company had repurchased a total of 16.9 million shares under its previously announced share repurchase programs. Through September 30, 2002, a total of $433.8 million has been returned to the shareholder at an average cost of $25.69 per share. Remaining buyback authority under the existing repurchase programs was $136.2 million at September 30, 2002. Through October 22, 2002, the Company repurchased an additional 1.3 million shares of common stock at a cost of $27.08 per share.

Capital and liquidity remain exceptionally strong at the Company. At September 30, 2002, the Tier 1 leverage ratio was 11.07 percent compared to 12.11 percent at June 30, 2002 and 11.37 percent at September 30, 2001.

Bank of Hawaii Corporation's Board of Directors increased the quarterly cash dividend to $0.19 per share on the Company's outstanding shares. The dividend will be payable on December 13, 2002 to shareholders of record at the close of business on November 22, 2002.

Information Technology Systems Replacement Project

Bank of Hawaii Corporation signed an agreement with Metavante Corporation in July 2002 to serve as the Company's primary technology systems provider. The seven-year outsourcing arrangement is expected to be operational in the third quarter of 2003 and should provide annual cost savings of over $17 million compared to current expense levels.

In connection with this decision, the Company estimates that it will recognize transition charges of approximately $35 million over the five-quarter conversion period. During the third quarter of 2002, the Company incurred $6.6 million in transition costs. Incremental system conversion costs are estimated to be approximately $7.9 million in the fourth quarter of 2002.

Additional details on this project may be found in Table 10.

Economic Outlook

One year after the September 11 attacks, Hawaii tourism has returned to near normal levels. Through the end of August, travel to Hawaii from the western United States was at record levels, with all-time highs for the California market and high single-digit growth from the intermountain west. East Coast travel to Hawaii was down and travel from Japan remains about 15 percent below pre-September 11 volumes.

The momentum in Hawaii growth continues coming from construction and real estate investment. This growth was sufficient to sustain Hawaii's 4.0 percent seasonally-adjusted unemployment rate in August 2002, against the backdrop of a low 1.1 percent consumer price inflation during the first half of 2002 and roughly 2.0 percent real growth in total personal income during the two reported quarters following September 11.

Overall, the outlook for Hawaii is continued modest growth that is expected to slightly outpace the national economy. This outlook is confirmed by a 4.2 percent year-over-year increase in scheduled air seats to Hawaii during August 2002 and renewed state tax revenue growth of 3 to 4 percent in the first three months of the new fiscal year.

Investment in Hawaii

Bank of Hawaii Corporation is increasingly focused on strengthening its competitive position in its markets, primarily Hawaii. Through the end of the third quarter of 2002, the following were accomplished:

- Education of nearly 1,300 personnel on customer focused sales and service.
- Investment of $7.0 million in new and improved branch facilities.
- Selection and investment of $6.6 million in primary and supporting systems to improve customer service.
- Special investments in community organizations of $4.0 million.
- Contributions of $1.3 million to local non-profit organizations from Bank of Hawaii and its charitable foundation.

Earnings Outlook

The Company affirmed its expectation that earnings for the full year 2002 will equal or exceed $120 million. Earnings for the fourth quarter are expected to approximate third quarter levels, but could decrease slightly due to higher costs for the systems replacement projects, branch closings in the West Pacific and seasonal increases in compensation and other expense categories.

Earnings expectations for 2003, which were established at $130 million in April 2001, are being reviewed and should be updated in January when the 2002 earnings are announced.

Based on current conditions, the Company does not expect to record a provision for loan losses. However, the actual amount of the provision for loan losses will depend on determinations of credit risk that will be made near the end of each quarter. Earnings per share and return on equity projections continue to be dependent upon the terms and timing of share repurchases.

Conference Call Information

The Company will review its third quarter 2002 earnings today at 2:00 p.m. ET. The presentation will be accessible via teleconference and via the investor relations link on Bank of Hawaii Corporation's web site, www.boh.com. The conference call number is (800) 997-8642 in the U.S. or (973) 694-6836 for international callers. A replay of the call will be available for one week beginning at 4:00 p.m. ET on Wednesday, October 23, 2002 by calling (800) 428-6051 in the U.S. or (973) 709-2089 for international callers and entering the number 261724 when prompted. A replay of the presentation will be also available on the Company's web site.

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.

This news release contains forward-looking statements concerning anticipated revenues and expenses in 2002 and beyond. We believe the assumptions underlying our forward-looking statements are reasonable. However, any of the assumptions could prove to be inaccurate and actual results may differ materially from those projected for a variety of reasons including, but not limited to: the Hawaii economy may not continue at the pace we anticipate; our refocused emphasis on our Hawaii market may not achieve the customer and revenue gains we anticipate; our credit markets may deteriorate and our credit quality may fall short of our goals; we may not achieve the expense reductions we expect; we may not be able to maintain our net interest margin; we may not be able to implement our proposed equity repurchases in the amount or at the times planned; the economics or timing, or both, of our technology outsourcing project may not result in the expected benefits; unanticipated difficulties or delays in the conversion of our data processing to outsourcing may result in the reduction or delay of anticipated cost savings or increased cost of conversion; the technology outsourcing project may not be able to achieve the projected reductions in staffing; we may encounter unanticipated difficulties or costs in exiting existing data processing agreements with third parties; the required level of reserves for loan and lease losses may increase or decrease due to changes in our credit quality or risk profile; there may be economic volatility in the markets we serve; and there may be changes in business and economic conditions, competition, fiscal and monetary policies or legislation. We do not undertake any obligation to update any forward-looking statements to reflect later events or circumstances.

Bank of Hawaii Corporation and subsidiaries
Highlights (Unaudited) Table 1

(dollars in thousands except per share amounts) Earnings Highlights and Performance Ratios	Three Months Ended September 30 2002	Three Months Ended September 30 2001	Nine Months Ended September 30 2002	Nine Months Ended September 30 2001
Net Income	$30,200	$31,059	$92,272	$91,475

Basic Earnings Per Share	0.44	0.39	1.30	1.14
Diluted Earnings Per Share	0.43	0.37	1.26	1.11
Cash Dividends	12,197	14,625	38,442	43,415
Return on Average Assets	1.22%	1.00%	1.22%	0.94%
Return on Average Equity	10.40%	8.88%	10.10%	8.96%
Net Interest Margin	4.03%	3.89%	3.97%	3.91%
Efficiency Ratio	66.19%	54.46%	63.95%	62.89%
Continuing Business Efficiency Ratio(1)	61.51%	61.03%	61.96%	60.81%

Statement of Condition Highlights and			September 30	
Performance Rati-	-	-		
Cash Dividends Paid	(38,442)	-	-	-
Balance at September 30, 2002	$1,100,706	$806	$371,098	$ 26,038
Nine Months Ended September 30, 2001				
Balance at December 31, 2000	$1,301,356	$806	$346,045	$(25,079)
Comprehensive Income				
Net Income	91,475	-	-	-
Other Comprehensive Income, Net of Tax				
Unrealized Gain on Investment Securities	23,906	-	-	23,906
Foreign Currency Translation Adjustment	25,911	-	-	25,911
Pension Liability Adjustments	(159)	-	-	(159)
Total Comprehensive Income				
Common Stock Issued				
46,408 Profit Sharing Plan	1,065	-	257	-
604,264 Stock Option Plan	11,160	-	892	-
91,764 Dividend Reinvestment Plan	2,103	-	483	-
4,248 Directors' Restricted Shares and Deferred Compensation Plan	341	-	95	-
724,600 Employees' Restricted Shares	2,797	-	18,323	-
65,146 Hawaii Insurance Network	1,299	-	1,299	-
Treasury Stock Purchased (1,965,000 shares)	(46,784)	-	-	-
Cash Dividends Paid	(43,415)	-	-	-
Balance at September 30, 2001	$1,371,055	$806	$367,394	$ 24,579

(dollars in thousands)	Retained Earnings	Deferred Stock Grants	Treasury Stock	Comprehensive Income
Nine Months Ended September 30, 2002				
Balance at December 31, 2001	$1,055,424	$ (7,637)	$(192,014)	
Comprehensive Income				
Net Income	92,272	-	-	$ 92,272
Other Comprehensive Income, Net of Tax				
Unrealized Gain on Investment Securities	-	-	-	3,859
Foreign Currency Translation Adjustment	-	-	-	(582)

Total Comprehensive Income				$ 95,549
Common Stock Issued				
33,402 Profit Sharing Plan	-	-	737	
1,369,679 Stock Option Plan	(9,236)	(233)	33,342	
77,270 Dividend Reinvestment Plan	(2)	-	1,715	
4,101 Directors' Restricted Shares and Deferred Compensation Plan	-	-	(73)	
(71,300)Employees' Restricted Shares	-	4,984	-	
Treasury Stock Purchased (8,581,000 shares)	-	-	(238,073)	
Cash Dividends Paid	(38,442)	-	-	
Balance at September 30, 2002	$1,100,016	$ (2,886)	$(394,366)	
Nine Months Ended September 30, 2001				
Balance at December 31, 2000	$ 996,791	$ -	$ (17,207)	
Comprehensive Income				
Net Income	91,475	-	-	$ 91,475
Other Comprehensive Income, Net of Tax				
Unrealized Gain on Investment Securities	-	-	-	23,906
Foreign Currency Translation Adjustment	-	-	-	25,911
Pension Liability Adjustments	-	-	-	(159)
Total Comprehensive Income				$141,133
Common Stock Issued				
46,408 Profit Sharing Plan	-	-	808	
604,264 Stock Option Plan	(812)	847	10,233	
91,764 Dividend Reinvestment Plan	-	-	1,620	
4,248 Directors' Restricted Shares and Deferred Compensation Plan	-	-	246	
724,600 Employees' Restricted Shares	-	(15,526)	-	
65,146 Hawaii Insurance Network	-	-	-	
Treasury Stock Purchased (1,965,000 shares)	-	-	(46,784)	
Cash Dividends Paid	(43,415)	-	-	
Balance at September 30, 2001	$1,044,039	$(14,679)	$ (51,084)	

Bank of Hawaii Corporation and subsidiaries
Consolidated Average Balances and Interest Rates - Taxable Equivalent Basis (Unaudited)

Table 5

	Three Months Ended September 30, 2002			Three Months Ended June 30, 2002		
(dollars in millions)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$1,142.3	$ 5.4	1.87%	$ 1,310.0	$ 6.0	1.84%
Funds Sold	210.2	0.9	1.74	173.3	0.8	1.74
Investment Securities						
- Held to Maturity	296.9	5.0	6.63	328.6	5.0	6.06

- Available for Sale	2,009.5	25.3	5.03	1,890.3	26.5	5.60
Loans Held for Sale	40.0	0.6	6.24	65.2	1.1	6.88
Net Loans and Lease Financing						
Domestic						
- Commercial and Industrial	963.9	12.9	5.31	1,061.1	13.5	5.12
- Construction	147.7	2.1	5.57	157.5	2.3	5.72
- Mortgage	2,904.9	50.4	6.93	2,985.4	52.3	7.01
- Installment	818.1	17.0	8.25	783.2	16.6	8.50
- Lease Financing	500.8	6.3	4.98	502.1	6.6	5.25
Total Domestic Loans	5,335.4	88.7	6.62	5,489.3	91.3	6.66
Foreign	14.1	-	-	14.1	-	-
Total Loans	5,349.5	88.7	6.60	5,503.4	91.3	6.65
Other	99.6	1.5	6.28	99.2	1.3	5.64
Total Earning Assets	9,148.0	127.4	5.55	9,370.0	132.0	5.64
Cash and Non-Interest Bearing Deposits	297.6			341.8		
Other Assets	358.3			367.1		
Total Assets	$9,803.9			$10,078.9		
Interest Bearing Liabilities						
Domestic Deposits						
- Demand	$2,036.0	4.0	0.78	$ 1,974.6	4.4	0.88
- Savings	1,346.2	5.0	1.46	1,164.0	4.5	1.57
- Time	1,600.0	11.4	2.82	1,732.0	12.9	2.98
Total Domestic Deposits	4,982.2	20.4	1.62	4,870.6	21.8	1.79
Foreign Deposits						
- Time Due to Banks	9.6	-	-	37.3	0.1	1.47
- Other Time and Savings	38.3	0.2	1.68	59.1	0.3	1.67
Total Foreign Deposits	47.9	0.2	1.59	96.4	0.4	1.59
Total Interest Bearing Deposits	5,030.1	20.6	1.62	4,967.0	22.2	1.79
Short-Term Borrowings	1,301.3	7.7	2.34	1,475.9	8.8	2.39
Long-Term Debt	451.6	6.9	6.10	507.1	8.0	6.37
Total Interest Bearing Liabilities	6,783.0	35.2	2.06	6,950.0	39.0	2.25
Net Interest Income		92.2			93.0	
Interest Rate Spread			3.49%			3.39%
Net Interest Margin			4.03%			3.97%
Non-Interest Bearing Demand Deposits						
- Domestic	1,547.0			1,565.6		
- Foreign	-			-		

Total Non-Int Bearing Demand Deposits	1,547.0	1,565.6
Other Liabilities	321.6	312.3
Shareholders' Equity	1,152.3	1,251.0
Total Liabilities and Shareholders' Equity	$9,803.9	$10,078.9

Provision for Loan and Lease Losses	-	3.3
Net Overhead	44.6	41.5
Income Before Income Taxes	47.6	48.2
Provision for Income Taxes	17.3	17.1
Tax-Equivalent Adjustment	0.1	0.1
Net Income	$30.2	$31.0

	Three Months Ended(1) September 30, 2001			Nine Months Ended September 30, 2002		
(dollars in millions)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$ 938.7	$ 9.4	3.98%	$ 1,202.3	$ 16.4	1.83%
Funds Sold	194.3	1.8	3.59	206.9	2.7	1.72
Investment Securities						
- Held to Maturity	526.9	8.1	6.12	331.1	15.2	6.11
- Available for Sale	2,139.7	31.4	5.86	1,946.5	78.9	5.40
Loans Held for Sale	310.6	5.3	6.83	147.6	7.4	6.70
Net Loans and Lease Financing						
Domestic						
- Commercial and Industrial	1,583.9	27.8	6.96	1,057.9	41.0	5.18
- Construction	223.0	4.2	7.41	158.3	6.5	5.49
- Mortgage	3,261.2	62.3	7.58	2,969.0	155.9	7.01
- Installment	751.6	19.4	10.22	780.2	50.0	8.56
- Lease Financing	533.4	7.4	5.53	498.3	19.4	5.22
Total Domestic Loans	6,353.1	121.1	7.59	5,463.7	272.8	6.67
Foreign	920.4	16.8	7.23	14.2	0.2	1.61
Total Loans	7,273.5	137.9	7.54	5,477.9	273.0	6.65
Other	78.8	1.4	6.96	95.8	4.3	6.01
Total Earning Assets	11,462.5	195.3	6.78	9,408.1	397.9	5.65
Cash and Non-Interest Bearing Deposits	347.3			313.7		
Other Assets	488.9			375.1		
Total Assets	$12,298.7			$10,096.9		
Interest Bearing Liabilities						
Domestic Deposits						
- Demand	$ 1,892.6	8.3	1.74	$ 1,982.2	12.8	0.86

- Savings	794.9	4.6	2.29	1,183.6	13.4	1.51
- Time	2,432.0	29.5	4.81	1,739.8	39.0	3.00
Total Domestic Deposits	5,119.5	42.4	3.29	4,905.6	65.2	1.78
Foreign Deposits						
- Time Due to Banks	235.3	2.2	3.78	54.8	0.8	1.90
- Other Time and Savings	640.7	5.5	3.41	60.2	0.7	1.69
Total Foreign Deposits	876.0	7.7	3.51	115.0	1.5	1.79
Total Interest Bearing Deposits	5,995.5	50.1	3.32	5,020.6	66.7	1.78
Short-Term Borrowings	2,012.6	20.9	4.11	1,503.7	27.6	2.46
Long-Term Debt	746.0	12.5	6.63	498.7	23.3	6.25
Total Interest Bearing Liabilities	8,754.1	83.5	3.78	7,023.0	117.6	2.24
Net Interest Income		111.8			280.3	
Interest Rate Spread			3.00%			3.41%
Net Interest Margin			3.89%			3.97%
Non-Interest Bearing Demand Deposits						
- Domestic	1,509.0			1,540.0		
- Foreign	330.7			-		
Total Non-Int Bearing Demand Deposits	1,839.7			1,540.0		
Other Liabilities	316.6			312.0		
Shareholders' Equity	1,388.3			1,221.9		
Total Liabilities and Shareholders' Equity	$12,298.7			$10,096.9		
Provision for Loan and Lease Losses		0.9			11.6	
Net Overhead		9.2			124.6	
Income Before Income Taxes		101.7			144.1	
Provision for Income Taxes		70.5			51.6	
Tax-Equivalent Adjustment		0.1			0.2	
Net Income		$ 31.1			$ 92.3	

(1) Adjusted to reflect the reclassification of certain average balances and other interest income.

Bank of Hawaii Corporation and subsidiaries
Loan Portfolio Balances (Unaudited) Table 6

(dollars in millions)	September 30 2002	June 30 2002	December 31 2001	September 30 2001
Domestic				

Commercial				
Commercial and Industrial(1)	$ 869.4	$ 999.6	$1,175.5	$1,413.6
Mortgage - Commercial(1)	616.5	562.5	640.7	667.9
Construction	146.3	148.6	169.6	175.7
Lease Financing	451.8	450.8	441.8	466.8
Total Commercial	2,084.0	2,161.5	2,427.6	2,724.0
Consumer				
Mortgage - Residential	2,259.2	2,360.5	2,419.4	2,440.4
Home Equity	419.2	404.2	329.9	306.3
Other Consumer	421.6	403.2	399.8	428.4
Lease Financing	36.5	37.3	38.9	41.2
Total Consumer	3,136.5	3,205.2	3,188.0	3,216.3
Total Domestic	5,220.5	5,366.7	5,615.6	5,940.3
Foreign	38.2	41.8	36.9	825.8
Total Loans	$5,258.7	$5,408.5	$5,652.5	$6,766.1

(1) $42.3 million in loans were reclassified to mortgage-commercial from commercial and industrial during the third quarter of 2002.

Bank of Hawaii Corporation and subsidiaries
Selected Concentrations of Credit Exposure (Unaudited) Table 7

(dollars in millions)	September 30, 2002(1) Outstandings	Unused Commitments	Total Exposure	June 30, 2002 Total Exposure
Air Transportation				
Regional Passenger Carriers	$ 49	$ 8	$ 57	$ 58
United States Based Passenger Carriers	48	-	48	49
International Based Passenger Carriers	32	-	32	32
Cargo Carriers	15	-	15	15
Total Air Transportation	$144	$ 8	$ 152	$ 154
Lodging(2)				
National Hotel Companies	$ 31	$ 74	$ 105	$ 104
Hawaii Hotels	103	32	135	137
West Pacific Hotels	47	-	47	43
Total Lodging	$181	$106	$ 287	$ 284
Telecommunication Companies	$ 6	$ 25	$ 31	$ 45
Syndicated Exposure	$312	$764	$1,076	$1,096

(1) The credit exposures to the air transportation, lodgings, and telecommunication industries were current at September 30, 2002.
(2) One collateralized loan in the West Pacific with $5.6 million of exposure was reclassified in the third quarter from commercial and industrial loans to mortgage commercial-hotels. This loan is on non-accrual, but remains current on payments. Approximately 95% of the Hawaii and West Pacific hotel loans are collateralized by hotel

properties or guaranteed by either financial institutions or entities with limited exposure to tourism.

Bank of Hawaii Corporation and subsidiaries

Consolidated Non-Performing Assets and Accruing Loans Past Due 90 Days or More (Unaudited) Table 8

(dollars in millions)	Sept. 30 2002	June 30 2002	March 31 2002	Dec. 31 2001	Sept. 30 2001
Non-Accrual Loans					
Commercial and Industrial	$ 6.4	$ 14.4	$ 27.4	$ 18.9	$ 10.5
Mortgage - Commercial	18.1	25.3	15.1	16.3	12.8
Construction	0.9	0.7	1.0	9.3	0.7
Lease Financing	5.7	6.9	4.4	0.8	1.0
Mortgage - Residential	14.5	14.3	15.7	15.4	19.5
Other Consumer	0.1	-	0.1	0.1	0.1
Foreign	-	-	-	-	17.2
Total Non-Accrual Loans	45.7	61.6	63.7	60.8	61.8
Non-Accrual Loans Held For Sale	-	-	7.8	1.7	7.4
Foreclosed Real Estate					
Domestic	17.6	17.2	19.2	17.2	36.9
Foreign	-	-	-	-	0.3
Total Foreclosed Real Estate	17.6	17.2	19.2	17.2	37.2
Total Non-Performing Assets	$ 63.3	$ 78.8	$ 90.7	$ 79.7	$ 106.4
Accruing Loans Past Due 90 Days or More					
Commercial and Industrial	$ -	$ -	$ 0.2	$ 0.1	$ 0.1
Mortgage - Commercial	-	-	1.2	-	-
Lease Financing	-	0.1	0.1	0.1	-
Mortgage - Residential	1.4	0.9	2.1	3.8	3.4
Other Consumer	0.3	0.5	0.7	0.9	1.0
Foreign	-	-	-	-	0.8
Total Accruing and Past Due	$ 1.7	$ 1.5	$ 4.3	$ 4.9	$ 5.3
Total Loans	$5,258.7	$5,408.5	$5,601.3	$5,652.5	$6,766.1
Ratio of Non-Accrual Loans to Total Loans	0.87%	1.14%	1.14%	1.08%	0.91%
Ratio of Non-Performing Assets to Total Loans, Foreclosed Real Estate and Non-Performing Loans Held for Sale	1.20%	1.45%	1.61%	1.41%	1.56%
Ratio of Non-Performing Assets and Accruing					

Loans Past Due 90 Days or More to Total Loans	1.24%	1.48%	1.70%	1.50%	1.65%
Quarter to Quarter Changes in Non-Performing Assets Balance at Beginning of Quarter	$ 78.8	$ 90.7	$ 79.7	$ 106.4	$ 118.9
Additions	7.0	20.5	36.4	43.8	23.2
Reductions					
Payments and Sales of Loans	(8.5)	(20.6)	(12.9)	(40.9)	(25.8)
Return to Accrual	(9.1)	(6.2)	(6.3)	(3.6)	(0.9)
Sales of Foreclosed Assets	(1.4)	(3.5)	(0.9)	(21.9)	(2.2)
Charge-offs	(3.5)	(2.1)	(5.3)	(4.1)	(6.8)
Total Reductions	(22.5)	(32.4)	(25.4)	(70.5)	(35.7)
Balance at End of Quarter	$ 63.3	$ 78.8	$ 90.7	$ 79.7	$ 106.4

Bank of Hawaii Corporation and subsidiaries
Consolidated Allowance for Loan and Lease Losses (Unaudited) Table 9

	Three Months Ended			Nine Months Ended	
	Sept. 30	June 30	Sept. 30	Sept. 30	
(dollars in millions)	2002	2002	2001	2002	2001
Balance of Allowance for Loan and Lease Losses at Beginning of Period	$ 159.0	$ 159.0	$ 199.8	$ 159.0	$ 246.2
Loans Charged-Off					
Commercial and Industrial	(0.7)	(1.0)	(3.4)	(9.0)	(87.8)
Mortgage - Commercial	(2.5)	(1.8)	(2.6)	(4.3)	(16.1)
Construction	-	-	-	(0.5)	-
Lease Financing	(0.4)	(0.5)	(0.6)	(0.9)	(0.7)
Mortgage - Residential	(0.6)	(1.3)	(1.3)	(3.3)	(5.5)
Other Consumer	(3.0)	(2.9)	(5.4)	(9.8)	(15.0)
Foreign	-	-	(4.1)	-	(18.0)
Total Charge-Offs	(7.2)	(7.5)	(17.4)	(27.8)	(143.1)
Recoveries on Loans Previously Charged-Off					
Commercial and Industrial	1.0	2.3	1.1	4.0	8.1
Mortgage - Commercial	0.1	0.1	1.3	2.0	2.4
Lease Financing	0.1	-	-	0.1	0.2
Mortgage - Residential	0.1	0.3	0.2	0.7	0.7
Other Consumer	1.4	1.6	2.2	4.9	5.6
Foreign	-	(0.1)	10.2	-	19.1
Total Recoveries	2.7	4.2	15.0	11.7	36.1
Net Loan Charge-Offs	(4.5)	(3.3)	(2.4)	(16.1)	(107.0)
Provision for Loan and Lease Losses	-	3.3	0.9	11.6	59.8
Allowance Related to Disposition	-	-	(16.4)	-	(16.4)
Foreign Currency Translation	-	-	0.6	-	(0.1)
Balance at End of Period	$ 154.5	$ 159.0	$ 182.5	$ 154.5	$ 182.5

Average Loans Outstanding	$5,349.5	$5,503.4	$7,273.5	$5,477.9	$8,121.1
Ratio of Net Charge-Offs to Average Loans Outstanding (annualized)	0.33%	0.24%	0.13%	0.39%	1.76%
Ratio of Allowance to Loans and Leases Outstanding	2.94%	2.94%	2.70%	2.94%	2.70%

Bank of Hawaii Corporation and subsidiaries

Information Technology Systems Replacement Project (Unaudited) Table 10

(dollars in thousands)	Professional Fees	Employee Termination Benefits	Accelerated Depreciation	Other Associated Costs(2)	Total
Costs Incurred(1)	$ 1,875	$ 1,042	$ 3,197	$ 462	$ 6,576
Total Project Expected Costs	$ 12,481	$ 6,371	$ 9,371	$ 7,236	$35,459

(1) Three months and nine months ended September 30, 2002 and project-to-date results are the same.

(2) Includes contract termination, equipment, excise tax, and other costs.

Bank of Hawaii Corporation and subsidiaries

Quarterly Summary of Selected Consolidated Financial Data (Unaudited) Table 11

(dollars in millions except per share amounts)	Sept. 30 2002	June 30 2002	March 31 2002
Balance Sheet Totals			
Total Assets	$9,702.0	$9,823.3	$10,244.8
Net Loans	5,104.2	5,249.5	5,442.4
Total Deposits	6,627.0	6,455.3	6,543.5
Total Shareholders' Equity	1,100.7	1,191.1	1,265.9
Quarterly Operating Results			
Net Interest Income	$ 92.2	$ 92.9	$ 94.9
Provision for Loan and Lease Losses	-	3.3	8.3
Non-Interest Income	48.2	48.9	54.0
Gain on Sales of Banking Operations, Net of Venture Investment Losses	-	-	-
Non-Interest Expense	86.4	90.4	90.4
Restructuring and Other Related Costs	-	-	2.0
Information Technology System Replacement Project	6.6	-	-
Net Income	30.2	31.0	31.1
Basic Earnings Per Share	$ 0.44	$ 0.43	$ 0.42
Diluted Earnings Per Share	$ 0.43	$ 0.42	$ 0.41
Return on Average Assets	1.22%	1.23%	1.21%
Return on Average Equity	10.40%	9.94%	9.97%
Efficiency Ratio	66.19%	63.71%	62.06%
Continuing Business Operating Results(1)			
Net Interest Income	$ 92.2	$ 92.9	$ 94.9
Provision for Loan and Lease Losses	-	3.3	8.3
Non-Interest Income	48.2	48.9	54.0
Non-Interest Expense(2)	86.4	90.4	90.4
Net Income(2)	34.4	31.0	32.3

Diluted Earnings Per Share(2)	$ 0.49	$ 0.42	$ 0.43
Return on Average Equity(2)	11.84%	9.94%	10.37%
Efficiency Ratio(2)	61.51%	63.71%	60.73%

(dollars in millions except per share amounts)	Dec. 31 2001	Sept. 30 2001	June 30 2001	March 31 2001
Balance Sheet Totals				
Total Assets	$10,627.8	$11,944.1	$12,755.5	$13,710.5
Net Loans	5,493.5	6,583.5	7,418.0	8,224.6
Total Deposits	6,673.6	7,399.7	8,108.5	8,815.4
Total Shareholders' Equity	1,247.0	1,371.1	1,395.7	1,371.9
Quarterly Operating Results				
Net Interest Income	$ 106.1	$ 111.7	$ 116.7	$ 125.2
Provision for Loan and Lease Losses	14.5	0.9	6.4	52.5
Non-Interest Income	51.2	65.6	73.2	88.4
Gain on Sales of Banking Operations, Net of Venture Investment Losses	28.7	47.8	24.8	72.1
Non-Interest Expense	122.3	119.6	122.4	127.9
Restructuring and Other Related Costs	18.5	3.0	38.9	44.4
Information Technology System Replacement Project	-	-	-	-
Net Income	26.3	31.1	26.7	33.7
Basic Earnings Per Share	$ 0.35	$ 0.39	$ 0.33	$ 0.42
Diluted Earnings Per Share	$ 0.34	$ 0.37	$ 0.32	$ 0.42
Return on Average Assets	0.90%	1.00%	0.83%	0.99%
Return on Average Equity	8.14%	8.88%	7.69%	10.42%
Efficiency Ratio	75.73%	54.46%	75.15%	60.33%
Continuing Business Operating Results(1)				
Net Interest Income	$ 93.8	$ 91.0	$ 87.8	$ 92.2
Provision for Loan and Lease Losses	16.6	6.4	2.6	12.1
Non-Interest Income	44.7	53.7	54.9	54.6
Non-Interest Expense(2)	100.2	88.3	89.3	86.4
Net Income(2)	21.3	31.4	32.6	28.3
Diluted Earnings Per Share(2)	$ 0.28	$ 0.38	$ 0.39	$ 0.35
Return on Average Equity(2)	6.59%	8.96%	9.37%	8.76%
Efficiency Ratio(2)	72.36%	61.03%	62.58%	58.88%

(1) Excludes the effects of the businesses that were divested in 2001, restructuring, non-core transactions and costs associated with the information technology system replacement project. 2001 Quarterly information has been reclassified to conform to December 31, 2001 presentation.
(2) Adjusted to exclude goodwill amortization expense in 2001.

CONTACT:
Bank of Hawaii Corporation
Stafford Kiguchi, 808/537-8580 (Media)
877/849-5423 (Pager)
skiguchi@boh.com
Cindy Wyrick, 808/537-8430 (Investors/Analysts)
cwyrick@boh.com