



BANK OF HAWAII 2012 ANNUAL REPORT

COMMITMENT

DEAR FELLOW SHAREHOLDERS,



We are pleased to report that Bank of Hawaii had another solid year in 2012. Perhaps more importantly, in 2012 we furthered our quest to enhance the value of our franchise for the long term through thoughtful investment in our people, our customers and our community.

Fully diluted earnings per share were \$3.67, an 8.3% increase over 2011. Loans and deposits grew during the year. Credit quality improved. Capital and reserves remained at healthy and prudential levels.

The national economy continued its trajectory of recovery marked by slow growth, improving but high unemployment, stabilizing housing markets and tepid but improving consumer demand and business investment. The Hawaii and Guam markets performed better and I'll touch on that further in a bit.

The community banking industry, while improved in 2012, is certainly not without its challenges. While the improved economy has allowed for loan and deposit growth, our net interest margin has been hampered by a historically low interest rate environment. Enhanced regulatory requirements resulting from the financial crisis have added complexity and costs to our operations.

As you might guess, our approach to these challenges has been to take a balanced approach and to double down our efforts on making our operation even more effective, efficient and relevant to our customers.

The Hawaiian Economy

As we mentioned earlier, the Hawaiian economy performed relatively better than the broader national economy in 2012. Our visitor industry had a record year in both arrivals and visitor spending with nearly eight million visitors enjoying our

islands and spending \$14.3 billion. Of note, international visitors accounted for 45% of overall visitor spending in 2012. Unemployment improved to 5.2% at year end compared to 7.8% nationally.

Single-family home prices on Oahu rose 7.8% in 2012 while sales volume rose 6.5%. Both single-family and condominium median prices are close to pre-recession levels. Single-family home and condominium inventories are now at historically low levels.

The Guam economy experienced a strong year in 2012. Visitor arrivals were up 12.8% over the prior year and revenue per available room was up 26%. Unemployment improved to 10.9%, down from a peak of 14% in 2011.

American Samoa

In November of last year, we announced we will be closing our two branches in American Samoa. This was a decision not made lightly, especially following more than 40 years of operating in the region. However, it is the only operation we now have in the South Pacific and its geographic isolation and other factors posed operational challenges. We worked closely with the other financial institution on the island to transition our accounts and accommodate customers.

Shareholder Value

Despite the challenging margin environment, we increased fully diluted earnings per share to \$3.67 in 2012. We achieved this growth in part through improved credit quality, through controlled expenses and through exceptional results in our mortgage banking operation. For the year, we originated almost \$1.5 billion in residential mortgages. More than any other local lender in the Hawaii market.

We paid a dividend of \$1.80 per share in 2012, extending our record practice of more than 70 consecutive years of delivering consistent cash dividends. Stock repurchases for the year totaled \$79.5 million.

As at year end, our price-to-book ratio was 1.92, giving us an enviable valuation and a testament to the perceived long-term value of our franchise in the eyes of our investors.

Late in the year, *Forbes Magazine* rated our bank the second best performing bank in the country in its annual ranking. In the four years that *Forbes* has been conducting the rankings, Bank of Hawaii has finished either first or second in each of the years measured.

Our Employees

It is our employees who differentiate the Bank of Hawaii brand from others. They develop and nurture the relationships and build the trust that has earned Bank of Hawaii its premier reputation within the community for exceptional service as a financial services provider. We must ensure our ability to hire, retain and develop our professional talent to keep us a leader in the marketplace.

Over the past couple of years we have accelerated and enhanced our employee training and development programs. This renewed focus on building employee engagement throughout the company is grounded in an exciting program we term "Grow Connect Thrive." Aimed at positively increasing employees' experiences in the workplace, the program combines elements of professional and personal development. In 2012, we continued to build on this culture of learning with the addition of series on leadership training and skills building as well as exercise, fitness and health.

Our Customers

The test of our merit comes in our ability to offer sound banking products and services that meet the financial services demands of our customers in a convenient and effective way. Since 2001 we have conducted quarterly quantitative market research to measure customer satisfaction levels and are gratified that customers rate Bank of Hawaii at the highest levels for both customer service and overall satisfaction since we initiated the surveys.

In the third quarter of 2012 we introduced a new credit card product called MyBankoh Rewards designed to complement our existing Hawaiian Airlines Visa card. The new card provides customers with an extensive rewards program that allows a high degree of flexibility when redeeming rewards points for any purchase over \$25. It also features year-end bonus rewards based on amount spent during the year. Plus, there are no caps or expiration on points. Initial response rates following the third quarter "soft" launch exceeded goals. We moved to a more aggressive marketing campaign in January 2013.

While traditional branches remain an important part of our network, experience tells us more and more people prefer the convenience of combining their banking with other errands such as grocery shopping or simply relying on electronic channels such as the internet and mobile banking. As a result, we invest in technology and continue our branch optimization strategy, which is an efficiency and customer-driven approach to ensure our branches are in the most convenient locations and appropriately sized to leverage opportunities in those communities.

Our Community

Taking care of the community is a core value at Bank of Hawaii. In 2012 nearly 1,800 volunteers participated in one or more of our 78 community events. In addition we held 125 Bank of Hawaii Smart Money Seminars that included a wide range of topics from budgeting and planning for retirement to helping senior citizens guard against fraud. These seminars, which are facilitated by a pool of 166 specially trained employees, are held as a public service and are free to the public.

Also in 2012 we were named SBA Lender of the Year. This is the eighth year Bank of Hawaii has earned this recognition.

Bank of Hawaii became the first financial institution to introduce the Hawaiian language onto its ATM network. We worked in cooperation with the Hawaii Tourism Authority and the Office of Hawaiian Affairs to ensure the integrity of all translations. We believe that by incorporating this into common everyday usage, it will help perpetuate and preserve the importance of our native Hawaiian language.

In Closing

In closing, we want to thank you for your continued interest and support of Bank of Hawaii. 2012 marked our 115th year as a bank serving the Hawaii market. Asia and the Pacific continue to play a more and more vital role in the global economy and in geopolitical affairs. Hawaii remains geographically in the center of this trend and, we believe, is poised to benefit long term from it.

As we look forward, I have great confidence that we can build even further on our accomplishments and achieve even more for our shareholders, our customers, our community and our employees.



PETER S. HO

Chairman, President, and Chief Executive Officer
Bank of Hawaii Corporation and Bank of Hawaii

2012 FINANCIAL SUMMARY

Bank of Hawaii Corporation and Subsidiaries (dollars in thousands, except per-share amounts)

FOR THE YEAR ENDED DECEMBER 31	2012	2011
Earnings Highlights and Performance Ratios		
Net Income	\$ 166,076	\$ 160,043
Basic Earnings Per Share	3.68	3.40
Diluted Earnings Per Share	3.67	3.39
Dividends Declared Per Share	1.80	1.80
Net Income to Average Total Assets (ROA)	1.22 %	1.22 %
Net Income to Average Shareholders' Equity (ROE)	16.23 %	15.69 %
Net Interest Margin ¹	2.97 %	3.13 %
Efficiency Ratio ²	57.88 %	59.23 %
Market Price Per Share of Common Stock:		
Closing	\$ 44.05	\$ 44.49
High	49.99	49.26
Low	41.41	34.50
AS OF DECEMBER 31		
Statement of Condition Highlights and Performance Ratios		
Loans and Leases	\$ 5,854,521	\$ 5,538,304
Total Assets	13,728,372	13,846,391
Total Deposits	11,529,482	10,592,623
Total Shareholders' Equity	1,021,665	1,002,667
Book Value Per Common Share	\$ 22.83	\$ 21.82
Allowance to Loans and Leases Outstanding	2.20 %	2.50 %
Full-Time Equivalent Employees	2,276	2,370
Branches and Offices	76	81
FOR THE QUARTER ENDED DECEMBER 31		
Earnings Highlights and Performance Ratios		
Net Income	\$ 40,287	\$ 39,229
Basic Earnings Per Share	0.90	0.85
Diluted Earnings Per Share	0.90	0.85
Net Income to Average Total Assets (ROA)	1.19 %	1.17 %
Net Income to Average Shareholders' Equity (ROE)	15.47 %	15.23 %
Net Interest Margin ¹	2.87 %	3.04 %
Efficiency Ratio ²	58.24 %	60.42 %

¹ Net interest margin is defined as net interest income, on a taxable-equivalent basis, as a percentage of average earning assets.

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

OUR ENDURING COMMITMENT

At Bank of Hawaii we are steadfast in our commitment to deliver the highest value, service and benefit to our stakeholders: our shareholders, customers, employees, and community. The way we do business is guided by our commitment to maximize shareholder value over time, provide our customers the most convenient banking services for their lifetime financial needs, give our employees every opportunity to connect, grow and thrive—both at work and in the community, and serve the communities where we live and work.

We do this by adapting to an ever changing banking environment and delivering the most convenient service to the people we serve.

How well are we delivering on our commitment to each of our stakeholders? One indicator is the judgment of our peers. For the fourth straight year, *Forbes* has named Bank of Hawaii one of the top banks in the country. And for the second consecutive year, the trade publication *ABA Banking Journal* has named Bank of Hawaii the nation's top performing bank among the largest public and private banks and thrifts.

COMMITMENT TO AN EXCEPTIONAL CUSTOMER EXPERIENCE

Convenience is key for the Bank of Hawaii customer experience. In this age of Facebook and Twitter and the ubiquitous smart phones, we constantly look for ways to engage with customers however they prefer and deliver services wherever they are. For quick and convenient access, customers can choose from our 24/7 call center,

our extensive network of ATMs, or the enhanced functionality of our online and mobile banking services. For traditional banking, we offer seven-day-a-week banking through our in-store branches. For more complex and specialized banking products and services, we added to our network of strategically located banking centers.

Online and Mobile Banking

Industry-wide trends show steep increases in online banking over the last 20 years, and a more recent rise in mobile banking that is also projected for rapid growth. Bank of Hawaii is right in line with these trends. To stay abreast of this shift in consumer preferences, we have expanded our e-Bankoh online and mobile banking services. Customers have become accustomed to the ease and security of getting online statements, transferring funds between accounts, reviewing account transactions, opening new accounts, and paying bills at www.boh.com. Using a Bankoh app, customers with an iPhone or Android smartphone are a part of the growing mobile banking revolution. Customers can view their accounts, pay bills, transfer funds, and even

find the nearest ATM or Bank of Hawaii branch. In another expansion of mobile banking to the popular tablet platform, we will be launching an iPad app in 2013.

Social Media

With more than one billion people using Facebook, and more than 550 million tweeting on Twitter, these social media platforms have revolutionized the way we interact with one another. Bank of Hawaii launched on Twitter in December 2011, and on Facebook in January 2012, giving us the largest social media presence of any Hawaii bank, with nearly 3,000 Twitter followers and more than 10,000 Facebook fans and growing. These platforms allow us to listen to our followers in real time, respond to their comments quickly, and promote our products and services. It's also a way to highlight our community service activities and even alert fans to job openings. Social media is a valuable way to deepen relationships with our customers.

ATMs—"Aloha mai"

With nearly 500 ATMs, Bank of Hawaii has the largest statewide network of automated teller machines, all with multi-language screens in Japanese, Chinese and English. At the end of 2012 we introduced a unique new capability—the Hawaiian language—which we will roll out to our entire network in 2013. This special initiative reflects our commitment to being the Bank of Hawaii by helping to perpetuate the Hawaiian language and our host culture. The Office of Hawaiian Affairs and the Hawaii Tourism Authority provided their expertise to ensure the accuracy of translations.

Credit Cards

In 2012, we expanded our credit card offerings by launching our own self-issued credit cards—the Bank of Hawaii Visa Signature and American Express MyBankoh Rewards Credit Cards, which feature generous and flexible rewards programs. These cards complement our very popular Bank of Hawaii Hawaiian Airlines Visa Signature Credit Cards, which we offer through our partnership with Hawaiian Airlines.



Mortgage Lending

Once again, Bank of Hawaii was named the #1 residential lending market share leader for 2012 among local Hawaii banks, based on executing the greatest number of loans and the highest dollar amount—more than \$1 billion. What this means is that we helped thousands of families to improve their lives by refinancing their loan or by purchasing a new home. This kind of success relies on teamwork, and to improve our overall efficiency we moved our back office staff from Kapolei to the same downtown Honolulu location as many of our loan officers. The success of the entire team was reflected in Bank of Hawaii being awarded the *Honolulu Star-Advertiser* people's choice award for Best Mortgage Company of the year.

Our Consumer Lending Department also increased its volume of home equity credit lines with the introduction of the HELOC PV product, our home equity credit line that makes it easy for homeowners to purchase a photovoltaic system and take advantage of attractive tax credits.

In-Store Branches

As online and mobile banking have become increasingly popular, there has been a steady decrease in traditional branch banking. At the same time, customers are doing more banking at in-store branches, thanks to the convenience of being able to bank where they shop. This trend led to a repositioning of our branch network through consolidation of some traditional branches, and strategically migrating branch services to in-store branches. In 2012, we replaced the Ewa Beach Branch with an in-store branch with extended hours at the brand new Safeway in Ewa Beach's Lualani Village Shopping Center. We also renovated the Safeway Piilani In-Store Branch, which is the second Maui in-store branch.

Branches and Banking Centers

Despite the decrease in their use, banking experts agree that traditional branches will not go away completely, as they are still an important channel for developing relationships with customers, growing sales, and helping customers find solutions to more complex financial needs. They will evolve from transactions-based destinations to a financial solutions destination. A number of our branches also serve as banking centers, where experts in Mortgage Banking, Investment Services, Personal Banking, and Business Banking are on hand to provide these specialized financial services. These banking centers are located in branches that serve major metropolitan markets—Ala Moana, Kailua, Kapolei, Main Branch in Downtown Honolulu, Pearlridge, Waiālae-Kahala, and Waikiki on Oahu, and Kona on Hawaii Island.

At Bank of Hawaii, our commitment to our customers is a shared trust—one that springs from the confidence placed in us, and our determination to honor that trust in every aspect of our service.

As a part of this trend, in 2012 we closed or consolidated several branches including Aikahi Park Branch, Ewa Beach Branch, Laie Branch, and Waialeale Branch on Oahu, and Kohala Branch on Hawaii Island. We also relocated our Kona Branch to the new Kona Banking Center, the first of its kind on the neighbor islands. In 2013, we will relocate our Ward Plaza branch to new ground floor facilities at Hokua at 1288 Ala Moana. We will also close our two American Samoa branches as a way of centralizing our footprint back to our core Hawaii and Guam markets.

OUR TECHNOLOGY SYSTEMS

There's an unseen but critical side to the bank's ability to deliver a full range of financial products and services efficiently, quickly and securely—our technology systems.

Essentially, we serve two audiences—our customers who expect financial services that are convenient, comprehensive, easy to access and secure, and our staff who are committed to delivering them with the highest level of professionalism and service. In today's technology driven world, the interface between the two is our technology systems.

Information Technology

In 2012, we made significant investments in upgrading our infrastructure to improve the bank's data center network—from adding capacity to provide more functionality to our users, to

improving resiliency to protect data centers from events like power outages. We continued to strengthen security and data protection to be responsive to elevated threats faced by financial institutions. We also continued to use cloud-based virtualization technology to reduce technology infrastructure cost.

We rolled out automation tools and collaboration software that makes it easier for our business groups to work together and share information companywide. This allows us to access databases and reports that help us serve customer needs in a more comprehensive way as well as use the information to develop new business opportunities.

COMPREHENSIVE WEALTH MANAGEMENT SERVICES

For more than a century, Bank of Hawaii has helped generations of families preserve and grow their wealth through our tailored, comprehensive wealth management services. Our team approach provides a complete range of highly personalized financial services including investment management; financial, estate and charitable planning; trust and probate administration; income tax services; and fiduciary real estate management services.

Investment Services

The bank's Investment Services Group (ISG) is the largest Hawaii-based provider of fiduciary and investment services in the state. For example, Hawaiian Tax-Free Trust, which is managed by our investment team and is the first and largest municipal bond fund in the state, reached record asset levels in 2012 reflecting investor confidence in the fund and the expertise of our investment group. This expertise is applied in serving ISG's wealth management clients with a full range of investment solutions.

Because we set extremely high standards for our team of wealth management advisors, we invest in their continuing education. Currently our staff has more than 50 accreditations—Certified Wealth Strategist (CWS), Certified Trust & Financial Advisor (CTFA), Certified Investment Management Analyst (CIMA), Certified Financial Planner (CFP), Certified Public Accountant (CPA), and Chartered Financial Analyst (CFA)—that carry the highest degree of professional skills and technical expertise. Our commitment to our team's ongoing education enables us to provide our clients with the most current and comprehensive financial information to assist them in achieving their goals.

In 2012, we made enhancements to our financial planning program, allowing us to better identify our clients' life goals so that we can continue to meet and exceed their individual financial needs.

Clients have positively responded to these customized solutions that utilize both our open architecture investment platform and creative lending programs.

GETTING DOWN TO BUSINESS

Whatever the business, it's our business to help it grow and prosper. Whether a sole proprietor, a small- or medium-sized enterprise, a large corporation, or an international business, we are committed to providing the services needed to help them reach their financial goals.

Commercial/Corporate Banking

Our Commercial Banking Group continues to build and support longstanding relationships with mid-sized companies and large corporations in Hawaii. Our experienced team of commercial and corporate bankers provides sophisticated funding solutions and recommendations for a broad range of needs—from commercial real estate and construction loans to equipment financing and cash management solutions. The team works closely with other business units across the bank, such as Private Client Services, Business Banking, and Investment Services to help clients meet all their financial goals.

Business Banking

Since small businesses account for more than 95 percent of companies in Hawaii, we continue to serve this important market by providing a wide range of deposit and loan products, including government-guaranteed loans; merchant services; and convenient phone and online access to accounts. Once again in 2012, we led all lenders in the state with 103 SBA guaranteed loans, which earned us the U.S. Small Business Administration's Lender of the Year Award for Hawaii. We are proud to have received this prestigious award in eight out of the past ten years.

International Banking

As the only local bank with an International Banking Division (IBD), we serve clients from Asian countries such as China, Japan and Korea who have financial interests in Hawaii and the Pacific. Through IBD, we are in a unique position to connect business leaders in Asia with their counterparts in a broad cross-section of Hawaii's business community. For example, in 2012, we hosted a mini Hawaii-China Business Leader Forum for 17 top Hawaii business leaders and 11 Chinese CEOs. Round-table sessions allowed them to meet one-on-one to introduce their companies to each other and explore potential business opportunities. As a result, several business leads and new accounts were generated. We plan to host more seminars for other groups to help them connect with the Asian market.

We also expanded our service that allows Chinese businesses, investors and visitors to use their China UnionPay (CUP) debit and credit cards to withdraw cash at any Bank of Hawaii ATM and make purchases at our merchant terminals. We did this by adding more merchant service terminal customers accepting the CUP card, including the entire University of Hawaii system.

Because of IBD's language skills and cultural knowledge, we also serve as relationship managers for our Asian clients, helping to facilitate services from our other business units.

At Bank of Hawaii, our commitment to our customers is a shared trust—one that springs from the confidence placed in us, and our determination to honor that trust in every aspect of our service.

On the following pages, some of our customers talk about their experiences in the many ways we do business with them—providing the highest value, service and benefit to meet their expectations and needs.

BUSINESS BANKING CLIENT

KOMODA STORE & BAKERY

Calvin Shibuya: Like Bank of Hawaii, our fourth-generation business has been around for a long time and has evolved over the years. In 1916 my wife Betty's grandparents, Takezo and Shigeri Komoda, opened a general store, selling everything from chicken feed to clothing. No such thing as "big box" chains back then. Maui families relied on us for their dry goods and fresh produce.

Later, in the early '50s, we started a bakery and sold bread, cakes and donuts. We quickly became known for our popular cream puffs and stick donuts (five donut holes on a skewer), which remain *omiyage* favorites. Everything was made with quality ingredients by hand, like it is today. In fact our chief baker, who is in his eighties, continues to amaze us and serves as an inspiration to everyone.

Bank of Hawaii has been our partner since 1999. My daughter Michele used to work at the bank on Oahu before transferring to the Kahului branch, where she was an assistant branch manager for several years before joining our business.

I really like working with the bank. They make it easier for me to run our company. They handle our payroll through Ceridian, which has been a big relief—allowing me more time as a manager and baker.

About two years ago, our company got its first loan ever. We had been paying cash for everything before then. But when I decided to upgrade our old refrigerator and freezer units with more cost-efficient Energy Star appliances, and install a photovoltaic system to save on energy costs, we turned to Bank of Hawaii. Taking out a loan was a brand new experience, and Greg Knue made it easy by walking us through the process. The PV system is currently being installed, and we look forward to the cost savings.

Another way the bank has been invaluable is through the social events they host on Maui a few times a year. They do a lot to say "thank you" to their customers. At these events we are able to meet Bank of Hawaii specialists and other business people in our community and exchange ideas,

suggestions and experiences to help our business grow.

We really enjoy working with everyone at the bank, including Lolita Feliciano, in Personal Banking at the Kahului branch, and all of the employees at the Pukalani branch.

I also work with Joan Martin of Private Client Services for my personal investments and financial needs. She takes good care of me. I like the fact that all of these services are handled by one institution—a one-stop shop. I also recently used the bank's income tax services, which was a tremendous help.

We are fortunate to have this relationship with Bank of Hawaii. They are very professional and provide us with good advice. I can't think of any other banking institution that cares about our company like Bank of Hawaii does.





CREAM CHOC COCOA PUFF 1.25	REFRESH Your Thirst!	BREAD 3.00
LONG JOHN 1.75		BUTTER ROLLS 8.00
STICK DONUT 1.50		COOKIES 5.75
ANPAN 1.75		MAC MIT COOKIES 6.00
DONUTS 1.00		BISCUIT 1.15
GLAZE SUGAR 1.00		FRESH APPLE COCONUT 7.50
APPLE STRAWBERRY 1.50		FRENCH APPLE 1.50
APPLE TWIST 1.40		FRENCH APRICOT PEACH 1.50
APPLE TWIST 1.40		APRICOT PEACH 1.50
VANILLA CHOC CREME 950		
SPRINKLE STICK 705+950		
MALASADA PLAIN 1.00		
MALASADA GUAVA +1.10		
TURNOVERS 1.75		
CANTON 1.50		
CINNAMON SMALL 1.40		
HEAD PIEKING 1.00		

MON TUE THU FRI 7-5
SAT 7-2
CLOSED SUN & WED

Coca-Cola

From left: Calvin Shibuya, Betty Shibuya, Kyoko Komoda, Ikuo Komoda, and Michelle Shibuya.



Dr. Bobby Baker with Pacific Cancer Institute's new stereotactic radiosurgery system.

DR. BOBBY BAKER

As founder and president of the Pacific Cancer Institute of Maui, I've learned that having a financial partner that I can trust and rely on is critical to the growth and success of our business.

I've been a client of Bank of Hawaii since moving to Maui in 1994. At the time, I had already started four cancer centers across the U.S. and Guam but was new to the islands. The late Mike Lyons, who was then the bank's Maui district manager, introduced me to many leaders in the community and this allowed me to establish relationships that were necessary to build our cancer center.

What I really like about working with Bank of Hawaii is having a team of astute, capable professionals that I know I can count on. They are always readily available to answer my questions and help me take care of financial matters on both the business side and personal side.

Galen Nakamura and Karen Frampton, of Commercial Banking, assist me with the

Institute's financial services needs. They are knowledgeable and very personable, and I consider them as friends, more than just bankers.

Much of the banking we do at the Institute is electronic—everything from payroll to accounts payable and receivable—and Bank of Hawaii makes the process easy and efficient.

As a board-certified radiation oncologist, I value precision. I'm a perfectionist for my patients, and I always seek to minimize risk. That's my forte, and it's one of the reasons the Pacific Cancer Institute of Maui recently established a stereotactic radiosurgery program (SRS/SBRT). This state-of-the-art medical technology enables us to treat small tumors in the brain, lung, liver, pancreas and other areas that were previously hard to precisely target. It is one of the most precise cancer treatments in the world, and we're proud to introduce it in Hawaii.

When you are precision based, you also tend to be conservative. That's why I like Bank of Hawaii.

It is prudent in its operations and provides safety and security for its clients. It's comforting to see the bank consistently recognized as one of the top financial institutions in the country. I like to tell my friends on the mainland to consider moving their money to Bank of Hawaii.

In terms of our personal finances, my wife Julie and I enjoy working with our private banker Joan Martin. She knows our family and is always there to assist. Whether it's helping us transfer funds to our son who is away at college or assisting us with investment decisions, she understands our needs and relates with us on a personal level.

Maui is a small, close-knit community, and I like that. I was born and raised in a Kentucky town of 3,000 residents. I enjoy being active in the community, and it's nice to know that my bank shares those same values and supports some of the same nonprofit organizations that I do, including the Boy Scouts of America, United Way and the Pacific Cancer Foundation.

THE QUEEN'S HEALTH SYSTEMS

Art Ushijima: The Queen's Health Systems has been a longtime Bank of Hawaii client. Our relationship with the bank dates back to the 1950s. As our organization has grown, the bank has been there to support us. In 1985 we established The Queen's Health Systems as a not-for-profit parent corporation to bring expanded healthcare capabilities to the people of Hawaii and the Pacific Basin. Today we encompass a family of 10 healthcare-related companies, and we continue to rely on the bank for our financial services needs.

We appreciate the fact that Bank of Hawaii consistently ranks among the top banks in the country. That's important to us because it illustrates the focus that the bank places on its business and how it serves its customers and the community. We are all fortunate to have a financial institution of this caliber here in Hawaii.

Rick Keene: As a local organization, we try to work with local companies to the extent that we can. When we do work with large firms and vendors outside of the state, our

relationship with Bank of Hawaii and its stature and credibility are an asset.

The bank provides us with a wide range of services, including: corporate banking, commercial lending, refinancing, cash management, investment management, merchant services, employee benefits-related services and ATMs.

Donovan Koki, in Corporate Banking, is my primary contact and a great "go-to" guy. He is diligent, hard working and extremely responsive. Whenever I call him with a question or an issue—whether it involves his immediate area or a different department—he is readily available to assist me. In fact he is so responsive, I have to remind him that it's okay to get away from his desk from time to time.

Having previously worked at Bank of Hawaii and now being a client of the bank, I have a great deal of respect for the organization and its people. I think it's a high quality institution, and I am proud to have worked there and to do business with it today.

Art: Serving the Hawaii community is an integral part of the role of The Queen's Health Systems. The Queen's Medical Center, founded by Queen Emma and King Kamehameha IV in 1859, is the oldest and largest private hospital in the state, serving more than 24,000 inpatient admissions and nearly 300,000 outpatients annually. Our mission is to serve the healthcare needs of Native Hawaiians and all of the people of Hawaii. This is consistent with the bank's focus on Hawaii and the work they do in our community.

Rick: Bank of Hawaii and its employees care about our community. One of the ways they demonstrate this is through the bank's annual employee giving campaign, in which staff members select several nonprofit organizations to support. This past year, The Queen's Medical Center was extremely pleased and honored to be among the recipients of this fundraising effort. It was another reminder to us of the commitment we share with the bank and its people to work together to strengthen the communities we serve.



From right: Art Ushijima, President & Chief Executive Officer, and Rick Keene, Senior Vice President & Chief Financial Officer.





David, Cheree and Caleb Wee at their Kapolei home on Oahu.



RETAIL CLIENT

DAVID WEE AND FAMILY

Bank of Hawaii has been a part of my life since childhood. My parents were dedicated customers, and they taught me about the importance of saving and managing money. When I was in eighth grade, my father helped me open a checking account at the Mililani Safeway branch, and I'm proud to say that I've been a loyal Bank of Hawaii customer ever since.

I'm a fabric worker at Pearl Harbor Naval Shipyard, and my wife Cheree is a speech therapist/rehab manager at a nursing facility in Honolulu and a real estate agent. We have very busy schedules, and the bank makes it easy for us to manage our money. Their online banking service enables me to keep track of our checking and savings accounts. My wife especially likes to use Bank of Hawaii's ATMs for withdrawals and deposits.

In this digital age, I've come to really appreciate the service we receive in the branches. Recently we moved to Kapolei and quickly fell in love with the

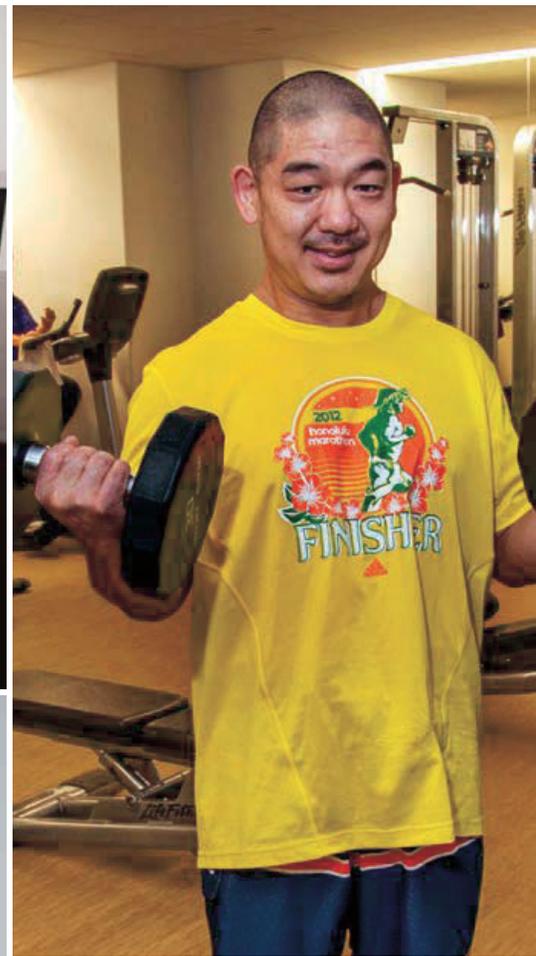
branch there. What I like is that the staff treats you like you are a \$40 million customer. They are extremely friendly, attentive and helpful. I can tell they really care about the people they serve.

In particular, Debbie Staples of the Kapolei Banking Center has been fantastic. When Cheree and I decided to invest in a photovoltaic (PV) system for our home, we were anxious to take advantage of the bank's new home equity line of credit specifically tailored for PV systems. Debbie did a great job of explaining everything and made the process seamless. I am happy with our new system, but I am *really* happy with how Bank of Hawaii structured this special credit line. They really researched this from an industry and tax standpoint and designed an ideal payback plan. As a result, our payments won't start until our tax refund arrives—which is a huge help for our finances.

Bank of Hawaii has always been there for us. When my father unexpectedly passed away at work two and a half years ago,

it was the hardest time in my life. He and my mother had worked together as physicians in private practice. Thankfully, the Mililani Branch Manager Wayne Takahashi and Consumer Banking Representative Jessica Weaver helped us tremendously with all of the financial paperwork for the medical practice. That was over the course of a year and a half. They took care of our family during a tough time, and that kind of relationship is rare in today's world.

I wouldn't trade the relationship that I have with my bank for anything. You can get all of the financial services at Bank of Hawaii that the mainland banks offer *plus* incredible personal service. We plan on encouraging our son Caleb to start saving money with Bank of Hawaii as soon as he is old enough. I'm a satisfied customer, and I feel extremely honored to share my story.



Clockwise from top: Pumping iron in the downtown gym are first-time marathon finisher **Stacey Ouchi** of Accounting Services and **Carolyn Yoshihara** of Centralized Administrative Services; processing deposits: **Edgar Valenzuela** and **Gerry Ancog-Thompson** of Transaction Processing Operations; lunching at Café Blue: **Sherry Serrano** of Executive Administration, **Austin Bunag** of Loan Origination, and **Piper Hites-Ferrell** of Residential Loan Origination; Innovation Manager **Jamie Champagne** facilitates a Design Thinking training session with **Tracy Tom** of Automated Clearinghouse Operations and **Noreen Dunn** of Lockbox Operations; **Tina Murphy** of Training & Support Center oversees a teller training session with **Rico Yabut** of Main Banking Center, **Suzy Brady** of Safeway Kaneohe In-Store Branch, and **Chase Lee** of Main Banking Center.

Providing Opportunities for Our Employees to Grow, Connect and Thrive

At Bank of Hawaii we believe that our people are the foundation of our business and our greatest asset. Our employees' talents and passion drive innovation and customer value, which propel new levels of excellence and financial success. We are committed to a culture of learning, engagement, and exceptional performance that help our employees grow, connect and thrive throughout their careers at the bank.

To attract and retain the most talented people for our business, we recognize the need to invest in their personal and professional development. Our robust training curriculum ensures that everyone who works with us has access to development opportunities to pursue their career aspirations and personal dreams. In 2012, we launched a senior leader development series and Design Thinking sessions to foster a higher level of innovation at the bank.

In 2012, we introduced a friendly competition among our branch staff as a fun way to promote customer service standards and product knowledge. The Bankoh Genius Bowl was a hit, with the entire company cheering on their favorite teams in the live, final playoff. The competition was so successful that all employees will be invited to compete in 2013.

Using social media techniques and tools, in 2012 we invested in creating a more interactive experience on our intranet to increase information flow and collaboration across the company. We added video capability and other features to make the site more compelling and user-centric.

Bank of Hawaii also provides our employees with the opportunity to take charge of managing and improving their health and general wellbeing. In May 2012 we reopened our renovated downtown cafeteria—Café Blue—with a new name, look, vibe and a new menu that includes fresh and healthy dining options at a discount for employees. Beyond the image of the conventional cafeteria, Café Blue is a place to rev up the morning with a cup of coffee, connect with friends, and even get a little business done.

The 2011 opening of a gym in our downtown location that is free to all employees proved to be so popular we extended the hours for the more than 850 members. We've also introduced regular "Thrive Thursday" sessions during the lunch hour where employees can choose to learn from experts on a variety of health and wellbeing topics such as disease management, elder care options, healthy eating choices, fitness activities and relaxation techniques. For those who prefer an after-work workout, for a fee, our employees may enroll in yoga, Zumba, and boot camp classes. We also provide free gym access for employees at our Kapolei facility, and because of our employees' response to care for their health, a new gym is being planned for our Central Processing Facility in 2013.

Our employees are the reason for our success and the future of our company. Investment in our employees' development, engagement and wellbeing is an investment in the long-term future of Bank of Hawaii.



Raising Hope for a Better Tomorrow

At Bank of Hawaii we recognize the importance of supporting our communities and assisting those in need. We focus on ways we can consistently make a positive impact in the communities where we live, work and raise our families.

Our most important resource—our employees, retirees and their families—volunteer thousands of hours of their time each year through company-sponsored events to help meet community needs. In 2012, our volunteers participated in 78 community service events, donating 5,950 hours of their time.

We have a special affinity for supporting programs providing educational opportunities and accessible resources that help families achieve financial security. Our volunteers spend hundreds of hours each year participating in programs that range from teaching elementary students the value of saving, to providing free income tax preparation services to low- to moderate-income families, to teaching our *kupuna* how to protect themselves from financial fraud.

Our employees also donate their own funds to local organizations through our annual Employee Giving Campaign and Bank of Hawaii Community Walk, which raises funds for organizations that lack resources to hold a walk of their own. In 2012, our employees raised more than \$617,000 for the community through these two fundraisers.

The total contributions to the community by Bank of Hawaii and its employees and retirees, and Bank of Hawaii Foundation, was \$2.5 million.

At Bank of Hawaii we put our actions where our hearts are, to help brighten the future for us all.





Clockwise from top: Nearly 2,000 of our Bank of Hawaii 'ohana turned out for our 2012 Bank of Hawaii Community Walk on Oahu that benefited Honolulu Zoo Society, Ronald McDonald House Charities of Hawaii, and Variety School of Hawaii; retiree **Elsie Miyamura** and **Lisa Goo** of Kaimuki Branch were among the volunteers who helped the Hawaii Public Housing Authority refurbish 10 vacant units at Waimaha housing complex in Waianae; Senior Vice President and Metro Windward Oahu Regional Manager **Danny Kim** teaching a third grader at Jefferson Elementary about the importance of saving; **Tia Lewis** (daughter of Paula Lewis of Deposit Maintenance Center), **Christine Tamura** of ATM Servicing, and **Walter Villalba** of Operations Group Administration prepare the 2012 Bank of Hawaii Book Swap seeded with more than 4,000 books donated by bank employees.



CONSOLIDATED STATEMENTS OF INCOME

Bank of Hawaii Corporation and Subsidiaries (dollars in thousands, except per-share amounts)

FOR THE YEAR ENDED DECEMBER 31	2012	2011
Interest Income		
Interest and Fees on Loans and Leases	\$ 257,896	\$ 262,239
Income on Investment Securities		
Available-for-Sale	65,972	103,363
Held-to-Maturity	94,952	72,138
Deposits	9	8
Funds Sold	533	828
Other	1,127	1,117
Total Interest Income	<u>420,489</u>	<u>439,693</u>
Interest Expense		
Deposits	12,376	18,321
Securities Sold Under Agreements to Repurchase	28,897	29,171
Funds Purchased	21	20
Long-Term Debt	1,924	1,973
Total Interest Expense	<u>43,218</u>	<u>49,485</u>
Net Interest Income	377,271	390,208
Provision for Credit Losses	979	12,690
Net Interest Income After Provision for Credit Losses	<u>376,292</u>	<u>377,518</u>
Noninterest Income		
Trust and Asset Management	45,229	45,046
Mortgage Banking	35,644	14,664
Service Charges on Deposit Accounts	37,621	38,733
Fees, Exchange, and Other Service Charges	48,965	60,227
Investment Securities Gains (Losses), Net	(77)	6,366
Insurance	9,553	10,957
Other	23,351	21,662
Total Noninterest Income	<u>200,286</u>	<u>197,655</u>
Noninterest Expense		
Salaries and Benefits	184,408	182,816
Net Occupancy	42,965	43,169
Net Equipment	19,723	18,849
Professional Fees	9,623	8,623
FDIC Insurance	7,873	9,346
Other	69,696	85,390
Total Noninterest Expense	<u>334,288</u>	<u>348,193</u>
Income Before Provision for Income Taxes	242,290	226,980
Provision for Income Taxes	<u>76,214</u>	<u>66,937</u>
Net Income	<u>\$ 166,076</u>	<u>\$ 160,043</u>
Basic Earnings Per Share	\$ 3.68	\$ 3.40
Diluted Earnings Per Share	\$ 3.67	\$ 3.39
Dividends Declared Per Share	\$ 1.80	\$ 1.80
Basic Weighted Average Shares	45,115,441	47,064,925
Diluted Weighted Average Shares	45,249,300	47,224,981

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm, thereon.

CONSOLIDATED STATEMENTS OF CONDITION

Bank of Hawaii Corporation and Subsidiaries (dollars in thousands)

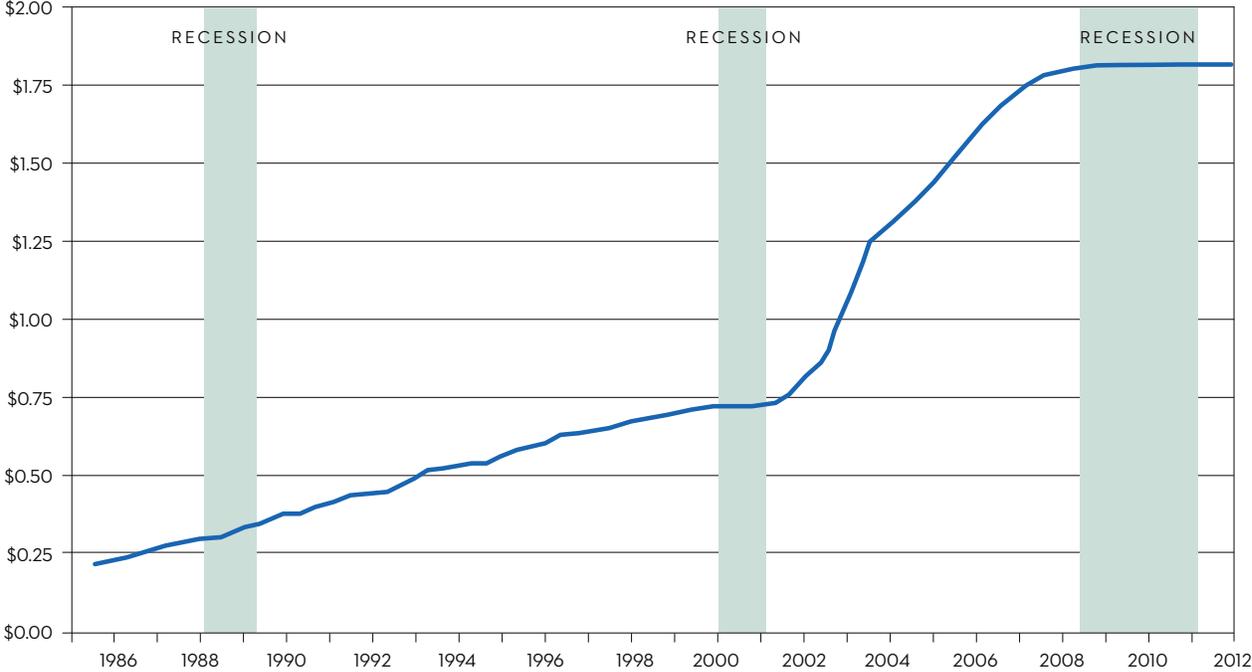
AS OF DECEMBER 31	2012	2011
Assets		
Interest-Bearing Deposits	\$ 3,393	\$ 3,036
Funds Sold	185,682	512,384
Investment Securities		
Available-for-Sale	3,367,557	3,451,885
Held-to-Maturity (Fair Value of \$3,687,676 and \$3,754,206)	3,595,065	3,657,796
Loans Held for Sale	21,374	18,957
Loans and Leases	5,854,521	5,538,304
Allowance for Loan and Lease Losses	<u>(128,857)</u>	<u>(138,606)</u>
Net Loans and Leases	<u>5,725,664</u>	<u>5,399,698</u>
Total Earning Assets	12,898,735	13,043,756
Cash and Noninterest-Bearing Deposits	163,786	154,489
Premises and Equipment	105,005	103,550
Customers' Acceptances	173	476
Accrued Interest Receivable	43,077	43,510
Foreclosed Real Estate	3,887	3,042
Mortgage Servicing Rights	25,240	24,279
Goodwill	31,517	31,517
Other Assets	<u>456,952</u>	<u>441,772</u>
Total Assets	<u>\$ 13,728,372</u>	<u>\$ 13,846,391</u>
Liabilities		
Deposits		
Noninterest-Bearing Demand	\$ 3,367,185	\$ 2,850,923
Interest-Bearing Demand	2,163,473	2,005,983
Savings	4,399,316	4,398,638
Time	<u>1,599,508</u>	<u>1,337,079</u>
Total Deposits	<u>11,529,482</u>	<u>10,592,623</u>
Funds Purchased	11,296	10,791
Securities Sold Under Agreements to Repurchase	758,947	1,925,998
Long-Term Debt	128,055	30,696
Banker's Acceptances	173	476
Retirement Benefits Payable	47,658	46,949
Accrued Interest Payable	4,776	5,330
Taxes Payable and Deferred Taxes	88,014	95,840
Other Liabilities	<u>138,306</u>	<u>135,021</u>
Total Liabilities	12,706,707	12,843,724
Shareholders' Equity		
Common Stock (\$.01 par value; authorized 500,000,000 shares; issued / outstanding: December 31, 2012 - 57,319,352 / 44,754,835; and December 31, 2011 - 57,134,470 / 45,947,116)	571	571
Capital Surplus	515,619	507,558
Accumulated Other Comprehensive Income	29,208	35,263
Retained Earnings	1,084,477	1,003,938
Treasury Stock, at Cost (Shares: December 31, 2012 - 12,564,517; and December 31, 2011 - 11,187,354)	<u>(608,210)</u>	<u>(544,663)</u>
Total Shareholders' Equity	<u>1,021,665</u>	<u>1,002,667</u>
Total Liabilities and Shareholders' Equity	<u>\$ 13,728,372</u>	<u>\$ 13,846,391</u>

Refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for the Consolidated Financial Statements, including Report of Independent Registered Public Accounting Firm, thereon.

2012 RELATIVE PRICE PERFORMANCE



UNBROKEN HISTORY OF DIVIDENDS



Historical dividends adjusted for stock splits

MANAGING COMMITTEE

Bank of Hawaii Corporation / Bank of Hawaii (As of December 31, 2012)





Peter S. Ho
Chairman, President, and
Chief Executive Officer

Peter M. Biggs
Vice Chairman and
Chief Retail Officer

Sharon M. Crofts
Vice Chairman
Operations Group
Administration

Wayne Y. Hamano
Vice Chairman and Chief
Commercial Officer

Alton T. Kuioka
Vice Chairman of Board of
Directors of Bank of Hawaii

Kent T. Lucien
Vice Chairman and
Chief Financial Officer

Mark A. Rossi
Vice Chairman, Chief
Administrative Officer,
General Counsel &
Corporate Secretary

Mary E. Sellers
Vice Chairman and
Chief Risk Officer

Donna A. Tanoue
Vice Chairman Client and
Community Relations

Vincent E. Barfield
Senior Executive
Vice President Investment
Services Group

Derek A. Baughman
Senior Executive Vice
President and Chief
Information Officer

Jill F. S. Higa
Senior Executive Vice
President Retail Banking

Derek J. Norris
Senior Executive Vice
President and Controller

James C. Polk
Senior Executive
Vice President
Commercial Banking
Group

Dean Y. Shigemura
Senior Executive Vice
President and Treasurer



(First Row) Peter S. Ho, Donna A. Tanoue, Mark A. Rossi, Alton T. Kuioka, Sharon M. Crofts

(Second Row) Peter M. Biggs, Mary E. Sellers, Wayne Y. Hamano, Kent T. Lucien, Derek J. Norris

(Third Row) James C. Polk, Dean Y. Shigemura, Derek A. Baughman, Jill F. S. Higa, Vincent E. Barfield

BOARD OF DIRECTORS

Bank of Hawaii Corporation / Bank of Hawaii (As of December 31, 2012)



S. Haunani Apoliona*
Trustee
Office of
Hawaiian Affairs



Mary G. F. Bitterman*
President
and Director
The Bernard Osher
Foundation



Mark A. Burak*
Retired Executive
Vice President
Bank of America



Michael J. Chun*
Retired President
and Headmaster
Kamehameha
Schools-Kapalama



Clinton R. Churchill*
Trustee
The Estate of
James Campbell



David A. Heenan*
Trustee
The Estate of
James Campbell



Peter S. Ho*
Chairman, President
and Chief Executive
Officer
Bank of Hawaii
Corporation and
Bank of Hawaii



Robert A. Huret*
Managing Member
FTV Management
Company, LP



Alton T. Kuioka
Vice Chairman
Client Relations
Bank of Hawaii



Kent T. Lucien*
Vice Chairman
and Chief
Financial Officer
Bank of Hawaii
Corporation and
Bank of Hawaii



Martin A. Stein*
Partner
RSA Ventures



Donald M. Takaki*
Chairman and CEO
HawkTree
International, Inc.



Barbara J. Tanabe*
Owner and Partner
Ho'akea
Communications LLC



Donna A. Tanoue
Vice Chairman
Client and
Community Relations
Bank of Hawaii



Robert W. Wo*
Owner and Director
C.S. Wo & Sons, Ltd.

BANK OF HAWAII LOCATIONS

Commonwealth of the
Northern Mariana Islands/Saipan

Kauai Oahu Molokai Maui
Niihau Lanai
Kahoolawe

Guam

Republic of Palau

State of Hawaii

PACIFIC OCEAN

Map not shown to scale

American Samoa

Facts: Hawaii, Guam and American Samoa

HAWAII

Hawaii business establishments: 98 percent have fewer than 100 employees, 95 percent have fewer than 50, and 52 percent have fewer than five.¹

Hawaii gross domestic product by state (GSP) in 2011: \$66.9 billion.²

Largest shares of Hawaii gross domestic product: government (including federal civilian, federal military, and state and local), 24.7 percent; real estate, rental and leasing, 16.3 percent; non-financial professional, technical, administrative, management and information services, 8.3 percent; accommodation and food services, 8.1 percent; retail trade, 6.9 percent; health care and social assistance, 6.7 percent. Tourism's direct and indirect impact on Hawaii gross domestic product (includes portions of the above): 15.9 percent.³

State of Hawaii resident population as of July 1, 2011: 1,374,810.⁴

GUAM

- U.S. Territory
- Capital: Hagåtña (Agana)
- Resident population: July 2012 estimate 159,914⁵
- Main industries: U.S. military and tourism.

AMERICAN SAMOA

- U.S. Territory
- Capital: Pago Pago
- Resident population: July 2012 estimate 54,947⁵
- Main industries: tuna fishing and tuna processing plants; tourism is a promising developing sector.

Bank of Hawaii Branches and ATMs

(As of December 31, 2012)

	Branches & In-Store Branches	ATMs
State of Hawaii	65	440
Island of Oahu	37	320
Island of Hawaii	11	49
Island of Maui	11	42
Island of Kauai	4	27
Island of Lanai	1	1
Island of Molokai	1	1
American Samoa	2	7
West Pacific	9	47
CNMI/Saipan	2	7
Guam	6	38
Palau	1	2
Grand Total	76	494

¹ Table 15.18, Hawaii DBEDT *State of Hawaii Data Book 2012* from the U.S. Census Bureau "2010 County Business Patterns: Geographic Area Series: County Business Patterns by Employment Size Class."

² Table 13.05, Hawaii DBEDT *State of Hawaii Data Book 2011*, <http://hawaii.gov/dbedt/info/economic/databook/db2011/section13.pdf>.

³ Bank of Hawaii calculation based on Tables 13.05 and 7.32, Hawaii DBEDT *State of Hawaii Data Book 2011* (2011 statistics), <http://hawaii.gov/dbedt/info/economic/databook/db2011/section13.pdf> and <http://hawaii.gov/dbedt/info/economic/databook/db2011/section07.pdf>.

⁴ Table 1.06, Hawaii DBEDT *State of Hawaii Data Book 2011*, <http://hawaii.gov/dbedt/info/economic/databook/db2011/section01.pdf>.

⁵ Central Intelligence Agency (CIA), *The World Factbook* (2012).

SHAREHOLDER INFORMATION

Corporate Headquarters

Bank of Hawaii Corporation
130 Merchant Street, Honolulu, Hawaii 96813

Annual Meeting

The annual meeting of shareholders will be held on Friday, April 26, 2013 at 8:30 am at the Bank of Hawaii Main Office, 5th Floor, 111 South King Street, Honolulu, Hawaii.

Transfer Agent and Registrar

Computershare Investor Services, LLC
250 Royall Street, Canton, MA 02021

Common Stock Listing

NYSE: BOH

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

Dividend Reinvestment and Stock Purchase Plan (DRP)

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

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

Detailed information about Bank of Hawaii Corporation's DRP can be found online at www.boh.com or by calling Computershare Investor Services, LLC at 1-888-660-5443.

Inquiries

Shareholders with questions about stock transfer services, share holdings or dividend reinvestment may contact Computershare Investor Services, LLC at 1-888-660-5443 between 7:00 am and 5:00 pm Central Standard Time.

Investors and Analysts Seeking Financial Information

Cindy Wyrick, Executive Vice President
Investor Relations
Phone: 1-808-694-8430

For General Inquiries
Phone: 1-888-643-3888
www.boh.com



BANK OF HAWAII CORPORATION

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