

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549**

**FORM 8-K**

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

Date of Report  
(Date of earliest event reported)                      January 20, 2012

**BANK OF HAWAII CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware ----- (State of Incorporation)	1-6887 ----- (Commission File Number)	99-0148992 ----- (IRS Employer Identification No.)
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130 Merchant Street, Honolulu, Hawaii ----- (Address of principal executive offices)	96813 ----- (Zip Code)
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(Registrant's telephone number, including area code)	(888) 643-3888
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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On January 20, 2012, Bank of Hawaii Corporation (the “Company”) and Bank of Hawaii (the “Bank”) entered into an agreement with Kent T. Lucien (the “Amendment to Retention Agreement”) in connection with his employment with the Company and Bank as Vice Chairman and Chief Financial Officer, extending the date and terms of his employment as set forth in that certain Retention Agreement entered into with Mr. Lucien on June 30, 2010, from January 31, 2013 to January 31, 2014. A copy of the Amendment to Retention Agreement is attached as Exhibit 10.1 and incorporated herein by reference.

**Item 2.02. Results of Operations and Financial Condition.**

On January 23, 2012, Bank of Hawaii Corporation announced its results of operations for the quarter ended December 31, 2011. The public announcement was made by means of a press release, the text of which is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

**Item 5.02(e). Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On January 20, 2012, the Human Resources and Compensation Committee of the Board of Directors of the Company (the “Committee”) granted the following restricted stock awards under the 2004 Stock and Incentive Compensation Plan (the “Plan”) to Peter S. Ho, Chairman, CEO and President, Peter M. Biggs, Vice Chairman and Chief Retail Officer, Kent T. Lucien, Vice Chairman and Chief Financial Officer, Mark A. Rossi, Vice Chairman, General Counsel and Corporate Secretary, and Mary E. Sellers, Vice Chairman and Chief Risk Officer:

<b>GRANTEE</b>	<b>NUMBER OF SHARES</b>
Peter S. Ho	31,120
Peter M. Biggs	11,120
Kent T. Lucien	11,120
Mark A. Rossi	11,120
Mary E. Sellers	11,120

The referenced restricted stock awards were made pursuant to individual Restricted Stock Grant Agreements, which provide for the restricted stock to vest in one-third blocks on February 28, 2013, December 31, 2013 and December 31, 2014, provided that certain conditions of employment and Company performance objectives relating to the Company’s Return on Assets, Return on Equity or Stock Price to Book Ratio, as compared to designated Peer Group performance, are achieved and certified by the Committee. Vesting is accelerated upon a change of control of the Company or upon the holder’s death or termination of employment with the Company due to disability. A copy of the form 2012 Restricted Stock Grant Agreement referenced above is attached hereto as Exhibit 10.2 and incorporated herein by reference.

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On January 20, 2012, the Committee approved a compensation program (the "Program") for certain executives providing for a conversion of an identified percentage of their 2011 base salary to restricted shares in the Company. The restricted share grants shall be dated January 20, 2012, with the share price to be determined as of the close of the trading day on January 20, 2012. Adoption of the Program results in a conversion of 2012 base salary for Peter S. Ho, Chairman, CEO and President in the amount of \$75,000, Peter M. Biggs, Vice Chairman and Chief Retail Officer in the amount of \$11,500, Kent T. Lucien, Vice Chairman and Chief Financial Officer in the amount of \$42,500, Mark a. Rossi, Vice Chairman, General Counsel and Corporate Secretary in the amount of \$39,000, and Mary E. Sellers, Vice Chairman and Chief Risk Officer in the amount of \$34,000. The restricted shares awarded to Peter S. Ho, Peter M. Biggs, Mark A. Rossi, and Mary E. Sellers shall vest annually and equally over a 5 year period commencing on January 31, 2013 and ending on January 31, 2017. The restricted shares awarded to Kent T. Lucien shall vest 20% on January 31, 2013 and 80% on January 31, 2014. Vesting is accelerated upon a change of control of the Company or upon the holder's death or termination of employment with the Company due to disability. A copy of the form 2012 Restricted Stock In Lieu of Base Salary Grant Agreement referenced above is attached as Exhibit 10.3 and incorporated herein by reference.

On January 20, 2012, the Committee approved potential total maximum stock option grants available under the Company Share Appreciation Replacement Program for 2012 of 23,333 shares for Peter S. Ho, Chairman, President and CEO and 15,000 shares each for Peter M. Biggs, Vice Chairman and Chief Retail Officer, Kent T. Lucien, Vice Chairman and Chief Financial Officer, Mark A. Rossi, Vice Chairman, General Counsel and Corporate Secretary, and Mary E. Sellers, Vice Chairman and Chief Risk Officer. The actual number of stock option grants to be awarded for 2012 will be based on achieving certain conditions of employment and Company performance objectives relating to the Company's Return on Assets, Return on Equity or Stock Price to Book Ratio, as compared to designated Peer Group performance. A copy of the form 2012 Nonqualified Stock Option Agreement referenced above is attached as Exhibit 10.4 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits*

Exhibit No.

- 10.1 Amendment to Retention Agreement with Kent T. Lucien
  - 10.2 2012 Restricted Stock Grant Agreement
  - 10.3 2012 Restricted Stock In Lieu Of Base Salary Grant Agreement
  - 10.4 2012 Nonqualified Stock Option Agreement
  - 99.1 January 23, 2012 Press Release: Bank of Hawaii Corporation 2011 Financial Results. Any internet addresses provided in this release are for informational purposes only and are not intended to be hyperlinks. Furnished herewith.
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## SIGNATURES

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

Date: January 23, 2012

**BANK OF HAWAII CORPORATION**

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

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**FIRST AMENDMENT TO RETENTION AGREEMENT**  
Between Bank of Hawaii and Kent T. Lucien dated January 20, 2012

THIS FIRST AMENDMENT TO RETENTION AGREEMENT (“First Amendment”) is made and entered into on January 20, 2012 (“Effective Date”) by and between Bank of Hawaii Corporation and Bank of Hawaii (collectively “the Bank”) and Kent T. Lucien (“You”).

WITNESSETH THAT:

WHEREAS, the Bank and You have entered into a certain Retention Agreement dated June 30, 2010 (“Agreement”); and

WHEREAS, the Bank and You would like to amend the Agreement by extending your Separation Date from January 31, 2013 to January 31, 2014, and necessarily conforming other contractual terms to such extension;

NOW THEREFORE, in consideration of the mutual promises and covenants hereto of the parties, the Bank and You agree to amend the Agreement as follows:

1) The language in Section 1 is deleted in its entirety and replaced with the following:

1. **Duties and Compensation until your Departure Date.** You will continue the position of Vice Chair and Chief Financial Officer. You agree to work diligently in your position (or in any other position to which you may be placed) through January 31, 2014 (“Separation Date”), at which time you will be relieved of all duties and responsibilities. The Bank may advance your Separation Date to any date before January 31, 2014, or may extend your Separation Date to any date within six (6) months after January 31, 2014. Any Separation Date after July 31, 2014 will require mutual agreement of the parties in writing.
    - a. You will be paid your salary and benefits through the Separation Date.
    - b. You will participate in the Executive Incentive Plan for the calendar years 2012 and 2013, provided you are employed for the duration of the Performance Period as defined in the applicable Plan.
    - c. The Bank shall recommend that the HR and Compensation Committee authorize your participation in the 2012 Bank of Hawaii Corporation Equity Program at the Vice Chairman level in the first quarter of 2012.
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- d. In the event you voluntarily terminate employment prior to the Separation Date, you will receive only your salary and vested benefits through the date of your termination of employment.
  - e. You acknowledge and agree that no compensation or other payment except as specified in the Agreement as amended by this First Amendment will be owed to you after the Separation Date.
- 2) The language in Section 3 is deleted in its entirety and replaced with the following:
3. **Retention Payment (“Monetary Consideration”).** If you perform your duties to the Bank’s satisfaction through January 31, 2014, (including attaining Performance and Transition Objectives which shall be deemed to be met unless you are otherwise notified prior to December 31, 2013) and comply with the requirements in Section 1, 2, 3, 6, 7, 8, and 9 of this Agreement, you will receive a Retention Payment of \$425,000.00, subject to reduction for tax withholding requirements. The Retention Payment will be paid by the 60<sup>th</sup> day following January 31, 2014. After the Separation Date, you will no longer be eligible for contributions or benefit accruals under any of the Bank’s tax-qualified retirement plans or nonqualified deferred compensation plans. Any outstanding equity grants will expire in accordance with the terms of the applicable agreements.
- 3) The substantive language in Sections 2(d), 4, 5, 6, 9, 10, 11, and 12 of the Agreement is hereby amended by changing the word “Agreement” to “Agreement as modified by the First Amendment” wherever it appears.
- 4) The language in Section 14 of the Agreement is deleted in its entirety and replaced with the following:
14. **Older Workers Benefit Protection Act notice.** The following is required by the Older Workers Benefit Protection Act (OWBPA”):

This First Amendment includes a waiver of any claims you may have under the Age Discrimination in Employment Act (“ADEA”) through the Execution Date of the First Amendment. You have up to twenty-one (21) days from the date of this letter to accept the terms of this First Amendment, although you may accept it at any time within those 21 days. To properly weigh the advantages and disadvantages of signing this First Amendment and waiving your ADEA claims, you are advised to consult an attorney about this Agreement prior to signing. If you want to accept the First Amendment prior to the expiration of the 21 days, you will need

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to indicate your waiver of the 21-day consideration period by signing in the space indicated below.

- 5) Unless amended, modified, supplemented and/or controverted by the Bank and You in this First Amendment, all other terms and conditions of said Agreement shall remain in full force and effect.

To accept this First Amendment, please date, sign and return it to the Bank's Executive Vice President and Director of Human Resources. (*An extra copy for your file is provided.*) Once you do so, pursuant to the OWBPA, you will still have an additional seven (7) days in which to revoke your acceptance. To revoke, you must send the Bank's Executive Vice President and Director of Human Resources a written statement of revocation by registered mail, return receipt requested. If you revoke your acceptance of this First Amendment, the First Amendment will be void. If you do not revoke, the eighth (8th) day after the date of your acceptance will be the "Effective Date" of this First Amendment. The First Amendment will not be effective and enforceable until the revocation period has expired.

BANK OF HAWAII CORPORATION AND  
BANK OF HAWAII

By: \_\_\_\_\_ Date: \_\_\_\_\_  
PETER S. HO  
Chairman, President and CEO

By signing this First Amendment, I acknowledge that I have had the opportunity to review it carefully with an attorney of my choice; that I have read and understand its terms; and that I voluntarily agree to them.

Dated: \_\_\_\_\_  
Kent T. Lucien

Pursuant to 29 C.F. R. Section 125.22(e)(6), I hereby knowingly and voluntarily waive the twenty-one (21) day pre-execution consideration period set forth in the Older Workers Benefit Protection Act (29 U.S.C. Section 626(f)(1)(F)(i)).

Dated: \_\_\_\_\_  
Kent T. Lucien

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**EXHIBIT A**

[To be executed on or after Separation Date]

**WAIVER AND RELEASE OF CLAIMS THROUGH SEPARATION DATE**

I agree that all applicable terms and conditions in my Waiver and Release of Claims set forth in Section 6 of the Agreement dated June 30, 2010 as amended by that certain First Amendment to Retention Agreement dated \_\_\_\_\_ apply with respect to the period of my employment with the Bank from the Execution Date of the First Amendment through my Separation Date.

**UNDERSTOOD AND AGREED:**

Dated: \_\_\_\_\_  
Kent T. Lucien

Pursuant to 29 C.F.R. § 1625.22(e)(6), I hereby knowingly and voluntarily waive the twenty-one (21) day pre-execution consideration period set forth in Older Workers Benefit Protection Act (29 U.S.C. § 626(f)(1)(F)(i)).

Dated: \_\_\_\_\_  
Kent T. Lucien

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**BANK OF HAWAII CORPORATION**  
**2004 STOCK AND INCENTIVE COMPENSATION PLAN**

**2012 RESTRICTED STOCK GRANT AGREEMENT**

This Restricted Stock Grant Agreement (“Agreement”) dated January 20, 2012 (“Grant Date”), between Bank of Hawaii Corporation, a Delaware corporation (“Company”), with its registered office at 130 Merchant Street, Honolulu, Hawaii 96813, and the executive of the Company or subsidiary of the Company (“Grantee”) who is specified in the “Notice of 2012 Restricted Stock Grant” (“Notice”) attached hereto.

1. Grant of Restricted Shares. Effective as of the Grant Date, the Human Resources and Compensation Committee of the Company’s Board of Directors (“Committee”) has granted to Grantee the number of shares of the Company’s common stock (“Restricted Shares”) as specified in the Notice pursuant to the Bank of Hawaii Corporation 2004 Stock and Incentive Compensation Plan, as amended (“Plan”). The grant of Restricted Shares evidenced by this Agreement is made subject to the terms and conditions of the Plan and of this Agreement. In case of conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall control. Certain terms defined in the Plan are used in this Agreement with the meanings given to them in the Plan.

2. Restrictions During Period of Restriction. Restricted Shares shall be subject to forfeiture by Grantee until the “Restriction Period” terminates as to such Restricted Shares and the Restricted Shares shall vest in Grantee (up to the maximum shares granted under this Agreement) in accordance with the terms of the Plan (including, but not limited to, conditions and restrictions imposed pursuant to Section 8.4 of the Plan) and this Agreement.

a. Restriction Period. For purposes of this Agreement and with respect to a designated block of Restricted Shares granted under this Agreement, the term “Restriction Period” shall mean the period that commences on the Grant Date and terminates following achievement of the service and financial performance objectives applicable to the block of Restricted Shares as described below.

(1) Component Conditioned on Service

One-third of the total Restricted Shares granted hereunder shall be subject to the termination of the Restriction Period under this Section 2.a(1) that is conditioned on service and the achievement of positive net income (which one-third block is referred to hereunder as the “Service Shares”) as follows:

(a) On February 28, 2013, with respect to one-third of the Service Shares provided that (I) Grantee remains an Employee through December 31, 2012, and (II) the Committee shall have certified with respect to the fiscal year ending December 31, 2012, that the Company has achieved positive net income as publicly announced by the Company in its earnings release for that period (“Net Income Performance Objective”).

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(b) On December 31, 2013, with respect to one-third of the Service Shares provided that (I) Grantee remains an Employee through December 31, 2013, and (II) the Net Income Performance Objective is satisfied.

(c) On December 31, 2014, with respect to one-third of the Service Shares provided that (I) Grantee remains an Employee through December 31, 2014, and (II) the Net Income Performance Objective is satisfied.

(2) Component Conditioned on First-Tier Performance

One-third of the total Restricted Shares granted hereunder shall be subject to the termination of the Restriction Period under this Section 2.a(2) that is conditioned on service and the achievement of financial performance criteria at no less than the second-tier peer group level (which one-third block is referred to hereunder as the “First-Tier Shares”) as follows:

(a) On February 28, 2013, with respect to one-third of the First-Tier Shares provided that (I) Grantee remains an Employee through December 31, 2012, and (II) the Committee shall have certified with respect to the fiscal year ending December 31, 2012, that the Company’s “Return on Assets”, or “Return on Equity”, or “Stock Price to Book Ratio v. Peers” falls within the top two quartiles of the 2012 Regional Bank Index or the 2012 U.S. Bank Index that has been designated by the Committee on or before the Grant Date and as the same may be revised from time to time to delete organizations that cease to be publicly-held (“First-Tier Performance Objective”).

For purposes of this Agreement the terms “Return on Assets”, “Return on Equity”, and “Stock Price to Book Ratio vs. Peers” shall mean such terms as determined and reported with respect to the Company for purposes of placement under designated 2012 Regional Bank Index and the 2012 U.S. Bank Index.

(b) On December 31, 2013, with respect to one-third of the First-Tier Shares provided that (I) Grantee remains an Employee through December 31, 2013, and (II) the First-Tier Performance Objective is satisfied.

(c) On December 31, 2014, with respect to one-third of the First-Tier Shares provided that (I) Grantee remains an Employee through December 31, 2014, and (II) the First-Tier Performance Objective is satisfied.

(3) Component Conditioned on Second-Tier Performance

One-third of the total Restricted Shares granted hereunder shall be subject to the termination of the Restriction Period under this Section 2.a(3) that is conditioned on service and the achievement of financial performance criteria at

the first-tier peer group level (which one-third block is referred to hereunder as the “Second-Tier Shares”) as follows:

(a) On February 28, 2013, with respect to one-third of the Second-Tier Shares provided that (I) Grantee remains an Employee through December 31, 2012, and (II) the Committee shall have certified with respect to the fiscal year ending December 31, 2012, that the Company’s “Return on Assets”, or “Return on Equity”, or “Stock Price to Book Ratio vs. Peers” falls within the top quartile of the 2012 Regional Bank Index or the 2012 U.S. Bank Index that has been designated by the Committee on or before the Grant Date and as the same may be revised from time to time to delete organizations that cease to be publicly-held (“Second-Tier Performance Objective”).

(b) On December 31, 2013, with respect to one-third of the Second-Tier Shares provided that (I) Grantee remains an Employee through December 31, 2013, and (II) the Second-Tier Performance Objective is satisfied.

(c) On December 31, 2014, with respect to one-third of the Second-Tier Shares provided that (I) Grantee remains an Employee through December 31, 2014, and (II) the Second-Tier Performance Objective is satisfied.

b. Committee Determinations. This Agreement shall be interpreted in a manner consistent with the requirements of the performance-based compensation exception under Code Section 162(m). The Committee shall endeavor to certify whether the service and financial performance objectives described in Section 2.a of this Agreement have been satisfied on or prior to the scheduled time of vesting as specified in Section 2.a. In the event that the Committee has not done so, it shall make such determination as soon thereafter as possible and, if the satisfaction of the service and financial performance objectives have been certified, the Restricted Shares subject to vesting shall vest at the time of the making of such certification.

c. Other Termination of Restriction Period. The Restriction Period shall terminate and all theretofore unvested and unforfeited Restricted Shares shall vest in Grantee upon the earliest to occur of the following: (i) the death of Grantee; (ii) the Grantee is no longer an Employee due to “disability” within the meaning of that term under Code Section 409A and the regulations promulgated thereunder; or (iii) the occurrence of a “Change in Control” in accordance with Article 15 of the Plan.

d. Forfeiture of Unvested Restricted Shares. Each block of Restricted Shares that remains unvested and unforfeited shall be forfeited and transferred to the Company upon the first to occur of: (i) except as provided in Section 2.c of this Agreement, Grantee’s ceasing to be an Employee for any reason, whether voluntary or involuntary; and (ii) the making of the determination that the financial performance objective applicable to the block of Restricted Shares has not been satisfied for such block under Section 2.a of this Agreement. Grantee’s employment shall not be treated as

terminated in the case of a transfer of employment within the Company and its subsidiaries or in the case of sick leave and other approved leaves of absence.

e. Transfer Restriction. During the Period of Restriction for a particular Restricted Share, such Restricted Share shall be subject to the restrictions on transferability set forth in Section 8.3 of the Plan.

3. Issuance of Shares; Registration; Withholding Taxes. Restricted Shares shall be issued in Grantee's name, shall bear the restrictive legend specified in Section 8.5 of the Plan (and such other restrictive legends as are required or deemed advisable by the Company under the provisions of any applicable law), and shall be held by the Company until all restrictions lapse or such shares are forfeited as provided herein. The Restricted Shares as to which the Restriction Period has terminated shall be delivered to Grantee upon such termination. The Company may postpone the issuance or delivery of the Shares until (a) the completion of registration or other qualification of such Shares or transaction under any state or federal law, rule or regulation, or any listing on any securities exchange, as the Company shall determine to be necessary or desirable; (b) the receipt by the Company of such written representations or other documentation as the Company deems necessary to establish compliance with all applicable laws, rules and regulations, including applicable federal and state securities laws and listing requirements, if any; and (c) the payment to the Company in accordance with Article 17 of the Plan of any amount required by the Company to satisfy any federal, state or other governmental withholding tax requirements related to the issuance or delivery of the Shares. Grantee shall comply with any and all legal requirements relating to Grantee's resale or other disposition of any Shares acquired under this Agreement.

4. Share Adjustments. The number and kind of Restricted Shares or other property subject to this Agreement shall be subject to adjustment in accordance with Section 4.2 of the Plan.

5. Rights as Shareholder. Unless otherwise provided herein, Grantee shall be entitled to all of the rights of a shareholder with respect to the Restricted Shares, including the right to vote such Shares and to received dividends and other distributions (not including share adjustments as described in Section 4 above) payable with respect to such Shares from and after the Grant Date. Grantee's rights as a shareholder shall terminate with respect to any Restricted Shares forfeited by Grantee.

6. Amendment. This Agreement may be amended by the Committee at any time based on its determination that the amendment is necessary or advisable in light of any addition to, or change in, the Code or regulations issued thereunder or any federal or state securities law or other law or regulation, or the Plan, or based on any discretionary authority of the Committee under the Plan. Unless necessary or advisable due to a change in law, any amendment to this Agreement which has a material adverse effect on the interest of Grantee under this Agreement shall be adopted only with the consent of Grantee.

7. Section 83(b) Election. Grantee shall promptly deliver to the Company a copy of any election filed by Grantee in respect of the Restricted Shares pursuant to Code Section 83(b).

8. Notices. Any notice or other communication made in connection with this Agreement shall be deemed duly given when delivered in person or mailed by certified or registered mail, return receipt requested, to Grantee at Grantee's address shown on Company records or such other address designated by Grantee by similar notice, or to the Company at its then principal office, to the attention of the Corporate Secretary of the Company. Furthermore, such notice or other communication shall be deemed duly given when transmitted electronically to Grantee at Grantee's electronic mail address shown on the Company records or, to the extent that Grantee is an active employee, through the Company's intranet.

9. Miscellaneous. This Agreement and the Plan set forth the final and entire agreement between the parties with respect to the subject matter hereof, which shall be governed by and shall be construed in accordance with the laws of the State of Hawaii, to the extent not governed by federal law. This Agreement shall bind and benefit Grantee, the heirs, distributees and personal representative of Grantee, and the Company and its successors and assigns. This Agreement may be signed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument. Capitalized terms not herein defined shall have the meanings prescribed to them under the Plan.

BY ACCEPTING THE RESTRICTED SHARES GRANTED UNDER THIS 2012 RESTRICTED STOCK GRANT AGREEMENT, GRANTEE AGREES TO ALL THE TERMS AND CONDITIONS DESCRIBED IN THIS AGREEMENT AND IN THE PLAN.

**BANK OF HAWAII CORPORATION**  
**2004 STOCK AND INCENTIVE COMPENSATION PLAN**

**2012 RESTRICTED STOCK IN LIEU OF BASE SALARY GRANT AGREEMENT**

This Restricted Stock Grant Agreement (“Agreement”) dated January 20, 2012 (“Grant Date”), between Bank of Hawaii Corporation, a Delaware corporation (“Company”), with its registered office at 130 Merchant Street, Honolulu, Hawaii 96813 and the executive of the Company or subsidiary of the Company (“Grantee”), who is specified in the Notice of 2012 Restricted Stock in Lieu of Base Salary Grant (“Notice”) attached hereto.

1. Grant of Restricted Shares. Effective as of the Grant Date, the Human Resources and Compensation Committee of the Company’s Board of Directors (“Committee”) has granted to Grantee the number of shares of the Company’s common stock (“Restricted Shares”) as specified in the Notice pursuant to the Bank of Hawaii Corporation 2004 Stock and Incentive Compensation Plan, as amended (“Plan”). The grant of Restricted Shares evidenced by this Agreement is made subject to the terms and conditions of the Plan and of this Agreement. In case of conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall control. Certain terms defined in the Plan are used in this Agreement with the meanings given to them in the Plan.

2. Restrictions During Period of Restriction. Restricted Shares shall be subject to forfeiture by Grantee until the “Restriction Period” terminates as to such Restricted Shares and the Restricted Shares shall vest in Grantee (up to the maximum shares granted under this Agreement) in accordance with the terms of the Plan (including, but not limited to, conditions and restrictions imposed pursuant to Section 8.4 of the Plan) and this Agreement.

a. Restriction Period. For purposes of this Agreement and with respect to a designated block of Restricted Shares granted under this Agreement, the term “Restriction Period” shall mean the period that commences on the Grant Date and terminates following achievement of the service objective applicable to the block of Restricted Shares as described below.

(1) Service Objective

(a) On January 31, 2013, with respect to 20% of the total Restricted Shares granted hereunder provided that Grantee remains an Employee through such date.

(b) On January 31, 2014, with respect to 20% of the total Restricted Shares granted hereunder provided that Grantee remains an Employee through such date.

(c) On January 30, 2015, with respect to 20% of the total Restricted Shares granted hereunder provided that Grantee remains an Employee through such date.

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(d) On January 29, 2016, with respect to 20% of the total Restricted Shares granted hereunder provided that Grantee remains an Employee through such date.

(e) On January 31, 2017, with respect to 20% of the total Restricted Shares granted hereunder provided that Grantee remains an Employee through such date.

(2) Company's Determinations. With respect to a designated block of Restricted Shares, the Company's Human Resources shall endeavor to certify whether the service objective described in Section 2.a(1) of this Agreement has been satisfied on the scheduled time of vesting as specified in Section 2.a(1). In the event that Human Resources has not done so, it shall make such determination as soon thereafter as possible and, if the satisfaction of the service objective has been certified, the Restricted Shares subject to vesting shall vest at the time of the making of such certification.

b. Other Termination of Restriction Period. The Restriction Period shall terminate and all theretofore unvested and unforfeited Restricted Shares shall vest in the Grantee upon the earliest to occur of the following: (i) the death of Grantee; (ii) the Grantee is no longer an Employee due to "disability" within the meaning of that term under Code Section 409A and the regulations promulgated thereunder; (iii) the Grantee is no longer an Employee due to an "involuntary separation from service" without "Cause" (within the meaning of Section 2.7 of the Plan) in accordance with Code Section 409A and the regulations promulgated thereunder; or (iv) the occurrence of a "Change in Control" in accordance with Article 15 of the Plan.

c. Forfeiture of Unvested Restricted Shares. Each block of Restricted Shares that remains unvested and unforfeited shall be forfeited and transferred to the Company upon Grantee's ceasing to be an Employee for any reason, whether voluntary or involuntary (except as provided in Section 2.b of this Agreement).

d. Transfer Restriction. During the Period of Restriction for a particular Restricted Share, such Restricted Share shall be subject to the restrictions on transferability set forth in Section 8.3 of the Plan.

3. Issuance of Shares; Registration; Withholding Taxes. Certificates for the Restricted Shares shall be issued in Grantee's name, shall bear the restrictive legend specified in Section 8.5 of the Plan (and such other restrictive legends as are required or deemed advisable by the Company under the provisions of any applicable law) and shall be held by the Company until all restrictions lapse or such shares are forfeited as provided herein. A certificate or certificates representing the Restricted Shares as to which the Restriction Period has terminated shall be delivered to Grantee upon such termination. The Company may postpone the issuance or delivery of the Shares until (a) the completion of registration or other qualification of such Shares or transaction under any state or federal law, rule or regulation, or any listing on any securities exchange, as the Company shall determine to be necessary or desirable; (b) the receipt by the Company of such written representations or other documentation as the Company deems necessary to establish compliance with all applicable laws, rules and regulations, including applicable federal and state securities laws and listing requirements, if any; and (c) the payment to the Company in accordance with Article 17 of the Plan of any amount required by the

Company to satisfy any federal, state or other governmental withholding tax requirements related to the issuance or delivery of the Shares. Grantee shall comply with any and all legal requirements relating to Grantee's resale or other disposition of any Shares acquired under this Agreement.

4. Share Adjustments. The number and kind of Restricted Shares or other property subject to this Agreement shall be subject to adjustment in accordance with Section 4.2 of the Plan.

5. Rights as Shareholder. Unless otherwise provided herein, Grantee shall be entitled to all of the rights of a shareholder with respect to the Restricted Shares, including the right to vote such Shares and to receive dividends and other distributions (not including share adjustments as described in Section 4 above) payable with respect to such Shares from and after the Grant Date. Grantee's rights as a shareholder shall terminate with respect to any Restricted Shares forfeited by Grantee.

6. Amendment. This Agreement may be amended by the Committee at any time based on its determination that the amendment is necessary or advisable in light of any addition to, or change in, the Code or regulations issued thereunder or any federal or state securities law or other law or regulation, or the Plan, or based on any discretionary authority of the Committee under the Plan. Unless necessary or advisable due to a change in law, any amendment to this Agreement which has a material adverse effect on the interest of Grantee under this Agreement shall be adopted only with the consent of Grantee.

7. Section 83(b) Election. Grantee shall promptly deliver to the Company a copy of any election filed by Grantee in respect of the Restricted Shares pursuant to Code Section 83(b).

8. Notices. Any notice or other communication made in connection with this Agreement shall be deemed duly given when delivered in person or mailed by certified or registered mail, return receipt requested, to Grantee at Grantee's address shown on Company records or such other address designated by Grantee by similar notice, or to the Company at its then principal office, to the attention of the Corporate Secretary of the Company. Furthermore, such notice or other communication shall be deemed duly given when transmitted electronically to Grantee at Grantee's electronic mail address shown on the Company records or, to the extent that Grantee is an active employee, through the Company's intranet.

9. Miscellaneous. This Agreement and the Plan set forth the final and entire agreement between the parties with respect to the subject matter hereof, which shall be governed by and shall be construed in accordance with the laws of the State of Hawaii, to the extent not governed by federal law. This Agreement shall bind and benefit Grantee, the heirs, distributees and personal representative of Grantee, and the Company and its successors and assigns. This Agreement may be signed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument. Capitalized terms not herein defined shall have the meanings prescribed to them under the Plan.

BY ACCEPTING THE RESTRICTED SHARES GRANTED UNDER THIS 2012 RESTRICTED STOCK IN LIEU OF BASE SALARY GRANT AGREEMENT, GRANTEE AGREES TO ALL THE TERMS AND CONDITIONS DESCRIBED IN THIS AGREEMENT AND IN THE PLAN.



**STOCK OPTION GRANT UNDER THE  
BANK OF HAWAII CORPORATION  
2004 STOCK AND INCENTIVE COMPENSATION PLAN**

**2012 NONQUALIFIED STOCK OPTION AGREEMENT**

This Agreement dated January 20, 2012, between Bank of Hawaii Corporation, a Delaware corporation (“Company”), with its registered office at 130 Merchant Street, Honolulu, Hawaii 96813, and the executive of the Company or subsidiary of the Company (“Optionee”) who is specified in the “Notice of 2012 Nonqualified Stock Option Grant” (“Notice”) attached hereto.

1. Grant of Option. The Company hereby grants to Optionee, effective as of January 20, 2012 (“Grant Date”), the right and option (“Option”, in the aggregate or singularly as the context implies) to purchase from the Company, for a price equal to the exercise price as specified in the Notice (“Exercise Price”), up to the number of shares of Company common stock (“Company Stock” or “Shares”) as specified in the Notice. This grant of Option shall be subject to the applicable terms and conditions set forth below and is being granted pursuant to the Bank of Hawaii Corporation 2004 Stock and Incentive Compensation Plan (“Plan”) in accordance with the authority and direction of the Human Resources and Compensation Committee (“Committee”) of the Company’s Board of Directors. The Option shall constitute a nonqualified stock option which is not a qualified stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended (“Code”).

2. Primary Terms and Conditions of Option

a . Exercise Price. The Exercise Price shall be the price per Share as specified in the Notice, which is the fair market value per Share on the Grant Date as determined in accordance with the Plan.

b . Term of Option. The term of the Option over which the Option is in effect shall commence on the Grant Date and shall terminate on the tenth anniversary of the Grant Date. The Option shall not be exercisable after the term of the Option.

c. Vesting Based on Service and Performance.

The Option for the purchase of Shares is conditioned upon the achievement of service and financial performance objectives applicable to the Option. Except as otherwise provided hereunder, the Option shall be forfeited by the Optionee and treated as null and void under the Plan to the extent that any vesting condition applicable to the Option is not satisfied. The Option shall not be exercisable prior to the vesting of the Option.

(1) Component Conditioned on Service

One-third of the total Option granted hereunder shall be subject to vesting under this Section 2.c(1) conditioned on service and the achievement of positive net income (which one-third block is referred to hereunder as the “Service Options”). Specifically, the Service Options shall become vested on

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February 28, 2013, provided that (I) Grantee remains an Employee through December 31, 2012, and (II) the Committee shall have certified with respect to the fiscal year ending December 31, 2012, that the Company has achieved positive net income as publicly announced by the Company in its earnings release for that period (“Net Income Performance Objective”).

(2) Component Conditioned on First-Tier Performance

One-third of the total Option granted hereunder shall be subject to vesting under this Section 2.c(2) conditioned on service and the achievement of financial performance criteria at no less than the first-tier peer group level (which one-third block is referred to hereunder as the “First-Tier Options”). Specifically, the First-Tier Options shall become vested on February 28, 2013, provided that (I) Grantee remains an Employee through December 31, 2012, and (II) the Committee shall have certified with respect to the fiscal year ending December 31, 2012, that the Company’s “Return on Assets”, or “Return on Equity”, or “Stock Price to Book Ratio v. Peers” falls within the top two quartiles of the 2012 Regional Bank Index or the 2012 U.S. Bank Index that has been designated by the Committee on or before the Grant Date and as the same may be revised from time to time to delete organizations that cease to be publicly-held (“First-Tier Performance Objective”).

For purposes of this Agreement the terms “Return on Assets”, “Return on Equity”, and “Stock Price to Book Ratio vs. Peers” shall mean such terms as determined and reported with respect to the Company for purposes of placement under designated 2012 Regional Bank Index and the 2012 U.S. Bank Index.

(3) Component Conditioned on Second-Tier Performance

One-third of the total Options granted hereunder shall be subject to vesting under this Section 2.c(3) conditioned on service and the achievement of financial performance criteria at the second-tier peer group level (which one-third block is referred to hereunder as the “Second-Tier Options”). Specifically, the Second-Tier Options shall become vested on February 28, 2013, provided that (I) Grantee remains an Employee through December 31, 2012, and (II) the Committee shall have certified with respect to the fiscal year ending December 31, 2012, that the Company’s “Return on Assets”, or “Return on Equity”, or “Stock Price to Book Ratio vs. Peers” falls within the top quartile of the 2012 Regional Bank Index or the 2012 U.S. Bank Index that has been designated by the Committee on or before the Grant Date and as the same may be revised from time to time to delete organizations that cease to be publicly-held (“Second-Tier Performance Objective”).

d. Exercisability of Option. Except as otherwise provided hereunder, the Option shall be exercisable on or after February 28, 2013, to the extent that the Option becomes vested. The Committee shall endeavor to certify whether the service and financial performance objectives described in Section 2.c of this Agreement have been satisfied on or prior to the scheduled time of vesting on February 28, 2013. However,

in the event that the Committee has not done so, it shall make such determination as soon thereafter as possible and, if the satisfaction of the service and financial performance objectives have been certified, the Option shall become vested and exercisable at the time of the making of such certification. In addition, the Option shall be exercisable upon the occurrence of a "Change in Control" of the Company (as described in Section 2.8 of the Plan).

3. Exercisability Following Termination of Employment

a . Generally. This Section 3 applies to an Option that is otherwise vested and exercisable in accordance with Section 2 above. Except as other provided hereunder, such Option shall terminate and shall not be exercisable following Optionee's termination of employment.

If Optionee's employment with the Company or any subsidiary terminates for a reason other than described in the below Sections 3.b, 3.c, and 3.d, the Option shall continue to be exercisable for a period of 120 days following such termination, but the Option shall not be exercisable after the original term of the Option.

For purposes of this Section 3, Optionee's employment shall not be treated as terminated in the case of continued employment with the Company or any of its subsidiaries, or a transfer of employment within or between the Company and its subsidiaries, or in the case of sick leave or other approved leaves of absences.

To the extent provided under the Notice to Optionee, in lieu of the 120-day period applicable to a termination of employment under this Section 3.a, the Option shall continue to be exercisable for the entire duration of the original term of the Option following such termination of employment.

b . Death or Disability. If Optionee's employment with the Company or any subsidiary terminates because of Optionee's death or "disability" within the meaning of Code Section 409A, the Option shall continue to be exercisable for a period of 12 months following such termination, but the Option shall not be exercisable after the original term of the Option.

c . Retirement. If Optionee's employment with the Company or any subsidiary terminates on or after the attainment of Early Retirement Age or Normal Retirement Age as defined by the Employees' Retirement Plan of Bank of Hawaii ("ERP") (whether or not Optionee is actually eligible under the ERP, and disregarding eligibility for an immediate payment of a mandatory cashout under the ERP), the Option shall continue to be exercisable for the entire duration of the original term of the Option.

d . Cause. If Optionee's employment with the Company or any subsidiary terminates for "Cause" (as described in Section 2.7 of the Plan), the Option shall immediately terminate at such time.

4 . Exercise of Option. An Option may be exercised from time to time with respect to all or any portion of the number of Shares with respect to which the Option has become exercisable by written notice to the Corporate Secretary of the Company or other authorized personnel of the Company.

When Optionee gives notice of exercise of the Option, Optionee must pay the full Exercise Price for the Option Shares being purchased. Optionee may make payment: (i) by certified check or bank check payable to the order of the Company; or (ii) by delivering (either by actual delivery or attestation) previously acquired shares of Company common stock held by Optionee for at least six months or acquired by Optionee on the open market and having an aggregate fair market value at the time of exercise equal to the full Exercise Price; or (iii) by a combination thereof. In addition, with the approval of the Committee, the Company may cooperate with Optionee in arranging a “cashless exercise” of the Option through a broker approved by the Company, under which the broker will sell shares acquired by Optionee upon exercise of the Option and remit to the Company a sufficient portion of the sales proceeds to pay the full Exercise Price and any tax withholding required upon such exercise.

The Option shall not be exercised for any fractional Shares and no fractional Shares shall be issued or delivered. If Optionee fails to pay for any Option Shares specified in the notice of exercise or fails to accept delivery of the Option Shares, the Company may terminate Optionee’s rights to purchase the Option Shares.

5 . Issuance of Shares; Registration; Withholding Taxes. As soon as practicable after the exercise date of the Option, the Company shall cause to be issued and delivered to Optionee, or for Optionee’s account the Option Shares purchased.

The Company may postpone the issuance or delivery of the Shares until (a) the completion of registration or other qualification of such Shares or transaction under any state or federal law, rule or regulation, or any listing on any securities exchange, as the Company shall determine to be necessary or desirable; (b) the receipt by the Company of such written representations or other documentation as the Company deems necessary to establish compliance with all applicable laws, rules and regulations, including applicable federal and state securities laws and listing requirements, if any; and (c) the payment to the Company, upon its demand, of any amount requested by the Company to satisfy any federal, state or other governmental withholding tax requirements related to the exercise of the Option. The Company shall have the right to withhold with respect to the payment of any Option Shares any taxes required to be withheld because of such payment, including the withholding of Shares otherwise payable due to exercise of the Option. Optionee shall comply with any and all legal requirements relating to Optionee’s resale or other disposition of any Shares acquired under this Agreement. Any certificate representing the Shares acquired pursuant to the Option may bear such legend as described in Section 9 or other legend as counsel to the Company otherwise deems appropriate to assure compliance with applicable law.

6 . Nontransferability of Options. The Option and this Agreement shall not be assignable or transferable by Optionee other than by will or by the laws of descent and distribution. During Optionee’s lifetime, the Option and all rights of Optionee under this Agreement may be exercised only by Optionee (or by his or her legal guardian or legal representative). If the Option is exercised after Optionee’s death, the Committee may require evidence reasonably satisfactory to it of the appointment and qualification of Optionee’s personal representatives and their authority and of the right of any heir or distributee to exercise the Option. Any purported transfer or assignment of the Option shall be void and of no effect, and shall give the Company the right to terminate the Option as of the date of such purported transfer or assignment. Notwithstanding the foregoing, with the approval of the Committee, Optionee

may transfer the Option to a revocable trust under which Optionee is both the trustee and beneficiary.

7 . Share Adjustments. The number of Shares subject to the Option and the Exercise Price shall be adjusted proportionately for any increase or decrease in the number of issued shares of common stock by reason of a merger, reorganization, recapitalization, reclassification, stock split, stock dividend, or other capital adjustments under Section 4.2 of the Plan. The adjustment required shall be made by the Committee, whose determination shall be conclusive. In no event shall the adjusted Exercise Price be less than the fair market value of the adjusted shares on the Grant Date in accordance with the requirements of Code Section 409A.

8 . No Rights as Shareholder. Optionee shall acquire none of the rights of a shareholder of the Company with respect to the Shares until the Shares are issued to Optionee upon the exercise of the Option. Except as otherwise provided in Section 7 above, no adjustments shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such Shares are issued.

9 . Registration of Shares. If a registration statement under the Securities Act of 1933 with respect to the shares issuable upon exercise of any option granted under the Plan is not in effect at the time of exercise, or if a registration statement with respect to said shares to Optionee is in effect but not with respect to Optionee's resale thereof and Optionee is an "affiliate" of the Company, then, in either such case, (a) as a condition of the issuance of the shares the person exercising such Option shall give the Company a written statement, satisfactory in form and substance to the Company, acknowledging that said shares may be reoffered or resold by Optionee only pursuant to Rule 144 under the Securities Act of 1933 or pursuant to a separate registration statement under said Act and (b) the Company may place upon any stock certificate for shares issuable upon exercise of such Option the following legend or such other legend as the Company may prescribe to prevent disposition of the shares in violation of the Securities Act of 1933:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THEM UNDER THE ACT OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS. FURTHERMORE, NO OFFER, SALE, TRANSFER, PLEDGE, OR HYPOTHECATION MAY BE MADE WITHOUT APPROVAL OF COUNSEL FOR BANK OF HAWAII CORPORATION, AFFIXED TO THIS CERTIFICATE. THE STOCK TRANSFER AGENT HAS BEEN ORDERED TO EFFECTUATE TRANSFERS OF THIS CERTIFICATE ONLY IN ACCORDANCE WITH THE ABOVE INSTRUCTIONS.

10. Optionee Bound by Plan. Optionee hereby acknowledges receipt of a copy of the Plan and acknowledges that Optionee shall be bound by its terms, regardless of whether such terms have been set forth in the Agreement. Notwithstanding the foregoing, if there is an inconsistency between the terms of the Plan and the terms of this Agreement,

Optionee shall be bound by the terms of the Plan, which terms are incorporated herein by reference.

11. Employment Rights. Neither the Plan nor the granting of the Option shall be a contract of employment with the Company or any of its subsidiaries. Optionee may be discharged from employment at any time by the employing Company or subsidiary.

12. Amendment. Generally, this Agreement may be amended, at any time and from time to time, at the sole and complete discretion of the Committee. Thus, this Agreement may be amended by the Committee at any time based on its determination that the amendment is necessary or advisable in light of any addition to, or change in, the Code or in regulations issued thereunder, or any federal or state securities law or other law or regulation, or based on any discretionary authority of the Committee under the Plan. However, unless necessary or advisable due to a change in law, any amendment to this Agreement which has a material adverse effect on the interest of Optionee under this Agreement shall be adopted only with the consent of Optionee.

13. Notices. Any notice or other communication made in connection with this Agreement shall be deemed duly given when delivered in person or mailed by certified or registered mail, return receipt requested, to Optionee at Optionee's address shown on Company records or such other address designated by Optionee by similar notice, or to the Company at its then principal office, to the attention of the Corporate Secretary of the Company. Further, such notice or other communication shall be deemed duly given when transmitted electronically to Optionee at Optionee's electronic mail address shown on Company records or, to the extent that Optionee is an active employee, through the Company's intranet.

14. No Advice, Warranties, or Representations. The Company is not providing Optionee with advice, warranties, or representations regarding any of the legal or tax effects to Optionee with respect to the Option. Optionee is responsible to seek legal and tax advice from Optionee's own legal and tax advisors as may be appropriate or desirable.

15. Code Section 162(m). This grant of Option has been structured and is intended to meet the requirements of a nonqualified stock option that constitutes "performance-based compensation" that is excepted from the applicable deduction limitation under Code Section 162(m) pursuant to Treasury Regulation Section 162-27(e)(2)(vi).

16. Code Section 409A. This grant of Option has been structured and is intended to meet the requirements for a nonqualified stock option that does not provide for a "deferral of compensation" in accordance with Code Section 409A and Treasury Regulation Section 1.409A-1(b)(5)(i)(A).

17. Miscellaneous. This Agreement and the Plan set forth the final and entire agreement between the parties with respect to the subject matter hereof, which shall be governed by and shall be construed in accordance with the laws of the State of Delaware. This Agreement shall bind and benefit Optionee, the heirs, distributees and personal representative of Optionee, and the Company and its successors and assigns.

BY ACCEPTING THIS OPTION GRANTED UNDER THIS 2012 NONQUALIFIED STOCK OPTION AGREEMENT, GRANTEE AGREES TO ALL THE TERMS AND CONDITIONS DESCRIBED IN THIS AGREEMENT AND IN THE PLAN.

# NewsRelease

NYSE: BOH



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## Bank of Hawaii Corporation 2011 Financial Results

- **2011 Diluted Earnings Per Share \$3.39**
- **2011 Net Income \$160.0 Million**
- **Diluted Earnings Per Share for the Fourth Quarter of 2011 \$0.85**
- **Net Income for the Fourth Quarter of 2011 \$39.2 Million**
- **Board of Directors Declares Dividend of \$0.45 Per Share**

### FOR IMMEDIATE RELEASE

**HONOLULU, HI** (January 23, 2012) -- Bank of Hawaii Corporation (NYSE: BOH) today reported diluted earnings per share of \$0.85 for the fourth quarter of 2011, down from \$0.92 per share in the previous quarter, and up from \$0.84 per share in the same quarter last year. Net income for the fourth quarter of 2011 was \$39.2 million, compared to net income of \$43.3 million in the third quarter of 2011 and \$40.6 million in the same quarter last year.

Loan and lease balances grew to \$5.5 billion during the fourth quarter of 2011, increasing by 3.5 percent compared with the third quarter of 2011. Deposit growth remained strong, growing by 5.8 percent to \$10.6 billion at December 31, 2011. As a result of continued strength in asset quality and an improving Hawaii economy, the allowance for loan and lease losses decreased by \$4.8 million to \$138.6 million, representing 2.50 percent of outstanding loans and leases.

“Bank of Hawaii finished 2011 with solid financial performance,” said Peter S. Ho, Chairman, President, and CEO. “During the quarter, we were pleased that our loan balances increased across most categories and deposit growth remained strong. Credit quality remained strong during the quarter. Our balance sheet remains solid, with high levels of liquidity, capital, and reserves due to our continued focus on disciplined capital and risk management. During the quarter we reduced our shares outstanding by 1.3 percent and maintained our quarterly dividend of \$0.45 per share.”

The return on average assets for the fourth quarter of 2011 was 1.17 percent, compared with 1.31 percent in the previous quarter and 1.24 percent in the same quarter last year. The return on average equity for the fourth quarter of 2011 was 15.23 percent, compared with 16.80 percent in the previous quarter and 15.08 percent in the same quarter last year. The return on average assets for the full year of 2011 was 1.22 percent, down from 1.45 percent in 2010. The return on average equity for the full year of 2011 was 15.69 percent compared with 18.16 percent in 2010.

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**Financial Highlights**

Net interest income, on a taxable equivalent basis, for the fourth quarter of 2011 was \$97.2 million, up slightly from net interest income of \$97.1 million in the third quarter of 2011 and up \$0.6 million from net interest income of \$96.6 million in the fourth quarter of 2010. Net interest income, on a taxable equivalent basis, for the full year of 2011 was \$392.3 million, down \$15.2 million from net interest income of \$407.5 million in 2010. Analyses of changes in net interest income are included in Tables 7a, 7b and 7c.

The net interest margin was 3.04 percent for the fourth quarter of 2011, a 5 basis point decrease from the previous quarter and an 11 basis point decrease from the same quarter last year. The net interest margin for the full year of 2011 was 3.13 percent, a 28 basis point decrease from 3.41 percent in 2010. The reduction in the net interest margin was largely the result of higher levels of liquidity, lower average loan balances, and lower interest rates which resulted in lower yields on loans and investments.

During the fourth quarter of 2011 the provision for credit losses was \$2.2 million, or \$4.8 million less than net charge-offs. The provision for credit losses during the third quarter of 2011 was \$2.2 million, or \$1.6 million less than net charge-offs. The provision for credit losses during the fourth quarter of 2010 was \$5.3 million and equaled net charge-offs. The provision for credit losses for the full year of 2011 was \$12.7 million compared with \$55.3 million in 2010.

Noninterest income was \$43.4 million for the fourth quarter of 2011, compared with \$50.9 million in the third quarter of 2011 and \$51.5 million in the fourth quarter of 2010. There were no significant noninterest revenue items in the fourth quarter of 2011 or the fourth quarter of 2010. Noninterest income in the third quarter of 2011 included a \$2.0 million contingent payment received from the sale of the Company's proprietary mutual funds in 2010. The decline in noninterest revenue compared with the previous quarter is primarily due to lower debit card revenue resulting from implementation of the Durbin Amendment. Mortgage Banking revenue also declined compared to the prior quarters due to the Company's decision to portfolio some saleable mortgages. Noninterest income for the full year of 2011 was \$197.7 million compared with noninterest income of \$255.3 million in 2010. Results for 2011 included \$6.4 million in gains on the sales of investment securities compared with similar gains of \$42.8 million in 2010. Excluding the securities gains, noninterest revenue declined in 2011 compared with 2010 primarily due to reduced overdraft fees.

Noninterest expense was \$84.4 million in the fourth quarter of 2011, up slightly from noninterest expense of \$84.0 million in the third quarter of 2011, and down from \$88.7 million in the fourth quarter of 2010. There were no significant noninterest expense items in the fourth quarter of 2011. Noninterest expense in the third quarter of 2011 included a donation of \$2.0 million to the Bank of Hawaii Foundation. Noninterest expense in the fourth quarter of 2010 included \$1.9 million for employee incentives, \$1.2 million for a refresh of personal computers, and a donation of \$1.0 million to the Bank of Hawaii Foundation. In the fourth quarter of 2010 these items were partially offset by a \$1.3 million gain on the sale of foreclosed real estate and a \$1.0 million settlement gain on the extinguishment of retiree life insurance obligations. Noninterest expense for the full year of 2011 was \$348.2 million, up slightly from noninterest expense of \$346.2 million in 2010. Results for 2011 included a second quarter litigation settlement of \$9.0 million.

The efficiency ratio for the fourth quarter of 2011 was 60.42 percent compared with 56.87 percent in the previous quarter and 60.05 percent in the same quarter last year. The efficiency ratio for the full year of 2011 was 59.23 percent compared with 52.32 percent during the full year of 2010.

The effective tax rate for the fourth quarter of 2011 was 26.1 percent compared with 29.6 percent in the previous quarter and 24.5 percent in the same quarter last year. The effective tax rate for the full

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year of 2011 was 29.5 percent compared with 29.3 percent for the full year of 2010. The effective tax rate for the fourth quarters of 2011 and 2010 were favorably impacted by the release of tax reserves determined during the quarter.

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

### **Asset Quality**

The Company's overall asset quality reflects the gradually improving Hawaii economy despite continuing weakness in the construction sector. Total non-performing assets increased to \$40.8 million at December 31, 2011 primarily due to the addition of one \$2.1 million construction loan and are centered in residential mortgage loans which are taking longer to resolve through the judiciary foreclosure process. As a percentage of total loans and leases, including loans held for sale and foreclosed real estate, non-performing assets were 0.73 percent at December 31, 2011, up from 0.70 percent as of September 30, 2011 and 0.71 percent at December 31, 2010.

Accruing loans and leases past due 90 days or more were \$9.2 million at December 31, 2011, down from \$10.9 million at September 30, 2011, and up from \$7.6 million at December 31, 2010. Delinquencies in residential first mortgage and home equity loans continue to be primarily on neighbor island properties. Restructured loans not included in non-accrual loans or accruing loans past due 90 days or more were \$33.7 million at December 31, 2011 and was primarily comprised of residential mortgage loans with lowered monthly payments to accommodate the borrowers' financial needs for a period of time. More information on non-performing assets and accruing loans and leases past due 90 days or more is presented in Table 10.

Net charge-offs during the fourth quarter of 2011 were \$7.0 million or 0.51 percent annualized of total average loans and leases outstanding. Total charge-offs of \$9.6 million were partially offset by total recoveries of \$2.6 million. Net charge-offs during the third quarter of 2011 were \$3.8 million or 0.28 percent annualized, and were comprised of charge-offs of \$10.8 million and recoveries of \$7.0 million. Net charge-offs in the fourth quarter of 2010 were \$5.3 million, or 0.39 percent annualized, and were comprised of charge-offs of \$15.7 million and recoveries of \$10.4 million. Net charge-offs for the full year of 2011 were \$21.4 million, or 0.40 percent of total average loans and leases, down from \$51.6 million, or 0.94 percent of total average loans and leases in 2010.

The allowance for loan and lease losses was \$138.6 million at December 31, 2011, down \$4.8 million from the allowance for loan and lease losses of \$143.4 million at September 30, 2011 and \$147.4 million at December 31, 2010. The ratio of the allowance for loan and lease losses to total loans and leases was 2.50 percent at December 31, 2011, a decrease of 18 basis points from the previous quarter. The reserve for unfunded commitments at December 31, 2011 was unchanged at \$5.4 million. Details of loan and lease charge-offs, recoveries, and the components of the total reserve for credit losses are summarized in Table 11.

### **Other Financial Highlights**

Total assets increased to \$13.85 billion at December 31, 2011, up from total assets of \$13.30 billion at September 30, 2011, and up from total assets of \$13.13 billion at December 31, 2010. Average total assets were \$13.36 billion during the fourth quarter of 2011, up from average total assets of \$13.13 billion during the third quarter of 2011, and up from average total assets of \$12.96 billion during the fourth quarter of 2010.

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Total loans and leases grew to \$5.54 billion at December 31, 2011, up from \$5.35 billion at September 30, 2011, and up from \$5.34 billion at December 31, 2010. Average total loans and leases were \$5.42 billion during the fourth quarter of 2011, up from \$5.34 billion during the previous quarter, and up from \$5.32 billion during the same quarter last year. Loan and lease portfolio balances, including the higher risk loans outstanding, are summarized in Table 9.

Deposit generation continued to remain strong during the fourth quarter of 2011, increasing to \$10.59 billion at December 31, 2011, up from \$10.01 billion at September 30, 2011, and up from \$9.89 billion at December 31, 2010. Average total deposits were \$10.16 billion in the fourth quarter of 2011, higher than average deposits of \$9.87 billion during the previous quarter, and up from average deposits of \$9.68 billion during the same quarter last year.

As a result of the strong deposit growth, which exceeded loan growth during the fourth quarter, the investment portfolio grew to \$7.11 billion at year-end 2011, compared to \$6.97 billion at September 30, 2011 and \$6.66 billion at December 31, 2010. The Company's municipal bond portfolio increased by \$247 million during the fourth quarter of 2011, which represents 6.0 percent of the total securities portfolio at December 31, 2011. The investment portfolio remains largely comprised of securities issued by U. S. government agencies.

During the fourth quarter of 2011, the Company repurchased 702.3 thousand shares of common stock at a total cost of \$29.1 million under its share repurchase program. The average cost was \$41.44 per share repurchased. From January 3 through January 20, 2012, the Company repurchased an additional 70.0 thousand shares of common stock at an average cost of \$46.28 per share repurchased. From the beginning of the share repurchase program initiated during July 2001 through December 31, 2011, the Company has repurchased 48.5 million shares and returned over \$1.7 billion to shareholders at an average cost of \$35.98 per share. Remaining buyback authority under the share repurchase program was \$74.0 million at December 31, 2011.

Total shareholders' equity was \$1.00 billion at December 31, 2011, down slightly from \$1.02 billion at September 30, 2011 and \$1.01 billion at December 31, 2010. The ratio of tangible common equity to risk-weighted assets was 17.93 percent at December 31, 2011, compared with 18.90 percent at September 30, 2011 and 19.29 percent at December 31, 2010. The Tier 1 leverage ratio at December 31, 2011 was 6.73 percent, down from 6.95 percent at September 30, 2011 and 7.15 percent at December 31, 2010.

The Company's Board of Directors declared a quarterly cash dividend of \$0.45 per share on the Company's outstanding shares. The dividend will be payable on March 14, 2012 to shareholders of record at the close of business on February 29, 2012.

### **Hawaii Economy**

Hawaii's economy continued to slowly recover during the fourth quarter of 2011 due to increasing visitor arrivals and spending. For the first 11 months of 2011, total visitor arrivals increased 3.4 percent compared to the same period in 2010. Total visitor spending for the first 11 months of 2011 increased 15.1 percent compared to the same period last year primarily due to strong spending growth from international visitors from the Asia-Pacific region, Canada, Australia, and New Zealand. Hotel occupancy continued to improve and revenue per available room reflects signs of improvement. Overall, employment continues to be stable. The statewide unemployment rate remains significantly below the national average at 6.5 percent for the month of November. More information on current Hawaii economic trends is presented in Table 14.

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**Conference Call Information**

The Company will review its 2011 financial results today at 8:00 a.m. Hawaii Time (1:00 p.m. Eastern Time). The call will be accessible via teleconference and via the Investor Relations link of Bank of Hawaii Corporation's web site, [www.boh.com](http://www.boh.com). The conference call number for participants in the United States is 800-901-5231. International participants should call 617-786-2961. Use the pass code "Bank of Hawaii" to access the call. A replay of the conference call will be available for one week beginning Monday, January 23, 2012 by calling 888-286-8010 in the United States or 617-801-6888 internationally and entering the number 83186423 when prompted. A replay will also be available via the Investor Relations link of the Company's web site.

**Forward-Looking Statements**

This news release, and other statements made by the Company in connection with it may contain "forward-looking statements", such as forecasts of our financial results and condition, expectations for our operations and business prospects, and our assumptions used in those forecasts and expectations. Do not unduly rely on forward-looking statements. Actual results might differ significantly from our forecasts and expectations because of a variety of factors. More information about these factors is contained in Bank of Hawaii Corporation's Annual Report on Form 10-K for the year ended December 31, 2010, which was filed with the U.S. Securities and Exchange Commission. We do not promise to update forward-looking statements to reflect later events or circumstances

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

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**Bank of Hawaii Corporation and Subsidiaries**

**Financial Highlights**

Table 1a

	Three Months Ended			Year Ended	
	December 31, 2011	September 30, 2011	December 31, 2010	2011	December 31, 2010
(dollars in thousands, except per share amounts)					
<b>For the Period:</b>					
<b>Operating Results</b>					
Net Interest Income	\$ 96,246	\$ 96,766	\$ 96,273	\$ 390,208	\$ 406,480
Provision for Credit Losses	2,219	2,180	5,278	12,690	55,287
Total Noninterest Income	43,407	50,863	51,477	197,655	255,258
Total Noninterest Expense	84,382	83,955	88,722	348,193	346,236
Net Income	39,229	43,306	40,578	160,043	183,942
Basic Earnings Per Share	0.85	0.93	0.84	3.40	3.83
Diluted Earnings Per Share	0.85	0.92	0.84	3.39	3.80
Dividends Declared Per Share	0.45	0.45	0.45	1.80	1.80
<b>Performance Ratios</b>					
Return on Average Assets	1.17 %	1.31 %	1.24 %	1.22 %	1.45 %
Return on Average Shareholders' Equity	15.23	16.80	15.08	15.69	18.16
Efficiency Ratio <sup>1</sup>	60.42	56.87	60.05	59.23	52.32
Net Interest Margin <sup>2</sup>	3.04	3.09	3.15	3.13	3.41
Dividend Payout Ratio <sup>3</sup>	52.94	48.39	53.57	52.94	47.00
Average Shareholders' Equity to Average Assets	7.65	7.79	8.23	7.78	7.98
<b>Average Balances</b>					
Average Loans and Leases	\$ 5,420,352	\$ 5,340,406	\$ 5,317,815	\$ 5,349,938	\$ 5,472,534
Average Assets	13,357,646	13,125,077	12,964,973	13,105,029	12,687,717
Average Deposits	10,160,392	9,871,750	9,677,452	9,924,697	9,509,130
Average Shareholders' Equity	1,022,012	1,022,585	1,067,429	1,020,065	1,012,746
<b>Market Price Per Share of Common Stock</b>					
Closing	\$ 44.49	\$ 36.40	\$ 47.21	\$ 44.49	\$ 47.21
High	45.13	47.10	48.27	49.26	54.10
Low	34.50	35.30	42.94	34.50	41.60
			December 31, 2011	September 30, 2011	December 31, 2010
<b>As of Period End:</b>					
<b>Balance Sheet Totals</b>					
Loans and Leases			\$ 5,538,304	\$ 5,348,472	\$ 5,335,792
Total Assets			13,846,391	13,304,758	13,126,787
Total Deposits			10,592,623	10,009,013	9,888,995
Long-Term Debt			30,696	30,705	32,652
Total Shareholders' Equity			1,002,667	1,017,775	1,011,133
<b>Asset Quality</b>					
Allowance for Loan and Lease Losses			\$ 138,606	\$ 143,410	\$ 147,358
Non-Performing Assets			40,790	37,770	37,786
<b>Financial Ratios</b>					
Allowance to Loans and Leases Outstanding			2.50 %	2.68 %	2.76 %
Tier 1 Capital Ratio			16.68	17.57	18.28
Total Capital Ratio			17.95	18.83	19.55
Tier 1 Leverage Ratio			6.73	6.95	7.15
Total Shareholders' Equity to Total Assets			7.24	7.65	7.70
Tangible Common Equity to Tangible Assets <sup>4</sup>			7.03	7.43	7.48
Tangible Common Equity to Risk-Weighted Assets <sup>4</sup>			17.93	18.90	19.29
<b>Non-Financial Data</b>					
Full-Time Equivalent Employees			2,370	2,381	2,399
Branches and Offices			81	82	82
ATMs			506	508	502

<sup>1</sup> Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and total noninterest income).

<sup>2</sup> Net interest margin is defined as net interest income, on a taxable equivalent basis, as a percentage of average earning assets.

<sup>3</sup> Dividend payout ratio is defined as dividends declared per share divided by basic earnings per share.

<sup>4</sup> Tangible common equity, a non-GAAP financial measure, is defined by the Company as shareholders' equity minus goodwill and intangible assets. Intangible assets are included as a component of other assets in the Consolidated Statements of Condition.

**Bank of Hawaii Corporation and Subsidiaries****Reconciliation of Non-GAAP Financial Measures****Table 1b**

	December 31, 2011	September 30, 2011	December 31, 2010
<i>(dollars in thousands)</i>			
Total Shareholders' Equity	\$ 1,002,667	\$ 1,017,775	\$ 1,011,133
Less: Goodwill	31,517	31,517	31,517
Intangible Assets	83	96	154
Tangible Common Equity	\$ 971,067	\$ 986,162	\$ 979,462
Total Assets	\$ 13,846,391	\$ 13,304,758	\$ 13,126,787
Less: Goodwill	31,517	31,517	31,517
Intangible Assets	83	96	154
Tangible Assets	\$ 13,814,791	\$ 13,273,145	\$ 13,095,116
Risk-Weighted Assets, determined in accordance with prescribed regulatory requirements	\$ 5,414,481	\$ 5,218,651	\$ 5,076,909
Total Shareholders' Equity to Total Assets	7.24%	7.65%	7.70%
Tangible Common Equity to Tangible Assets (Non-GAAP)	7.03%	7.43%	7.48%
Tier 1 Capital Ratio	16.68%	17.57%	18.28%
Tangible Common Equity to Risk-Weighted Assets (Non-GAAP)	17.93%	18.90%	19.29%

**Bank of Hawaii Corporation and Subsidiaries**
**Net Significant Income (Expense) Items**
**Table 2**

	Three Months Ended			Year Ended	
	December 31,	September 30,	December 31,	December 31,	
	2011	2011	2010	2011	2010
(dollars in thousands)					
Cash Basis Interest Recoveries	\$ -	\$ -	\$ -	\$ -	\$ 2,832
Investment Securities Gains, Net	-	-	-	6,366	42,848
Gain on Mutual Fund Sale	-	1,956	-	1,956	2,852
Gains (Loss) on Disposal of Leased Equipment	-	-	-	-	(260)
Gain on Sale of Insurance Subsidiary	-	-	-	-	904
Decrease (Increase) in Allowance for Loan and Lease Losses	4,804	1,566	-	8,752	(3,700)
Employee Incentive Awards	-	-	(1,949)	-	(1,949)
Cash Grants for the Purchase of Company Stock	-	-	(196)	-	(3,446)
Settlement Gain on the Extinguishment of Retiree Life Insurance Obligation	-	-	951	-	951
PC Refresh	-	-	(1,192)	-	(1,192)
Settlement Related to Overdraft Claims	-	-	-	(9,000)	-
Bank of Hawaii Charitable Foundation	-	(2,000)	(1,000)	(2,000)	(1,000)
Gain on Sale of Foreclosed Real Estate	-	-	1,343	-	1,343
REPO Early Termination Expense	-	-	-	-	(5,189)
Significant Income (Expense) Items Before the Provision (Benefit) for Income Taxes	4,804	1,522	(2,043)	6,074	34,994
Income Taxes Impact Related to Lease Transactions	-	-	-	-	(3,541)
Income Tax Impact	1,681	533	(715)	2,126	12,340
<b>Net Significant Income (Expense) Items</b>	<b>\$ 3,123</b>	<b>\$ 989</b>	<b>\$ (1,328)</b>	<b>\$ 3,948</b>	<b>\$ 26,195</b>

# Bank of Hawaii Corporation and Subsidiaries

## Consolidated Statements of Income

Table 3

	Three Months Ended			Year Ended	
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<small>(dollars in thousands, except per share amounts)</small>					
<b>Interest Income</b>					
Interest and Fees on Loans and Leases	\$ 64,760	\$ 65,344	\$ 67,915	\$ 262,239	\$ 287,381
Income on Investment Securities					
Available-for-Sale	19,107	23,097	39,546	103,363	169,151
Held-to-Maturity	23,608	20,344	1,388	72,138	6,504
Deposits	2	6	7	8	28
Funds Sold	120	160	160	828	1,076
Other	280	279	279	1,117	1,111
<b>Total Interest Income</b>	<b>107,877</b>	<b>109,230</b>	<b>109,295</b>	<b>439,693</b>	<b>465,251</b>
<b>Interest Expense</b>					
Deposits	3,736	4,561	5,918	18,321	29,196
Securities Sold Under Agreements to Repurchase	7,392	7,400	6,425	29,171	25,996
Funds Purchased	5	4	7	20	30
Long-Term Debt	498	499	672	1,973	3,549
<b>Total Interest Expense</b>	<b>11,631</b>	<b>12,464</b>	<b>13,022</b>	<b>49,485</b>	<b>58,771</b>
<b>Net Interest Income</b>	<b>96,246</b>	<b>96,766</b>	<b>96,273</b>	<b>390,208</b>	<b>406,480</b>
Provision for Credit Losses	2,219	2,180	5,278	12,690	55,287
<b>Net Interest Income After Provision for Credit Losses</b>	<b>94,027</b>	<b>94,586</b>	<b>90,995</b>	<b>377,518</b>	<b>351,193</b>
<b>Noninterest Income</b>					
Trust and Asset Management	11,025	10,788	11,190	45,046	44,889
Mortgage Banking	3,401	5,480	4,549	14,664	18,576
Service Charges on Deposit Accounts	9,606	9,820	11,632	38,733	53,039
Fees, Exchange, and Other Service Charges	12,401	16,219	15,196	60,227	61,006
Investment Securities Gains (Losses), Net	282	-	(1)	6,366	42,848
Insurance	2,312	2,664	2,309	10,957	9,961
Other	4,380	5,892	6,602	21,662	24,939
<b>Total Noninterest Income</b>	<b>43,407</b>	<b>50,863</b>	<b>51,477</b>	<b>197,655</b>	<b>255,258</b>
<b>Noninterest Expense</b>					
Salaries and Benefits	44,927	44,307	46,809	182,816	185,713
Net Occupancy	11,253	11,113	10,504	43,169	40,988
Net Equipment	4,748	4,662	5,902	18,849	19,371
Professional Fees	1,926	2,245	2,116	8,623	7,104
FDIC Insurance	2,027	2,065	3,198	9,346	12,564
Other	19,501	19,563	20,193	85,390	80,496
<b>Total Noninterest Expense</b>	<b>84,382</b>	<b>83,955</b>	<b>88,722</b>	<b>348,193</b>	<b>346,236</b>
Income Before Provision for Income Taxes	53,052	61,494	53,750	226,980	260,215
Provision for Income Taxes	13,823	18,188	13,172	66,937	76,273
<b>Net Income</b>	<b>\$ 39,229</b>	<b>\$ 43,306</b>	<b>\$ 40,578</b>	<b>\$ 160,043</b>	<b>\$ 183,942</b>
Basic Earnings Per Share	\$ 0.85	\$ 0.93	\$ 0.84	\$ 3.40	\$ 3.83
Diluted Earnings Per Share	\$ 0.85	\$ 0.92	\$ 0.84	\$ 3.39	\$ 3.80
Dividends Declared Per Share	\$ 0.45	\$ 0.45	\$ 0.45	\$ 1.80	\$ 1.80
Basic Weighted Average Shares	46,195,147	46,806,439	48,034,234	47,064,925	48,055,025
Diluted Weighted Average Shares	46,324,734	46,934,140	48,275,474	47,224,981	48,355,965

# Bank of Hawaii Corporation and Subsidiaries

## Consolidated Statements of Condition

Table 4

(dollars in thousands)	December 31, 2011	September 30, 2011	December 31, 2010
<b>Assets</b>			
Interest-Bearing Deposits	\$ 3,036	\$ 3,543	\$ 3,472
Funds Sold	512,384	242,062	438,327
Investment Securities			
Available-for-Sale	3,451,885	4,448,898	6,533,874
Held-to-Maturity (Fair Value of \$3,754,206; \$2,610,081; and \$134,028)	3,657,796	2,520,422	127,249
Loans Held for Sale	18,957	12,745	17,564
Loans and Leases	5,538,304	5,348,472	5,335,792
Allowance for Loan and Lease Losses	(138,606)	(143,410)	(147,358)
Net Loans and Leases	5,399,698	5,205,062	5,188,434
<b>Total Earning Assets</b>	<b>13,043,756</b>	<b>12,432,732</b>	<b>12,308,920</b>
Cash and Noninterest-Bearing Deposits	154,489	206,875	165,748
Premises and Equipment	103,550	104,509	108,170
Customers' Acceptances	476	749	437
Accrued Interest Receivable	43,510	43,319	41,151
Foreclosed Real Estate	3,042	3,341	1,928
Mortgage Servicing Rights	24,279	23,990	25,379
Goodwill	31,517	31,517	31,517
Other Assets	441,772	457,726	443,537
<b>Total Assets</b>	<b>\$ 13,846,391</b>	<b>\$ 13,304,758</b>	<b>\$ 13,126,787</b>
<b>Liabilities</b>			
Deposits			
Noninterest-Bearing Demand	\$ 2,850,923	\$ 2,702,296	\$ 2,447,713
Interest-Bearing Demand	2,005,983	1,745,812	1,871,718
Savings	4,398,638	4,449,351	4,526,893
Time	1,337,079	1,111,554	1,042,671
<b>Total Deposits</b>	<b>10,592,623</b>	<b>10,009,013</b>	<b>9,888,995</b>
Funds Purchased	10,791	9,882	9,478
Short-Term Borrowings	-	6,400	6,200
Securities Sold Under Agreements to Repurchase	1,925,998	1,929,266	1,901,084
Long-Term Debt	30,696	30,705	32,652
Banker's Acceptances	476	749	437
Retirement Benefits Payable	46,949	30,704	30,885
Accrued Interest Payable	5,330	6,751	5,007
Taxes Payable and Deferred Taxes	95,840	114,842	121,517
Other Liabilities	135,021	148,671	119,399
<b>Total Liabilities</b>	<b>12,843,724</b>	<b>12,286,983</b>	<b>12,115,654</b>
<b>Shareholders' Equity</b>			
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: December 31, 2011 - 57,134,470 / 45,947,116; September 30, 2011 - 57,132,310 / 46,570,413; and December 31, 2010 - 57,115,287 / 48,097,672)	571	571	570
Capital Surplus	507,558	503,255	500,888
Accumulated Other Comprehensive Income	35,263	46,754	26,965
Retained Earnings	1,003,938	986,202	932,629
Treasury Stock, at Cost (Shares: December 31, 2011 - 11,187,354; September 30, 2011 - 10,561,897; and December 31, 2010 - 9,017,615)	(544,663)	(519,007)	(449,919)
<b>Total Shareholders' Equity</b>	<b>1,002,667</b>	<b>1,017,775</b>	<b>1,011,133</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 13,846,391</b>	<b>\$ 13,304,758</b>	<b>\$ 13,126,787</b>



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

**Table 5**

(dollars in thousands)	Total	Common Stock	Capital Surplus	Accum. Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Comprehensive Income
<b>Balance as of December 31, 2009</b>	\$ 895,973	\$ 569	\$ 494,318	\$ 6,925	\$ 843,521	\$ (449,360)	
Comprehensive Income:							
Net Income	183,942	-	-	-	183,942	-	\$ 183,942
Other Comprehensive Income, Net of Tax:							
Net Unrealized Gains on Investment Securities, Net of Reclassification Adjustment	20,231	-	-	20,231	-	-	20,231
Settlement Gain Related to Defined Benefit Plan	(608)	-	-	(608)	-	-	(608)
Net Gains related to Defined Benefit Plans	417	-	-	417	-	-	417
Total Comprehensive Income							<u>\$ 203,982</u>
Share-Based Compensation	3,841	-	3,841	-	-	-	
Common Stock Issued under Purchase and Equity							
Compensation Plans and Related Tax Benefits (617,345 shares)	19,141	1	2,729	-	(8,011)	24,422	
Common Stock Repurchased (538,616 shares)	(24,981)	-	-	-	-	(24,981)	
Cash Dividends Paid (\$1.80 per share)	(86,823)	-	-	-	(86,823)	-	
<b>Balance as of December 31, 2010</b>	<u>\$ 1,011,133</u>	<u>\$ 570</u>	<u>\$ 500,888</u>	<u>\$ 26,965</u>	<u>\$ 932,629</u>	<u>\$ (449,919)</u>	
Comprehensive Income:							
Net Income	160,043	-	-	-	160,043	-	\$ 160,043
Other Comprehensive Income, Net of Tax:							
Net Unrealized Gains on Investment Securities, Net of Reclassification Adjustment	16,411	-	-	16,411	-	-	16,411
Net Losses related to Defined Benefit Plans	(8,113)	-	-	(8,113)	-	-	(8,113)
Total Comprehensive Income							<u>\$ 168,341</u>
Share-Based Compensation	6,216	-	6,216	-	-	-	
Common Stock Issued under Purchase and Equity							
Compensation Plans and Related Tax Benefits (389,470 shares)	13,412	1	454	-	(3,843)	16,800	
Common Stock Repurchased (2,540,026 shares)	(111,544)	-	-	-	-	(111,544)	
Cash Dividends Paid (\$1.80 per share)	(84,891)	-	-	-	(84,891)	-	
<b>Balance as of December 31, 2011</b>	<u>\$ 1,002,667</u>	<u>\$ 571</u>	<u>\$ 507,558</u>	<u>\$ 35,263</u>	<u>\$ 1,003,938</u>	<u>\$ (544,663)</u>	

# Bank of Hawaii Corporation and Subsidiaries

## Average Balances and Interest Rates - Taxable Equivalent Basis

Table 6a

(dollars in millions)	Three Months Ended December 31, 2011			Three Months Ended September 30, 2011			Three Months Ended December 31, 2010		
	Average	Income/ Expense	Yield/ Rate	Average	Income/ Expense	Yield/ Rate	Average	Income/ Expense	Yield/ Rate
	Balance			Balance			Balance		
<b>Earning Assets</b>									
Interest-Bearing Deposits	\$ 3.9	\$ -	0.23 %	\$ 3.7	\$ -	0.56 %	\$ 3.2	\$ -	0.81 %
Funds Sold	239.0	0.1	0.20	309.4	0.2	0.20	211.4	0.2	0.30
Investment Securities									
Available-for-Sale	3,763.7	19.9	2.12	4,309.3	23.5	2.18	6,468.5	39.8	2.46
Held-to-Maturity	3,259.8	23.6	2.90	2,511.0	20.3	3.24	134.8	1.4	4.12
Loans Held for Sale	14.7	0.2	4.73	9.2	0.1	4.87	13.2	0.1	4.77
Loans and Leases <sup>1</sup>									
Commercial and Industrial	798.3	8.0	3.99	815.5	8.2	3.97	752.7	7.8	4.13
Commercial Mortgage	929.0	10.9	4.66	876.7	10.7	4.85	838.0	10.5	5.00
Construction	85.7	1.1	4.84	74.5	1.0	5.15	86.1	1.1	5.09
Commercial Lease Financing	311.0	2.1	2.68	314.6	2.0	2.61	352.6	2.3	2.57
Residential Mortgage	2,163.1	27.3	5.05	2,129.8	27.8	5.23	2,078.1	28.4	5.46
Home Equity	778.1	9.0	4.57	780.5	9.3	4.72	821.3	10.3	4.95
Automobile	190.7	3.1	6.40	191.4	3.2	6.66	214.4	4.0	7.38
Other <sup>2</sup>	164.5	3.2	7.76	157.4	3.0	7.50	174.6	3.4	7.68
<b>Total Loans and Leases</b>	<b>5,420.4</b>	<b>64.7</b>	<b>4.75</b>	<b>5,340.4</b>	<b>65.2</b>	<b>4.86</b>	<b>5,317.8</b>	<b>67.8</b>	<b>5.07</b>
Other	79.9	0.3	1.40	79.9	0.3	1.40	79.9	0.3	1.39
<b>Total Earning Assets <sup>3</sup></b>	<b>12,781.4</b>	<b>108.8</b>	<b>3.40</b>	<b>12,562.9</b>	<b>109.6</b>	<b>3.48</b>	<b>12,228.8</b>	<b>109.6</b>	<b>3.57</b>
Cash and Noninterest-Bearing Deposits	142.2			135.1			240.3		
Other Assets	434.0			427.1			495.9		
<b>Total Assets</b>	<b>\$ 13,357.6</b>			<b>\$ 13,125.1</b>			<b>\$ 12,965.0</b>		
<b>Interest-Bearing Liabilities</b>									
Interest-Bearing Deposits									
Demand	\$ 1,799.9	0.1	0.03	\$ 1,772.5	0.2	0.04	\$ 1,769.4	0.2	0.06
Savings	4,447.8	1.4	0.13	4,497.1	1.8	0.16	4,486.7	2.6	0.23
Time	1,145.4	2.2	0.76	1,069.4	2.6	0.96	1,050.9	3.1	1.18
<b>Total Interest-Bearing Deposits</b>	<b>7,393.1</b>	<b>3.7</b>	<b>0.20</b>	<b>7,339.0</b>	<b>4.6</b>	<b>0.25</b>	<b>7,307.0</b>	<b>5.9</b>	<b>0.32</b>
Short-Term Borrowings	20.4	-	0.08	19.0	-	0.08	20.1	-	0.14
Securities Sold Under Agreements to Repurchase	1,848.9	7.4	1.57	1,908.9	7.4	1.52	1,774.8	6.4	1.42
Long-Term Debt	30.7	0.5	6.49	30.7	0.5	6.50	40.0	0.7	6.72
<b>Total Interest-Bearing Liabilities</b>	<b>9,293.1</b>	<b>11.6</b>	<b>0.49</b>	<b>9,297.6</b>	<b>12.5</b>	<b>0.53</b>	<b>9,141.9</b>	<b>13.0</b>	<b>0.56</b>
<b>Net Interest Income</b>		<b>\$ 97.2</b>			<b>\$ 97.1</b>			<b>\$ 96.6</b>	
Interest Rate Spread			2.91 %			2.95 %			3.01 %
Net Interest Margin			3.04 %			3.09 %			3.15 %
Noninterest-Bearing Demand Deposits	2,767.3			2,532.8			2,370.5		
Other Liabilities	275.2			272.1			385.2		
Shareholders' Equity	1,022.0			1,022.6			1,067.4		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 13,357.6</b>			<b>\$ 13,125.1</b>			<b>\$ 12,965.0</b>		

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

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

<sup>3</sup> Interest income includes taxable equivalent basis adjustments, based upon a federal statutory tax rate of 35%, of \$938,000, \$364,000, and \$300,000 for the three months ended December 31, 2011, September 30, 2011, and December 31, 2010, respectively.

# Bank of Hawaii Corporation and Subsidiaries

## Average Balances and Interest Rates - Taxable Equivalent Basis

Table 6b

	Year Ended December 31, 2011			Year Ended December 31, 2010		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
(dollars in millions)						
<b>Earning Assets</b>						
Interest-Bearing Deposits	\$ 4.2	\$ -	0.19 %	\$ 4.7	\$ -	0.59 %
Funds Sold	380.2	0.8	0.22	390.2	1.1	0.28
Investment Securities						
Available-for-Sale	4,439.8	105.4	2.37	5,854.1	170.1	2.91
Held-to-Maturity	2,279.6	72.2	3.16	154.2	6.5	4.22
Loans Held for Sale	11.0	0.5	4.54	10.8	0.9	8.51
Loans and Leases <sup>1</sup>						
Commercial and Industrial	790.6	31.8	4.02	764.2	33.7	4.41
Commercial Mortgage	887.1	42.8	4.82	827.7	42.0	5.07
Construction	80.1	4.0	5.06	95.4	4.8	5.08
Commercial Lease Financing	322.1	8.7	2.71	385.1	11.3	2.92
Residential Mortgage	2,126.9	111.5	5.24	2,105.6	118.7	5.64
Home Equity	784.9	37.4	4.76	863.7	43.2	4.99
Automobile	194.4	13.2	6.78	241.2	18.3	7.58
Other <sup>2</sup>	163.8	12.4	7.57	189.6	14.5	7.66
<b>Total Loans and Leases</b>	<b>5,349.9</b>	<b>261.8</b>	<b>4.89</b>	<b>5,472.5</b>	<b>286.5</b>	<b>5.23</b>
Other	79.9	1.1	1.40	79.8	1.1	1.39
<b>Total Earning Assets <sup>3</sup></b>	<b>12,544.6</b>	<b>441.8</b>	<b>3.52</b>	<b>11,966.3</b>	<b>466.2</b>	<b>3.90</b>
Cash and Noninterest-Bearing Deposits	135.3			229.6		
Other Assets	425.1			491.8		
<b>Total Assets</b>	<b>\$ 13,105.0</b>			<b>\$ 12,687.7</b>		
<b>Interest-Bearing Liabilities</b>						
Interest-Bearing Deposits						
Demand	\$ 1,786.7	0.7	0.04	\$ 1,715.8	1.1	0.06
Savings	4,501.0	7.3	0.16	4,465.0	14.7	0.33
Time	1,067.8	10.3	0.96	1,088.7	13.4	1.23
<b>Total Interest-Bearing Deposits</b>	<b>7,355.5</b>	<b>18.3</b>	<b>0.25</b>	<b>7,269.5</b>	<b>29.2</b>	<b>0.40</b>
Short-Term Borrowings	18.2	-	0.11	23.3	-	0.13
Securities Sold Under Agreements to Repurchase	1,845.8	29.2	1.58	1,700.2	26.0	1.53
Long-Term Debt	31.6	2.0	6.23	61.0	3.5	5.81
<b>Total Interest-Bearing Liabilities</b>	<b>9,251.1</b>	<b>49.5</b>	<b>0.53</b>	<b>9,054.0</b>	<b>58.7</b>	<b>0.65</b>
<b>Net Interest Income</b>		<b>\$ 392.3</b>			<b>\$ 407.5</b>	
Interest Rate Spread			2.99 %			3.25 %
Net Interest Margin			3.13 %			3.41 %
Noninterest-Bearing Demand Deposits	2,569.2			2,239.6		
Other Liabilities	264.6			381.4		
Shareholders' Equity	1,020.1			1,012.7		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 13,105.0</b>			<b>\$ 12,687.7</b>		

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

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

<sup>3</sup> Interest income includes taxable equivalent basis adjustments, based upon a federal statutory tax rate of 35%, of \$2,080,000 and \$975,000 for the year ended December 31, 2011 and 2010, respectively.

# Bank of Hawaii Corporation and Subsidiaries

## Analysis of Change in Net Interest Income - Taxable Equivalent Basis

Table 7a

(dollars in millions)	Three Months Ended December 31, 2011 Compared to September 30, 2011		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
Change in Interest Income:			
Funds Sold	\$ (0.1)	\$ -	\$ (0.1)
Investment Securities			
Available-for-Sale	(2.9)	(0.7)	(3.6)
Held-to-Maturity	5.6	(2.3)	3.3
Loans Held for Sale	0.1	-	0.1
Loans and Leases			
Commercial and Industrial	(0.2)	-	(0.2)
Commercial Mortgage	0.6	(0.4)	0.2
Construction	0.2	(0.1)	0.1
Commercial Lease Financing	-	0.1	0.1
Residential Mortgage	0.4	(0.9)	(0.5)
Home Equity	-	(0.3)	(0.3)
Automobile	-	(0.1)	(0.1)
Other <sup>2</sup>	0.1	0.1	0.2
Total Loans and Leases	1.1	(1.6)	(0.5)
<b>Total Change in Interest Income</b>	<b>3.8</b>	<b>(4.6)</b>	<b>(0.8)</b>
Change in Interest Expense:			
Interest-Bearing Deposits			
Demand	-	(0.1)	(0.1)
Savings	-	(0.4)	(0.4)
Time	0.1	(0.5)	(0.4)
Total Interest-Bearing Deposits	0.1	(1.0)	(0.9)
Securities Sold Under Agreements to Repurchase	(0.2)	0.2	-
<b>Total Change in Interest Expense</b>	<b>(0.1)</b>	<b>(0.8)</b>	<b>(0.9)</b>
<b>Change in Net Interest Income</b>	<b>\$ 3.9</b>	<b>\$ (3.8)</b>	<b>\$ 0.1</b>

<sup>1</sup> The changes for each category of interest income and expense are allocated between the portion of changes attributable to the variance in volume and rate for that category.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

# Bank of Hawaii Corporation and Subsidiaries

## Analysis of Change in Net Interest Income - Taxable Equivalent Basis

Table 7b

(dollars in millions)	Three Months Ended December 31, 2011		
	Compared to December 31, 2010		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
Change in Interest Income:			
Funds Sold	\$ -	\$ (0.1)	\$ (0.1)
Investment Securities			
Available-for-Sale	(15.0)	(4.9)	(19.9)
Held-to-Maturity	22.7	(0.5)	22.2
Loans Held for Sale	0.1	-	0.1
Loans and Leases			
Commercial and Industrial	0.5	(0.3)	0.2
Commercial Mortgage	1.1	(0.7)	0.4
Commercial Lease Financing	(0.3)	0.1	(0.2)
Residential Mortgage	1.1	(2.2)	(1.1)
Home Equity	(0.5)	(0.8)	(1.3)
Automobile	(0.4)	(0.5)	(0.9)
Other <sup>2</sup>	(0.2)	-	(0.2)
Total Loans and Leases	1.3	(4.4)	(3.1)
<b>Total Change in Interest Income</b>	<b>9.1</b>	<b>(9.9)</b>	<b>(0.8)</b>
Change in Interest Expense:			
Interest-Bearing Deposits			
Demand	-	(0.1)	(0.1)
Savings	(0.1)	(1.1)	(1.2)
Time	0.3	(1.2)	(0.9)
Total Interest-Bearing Deposits	0.2	(2.4)	(2.2)
Securities Sold Under Agreements to Repurchase	0.3	0.7	1.0
Long-Term Debt	(0.1)	(0.1)	(0.2)
<b>Total Change in Interest Expense</b>	<b>0.4</b>	<b>(1.8)</b>	<b>(1.4)</b>
<b>Change in Net Interest Income</b>	<b>\$ 8.7</b>	<b>\$ (8.1)</b>	<b>\$ 0.6</b>

<sup>1</sup> The changes for each category of interest income and expense are allocated between the portion of changes attributable to the variance in volume and rate for that category.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

# Bank of Hawaii Corporation and Subsidiaries

## Analysis of Change in Net Interest Income - Taxable Equivalent Basis

Table 7c

(dollars in millions)	Year Ended December 31, 2011 Compared to December 31, 2010		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
Change in Interest Income:			
Funds Sold	\$ -	\$ (0.3)	\$ (0.3)
Investment Securities			
Available-for-Sale	(36.5)	(28.2)	(64.7)
Held-to-Maturity	67.7	(2.0)	65.7
Loans Held for Sale	-	(0.4)	(0.4)
Loans and Leases			
Commercial and Industrial	1.1	(3.0)	(1.9)
Commercial Mortgage	2.9	(2.1)	0.8
Construction	(0.8)	-	(0.8)
Commercial Lease Financing	(1.8)	(0.8)	(2.6)
Residential Mortgage	1.2	(8.4)	(7.2)
Home Equity	(3.8)	(2.0)	(5.8)
Automobile	(3.3)	(1.8)	(5.1)
Other <sup>2</sup>	(1.9)	(0.2)	(2.1)
<b>Total Loans and Leases</b>	<b>(6.4)</b>	<b>(18.3)</b>	<b>(24.7)</b>
<b>Total Change in Interest Income</b>	<b>24.8</b>	<b>(49.2)</b>	<b>(24.4)</b>
Change in Interest Expense:			
Interest-Bearing Deposits			
Demand	-	(0.4)	(0.4)
Savings	0.1	(7.5)	(7.4)
Time	(0.2)	(2.9)	(3.1)
<b>Total Interest-Bearing Deposits</b>	<b>(0.1)</b>	<b>(10.8)</b>	<b>(10.9)</b>
Securities Sold Under Agreements to Repurchase	2.3	0.9	3.2
Long-Term Debt	(1.8)	0.3	(1.5)
<b>Total Change in Interest Expense</b>	<b>0.4</b>	<b>(9.6)</b>	<b>(9.2)</b>
<b>Change in Net Interest Income</b>	<b>\$ 24.4</b>	<b>\$ (39.6)</b>	<b>\$ (15.2)</b>

<sup>1</sup> The changes for each category of interest income and expense are allocated between the portion of changes attributable to the variance in volume and rate for that category.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

**Bank of Hawaii Corporation and Subsidiaries**

**Salaries and Benefits**

**Table 8**

	Three Months Ended			Year Ended	
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010
(dollars in thousands)					
Salaries	\$ 28,330	\$ 28,965	\$ 30,350	\$ 115,512	\$ 119,515
Incentive Compensation	3,881	4,777	5,248	16,367	15,544
Share-Based Compensation and Cash Grants for the Purchase of Company Stock	1,819	743	1,220	5,720	6,805
Commission Expense	1,701	1,572	2,225	6,489	6,666
Retirement and Other Benefits	4,429	3,634	3,564	16,829	15,708
Payroll Taxes	2,030	2,241	2,033	10,645	10,084
Medical, Dental, and Life Insurance	2,322	2,056	1,018	9,039	8,242
Separation Expense	415	319	1,151	2,215	3,149
<b>Total Salaries and Benefits</b>	<b>\$ 44,927</b>	<b>\$ 44,307</b>	<b>\$ 46,809</b>	<b>\$ 182,816</b>	<b>\$ 185,713</b>

## Bank of Hawaii Corporation and Subsidiaries

### Loan and Lease Portfolio Balances

Table 9

	December 31,		September 30,		June 30,		March 31,		December 31,	
(dollars in thousands)	2011		2011		2011		2011		2010	
<b>Commercial</b>										
Commercial and Industrial	\$	817,170	\$	790,294	\$	815,912	\$	771,923	\$	772,624
Commercial Mortgage		938,250		922,075		872,283		883,360		863,385
Construction		98,669		69,635		81,432		80,360		80,325
Lease Financing		311,928		312,159		316,776		331,491		334,997
<b>Total Commercial</b>		<b>2,166,017</b>		<b>2,094,163</b>		<b>2,086,403</b>		<b>2,067,134</b>		<b>2,051,331</b>
<b>Consumer</b>										
Residential Mortgage		2,215,892		2,130,589		2,130,335		2,108,376		2,094,189
Home Equity		780,691		775,105		783,582		787,179		807,479
Automobile		192,506		191,497		191,739		196,649		209,008
Other <sup>1</sup>		183,198		157,118		159,414		167,591		173,785
<b>Total Consumer</b>		<b>3,372,287</b>		<b>3,254,309</b>		<b>3,265,070</b>		<b>3,259,795</b>		<b>3,284,461</b>
<b>Total Loans and Leases</b>	\$	<b>5,538,304</b>	\$	<b>5,348,472</b>	\$	<b>5,351,473</b>	\$	<b>5,326,929</b>	\$	<b>5,335,792</b>

### Higher Risk Loans Outstanding

	December 31,		September 30,		June 30,		March 31,		December 31,	
(dollars in thousands)	2011		2011		2011		2011		2010	
Residential Home Building <sup>2</sup>	\$	13,475	\$	15,379	\$	16,186	\$	14,744	\$	14,964
Residential Land Loans <sup>3</sup>		18,163		18,305		19,960		21,595		23,745
Home Equity Loans <sup>4</sup>		21,413		22,321		21,778		23,783		23,179
Air Transportation <sup>5</sup>		36,144		36,511		36,961		37,440		37,879
<b>Total Higher Risk Loans</b>	\$	<b>89,195</b>	\$	<b>92,516</b>	\$	<b>94,885</b>	\$	<b>97,562</b>	\$	<b>99,767</b>

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

<sup>2</sup> Residential home building loans were \$29.0 million as of December 31, 2011. Higher risk loans within this segment are defined as those loans with a well-defined weakness or weaknesses that jeopardizes the orderly repayment of the loan.

<sup>3</sup> We consider all of our residential land loans, which are consumer loans secured by unimproved lots, to be of higher risk due to the volatility in the value of the underlying collateral. Residential Land Loans were revised from \$18,285 as of September 30, 2011.

<sup>4</sup> Higher risk home equity loans are defined as those loans originated in 2005 or later, with current monitoring credit scores below 600, and with original loan-to-value ratios greater than 70%.

<sup>5</sup> We consider all of our air transportation leases to be of higher risk due to the weak financial profile of the industry.

### Deposits

	December 31,		September 30,		June 30,		March 31,		December 31,	
(dollars in thousands)	2011		2011		2011		2011		2010	
Consumer	\$	5,241,827	\$	5,137,548	\$	5,073,101	\$	5,097,056	\$	5,082,802
Commercial		4,320,712		4,275,915		4,165,435		4,326,495		4,292,108
Public and Other		1,030,084		595,550		740,498		488,840		514,085
<b>Total Deposits</b>	\$	<b>10,592,623</b>	\$	<b>10,009,013</b>	\$	<b>9,979,034</b>	\$	<b>9,912,391</b>	\$	<b>9,888,995</b>



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

Table 10

(dollars in thousands)	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
<b>Non-Performing Assets <sup>1</sup></b>					
Non-Accrual Loans and Leases					
Commercial					
Commercial and Industrial	\$ 6,243	\$ 6,593	\$ 1,839	\$ 1,107	\$ 1,642
Commercial Mortgage	2,140	2,188	3,290	3,421	3,503
Construction	2,080	-	288	288	288
Lease Financing	5	6	8	9	19
<b>Total Commercial</b>	<b>10,468</b>	<b>8,787</b>	<b>5,425</b>	<b>4,825</b>	<b>5,452</b>
Consumer					
Residential Mortgage	25,256	23,779	23,970	24,372	28,152
Home Equity	2,024	1,863	2,155	2,602	2,254
Other <sup>2</sup>	-	-	16	-	-
<b>Total Consumer</b>	<b>27,280</b>	<b>25,642</b>	<b>26,141</b>	<b>26,974</b>	<b>30,406</b>
<b>Total Non-Accrual Loans and Leases</b>	<b>37,748</b>	<b>34,429</b>	<b>31,566</b>	<b>31,799</b>	<b>35,858</b>
Foreclosed Real Estate	3,042	3,341	2,590	2,793	1,928
<b>Total Non-Performing Assets</b>	<b>\$ 40,790</b>	<b>\$ 37,770</b>	<b>\$ 34,156</b>	<b>\$ 34,592</b>	<b>\$ 37,786</b>

**Accruing Loans and Leases Past Due 90 Days or More**

Commercial					
Commercial and Industrial	\$ 1	\$ -	\$ -	\$ -	\$ -
<b>Total Commercial</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Consumer					
Residential Mortgage	6,422	7,664	5,854	3,614	5,399
Home Equity	2,194	2,639	1,147	1,100	1,067
Automobile	170	138	167	260	410
Other <sup>2</sup>	435	414	604	578	707
<b>Total Consumer</b>	<b>9,221</b>	<b>10,855</b>	<b>7,772</b>	<b>5,552</b>	<b>7,583</b>
<b>Total Accruing Loans and Leases Past Due 90 Days or More</b>	<b>\$ 9,222</b>	<b>\$ 10,855</b>	<b>\$ 7,772</b>	<b>\$ 5,552</b>	<b>\$ 7,583</b>
<b>Restructured Loans on Accrual Status and Not Past Due 90 Days or More</b>	<b>\$ 33,703</b>	<b>\$ 33,140</b>	<b>\$ 28,193</b>	<b>\$ 29,513</b>	<b>\$ 23,724</b>
<b>Total Loans and Leases</b>	<b>\$ 5,538,304</b>	<b>\$ 5,348,472</b>	<b>\$ 5,351,473</b>	<b>\$ 5,326,929</b>	<b>\$ 5,335,792</b>

Ratio of Non-Accrual Loans and Leases to Total Loans and Leases	0.68%	0.64%	0.59%	0.60%	0.67%
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Ratio of Non-Performing Assets to Total Loans and Leases, Loans Held for Sale, and Foreclosed Real Estate	0.73%	0.70%	0.64%	0.65%	0.71%
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Ratio of Commercial Non-Performing Assets to Total Commercial Loans and Leases, Commercial Loans Held for Sale, and Commercial Foreclosed Real Estate	0.56%	0.52%	0.34%	0.31%	0.31%
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Ratio of Consumer Non-Performing Assets to Total Consumer Loans and Leases and Consumer Foreclosed Real Estate	0.85%	0.82%	0.83%	0.86%	0.95%
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Ratio of Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More to Total Loans and Leases, Loans Held for Sale, and Foreclosed Real Estate	0.90%	0.91%	0.78%	0.75%	0.85%
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**Quarter to Quarter Changes in Non-Performing Assets <sup>1</sup>**

<b>Balance at Beginning of Quarter</b>	\$ 37,770	\$ 34,156	\$ 34,592	\$ 37,786	\$ 45,174
Additions	8,653	8,552	6,079	5,591	7,042
Reductions					
Payments	(1,173)	(3,237)	(2,363)	(2,164)	(5,019)
Return to Accrual Status	(2,421)	(401)	(3,226)	(6,408)	(1,250)
Sales of Foreclosed Real Estate	(1,320)	(157)	(497)	-	(5,427)
Charge-offs/Write-downs	(719)	(1,143)	(429)	(213)	(2,734)
<b>Total Reductions</b>	<b>(5,633)</b>	<b>(4,938)</b>	<b>(6,515)</b>	<b>(8,785)</b>	<b>(14,430)</b>
<b>Balance at End of Quarter</b>	<b>\$ 40,790</b>	<b>\$ 37,770</b>	<b>\$ 34,156</b>	<b>\$ 34,592</b>	<b>\$ 37,786</b>

<sup>1</sup> Excluded from non-performing assets was a contractually binding non-accrual loan held for sale of \$7.5 million as of March 31, 2011.

<sup>2</sup> Comprised of other revolving credit, installment, and lease financing.

**Bank of Hawaii Corporation and Subsidiaries**
**Reserve for Credit Losses**
**Table 11**

	Three Months Ended			Year Ended	
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010
(dollars in thousands)					
<b>Balance at Beginning of Period</b>	\$ 148,829	\$ 150,395	\$ 152,777	\$ 152,777	\$ 149,077
<b>Loans and Leases Charged-Off</b>					
Commercial					
Commercial and Industrial	(733)	(4,215)	(6,528)	(8,112)	(21,125)
Commercial Mortgage	-	-	(745)	-	(2,048)
Construction	-	-	-	-	(2,274)
Lease Financing	-	-	(95)	-	(500)
Consumer					
Residential Mortgage	(2,888)	(1,558)	(3,182)	(8,174)	(12,139)
Home Equity	(3,714)	(2,528)	(1,859)	(10,853)	(15,052)
Automobile	(688)	(715)	(1,116)	(3,229)	(6,425)
Other <sup>1</sup>	(1,585)	(1,755)	(2,137)	(6,392)	(10,315)
<b>Total Loans and Leases Charged-Off</b>	<b>(9,608)</b>	<b>(10,771)</b>	<b>(15,662)</b>	<b>(36,760)</b>	<b>(69,878)</b>
<b>Recoveries on Loans and Leases Previously Charged-Off</b>					
Commercial					
Commercial and Industrial	469	994	424	2,434	2,082
Commercial Mortgage	8	530	44	538	68
Construction	-	-	7,321	-	7,321
Lease Financing	29	3,405	118	3,528	158
Consumer					
Residential Mortgage	531	740	190	2,152	1,544
Home Equity	469	137	967	1,695	1,597
Automobile	528	650	727	2,479	3,128
Other <sup>1</sup>	551	569	593	2,492	2,393
<b>Total Recoveries on Loans and Leases Previously Charged-Off</b>	<b>2,585</b>	<b>7,025</b>	<b>10,384</b>	<b>15,318</b>	<b>18,291</b>
<b>Net Loans and Leases Charged-Off</b>	<b>(7,023)</b>	<b>(3,746)</b>	<b>(5,278)</b>	<b>(21,442)</b>	<b>(51,587)</b>
<b>Provision for Credit Losses</b>	<b>2,219</b>	<b>2,180</b>	<b>5,278</b>	<b>12,690</b>	<b>55,287</b>
<b>Balance at End of Period <sup>2</sup></b>	<b>\$ 144,025</b>	<b>\$ 148,829</b>	<b>\$ 152,777</b>	<b>\$ 144,025</b>	<b>\$ 152,777</b>
<b>Components</b>					
Allowance for Loan and Lease Losses	\$ 138,606	\$ 143,410	\$ 147,358	\$ 138,606	\$ 147,358
Reserve for Unfunded Commitments	5,419	5,419	5,419	5,419	5,419
<b>Total Reserve for Credit Losses</b>	<b>\$ 144,025</b>	<b>\$ 148,829</b>	<b>\$ 152,777</b>	<b>\$ 144,025</b>	<b>\$ 152,777</b>
<b>Average Loans and Leases Outstanding</b>	<b>\$ 5,420,352</b>	<b>\$ 5,340,406</b>	<b>\$ 5,317,815</b>	<b>\$ 5,349,938</b>	<b>\$ 5,472,534</b>
<b>Ratio of Net Loans and Leases Charged-Off to</b>					
Average Loans and Leases Outstanding (annualized)	0.51%	0.28%	0.39%	0.40%	0.94%
Ratio of Allowance for Loan and Lease Losses to Loans and Leases Outstanding	2.50%	2.68%	2.76%	2.50%	2.76%

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

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

# Bank of Hawaii Corporation and Subsidiaries

## Business Segments Selected Financial Information

Table 12a

(dollars in thousands)	Retail Banking	Commercial Banking	Investment Services	Treasury and Other	Consolidated Total
<b>Three Months Ended December 31, 2011</b>					
Net Interest Income	\$ 42,333	\$ 33,727	\$ 3,784	\$ 16,402	\$ 96,246
Provision for Credit Losses	7,236	(212)	(1)	(4,804)	2,219
Net Interest Income After Provision for Credit Losses	35,097	33,939	3,785	21,206	94,027
Noninterest Income	17,513	8,907	13,636	3,351	43,407
Noninterest Expense	(45,523)	(22,494)	(14,125)	(2,240)	(84,382)
Income Before Provision for Income Taxes	7,087	20,352	3,296	22,317	53,052
Provision for Income Taxes	(2,622)	(7,099)	(1,219)	(2,883)	(13,823)
<b>Net Income</b>	<b>4,465</b>	<b>13,253</b>	<b>2,077</b>	<b>19,434</b>	<b>39,229</b>
<b>Total Assets as of December 31, 2011</b>	<b>\$ 3,147,760</b>	<b>\$ 2,337,214</b>	<b>\$ 218,088</b>	<b>\$ 8,143,329</b>	<b>\$ 13,846,391</b>
<b>Three Months Ended December 31, 2010<sup>1</sup></b>					
Net Interest Income	\$ 44,382	\$ 34,333	\$ 3,985	\$ 13,573	\$ 96,273
Provision for Credit Losses	6,861	(1,383)	(199)	(1)	5,278
Net Interest Income After Provision for Credit Losses	37,521	35,716	4,184	13,574	90,995
Noninterest Income	23,537	9,843	14,134	3,963	51,477
Noninterest Expense	(46,461)	(24,015)	(15,017)	(3,229)	(88,722)
Income Before Provision for Income Taxes	14,597	21,544	3,301	14,308	53,750
Provision for Income Taxes	(5,401)	(7,531)	(1,221)	981	(13,172)
<b>Net Income</b>	<b>9,196</b>	<b>14,013</b>	<b>2,080</b>	<b>15,289</b>	<b>40,578</b>
<b>Total Assets as of December 31, 2010<sup>1</sup></b>	<b>\$ 3,078,747</b>	<b>\$ 2,244,788</b>	<b>\$ 196,466</b>	<b>\$ 7,606,786</b>	<b>\$ 13,126,787</b>

<sup>1</sup> Certain prior period information has been reclassified to conform to current presentation.

# Bank of Hawaii Corporation and Subsidiaries

## Business Segments Selected Financial Information

Table 12b

(dollars in thousands)	Retail Banking	Commercial Banking	Investment Services	Treasury and Other	Consolidated Total
<b>Year Ended December 31, 2011</b>					
Net Interest Income	\$ 173,982	\$ 137,351	\$ 15,137	\$ 63,738	\$ 390,208
Provision for Credit Losses	22,341	(938)	64	(8,777)	12,690
Net Interest Income After Provision for Credit Losses	151,641	138,289	15,073	72,515	377,518
Noninterest Income	84,008	37,132	59,891	16,624	197,655
Noninterest Expense	(186,872)	(93,623)	(59,187)	(8,511)	(348,193)
Income Before Provision for Income Taxes	48,777	81,798	15,777	80,628	226,980
Provision for Income Taxes	(18,047)	(28,401)	(5,838)	(14,651)	(66,937)
<b>Net Income</b>	<b>30,730</b>	<b>53,397</b>	<b>9,939</b>	<b>65,977</b>	<b>160,043</b>
<b>Total Assets as of December 31, 2011</b>	<b>\$ 3,147,760</b>	<b>\$ 2,337,214</b>	<b>\$ 218,088</b>	<b>\$ 8,143,329</b>	<b>\$ 13,846,391</b>
<b>Year Ended December 31, 2010<sup>1</sup></b>					
Net Interest Income	\$ 188,673	\$ 147,016	\$ 16,567	\$ 54,224	\$ 406,480
Provision for Credit Losses	38,377	17,085	(129)	(46)	55,287
Net Interest Income After Provision for Credit Losses	150,296	129,931	16,696	54,270	351,193
Noninterest Income	100,859	41,304	59,948	53,147	255,258
Noninterest Expense	(175,621)	(96,225)	(58,467)	(15,923)	(346,236)
Income Before Provision for Income Taxes	75,534	75,010	18,177	91,494	260,215
Provision for Income Taxes	(27,947)	(22,273)	(6,726)	(19,327)	(76,273)
<b>Net Income</b>	<b>47,587</b>	<b>52,737</b>	<b>11,451</b>	<b>72,167</b>	<b>183,942</b>
<b>Total Assets as of December 31, 2010<sup>1</sup></b>	<b>\$ 3,078,747</b>	<b>\$ 2,244,788</b>	<b>\$ 196,466</b>	<b>\$ 7,606,786</b>	<b>\$ 13,126,787</b>

<sup>1</sup> Certain prior period information has been reclassified to conform to current presentation.

# Bank of Hawaii Corporation and Subsidiaries

## Selected Quarterly Financial Data

Table 13

	Three Months Ended				
	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
<small>(dollars in thousands, except per share amounts)</small>					
<b>Quarterly Operating Results</b>					
Interest Income					
Interest and Fees on Loans and Leases	\$ 64,760	\$ 65,344	\$ 65,542	\$ 66,593	\$ 67,915
Income on Investment Securities					
Available-for-Sale	19,107	23,097	23,490	37,669	39,546
Held-to-Maturity	23,608	20,344	20,553	7,633	1,388
Deposits	2	6	2	(2)	7
Funds Sold	120	160	297	251	160
Other	280	279	279	279	279
<b>Total Interest Income</b>	<b>107,877</b>	<b>109,230</b>	<b>110,163</b>	<b>112,423</b>	<b>109,295</b>
Interest Expense					
Deposits	3,736	4,561	4,792	5,232	5,918
Securities Sold Under Agreements to Repurchase	7,392	7,400	7,338	7,041	6,425
Funds Purchased	5	4	5	6	7
Long-Term Debt	498	499	529	447	672
<b>Total Interest Expense</b>	<b>11,631</b>	<b>12,464</b>	<b>12,664</b>	<b>12,726</b>	<b>13,022</b>
<b>Net Interest Income</b>	<b>96,246</b>	<b>96,766</b>	<b>97,499</b>	<b>99,697</b>	<b>96,273</b>
Provision for Credit Losses	2,219	2,180	3,600	4,691	5,278
<b>Net Interest Income After Provision for Credit Losses</b>	<b>94,027</b>	<b>94,586</b>	<b>93,899</b>	<b>95,006</b>	<b>90,995</b>
Noninterest Income					
Trust and Asset Management	11,025	10,788	11,427	11,806	11,190
Mortgage Banking	3,401	5,480	2,661	3,122	4,549
Service Charges on Deposit Accounts	9,606	9,820	9,375	9,932	11,632
Fees, Exchange, and Other Service Charges	12,401	16,219	16,662	14,945	15,196
Investment Securities Gains (Losses), Net	282	-	-	6,084	(1)
Insurance	2,312	2,664	3,210	2,771	2,309
Other	4,380	5,892	6,128	5,262	6,602
<b>Total Noninterest Income</b>	<b>43,407</b>	<b>50,863</b>	<b>49,463</b>	<b>53,922</b>	<b>51,477</b>
Noninterest Expense					
Salaries and Benefits	44,927	44,307	46,800	46,782	46,809
Net Occupancy	11,253	11,113	10,476	10,327	10,504
Net Equipment	4,748	4,662	4,741	4,698	5,902
Professional Fees	1,926	2,245	2,294	2,158	2,116
FDIC Insurance	2,027	2,065	2,010	3,244	3,198
Other	19,501	19,563	27,453	18,873	20,193
<b>Total Noninterest Expense</b>	<b>84,382</b>	<b>83,955</b>	<b>93,774</b>	<b>86,082</b>	<b>88,722</b>
Income Before Provision for Income Taxes	53,052	61,494	49,588	62,846	53,750
Provision for Income Taxes	13,823	18,188	14,440	20,486	13,172
<b>Net Income</b>	<b>\$ 39,229</b>	<b>\$ 43,306</b>	<b>\$ 35,148</b>	<b>\$ 42,360</b>	<b>\$ 40,578</b>
Basic Earnings Per Share	\$0.85	\$0.93	\$0.74	\$0.89	\$0.84
Diluted Earnings Per Share	\$0.85	\$0.92	\$0.74	\$0.88	\$0.84
<b>Balance Sheet Totals</b>					
Loans and Leases	\$ 5,538,304	\$ 5,348,472	\$ 5,351,473	\$ 5,326,929	\$ 5,335,792
Total Assets	13,846,391	13,304,758	13,161,204	12,962,304	13,126,787
Total Deposits	10,592,623	10,009,013	9,979,034	9,912,391	9,888,995
Total Shareholders' Equity	1,002,667	1,017,775	1,003,450	996,225	1,011,133
<b>Performance Ratios</b>					
Return on Average Assets	1.17 %	1.31 %	1.09 %	1.32 %	1.24
Return on Average Shareholders' Equity	15.23	16.80	13.86	16.86	15.08
Efficiency Ratio <sup>1</sup>	60.42	56.87	63.81	56.04	60.05
Net Interest Margin <sup>2</sup>	3.04	3.09	3.16	3.24	3.15

<sup>1</sup> The efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and noninterest income).

<sup>2</sup> The net interest margin is defined as net interest income, on a fully-taxable equivalent basis, as a percentage of average earning assets.

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Bank of Hawaii Corporation and Subsidiaries

Hawaii Economic Trends

Table 14

(\$ in millions; jobs in thousands)	Eleven Months Ended		Year Ended			
	November 30, 2011		December 31, 2010		December 31, 2009	
<b>Hawaii Economic Trends</b>						
State General Fund Revenues <sup>1</sup>	\$ 4,258.0	7.8 %	\$ 4,314.1	7.4 %	\$ 4,018.2	(12.8) %
General Excise and Use Tax Revenue <sup>1</sup>	\$ 2,383.1	9.0	\$ 2,379.9	3.6	\$ 2,296.3	(10.6)
Jobs <sup>2</sup>	599.7	1.3	586.8	(0.8)	591.7	(4.4)

(spot rates)	November 30,		December 31,	
	2011	2010	2009	2008
<b>Unemployment <sup>3</sup></b>				
Statewide, seasonally adjusted	6.5 %	6.3 %	6.9 %	5.6 %
Oahu	5.7	4.8	5.4	4.3
Island of Hawaii	9.6	8.6	9.5	7.4
Maui	7.7	7.4	8.8	6.9
Kauai	8.8	7.8	8.7	7.8

(percentage change, except months of inventory)	December 31,		
	2011	2010	2009
<b>Housing Trends (Single Family Oahu) <sup>4</sup></b>			
Median Home Price	(3.0) %	3.1 %	(7.3) %
Home Sales Volume (units)	(2.7) %	13.4 %	(1.8) %
Months of Inventory	4.8	6.0	6.8

(in thousands)	Monthly Visitor Arrivals,	Percentage Change
	Seasonally Adjusted	from Previous Month
<b>Tourism <sup>2</sup></b>		
October 31, 2011	605.9	(2.8) %
September 30, 2011	623.4	7.7
August 31, 2011	578.6	(1.2)
July 31, 2011	585.4	2.4
June 30, 2011	572.0	(0.1)
May 31, 2011	572.5	(2.2)
April 30, 2011	585.3	1.9
March 31, 2011	574.4	(4.5)
February 28, 2011	601.6	(0.5)
January 31, 2011	604.7	1.1
December 31, 2010	598.2	(2.0)
November 30, 2010	610.6	1.0
October 31, 2010	604.5	0.9
September 30, 2010	598.9	(1.1)
August 31, 2010	605.9	1.3
July 31, 2010	597.9	1.2
June 30, 2010	590.9	3.1
May 31, 2010	572.9	1.4
April 30, 2010	564.8	1.8
March 31, 2010	554.9	2.6
February 28, 2010	540.6	(0.3)
January 31, 2010	542.5	(0.1)

<sup>1</sup> Source: Hawaii Department of Business, Economic Development & Tourism.

<sup>2</sup> Source: University of Hawaii Economic Research Organization. Year-to-date figures.

<sup>3</sup> Source: University of Hawaii Economic Research Organization, State of Hawaii Department of Labor and Industrial Relations.

<sup>4</sup> Source: Honolulu Board of REALTORS.

Note: Certain prior period seasonally adjusted information has been revised.