



Bank of Hawaii Corporation Second Quarter 2005 Financial Results

July 25, 2005

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HONOLULU--(BUSINESS WIRE)--July 25, 2005--Bank of Hawaii Corporation (NYSE:BOH)

- Diluted Earnings Per Share \$0.87; Net Income \$46.4 Million
- Board of Directors Declares Dividend of \$0.33 Per Share

Bank of Hawaii Corporation (NYSE:BOH) today reported diluted earnings per share of \$0.87 for the second quarter of 2005, an increase from diluted earnings per share of \$0.83 in the first quarter of 2005 and an increase from \$0.79 in the second quarter of 2004. Net income for the second quarter of 2005 was \$46.4 million, up \$0.9 million from net income of \$45.5 million in the previous quarter and up \$2.2 million from \$44.2 million reported in the same quarter last year.

Results for the second quarter of 2004 included a return to income of \$3.5 million before tax (\$2.2 million after tax or \$0.04 per diluted share), resulting from the release of a portion of the allowance for loan and lease losses. Excluding the release of reserves, results for the second quarter of 2005 increased \$4.4 million or \$0.12 per diluted share from the same quarter last year.

Return on average assets for the second quarter of 2005 was 1.87 percent, compared to 1.88 percent in the first quarter of 2005, and 1.80 percent in the second quarter of 2004. Return on average equity was 25.98 percent for the second quarter of 2005, up from 23.66 percent in the previous quarter and up from 24.28 percent in the same quarter last year.

"Bank of Hawaii Corporation completed another quarter of solid financial performance," said Allan R. Landon, Chairman and CEO. "We continued to focus on meeting the financial needs of our customers, which contributed to the growth of our businesses in the second quarter."

For the six months ended June 30, 2005, net income was \$92.0 million, up \$7.9 million or 9.4 percent from net income of \$84.0 million for the same period last year. Diluted earnings per share were \$1.69 for the first half of 2005, an increase of 14.2 percent from diluted earnings per share of \$1.48 for the first half of 2004. The year-to-date return on average assets was 1.87 percent, up from 1.73 percent for the same six months in 2004. The year-to-date return on average equity was 24.78 percent, up from 22.03 percent for the six months ended June 30, 2004.

Financial Highlights

Net interest income, on a taxable equivalent basis, for the second quarter of 2005 was \$101.1 million, up \$0.4 million from \$100.7 million in the first quarter of 2005 and up \$5.2 million from \$95.9 million in the second quarter of last year. The increase in net interest income from the second quarter of 2004 was largely due to growth in the loan portfolio. An analysis of the change in net interest income from the previous quarter is included in Table 6.

The net interest margin was 4.36 percent for the second quarter of 2005, a 7 basis point decrease from 4.43 percent in the previous quarter and a 19 basis point increase from 4.17 percent in the second quarter of 2004. The decrease from the previous quarter was primarily due to the effects of the flattening yield curve.

The Company did not recognize a provision for loan and lease losses during the second or first quarters of 2005. As previously mentioned, the Company returned to income \$3.5 million from a release of the allowance for loan and lease losses during the second quarter of 2004.

Non-interest income was \$50.7 million for the second quarter of 2005, a decrease of \$1.6 million or 3.1 percent compared to non-interest income of \$52.3 million in the first quarter of 2005. The decrease was largely due to a decline in insurance income, deposit account analysis fees, and personal tax preparation fees which are traditionally higher in the first quarter. Non-interest income was \$54.8 million in the same quarter last year, including a partnership distribution of \$3.2 million and a gain of \$2.5 million on the sale of land. Excluding these items, non-interest income increased \$1.5 million or 3.0 percent over the second quarter of 2004.

Non-interest expense was \$79.0 million in the second quarter of 2005, down \$1.9 million or 2.3 percent from non-interest expense of \$80.9 million in the previous quarter and down \$6.1 million or 7.2 percent from \$85.1 million in the same quarter last year. Included in the second quarter of 2004 were charges of \$2.2 million to settle litigation. Excluding these charges, non-interest expense decreased \$3.9 million or 4.7 percent largely due to a decline in expenses for salaries and benefits. An analysis of salary and benefit expenses is included in Table 7.

The efficiency ratio for the second quarter of 2005 was 52.07 percent, an improvement from 52.86 percent in the previous quarter and from 56.49 percent in the same quarter last year.

The Company's business segments are defined as Retail Banking, Commercial Banking, Investment Services Group, and Treasury and Other Corporate. 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 11a and 11b.

Asset Quality

Bank of Hawaii Corporation's asset quality continued to improve when compared to prior quarters. Non-performing assets were \$10.9 million at the end of the second quarter of 2005, a decrease of \$2.4 million, or 18.3 percent, compared to non-performing assets of \$13.4 million at the end of the previous quarter and a decrease of \$10.2 million, or 48.4 percent, compared to \$21.2 million at the end of the same quarter last year. At June 30, 2005 the ratio of non-performing assets to total loans, foreclosed real estate, and other investments was 0.18 percent compared with 0.22 percent at March

31, 2005 and 0.37 percent at June 30, 2004.

Non-accrual loans were \$9.9 million at June 30, 2005, a reduction of \$2.6 million, or 20.4 percent, from \$12.5 million at March 31, 2005 and down \$6.3 million, or 38.9 percent, from \$16.3 million at June 30, 2004. Non-accrual loans as a percentage of total loans at June 30, 2005 were 0.16 percent, down from 0.21 percent at March 31, 2005 and down from 0.28 percent at June 30, 2004.

Net charge-offs for the second quarter of 2005 were \$3.7 million, or 0.25 percent (annualized) of total average loans, unchanged from the first quarter of 2005. During the second quarter of 2004 there was a net recovery of \$1.2 million. Net charge-offs in the second quarter of 2005 were comprised of \$5.6 million in charge-offs partially offset by recoveries of \$1.9 million.

The allowance for loan and lease losses was \$101.6 million at June 30, 2005, down from \$105.0 million at March 31, 2005 and down from \$124.9 million at June 30, 2004. The decrease in the allowance from the previous year is largely due to \$10.0 million returned to income from releases of the allowance for loan and lease losses during 2004. In addition, during the fourth quarter of 2004, \$6.8 million was reclassified from the allowance for loan and lease losses to other liabilities representing the estimate for losses related to unfunded commitments to extend credit. The \$3.4 million decrease in the allowance from the previous quarter was primarily due to net charge-offs. The allowance for unfunded commitments at June 30, 2005 was \$4.6 million, down from \$4.9 million at March 31, 2005.

The ratio of the allowance for loan and lease losses to total loans was 1.65 percent at June 30, 2005, down slightly from 1.75 percent at March 31, 2005 and down from 2.16 percent at June 30, 2004. If the allowance for unfunded commitments had been reclassified at June 30, 2004, the ratio of the allowance for loan and lease losses to total loans would have been 2.06 percent.

Credit exposure to the air transportation industry is summarized in Table 8.

Other Financial Highlights

Total assets were \$10.06 billion at June 30, 2005, up from \$9.91 billion at March 31, 2005 and up from \$9.69 billion at June 30, 2004. Total loans and leases were \$6.15 billion at June 30, 2005, up from \$6.02 billion at March 31, 2005 and up from \$5.79 billion at June 30, 2004. Commercial loans were \$2.20 billion at June 30, 2005, up from \$2.10 billion at March 31, 2005 and \$2.02 billion at June 30, 2004 as commercial loan originations strengthened during the quarter and outpaced payoff activity. Consumer loans were \$3.95 billion at June 30, 2005, up from \$3.91 billion at March 31, 2005 and \$3.76 billion at June 30, 2004 primarily as a result of increases in home equity outstandings from successful loan promotions in a strong Hawaii residential real estate market.

Total deposits at June 30, 2005 were \$7.73 billion, slightly down from \$7.76 billion at March 31, 2005 and up from \$7.47 billion at June 30, 2004. On a linked quarter basis, balances in interest-bearing checking accounts decreased, despite an increase in the number of accounts, mostly due to customers who transferred excess account balances to higher rate time deposits resulting in a growth in time deposits on a linked quarter and year-to-date comparison.

During the second quarter of 2005, Bank of Hawaii Corporation repurchased 1.3 million shares of common stock at a total cost of \$60.8 million under its share repurchase program. The average cost was \$47.22 per share repurchased. From the beginning of the share repurchase program in July 2001 through June 30, 2005, the Company has repurchased a total of 38.6 million shares and returned a total of \$1.3 billion to the shareholders at an average cost of \$32.67 per share. From July 1, 2005 through July 22, 2005, the Company repurchased an additional 0.1 million shares of common stock at an average cost of \$52.90 per share. Remaining buyback authority under the share repurchase program was \$85.1 million at July 22, 2005.

The Company's capital and liquidity remain strong. At June 30, 2005 the Tier 1 leverage ratio was 7.18 percent compared to 7.42 percent at March 31, 2005 and 7.16 percent at June 30, 2004.

The Company's Board of Directors has declared a quarterly cash dividend of \$0.33 per share on the Company's outstanding shares. The dividend will be payable on September 15, 2005 to shareholders of record at the close of business on August 29, 2005.

Financial Outlook

Bank of Hawaii Corporation's earnings estimate of approximately \$176.0 million to \$179.0 million in net income for the full year of 2005 remains unchanged. The Company performs a quarterly analysis of credit quality to determine the adequacy of the reserve for credit losses. The results of this analysis determine the timing and amount of the provision for loan and lease losses. Earnings per share and return on equity projections continue to be dependent upon, among other things, the terms and timing of share repurchases.

Economy

Hawaii continued to experience record high tourism volumes, home prices and employment during the second quarter of 2005. Unemployment declined to 2.7 percent in the quarter, job growth remained strong and Hawaii personal income growth was 6.0 percent (3.0 percent after adjusting for inflation). Construction continued to grow during the second quarter of 2005, including private and military housing initiatives.

Conference Call Information

The Company will review its second quarter 2005 financial results today at 8:00 a.m. Hawaii Time (2:00 p.m. Eastern Time). The presentation 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 is 800-573-4842 in the United States or 617-224-4327 for international callers. No confirmation code is required to access the call. A replay will be available for one week beginning Monday, July 25, 2005 by calling 888-286-8010 in the United States or 617-801-6888 for international callers and entering the number 37453795 when prompted. A replay of the presentation will also be available via the Investor Relations link of 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.

Forward-Looking Statements

This news release, including the statements under the caption "Financial Outlook," contains forward-looking statements concerning, among other things, the economic and business environment in our service area and elsewhere, credit quality, the expected level of loan and lease loss provisioning, anticipated net income 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 for a variety of reasons, including, but not limited to: 1) unanticipated changes in business and economic conditions, the competitive environment, fiscal and monetary policies, legislation in Hawaii and the other markets we serve, or the timing and interpretation of accounting standards; 2) changes in our credit quality or risk profile which 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) changes to the amount and timing of our proposed equity repurchases and repayment of maturing debt; 5) real or threatened acts of war or terrorist activity affecting business conditions; and 6) adverse weather and other natural conditions impacting our and our customers' operations. We do not undertake any obligation to update 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) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|--------------|------------------------------|-------------|
| | 2005 | 2004 | 2005 | 2004 |
| ----- | | | | |
| For the Period: | | | | |
| Interest Income | \$ 124,105 | \$ 111,490 | \$ 244,263 | \$ 223,246 |
| Net Interest Income | 101,039 | 95,849 | 201,697 | 191,880 |
| Net Income | 46,429 | 44,232 | 91,951 | 84,031 |
| Basic Earnings Per Share | 0.90 | 0.84 | 1.75 | 1.57 |
| Diluted Earnings Per Share | 0.87 | 0.79 | 1.69 | 1.48 |
| Dividends Declared Per Share | 0.33 | 0.30 | 0.66 | 0.60 |
| Net Income to Average Total Assets (ROA) | 1.87% | 1.80% | 1.87% | 1.73% |
| Net Income to Average Shareholders' Equity (ROE) | 25.98 | 24.28 | 24.78 | 22.03 |
| Net Interest Margin (1) | 4.36 | 4.17 | 4.39 | 4.23 |
| Efficiency Ratio (2) | 52.07 | 56.49 | 52.47 | 56.89 |
| Average Assets | \$9,969,243 | \$9,893,303 | \$9,907,845 | \$9,785,603 |
| Average Loans and Leases | 6,090,149 | 5,772,926 | 6,045,609 | 5,757,647 |
| Average Deposits | 7,747,331 | 7,371,388 | 7,717,729 | 7,345,645 |
| Average Shareholders' Equity | 716,767 | 732,652 | 748,344 | 766,950 |
| Average Equity to Average Assets | 7.19% | 7.41% | 7.55% | 7.84% |
| ----- | | | | |
| June 30, | | | | |
| 2005 2004 | | | | |
| ----- | | | | |
| At Period End: | | | | |
| Net Loans | | \$ 6,049,831 | \$5,662,410 | |
| Total Assets | | 10,059,690 | 9,688,769 | |
| Deposits | | 7,726,758 | 7,469,288 | |
| Long-Term Debt | | 242,674 | 297,600 | |
| Shareholders' Equity | | 712,169 | 699,438 | |
| Allowance to Loans and Leases Outstanding | | | 1.65% | 2.16% |
| Dividend Payout Ratio | | | 37.71 | 38.22 |
| Leverage Ratio | | | 7.18 | 7.16 |
| Book Value Per Common Share | | \$ 13.73 | \$ 13.34 | |

| | | |
|----------------------|-------|-------|
| Employees (FTE) | 2,561 | 2,683 |
| Branches and offices | 86 | 89 |

Market Price Per Share
of Common Stock for
the Quarter Ended:

| | | |
|------------|----------|-------|
| Closing \$ | 50.75 \$ | 45.22 |
| High | 51.30 | 46.84 |
| Low | 43.82 | 40.97 |

- (1) The net interest margin is defined as net interest income, on a fully-taxable equivalent basis, as a percentage of average earning assets.
- (2) The efficiency ratio is defined as non-interest expense divided by total revenue (net interest income and non-interest income).

Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Income (Unaudited)

Table 2

(dollars in thousands except per share amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|----------|------------------------------|----------|
| | 2005 | 2004 (1) | 2005 | 2004 (1) |

Interest Income

| | | | | |
|--|--------|-----------|------------|------------|
| Interest and Fees | | | | |
| on Loans and Leases \$ | 90,119 | \$ 80,346 | \$ 176,586 | \$ 161,774 |
| Income on Investment Securities - Available for Sale | 27,987 | 21,745 | 55,306 | 42,591 |
| Income on Investment Securities - Held to Maturity | 5,527 | 6,711 | 11,352 | 13,687 |
| Deposits | 36 | 1,646 | 59 | 2,877 |
| Funds Sold | 165 | 177 | 240 | 594 |
| Other | 271 | 865 | 720 | 1,723 |

Total Interest Income 124,105 111,490 244,263 223,246

Interest Expense

| | | | | |
|--|--------|-------|--------|--------|
| Deposits | 13,577 | 8,560 | 25,181 | 17,760 |
| Securities Sold Under Agreements to Repurchase | 4,562 | 2,222 | 7,887 | 4,148 |
| Funds Purchased | 1,151 | 506 | 1,884 | 737 |
| Short-Term Borrowings | 45 | 13 | 77 | 28 |
| Long-Term Debt | 3,731 | 4,340 | 7,537 | 8,693 |

Total Interest Expense 23,066 15,641 42,566 31,366

Net Interest Income 101,039 95,849 201,697 191,880

Provision for Loan and Lease Losses - (3,500) - (3,500)

Net Interest Income

After Provision for Loan and Lease Losses 101,039 99,349 201,697 195,380

Non-Interest Income

| | | | | |
|----------------------------|--------|--------|--------|--------|
| Trust and Asset Management | 14,058 | 12,995 | 28,680 | 26,859 |
| Mortgage Banking | 2,594 | 2,808 | 5,184 | 4,785 |
| Service Charges on | | | | |

| | | | | |
|--|------------|------------|------------|------------|
| Deposit Accounts | 9,569 | 9,540 | 19,748 | 19,490 |
| Fees, Exchange, and Other Service Charges | 15,211 | 14,243 | 29,047 | 27,482 |
| Investment Securities Gains (Losses) | 337 | (37) | 337 | (37) |
| Insurance | 4,330 | 4,926 | 10,118 | 9,584 |
| Other | 4,575 | 10,373 | 9,875 | 15,527 |
| ----- | | | | |
| Total Non-Interest Income | 50,674 | 54,848 | 102,989 | 103,690 |
| ----- | | | | |
| Non-Interest Expense | | | | |
| Salaries and Benefits | 43,856 | 46,689 | 88,625 | 92,690 |
| Net Occupancy Expense | 9,189 | 9,543 | 18,734 | 18,929 |
| Net Equipment Expense | 5,377 | 5,799 | 10,848 | 11,763 |
| Other | 20,582 | 23,094 | 41,660 | 44,765 |
| ----- | | | | |
| Total Non-Interest Expense | 79,004 | 85,125 | 159,867 | 168,147 |
| ----- | | | | |
| Income Before Income Taxes | 72,709 | 69,072 | 144,819 | 130,923 |
| Provision for Income Taxes | 26,280 | 24,840 | 52,868 | 46,892 |
| ----- | | | | |
| Net Income | \$ 46,429 | \$ 44,232 | \$ 91,951 | \$ 84,031 |
| ===== | | | | |
| Basic Earnings Per Share | \$ 0.90 | \$ 0.84 | \$ 1.75 | \$ 1.57 |
| Diluted Earnings Per Share | \$ 0.87 | \$ 0.79 | \$ 1.69 | \$ 1.48 |
| Dividends Declared Per Share | \$ 0.33 | \$ 0.30 | \$ 0.66 | \$ 0.60 |
| Basic Weighted Average Shares | 51,873,772 | 52,491,874 | 52,646,022 | 53,389,261 |
| Diluted Weighted Average Shares | 53,403,781 | 55,662,415 | 54,250,018 | 56,710,653 |
| ===== | | | | |

(1) Certain 2004 information has been reclassified to conform to 2005 presentation.

Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Condition (Unaudited) Table 3

| (dollars in thousands) | June 30, 2005 | Dec. 31, 2004 | June 30, 2004 |
|--|------------------|------------------|------------------|
| ----- | | | |
| Assets | | | |
| Interest-Bearing Deposits | \$ 4,825 | \$ 4,592 | \$ 179,680 |
| Investment Securities - Available for Sale | | | |
| Held in Portfolio | 2,396,204 | 2,483,719 | 2,275,272 |
| Pledged as Collateral | 117,947 | - | - |
| Investment Securities - Held to Maturity | | | |
| (Fair Value of \$522,993, \$585,836, and \$663,534) | 526,767 | 589,908 | 679,382 |
| Funds Sold | 50,000 | 21,000 | - |
| Loans Held for Sale | 17,435 | 17,642 | 9,565 |
| Loans and Leases | 6,151,418 | 5,986,930 | 5,787,314 |
| Allowance for Loan and Lease Losses | (101,587) | (106,796) | (124,904) |

| | | | |
|--|--------------|--------------|--------------|
| Net Loans | 6,049,831 | 5,880,134 | 5,662,410 |
| Total Earning Assets | 9,163,009 | 8,996,995 | 8,806,309 |
| Cash and Non-Interest-Bearing Deposits | 293,115 | 225,359 | 339,486 |
| Premises and Equipment | 137,907 | 146,095 | 149,128 |
| Customers' Acceptance Liability | 1,598 | 1,406 | 1,213 |
| Accrued Interest Receivable | 38,540 | 36,044 | 36,378 |
| Foreclosed Real Estate | 292 | 191 | 4,889 |
| Mortgage Servicing Rights | 18,239 | 18,769 | 20,819 |
| Goodwill | 34,959 | 36,216 | 36,216 |
| Other Assets | 372,031 | 305,116 | 294,331 |
| Total Assets | \$10,059,690 | \$ 9,766,191 | \$ 9,688,769 |
| Liabilities | | | |
| Deposits | | | |
| Non-Interest-Bearing Demand | \$ 1,918,749 | \$ 1,977,703 | \$ 1,939,580 |
| Interest-Bearing Demand | 1,641,873 | 1,536,323 | 1,464,207 |
| Savings | 2,967,993 | 2,960,351 | 2,976,108 |
| Time | 1,198,143 | 1,090,290 | 1,089,393 |
| Total Deposits | 7,726,758 | 7,564,667 | 7,469,288 |
| Securities Sold Under | | | |
| Agreements to Repurchase | 861,233 | 568,981 | 687,816 |
| Funds Purchased | 63,565 | 149,635 | 139,055 |
| Short-Term Borrowings | 9,894 | 15,000 | 11,055 |
| Banker's Acceptances Outstanding | 1,598 | 1,406 | 1,213 |
| Retirement Benefits Payable | 66,638 | 65,708 | 62,821 |
| Accrued Interest Payable | 8,617 | 7,021 | 7,169 |
| Taxes Payable and Deferred Taxes | 283,082 | 229,928 | 225,989 |
| Other Liabilities | 83,462 | 96,373 | 87,325 |
| Long-Term Debt | 242,674 | 252,638 | 297,600 |
| Total Liabilities | 9,347,521 | 8,951,357 | 8,989,331 |
| Shareholders' Equity | | | |
| Common Stock (\$.01 par value); authorized 500,000,000 shares; issued / outstanding: June 2005 - 81,721,733 / 51,853,734, December 2004 - 81,711,752 / 54,960,857, June 2004 - 81,711,599 / 52,426,010 | 815 | 813 | 813 |
| Capital Surplus | 457,280 | 450,998 | 403,150 |
| Accumulated Other Comprehensive Income (Loss) | (18,471) | (12,917) | (27,258) |
| Retained Earnings | 1,339,119 | 1,282,425 | 1,251,689 |
| Deferred Stock Grants | (7,166) | (8,433) | (9,391) |
| Treasury Stock, at Cost (Shares: June 2005 - 29,867,999, December 2004 - 26,750,895, June 2004 - 29,285,589) | (1,059,408) | (898,052) | (919,565) |
| Total Shareholders' Equity | 712,169 | 814,834 | 699,438 |
| Total Liabilities and Shareholders' Equity | \$10,059,690 | \$ 9,766,191 | \$ 9,688,769 |

Bank of Hawaii Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity
(Unaudited)

Table 4

| (dollars in thousands) | Total | Common Stock | Capital Surplus | Accum. Other Comprehensive Income (Loss) | Retained Earnings |
|---|-----------|--------------|-----------------|--|-------------------|
| ----- | | | | | |
| Balance at December 31, 2004 | \$814,834 | \$813 | \$450,998 | \$(12,917) | \$1,282,425 |
| Comprehensive Income: | | | | | |
| Net Income | 91,951 | - | - | - | 91,951 |
| Other Comprehensive Income, Net of Tax: | | | | | |
| Change in Unrealized Gains and Losses on Investment Securities | (5,554) | - | - | (5,554) | - |
| Total Comprehensive Income | | | | | |
| Common Stock Issued under Stock Plans and Related Tax Benefits (605,364 shares) | 21,499 | 2 | 6,282 | - | (610) |
| Treasury Stock Purchased (3,710,379 shares) | (175,914) | - | - | - | - |
| Cash Dividends Paid | (34,647) | - | - | - | (34,647) |
| ----- | | | | | |
| Balance at June 30, 2005 | \$712,169 | \$815 | \$457,280 | \$(18,471) | \$1,339,119 |
| ===== | | | | | |
| Balance at December 31, 2003 | \$793,132 | \$807 | \$391,701 | \$(5,711) | \$1,199,077 |
| Comprehensive Income: | | | | | |
| Net Income | 84,031 | - | - | - | 84,031 |
| Other Comprehensive Income, Net of Tax: | | | | | |
| Change in Unrealized Gains and Losses on Investment Securities | (21,547) | - | - | (21,547) | - |
| Total Comprehensive Income | | | | | |
| Common Stock Issued under Stock Plans and Related Tax Benefits (908,502 shares) | 32,028 | 6 | 11,449 | - | 803 |

| | | | | | |
|------------------------------|-----------|-------|-----------|------------|-------------|
| Treasury Stock | | | | | |
| Purchased (3,527,779 shares) | (155,984) | - | - | - | - |
| Cash Dividends Paid | (32,222) | - | - | - | (32,222) |
| ----- | | | | | |
| Balance at June 30, 2004 | \$699,438 | \$813 | \$403,150 | \$(27,258) | \$1,251,689 |
| ===== | | | | | |

| (dollars in thousands) | Deferred Stock Grants | Treasury Stock | Compre- hensive Income |
|--|-----------------------------|-------------------|------------------------------|
| ----- | | | |
| Balance at December 31, 2004 | \$(8,433) | \$(898,052) | |
| Comprehensive Income: | | | |
| Net Income | - | - | \$91,951 |
| Other Comprehensive Income, Net of Tax: | | | |
| Change in Unrealized Gains and Losses on Investment Securities | - | - | (5,554) |
| | | | ----- |
| Total Comprehensive Income | | | \$86,397 |
| | | | ===== |

| | | |
|---|-----------|---------------|
| Common Stock Issued under Stock Plans and Related Tax Benefits (605,364 shares) | 1,267 | 14,558 |
| Treasury Stock Purchased (3,710,379 shares) | - | (175,914) |
| Cash Dividends Paid | - | - |
| ----- | | |
| Balance at June 30, 2005 | \$(7,166) | \$(1,059,408) |
| ===== | | |

| | | |
|--|-----------|-------------|
| Balance at December 31, 2003 | \$(8,309) | \$(784,433) |
| Comprehensive Income: | | |
| Net Income | - | - |
| Other Comprehensive Income, Net of Tax: | | |
| Change in Unrealized Gains and Losses on Investment Securities | - | - |
| | | (21,547) |
| | | ----- |
| Total Comprehensive Income | | \$62,484 |
| | | ===== |

| | | |
|---|-----------|-------------|
| Common Stock Issued under Stock Plans and Related Tax Benefits (908,502 shares) | (1,082) | 20,852 |
| Treasury Stock Purchased (3,527,779 shares) | - | (155,984) |
| Cash Dividends Paid | - | - |
| ----- | | |
| Balance at June 30, 2004 | \$(9,391) | \$(919,565) |
| ===== | | |

| ----- | | | |
|---|------------------|-----------------|-------------|
| Three Months Ended | | | |
| June 30, 2005 | | | |
| (dollars in millions) | Average | Income/ | Yield/ |
| ----- | Balance | Expense | Rate |
| ----- | | | |
| Earning Assets | | | |
| Interest-Bearing Deposits | \$ 6.0 | \$ - | 2.36% |
| Funds Sold | 23.1 | 0.2 | 2.86 |
| Investment Securities | | | |
| Available for Sale | 2,542.5 | 28.0 | 4.41 |
| Held to Maturity | 544.1 | 5.5 | 4.06 |
| Loans Held for Sale | 15.1 | 0.2 | 5.72 |
| Loans and Leases (2) | | | |
| Commercial and Industrial | 945.0 | 14.3 | 6.07 |
| Construction | 140.9 | 2.1 | 5.91 |
| Commercial Mortgage | 599.3 | 8.8 | 5.89 |
| Residential Mortgage | 2,343.9 | 33.1 | 5.64 |
| Other Revolving Credit and | | | |
| Installment | 739.6 | 15.4 | 8.37 |
| Home Equity | 719.0 | 10.8 | 6.01 |
| Purchased Home Equity | 103.3 | 0.8 | 3.06 |
| Lease Financing | 499.2 | 4.7 | 3.74 |
| ----- | | | |
| Total Loans and Leases | 6,090.2 | 90.0 | 5.91 |
| ----- | | | |
| Other | 66.3 | 0.3 | 1.64 |
| ----- | | | |
| Total Earning Assets (3) | 9,287.3 | 124.2 | 5.35 |
| ----- | | | |
| Cash and Non-Interest-Bearing | | | |
| Deposits | 305.8 | | |
| Other Assets | 376.1 | | |
| ----- | | | |
| Total Assets | \$9,969.2 | | |
| ===== | | | |
| | | | |
| Interest-Bearing Liabilities | | | |
| Interest-Bearing Deposits | | | |
| Demand | \$1,667.3 | 2.4 | 0.58 |
| Savings | 2,970.8 | 4.8 | 0.65 |
| Time | 1,159.0 | 6.4 | 2.20 |
| ----- | | | |
| Total Interest-Bearing Deposits | 5,797.1 | 13.6 | 0.94 |
| ----- | | | |
| Short-Term Borrowings | 822.9 | 5.8 | 2.81 |
| Long-Term Debt | 242.7 | 3.7 | 6.16 |
| ----- | | | |
| Total Interest-Bearing Liabilities | 6,862.7 | 23.1 | 1.35 |
| ----- | | | |
| Net Interest Income | | \$ 101.1 | |
| ===== | | | |
| Interest Rate Spread | | | 4.00% |
| Net Interest Margin | | | 4.36% |
| Non-Interest-Bearing Demand Deposits | 1,950.2 | | |
| Other Liabilities | 439.5 | | |
| Shareholders' Equity | 716.8 | | |
| ----- | | | |
| Total Liabilities and Shareholders' Equity | \$9,969.2 | | |
| ===== | | | |

Three Months Ended
March 31, 2005
Average Income/ Yield/

| (dollars in millions) | Balance | Expense | Rate |
|--|-----------|----------|-------|
| ----- | | | |
| Earning Assets | | | |
| Interest-Bearing Deposits | \$ 4.8 | \$ - | 1.93% |
| Funds Sold | 12.6 | 0.1 | 2.37 |
| Investment Securities | | | |
| Available for Sale | 2,491.1 | 27.4 | 4.40 |
| Held to Maturity | 574.6 | 5.8 | 4.06 |
| Loans Held for Sale | 13.2 | 0.2 | 5.40 |
| Loans and Leases (2) | | | |
| Commercial and Industrial | 904.3 | 13.2 | 5.90 |
| Construction | 124.1 | 1.7 | 5.44 |
| Commercial Mortgage | 605.9 | 8.5 | 5.73 |
| Residential Mortgage | 2,332.1 | 32.6 | 5.59 |
| Other Revolving Credit and | | | |
| Installment | 736.8 | 15.0 | 8.27 |
| Home Equity | 678.8 | 9.5 | 5.65 |
| Purchased Home Equity | 116.8 | 1.0 | 3.54 |
| Lease Financing | 501.8 | 4.8 | 3.88 |
| ----- | | | |
| Total Loans and Leases | 6,000.6 | 86.3 | 5.80 |
| ----- | | | |
| Other | 53.9 | 0.4 | 3.38 |
| ----- | | | |
| Total Earning Assets (3) | 9,150.8 | 120.2 | 5.29 |
| ----- | | | |
| Cash and Non-Interest-Bearing | | | |
| Deposits | 315.6 | | |
| Other Assets | 379.4 | | |
| ----- | | | |
| Total Assets | \$9,845.8 | | |
| ===== | | | |
| Interest-Bearing Liabilities | | | |
| Interest-Bearing Deposits | | | |
| Demand | \$1,618.1 | 1.7 | 0.42 |
| Savings | 2,972.3 | 4.4 | 0.60 |
| Time | 1,114.7 | 5.5 | 2.02 |
| ----- | | | |
| Total Interest-Bearing Deposits | 5,705.1 | 11.6 | 0.82 |
| ----- | | | |
| Short-Term Borrowings | 706.2 | 4.1 | 2.35 |
| Long-Term Debt | 248.7 | 3.8 | 6.14 |
| ----- | | | |
| Total Interest-Bearing Liabilities | 6,660.0 | 19.5 | 1.19 |
| ----- | | | |
| Net Interest Income | | \$ 100.7 | |
| ===== | | | |
| Interest Rate Spread | | | 4.10% |
| Net Interest Margin | | | 4.43% |
| Non-Interest-Bearing Demand Deposits | 1,982.7 | | |
| Other Liabilities | 422.8 | | |
| Shareholders' Equity | 780.3 | | |
| ----- | | | |
| Total Liabilities and Shareholders' Equity | \$9,845.8 | | |
| ===== | | | |

Three Months Ended
June 30, 2004 (1)

| (dollars in millions) | Average Balance | Income/Expense | Yield/Rate |
|---------------------------|-----------------|----------------|------------|
| ----- | | | |
| Earning Assets | | | |
| Interest-Bearing Deposits | \$ 408.8 | \$ 1.6 | 1.62% |

| | | | |
|-------------------------------|-----------|-------|------|
| Funds Sold | 71.3 | 0.2 | 0.99 |
| Investment Securities | | | |
| Available for Sale | 2,148.9 | 21.8 | 4.06 |
| Held to Maturity | 709.8 | 6.7 | 3.78 |
| Loans Held for Sale | 20.7 | 0.3 | 5.54 |
| Loans and Leases (2) | | | |
| Commercial and Industrial | 845.2 | 10.3 | 4.90 |
| Construction | 100.4 | 0.9 | 3.80 |
| Commercial Mortgage | 638.9 | 8.6 | 5.39 |
| Residential Mortgage | 2,281.8 | 32.2 | 5.65 |
| Other Revolving Credit and | | | |
| Installment | 683.2 | 14.4 | 8.51 |
| Home Equity | 534.6 | 6.1 | 4.63 |
| Purchased Home Equity | 178.8 | 1.9 | 4.16 |
| Lease Financing | 510.1 | 5.6 | 4.38 |
| ----- | | | |
| Total Loans and Leases | 5,773.0 | 80.0 | 5.56 |
| ----- | | | |
| Other | 78.1 | 0.9 | 4.45 |
| ----- | | | |
| Total Earning Assets (3) | 9,210.6 | 111.5 | 4.86 |
| ----- | | | |
| Cash and Non-Interest-Bearing | | | |
| Deposits | 306.3 | | |
| Other Assets | 376.4 | | |
| ----- | | | |
| Total Assets | \$9,893.3 | | |
| ===== | | | |

| | | | |
|--|-----------|---------|-------|
| Interest-Bearing Liabilities | | | |
| Interest-Bearing Deposits | | | |
| Demand | \$1,390.2 | 0.6 | 0.17 |
| Savings | 2,911.5 | 3.1 | 0.43 |
| Time | 1,129.5 | 4.9 | 1.74 |
| ----- | | | |
| Total Interest-Bearing Deposits | 5,431.2 | 8.6 | 0.63 |
| ----- | | | |
| Short-Term Borrowings | 1,082.5 | 2.7 | 1.02 |
| Long-Term Debt | 317.3 | 4.3 | 5.48 |
| ----- | | | |
| Total Interest-Bearing Liabilities | 6,831.0 | 15.6 | 0.92 |
| ----- | | | |
| Net Interest Income | | \$ 95.9 | |
| ===== | | | |
| Interest Rate Spread | | | 3.94% |
| Net Interest Margin | | | 4.17% |
| Non-Interest-Bearing Demand Deposits | 1,940.2 | | |
| Other Liabilities | 389.4 | | |
| Shareholders' Equity | 732.7 | | |
| ----- | | | |
| Total Liabilities and Shareholders' Equity | \$9,893.3 | | |
| ===== | | | |

| | | | |
|---------------------------|------------------|---------|--------|
| | Six Months Ended | | |
| | June 30, 2005 | | |
| (dollars in millions) | Average | Income/ | Yield/ |
| | Balance | Expense | Rate |
| ----- | | | |
| Earning Assets | | | |
| Interest-Bearing Deposits | \$ 5.4 | \$ 0.1 | 2.17% |
| Funds Sold | 17.9 | 0.2 | 2.68 |
| Investment Securities | | | |
| Available for Sale | 2,517.0 | 55.4 | 4.41 |
| Held to Maturity | 559.3 | 11.4 | 4.06 |

| | | | |
|--------------------------------------|-----------|----------|-------|
| Loans Held for Sale | 14.1 | 0.4 | 5.57 |
| Loans and Leases (2) | | | |
| Commercial and Industrial | 924.8 | 27.5 | 5.99 |
| Construction | 132.5 | 3.7 | 5.69 |
| Commercial Mortgage | 602.6 | 17.4 | 5.81 |
| Residential Mortgage | 2,338.0 | 65.7 | 5.62 |
| Other Revolving Credit and | | | |
| Installment | 738.2 | 30.5 | 8.32 |
| Home Equity | 699.0 | 20.2 | 5.83 |
| Purchased Home Equity | 110.0 | 1.8 | 3.32 |
| Lease Financing | 500.5 | 9.4 | 3.81 |
| ----- | | | |
| Total Loans and Leases | 6,045.6 | 176.2 | 5.86 |
| ----- | | | |
| Other | 60.1 | 0.7 | 2.42 |
| ----- | | | |
| Total Earning Assets (3) | 9,219.4 | 244.4 | 5.32 |
| ----- | | | |
| Cash and Non-Interest-Bearing | | | |
| Deposits | 310.6 | | |
| Other Assets | 377.8 | | |
| ----- | | | |
| Total Assets | \$9,907.8 | | |
| ===== | | | |
| | | | |
| Interest-Bearing Liabilities | | | |
| Interest-Bearing Deposits | | | |
| Demand | \$1,642.9 | 4.1 | 0.50 |
| Savings | 2,971.5 | 9.2 | 0.62 |
| Time | 1,137.0 | 11.9 | 2.11 |
| ----- | | | |
| Total Interest-Bearing Deposits | 5,751.4 | 25.2 | 0.88 |
| ----- | | | |
| Short-Term Borrowings | 764.9 | 9.9 | 2.60 |
| Long-Term Debt | 245.6 | 7.5 | 6.15 |
| ----- | | | |
| Total Interest-Bearing Liabilities | 6,761.9 | 42.6 | 1.27 |
| ----- | | | |
| Net Interest Income | | \$ 201.8 | |
| ===== | | | |
| Interest Rate Spread | | | 4.05% |
| Net Interest Margin | | | 4.39% |
| Non-Interest-Bearing Demand Deposits | 1,966.4 | | |
| Other Liabilities | 431.2 | | |
| Shareholders' Equity | 748.3 | | |
| ----- | | | |
| Total Liabilities and Shareholders' | | | |
| Equity | \$9,907.8 | | |
| ===== | | | |

- (1) Certain 2004 information has been reclassified to conform to 2005 presentation.
- (2) Non-performing loans are included in the respective average loan balances. Income, if any, on such loans is recognized on a cash basis.
- (3) Interest income includes taxable-equivalent basis adjustment based upon a statutory tax rate of 35%.

Bank of Hawaii Corporation and Subsidiaries
Analysis of Change in Net Interest Income - Taxable Equivalent Basis
(Unaudited) Table 6

Three Months Ended June 30, 2005 Compared

| (dollars in millions) | to March 31, 2005 | | | Total |
|---|-------------------|----------|----------|--------|
| | Volume (1) | Rate (1) | Time (1) | |
| ----- | | | | |
| Change in Interest Income: | | | | |
| Funds Sold | \$ 0.1 | \$ - | \$ - | \$ 0.1 |
| Investment Securities | | | | |
| Available for Sale | 0.5 | 0.1 | - | 0.6 |
| Held to Maturity | (0.3) | - | - | (0.3) |
| Loans and Leases | | | | |
| Commercial and Industrial | 0.6 | 0.4 | 0.1 | 1.1 |
| Construction | 0.3 | 0.1 | - | 0.4 |
| Commercial Mortgage | (0.1) | 0.3 | 0.1 | 0.3 |
| Residential Mortgage | 0.2 | 0.3 | - | 0.5 |
| Other Revolving Credit and Installment | - | 0.2 | 0.2 | 0.4 |
| Home Equity | 0.6 | 0.6 | 0.1 | 1.3 |
| Purchased Home Equity | (0.1) | (0.1) | - | (0.2) |
| Lease Financing | - | (0.2) | 0.1 | (0.1) |
| ----- | | | | |
| Total Loans and Leases | 1.5 | 1.6 | 0.6 | 3.7 |
| ----- | | | | |
| Other | 0.1 | (0.2) | - | (0.1) |
| ----- | | | | |
| Total Change in Interest Income | 1.9 | 1.5 | 0.6 | 4.0 |
| ----- | | | | |
| Change in Interest Expense: | | | | |
| Interest-Bearing Deposits | | | | |
| Demand | 0.1 | 0.6 | - | 0.7 |
| Savings | - | 0.4 | - | 0.4 |
| Time | 0.3 | 0.5 | 0.1 | 0.9 |
| ----- | | | | |
| Total Interest-Bearing Deposits | 0.4 | 1.5 | 0.1 | 2.0 |
| ----- | | | | |
| Short-Term Borrowings | 0.8 | 0.8 | 0.1 | 1.7 |
| Long-Term Debt | (0.1) | - | - | (0.1) |
| ----- | | | | |
| Total Change in Interest Expense | 1.1 | 2.3 | 0.2 | 3.6 |
| ----- | | | | |
| Change in Net Interest Income | \$ 0.8 | \$(0.8) | \$ 0.4 | \$ 0.4 |
| ===== | | | | |

(1) The changes for each category of interest income and expense are allocated between the portion of changes attributable to the variance in volume, rate or time for that category.

Bank of Hawaii Corporation and Subsidiaries
Salaries and Benefits (Unaudited) Table 7

| (dollars in thousands) | Three Months Ended | | Six Months Ended | |
|-------------------------------|--------------------|------------------|------------------|------------------|
| | June 30, 2005 | June 30, 2004 | June 30, 2005 | June 30, 2004 |
| Salaries | \$26,616 | \$27,904 | \$52,669 | \$55,108 |
| Incentive Compensation | 3,725 | 3,260 | 7,693 | 7,076 |
| Stock Based Compensation | 1,828 | 3,233 | 3,543 | 6,129 |
| Commission Expense | 2,281 | 2,284 | 4,533 | 3,911 |
| Retirement and Other Benefits | 4,437 | 4,214 | 9,205 | 8,571 |

| | | | | |
|-------------------------------------|----------|----------|----------|----------|
| Payroll Taxes | 2,205 | 3,103 | 5,658 | 6,533 |
| Medical, Dental, and Life Insurance | 1,823 | 2,136 | 4,054 | 4,240 |
| Separation Expense | 941 | 555 | 1,270 | 1,122 |
| ----- | | | | |
| Total Salaries and Benefits | \$43,856 | \$46,689 | \$88,625 | \$92,690 |
| ===== | | | | |

Bank of Hawaii Corporation and Subsidiaries

Loan Portfolio Balances (Unaudited)

Table 8

| | June 30, 2005 | March 31, 2005 | Dec. 31, 2004 (1) | June 30, 2004 (1) |
|--|------------------|-------------------|----------------------|----------------------|
| ----- | | | | |
| Commercial | | | | |
| Commercial and Industrial | \$ 997,762 | \$ 918,878 | \$ 909,264 | \$ 800,893 |
| Commercial Mortgage | 563,979 | 609,689 | 602,678 | 643,382 |
| Construction | 165,772 | 107,403 | 122,355 | 98,916 |
| Lease Financing | 471,600 | 468,349 | 479,100 | 479,488 |
| ----- | | | | |
| Total Commercial | 2,199,113 | 2,104,319 | 2,113,397 | 2,022,679 |
| ----- | | | | |
| Consumer | | | | |
| Residential Mortgage | 2,347,877 | 2,342,062 | 2,326,385 | 2,286,618 |
| Home Equity | 739,161 | 694,261 | 657,164 | 559,225 |
| Purchased Home Equity | 93,806 | 109,632 | 122,728 | 162,730 |
| Other Revolving Credit and Installment | 742,834 | 734,836 | 734,721 | 721,386 |
| Lease Financing | 28,627 | 30,680 | 32,535 | 34,676 |
| ----- | | | | |
| Total Consumer | 3,952,305 | 3,911,471 | 3,873,533 | 3,764,635 |
| ----- | | | | |
| Total Loans and Leases | \$6,151,418 | \$6,015,790 | \$5,986,930 | \$5,787,314 |
| ===== | | | | |

Air Transportation Credit

Exposure (2) (Unaudited)

| | June 30, 2005 | June 30, 2004 | Dec. 31, 2004 (1) | June 30, 2004 |
|--|------------------|--------------------|----------------------|------------------|
| (dollars in thousands) | Outstanding | Unused Commitments | Total Exposure | Total Exposure |
| ----- | | | | |
| Air Transportation | | | | |
| United States | | | | |
| Regional Passenger Carriers | | | | |
| | \$ 41,556 | \$ 7,191 | \$ 48,747 | \$ 54,981 |
| | | | | \$ 58,491 |
| United States National Passenger Carriers | | | | |
| | 37,638 | - | 37,638 | 37,377 |
| | | | | 37,581 |
| Based Outside United States Cargo Carriers | | | | |
| | 22,249 | - | 22,249 | 25,910 |
| | 13,475 | - | 13,475 | 13,771 |
| | | | | 30,325 |
| | | | | 14,122 |
| ----- | | | | |

Total Air

Transportation \$114,918 \$ 7,191 \$122,109 \$132,039 \$140,519

- (1) Certain 2004 information has been reclassified to conform to 2005 presentation.
 (2) Exposure includes loans, leveraged leases and operating leases.

Bank of Hawaii Corporation and Subsidiaries

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

Table 9

| (dollars in thousands) | June 30, 2005 | March 31, 2005 | Dec. 31, 2004 | June 30, 2004 |
|------------------------------------|------------------|-------------------|------------------|------------------|
| Non-Performing Assets | | | | |
| Non-Accrual Loans | | | | |
| Commercial | | | | |
| Commercial and Industrial | \$ 430 | \$ 470 | \$ 683 | \$ 680 |
| Commercial Mortgage | 1,739 | 1,922 | 2,106 | 5,649 |
| Lease Financing | 1,586 | 2,418 | 2,973 | 1,948 |
| Total Commercial | 3,755 | 4,810 | 5,762 | 8,277 |
| Consumer | | | | |
| Residential Mortgage | 6,035 | 7,503 | 7,688 | 7,688 |
| Home Equity | 156 | 185 | 218 | 306 |
| Total Consumer | 6,191 | 7,688 | 7,906 | 7,994 |
| Total Non-Accrual Loans | 9,946 | 12,498 | 13,668 | 16,271 |
| Foreclosed Real Estate | 292 | 183 | 191 | 4,889 |
| Other Investments | 682 | 684 | - | - |
| Total Non-Performing Assets | \$ 10,920 | \$ 13,365 | \$ 13,859 | \$ 21,160 |

Accruing Loans Past Due 90 Days or More

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Commercial | | | | |
| Commercial and Industrial | \$ 9 | \$ 29 | \$ 52 | \$ 19 |
| Commercial Mortgage | 2,213 | 2,243 | - | 693 |
| Total Commercial | 2,222 | 2,272 | 52 | 712 |
| Consumer | | | | |
| Residential Mortgage | 1,310 | 604 | 387 | 698 |
| Purchased Home Equity | - | 70 | 183 | 32 |
| Other Revolving Credit and Installment | 1,417 | 1,417 | 1,433 | 1,142 |
| Lease Financing | - | - | 30 | 57 |
| Total Consumer | 2,727 | 2,091 | 2,033 | 1,929 |

| | | | | | | | | |
|--|-------------|-------------|-------------|-------------|----|---------|----|----------|
| Total Accruing Loans Past Due 90 Days or More | \$ | 4,949 | \$ | 4,363 | \$ | 2,085 | \$ | 2,641 |
| ===== | | | | | | | | |
| Total Loans and Leases | \$6,151,418 | \$6,015,790 | \$5,986,930 | \$5,787,314 | | | | |
| ===== | | | | | | | | |
| Ratio of Non-Accrual Loans to Total Loans | | 0.16% | | 0.21% | | 0.23% | | 0.28% |
| ----- | | | | | | | | |
| Ratio of Non-Performing Assets to Total Loans, Foreclosed Real Estate and Other Investments | | 0.18% | | 0.22% | | 0.23% | | 0.37% |
| ----- | | | | | | | | |
| Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loans | | 0.26% | | 0.29% | | 0.27% | | 0.41% |
| ----- | | | | | | | | |
| Quarter to Quarter Changes in Non- Performing Assets Balance at Beginning of Quarter | \$ | 13,365 | \$ | 13,859 | \$ | 15,977 | \$ | 27,866 |
| Additions | | 3,088 | | 2,796 | | 5,164 | | 3,909 |
| Reductions | | | | | | | | |
| Payments | | (5,097) | | (2,202) | | (6,435) | | (4,232) |
| Return to Accrual | | (392) | | (698) | | (456) | | (2,700) |
| Sales of Foreclosed Assets | | - | | (129) | | (206) | | (147) |
| Charge-offs/Write- downs | | (44) | | (261) | | (185) | | (3,536) |
| ----- | | | | | | | | |
| Total Reductions | | (5,533) | | (3,290) | | (7,282) | | (10,615) |
| ----- | | | | | | | | |
| Balance at End of Quarter | \$ | 10,920 | \$ | 13,365 | \$ | 13,859 | \$ | 21,160 |
| ===== | | | | | | | | |

Bank of Hawaii Corporation and Subsidiaries
Consolidated Reserve for Credit Losses (Unaudited) Table 10

| (dollars in thousands) | Three Months Ended | | Six Months Ended | |
|-----------------------------------|--------------------|------------------|------------------|------------------|
| | June 30, 2005 | June 30, 2004 | June 30, 2005 | June 30, 2004 |
| Balance at Beginning of Period | \$ 109,906 | \$ 127,185 | \$ 113,596 | \$ 129,080 |
| Loans Charged-Off | | | | |
| Commercial | | | | |
| Commercial and Industrial | 581 | 3,328 | 1,155 | 3,715 |
| Commercial Mortgage | - | - | - | 574 |
| Lease Financing | - | 379 | - | 607 |
| Consumer | | | | |
| Residential | | | | |

| | | | | |
|------------------------|-------------|-------------|-------------|-------------|
| Mortgage | 67 | 319 | 382 | 464 |
| Home Equity | - | 9 | - | 9 |
| Purchased Home | | | | |
| Equity | 406 | 201 | 698 | 291 |
| Other Revolving | | | | |
| Credit and | | | | |
| Installment | 4,546 | 4,564 | 9,128 | 9,219 |
| Lease Financing | 29 | 28 | 63 | 64 |
| ----- | | | | |
| Total Loans | | | | |
| Charged-Off | 5,629 | 8,828 | 11,426 | 14,943 |
| ----- | | | | |
| Recoveries on Loans | | | | |
| Previously Charged-Off | | | | |
| Commercial | | | | |
| Commercial and | | | | |
| Industrial | 211 | 1,245 | 753 | 2,199 |
| Commercial Mortgage | 32 | 151 | 94 | 840 |
| Construction | - | - | - | 435 |
| Lease Financing | 130 | 1 | 162 | 16 |
| Consumer | | | | |
| Residential | | | | |
| Mortgage | 189 | 304 | 295 | 598 |
| Home Equity | 5 | 101 | 30 | 140 |
| Purchased Home | | | | |
| Equity | 120 | 57 | 154 | 57 |
| Other Revolving | | | | |
| Credit and | | | | |
| Installment | 1,166 | 1,703 | 2,453 | 3,366 |
| Lease Financing | 33 | 16 | 52 | 71 |
| Foreign | - | 6,469 | - | 6,545 |
| ----- | | | | |
| Total Recoveries on | | | | |
| Loans Previously | | | | |
| Charged-Off | 1,886 | 10,047 | 3,993 | 14,267 |
| ----- | | | | |
| Net Loan Recoveries | | | | |
| (Charge-Offs) | (3,743) | 1,219 | (7,433) | (676) |
| Provision for Loan and | | | | |
| Lease Losses | - | (3,500) | - | (3,500) |
| ----- | | | | |
| Balance at End of | | | | |
| Period (1) | \$ 106,163 | \$ 124,904 | \$ 106,163 | \$ 124,904 |
| ===== | | | | |
| Components | | | | |
| Allowance for Loan | | | | |
| and Lease Losses | 101,587 | 124,904 | 101,587 | 124,904 |
| Reserve for Unfunded | | | | |
| Commitments (2) | 4,576 | - | 4,576 | - |
| ----- | | | | |
| Total Reserve for | | | | |
| Credit Losses | \$ 106,163 | \$ 124,904 | \$ 106,163 | \$ 124,904 |
| ===== | | | | |
| Average Loans | | | | |
| Outstanding | \$6,090,149 | \$5,772,926 | \$6,045,609 | \$5,757,647 |
| ===== | | | | |
| Ratio of Net Loan | | | | |
| (Recoveries) | | | | |
| Charge-Offs to | | | | |
| Average Loans | | | | |
| Outstanding | | | | |
| (annualized) | 0.25% | (0.08)% | 0.25% | 0.02% |

| | | | | |
|-----------------------|-------|-------|-------|-------|
| Ratio of Allowance to | | | | |
| Loans and Leases | | | | |
| Outstanding (2) | 1.65% | 2.16% | 1.65% | 2.16% |

- (1) 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.
- (2) The reclassification of the reserve for unfunded commitments to other liabilities occurred in the fourth quarter of 2004 on a prospective basis. Thus, June 30, 2004 allowance for loan and lease losses and reserve for unfunded commitments were reported together. At June 30, 2004, the reserve for unfunded commitments was \$5.4 million.

Bank of Hawaii Corporation and Subsidiaries
Business Segment Selected Financial Information
(Unaudited)

Table 11a

| (dollars in thousands) | Investment Treasury | | | | Consolidated Total |
|--|---------------------|--------------------|----------------|---------------------|--------------------|
| | Retail Banking | Commercial Banking | Services Group | and Other Corporate | |
| Three Months Ended | | | | | |
| June 30, 2005 | | | | | |
| Net Interest | | | | | |
| Income | \$ 54,212 | \$ 35,525 | \$ 3,222 | \$ 8,080 | \$ 101,039 |
| Provision for Loan and Lease Losses | 3,531 | 236 | - | (3,767) | - |
| ----- | | | | | |
| Net Interest | | | | | |
| Income After Provision for Loan and Lease Losses | 50,681 | 35,289 | 3,222 | 11,847 | 101,039 |
| Non-Interest | | | | | |
| Income | 25,080 | 8,735 | 14,229 | 2,630 | 50,674 |
| ----- | | | | | |
| | 75,761 | 44,024 | 17,451 | 14,477 | 151,713 |
| Non-Interest | | | | | |
| Expense | (42,569) | (21,019) | (13,692) | (1,724) | (79,004) |
| ----- | | | | | |
| Income Before | | | | | |
| Income Taxes | 33,192 | 23,005 | 3,759 | 12,753 | 72,709 |
| Provision for Income Taxes | (12,281) | (8,400) | (1,391) | (4,208) | (26,280) |
| ----- | | | | | |
| Allocated | | | | | |
| Net Income | 20,911 | 14,605 | 2,368 | 8,545 | 46,429 |
| ----- | | | | | |
| Allowance | | | | | |
| Funding Value | (168) | (601) | (6) | 775 | - |
| GAAP | | | | | |
| Provision | 3,531 | 236 | - | (3,767) | - |
| Economic | | | | | |
| Provision | (3,435) | (2,432) | (103) | (1) | (5,971) |
| Tax Effect of | | | | | |

| | | | | | |
|--|-------------|-------------|-----------|-------------|--------------|
| Adjustments | 27 | 1,035 | 40 | 1,107 | 2,209 |
| ----- | | | | | |
| Income Before Capital Charge | 20,866 | 12,843 | 2,299 | 6,659 | 42,667 |
| Capital Charge | (5,424) | (4,562) | (1,428) | (8,296) | (19,710) |
| ----- | | | | | |
| Net Income (Loss) After Capital Charge (NIACC) | \$ 15,442 | \$ 8,281 | \$ 871 | \$ (1,637) | \$ 22,957 |
| ===== | | | | | |
| RAROC (ROE for the Company) | 42% | 31% | 18% | 14% | 26% |
| ===== | | | | | |
| Total Assets at June 30, 2005 | \$3,789,519 | \$2,533,496 | \$192,378 | \$3,544,297 | \$10,059,690 |
| ===== | | | | | |
| Three Months Ended June 30, 2004 (1) | | | | | |
| Net Interest Income | \$ 49,524 | \$ 33,583 | \$ 2,832 | \$ 9,910 | \$ 95,849 |
| Provision for Loan and Lease Losses | 2,587 | 2,730 | (1) | (8,816) | (3,500) |
| ----- | | | | | |
| Net Interest Income After Provision for Loan and Lease Losses | 46,937 | 30,853 | 2,833 | 18,726 | 99,349 |
| Non-Interest Income | 24,388 | 12,141 | 12,985 | 5,334 | 54,848 |
| ----- | | | | | |
| | 71,325 | 42,994 | 15,818 | 24,060 | 154,197 |
| Non-Interest Expense | (44,560) | (22,928) | (13,226) | (4,411) | (85,125) |
| ----- | | | | | |
| Income Before Income Taxes | 26,765 | 20,066 | 2,592 | 19,649 | 69,072 |
| Provision for Income Taxes | (9,903) | (7,423) | (959) | (6,555) | (24,840) |
| ----- | | | | | |
| Allocated Net Income | 16,862 | 12,643 | 1,633 | 13,094 | 44,232 |
| ----- | | | | | |
| Allowance Funding Value | (148) | (688) | (6) | 842 | - |
| GAAP Provision | 2,587 | 2,730 | (1) | (8,816) | (3,500) |
| Economic Provision | (3,510) | (2,821) | (99) | (3) | (6,433) |
| Tax Effect of | | | | | |

| | | | | | |
|--|-----------|----------|---------|----------|-----------|
| Adjustments | 396 | 288 | 39 | 2,951 | 3,674 |
| ----- | | | | | |
| Income Before Capital Charge | 16,187 | 12,152 | 1,566 | 8,068 | 37,973 |
| Capital Charge | (5,485) | (5,129) | (1,307) | (8,231) | (20,152) |
| ----- | | | | | |
| Net Income (Loss) After Capital Charge (NIACC) | \$ 10,702 | \$ 7,023 | \$ 259 | \$ (163) | \$ 17,821 |
| ===== | | | | | |
| RAROC (ROE for the Company) | 33% | 26% | 13% | 28% | 24% |
| ===== | | | | | |

| | | | | | |
|-------------------------------------|-------------|-------------|-----------|-------------|--------------|
| Total Assets at June 30, 2004 | \$3,693,382 | \$2,331,951 | \$114,038 | \$3,549,398 | \$ 9,688,769 |
| ===== | | | | | |

(1) Certain 2004 information has been reclassified to conform to 2005 presentation.

Bank of Hawaii Corporation and Subsidiaries
Business Segment Selected Financial Information
(Unaudited)

Table 11b

| (dollars in thousands) | Retail Banking | Commercial Banking | Investment Services Group | Treasury and Other Corporate | Consolidated Total |
|--|-------------------|-----------------------|---------------------------------|------------------------------------|-----------------------|
| ----- | | | | | |
| Six Months Ended June 30, 2005 | | | | | |
| Net Interest Income | \$ 106,562 | \$ 70,087 | \$ 6,111 | \$ 18,937 | \$ 201,697 |
| Provision for Loan and Lease Losses | 7,016 | 652 | (1) | (7,667) | - |
| ----- | | | | | |
| Net Interest Income After Provision for Loan and Lease Losses | 99,546 | 69,435 | 6,112 | 26,604 | 201,697 |
| Non-Interest Income | 49,322 | 20,266 | 28,855 | 4,546 | 102,989 |
| ----- | | | | | |
| | 148,868 | 89,701 | 34,967 | 31,150 | 304,686 |
| Non-Interest Expense | (85,618) | (43,579) | (26,911) | (3,759) | (159,867) |
| ----- | | | | | |
| Income Before Income Taxes | 63,250 | 46,122 | 8,056 | 27,391 | 144,819 |
| Provision for Income Taxes | (23,403) | (16,999) | (2,981) | (9,485) | (52,868) |

| | | | | | |
|-------------------|-------------|-------------|------------|-------------|--------------|
| Allocated | | | | | |
| Net Income | 39,847 | 29,123 | 5,075 | 17,906 | 91,951 |
| Allowance | | | | | |
| Funding | | | | | |
| Value | (331) | (1,202) | (12) | 1,545 | - |
| GAAP | | | | | |
| Provision | 7,016 | 652 | (1) | (7,667) | - |
| Economic | | | | | |
| Provision | (6,941) | (4,890) | (193) | (2) | (12,026) |
| Tax Effect of | | | | | |
| Adjustments | 94 | 2,013 | 76 | 2,267 | 4,450 |
| Income Before | | | | | |
| Capital | | | | | |
| Charge | 39,685 | 25,696 | 4,945 | 14,049 | 84,375 |
| Capital | | | | | |
| Charge | (10,880) | (9,198) | (2,769) | (18,324) | (41,171) |
| Net Income | | | | | |
| (Loss) After | | | | | |
| Capital | | | | | |
| Charge | | | | | |
| (NIACC) | \$ 28,805 | \$ 16,498 | \$ 2,176 | \$ (4,275) | \$ 43,204 |
| RAROC (ROE | | | | | |
| for the | | | | | |
| Company) | 40% | 31% | 20% | 17% | 25% |
| Total Assets | | | | | |
| at June 30, | | | | | |
| 2005 | \$3,789,519 | \$2,533,496 | \$ 192,378 | \$3,544,297 | \$10,059,690 |
| Six Months Ended | | | | | |
| June 30, 2004 (1) | | | | | |
| Net Interest | | | | | |
| Income | \$ 99,681 | \$ 67,602 | \$ 5,645 | \$ 18,952 | \$ 191,880 |
| Provision | | | | | |
| for Loan | | | | | |
| and Lease | | | | | |
| Losses | 5,334 | 2,477 | 48 | (11,359) | (3,500) |
| Net Interest | | | | | |
| Income After | | | | | |
| Provision | | | | | |
| for Loan | | | | | |
| and Lease | | | | | |
| Losses | 94,347 | 65,125 | 5,597 | 30,311 | 195,380 |
| Non-Interest | | | | | |
| Income | 45,403 | 22,573 | 27,426 | 8,288 | 103,690 |
| Non-Interest | | | | | |
| Expense | (87,777) | (46,072) | (26,256) | (8,042) | (168,147) |
| Income Before | | | | | |
| Income Taxes | 51,973 | 41,626 | 6,767 | 30,557 | 130,923 |
| Provision for | | | | | |
| Income Taxes | (19,230) | (15,381) | (2,504) | (9,777) | (46,892) |

| | | | | | |
|--|-----------|-----------|----------|------------|-----------|
| Allocated Net Income | 32,743 | 26,245 | 4,263 | 20,780 | 84,031 |
| Allowance Funding Value | (277) | (1,425) | (14) | 1,716 | - |
| GAAP Provision | 5,334 | 2,477 | 48 | (11,359) | (3,500) |
| Economic Provision | (6,906) | (5,598) | (193) | (5) | (12,702) |
| Tax Effect of Adjustments | 684 | 1,682 | 59 | 3,570 | 5,995 |
| Income Before Capital Charge | 31,578 | 23,381 | 4,163 | 14,702 | 73,824 |
| Capital Charge | (11,255) | (10,395) | (2,590) | (17,950) | (42,190) |
| Net Income (Loss) After Capital Charge (NIACC) | \$ 20,323 | \$ 12,986 | \$ 1,573 | \$ (3,248) | \$ 31,634 |

| | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|
| RAROC (ROE for the Company) | 31% | 25% | 18% | 27% | 22% |
|-----------------------------------|-----|-----|-----|-----|-----|

| | | | | | |
|-------------------------------------|-------------|-------------|-----------|-------------|-------------|
| Total Assets at June 30, 2004 | \$3,693,382 | \$2,331,951 | \$114,038 | \$3,549,398 | \$9,688,769 |
|-------------------------------------|-------------|-------------|-----------|-------------|-------------|

(1) Certain 2004 information has been reclassified to conform to 2005 presentation.

Bank of Hawaii Corporation and Subsidiaries
Quarterly Summary of Selected Consolidated Financial Data
(Unaudited) Table 12

| (dollars in thousands except per share amounts) | Three Months Ended | | | | |
|--|--------------------|-------------------|------------------|-----------------------|----------------------|
| | June 30, 2005 | March 31, 2005 | Dec. 31, 2004 | Sept. 30, 2004 (1) | June 30, 2004 (1) |

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Quarterly Operating Results Interest Income | | | | | |
| Interest and Fees on Loans and Leases | \$ 90,119 | \$ 86,467 | \$ 84,100 | \$ 82,079 | \$ 80,346 |
| Income on Investment Securities - Available for Sale | 27,987 | 27,319 | 26,394 | 24,543 | 21,745 |
| Income on | | | | | |

| | | | | | |
|---|---------|---------|---------|---------|---------|
| Investment Securities - Held to Maturity | 5,527 | 5,825 | 6,147 | 6,370 | 6,711 |
| Deposits | 36 | 23 | 107 | 496 | 1,646 |
| Funds Sold | 165 | 75 | 356 | 108 | 177 |
| Other | 271 | 449 | 267 | 801 | 865 |
| ----- | | | | | |
| Total Interest Income | 124,105 | 120,158 | 117,371 | 114,397 | 111,490 |
| ----- | | | | | |
| Interest Expense | | | | | |
| Deposits | 13,577 | 11,604 | 9,993 | 8,990 | 8,560 |
| Securities Sold Under Agreements to Repurchase Funds | 4,562 | 3,325 | 3,120 | 2,085 | 2,222 |
| Purchased Short-Term Borrowings | 1,151 | 733 | 395 | 683 | 506 |
| Long-Term Debt | 45 | 32 | 39 | 15 | 13 |
| | 3,731 | 3,806 | 3,893 | 3,845 | 4,340 |
| ----- | | | | | |
| Total Interest Expense | 23,066 | 19,500 | 17,440 | 15,618 | 15,641 |
| ----- | | | | | |
| Net Interest Income | 101,039 | 100,658 | 99,931 | 98,779 | 95,849 |
| Provision for Loan and Lease Losses | - | - | (6,500) | - | (3,500) |
| ----- | | | | | |
| Net Interest Income After Provision for Loan and Lease Losses | 101,039 | 100,658 | 106,431 | 98,779 | 99,349 |
| ----- | | | | | |
| Non-Interest Income | | | | | |
| Trust and Asset Management | 14,058 | 14,622 | 13,934 | 12,672 | 12,995 |
| Mortgage Banking Service Charges on Deposit Accounts | 2,594 | 2,590 | 1,516 | 1,711 | 2,808 |
| Fees, Exchange, and Other Service Charges | 9,569 | 10,179 | 10,155 | 9,472 | 9,540 |
| Investment Securities Gains (Losses) | 15,211 | 13,836 | 13,684 | 13,741 | 14,243 |
| Insurance | 337 | - | (757) | - | (37) |
| Other | 4,330 | 5,788 | 4,234 | 5,423 | 4,926 |
| | 4,575 | 5,300 | 5,584 | 10,035 | 10,373 |
| ----- | | | | | |
| Total Non-Interest | | | | | |

| | | | | | |
|--|--------------|-------------|-------------|-------------|-------------|
| Income | 50,674 | 52,315 | 48,350 | 53,054 | 54,848 |
| ----- | | | | | |
| Non-Interest Expense | | | | | |
| Salaries and Benefits | 43,856 | 44,769 | 45,043 | 46,566 | 46,689 |
| Net Occupancy Expense | 9,189 | 9,545 | 9,606 | 9,812 | 9,543 |
| Net Equipment Expense | 5,377 | 5,471 | 6,316 | 5,847 | 5,799 |
| Other | 20,582 | 21,078 | 21,138 | 21,965 | 23,094 |
| ----- | | | | | |
| Total Non-Interest Expense | 79,004 | 80,863 | 82,103 | 84,190 | 85,125 |
| ----- | | | | | |
| Income Before Income Taxes | 72,709 | 72,110 | 72,678 | 67,643 | 69,072 |
| Provision for Income Taxes | 26,280 | 26,588 | 26,437 | 24,576 | 24,840 |
| ----- | | | | | |
| Net Income | \$ 46,429 | \$ 45,522 | \$ 46,241 | \$ 43,067 | \$ 44,232 |
| ===== | | | | | |
| Basic Earnings Per Share | \$0.90 | \$0.85 | \$0.86 | \$0.82 | \$0.84 |
| Diluted Earnings Per Share | \$0.87 | \$0.83 | \$0.82 | \$0.78 | \$0.79 |
| Balance Sheet | | | | | |
| Totals | | | | | |
| Total Assets | \$10,059,690 | \$9,908,030 | \$9,766,191 | \$9,594,809 | \$9,688,769 |
| Net Loans | 6,049,831 | 5,910,784 | 5,880,134 | 5,690,924 | 5,662,410 |
| Total Deposits | 7,726,758 | 7,760,662 | 7,564,667 | 7,413,240 | 7,469,288 |
| Total Shareholders' Equity | 712,169 | 716,656 | 814,834 | 756,707 | 699,438 |
| Performance Ratios | | | | | |
| Net Income to Average Total Assets (ROA) | 1.87% | 1.88% | 1.89% | 1.77% | 1.80% |
| Net Income to Average Shareholders' Equity (ROE) | 25.98 | 23.66 | 23.63 | 23.42 | 24.28 |
| Efficiency Ratio (2) | 52.07 | 52.86 | 55.37 | 55.45 | 56.49 |

(1) Certain 2004 information has been reclassified to conform to 2005 presentation.

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

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SOURCE: Bank of Hawaii Corporation