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

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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8-44201

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2009 (MM/DD/YY) AND ENDING 12/31/2009 (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BANKOH INVESTMENT SERVICES, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

130 MERCHANT ST., SUITE 850
(No. and Street)

HONOLULU (City) HI (State) 96813 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

PAMELA MOY 808-694-4832
(Area Code – Telephone Number)

SEC Mail Processing Section

B. ACCOUNTANT IDENTIFICATION

MAR 01 2010

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ERNST & YOUNG, LLP

Washington, DC 110

(Name – *if individual, state last, first, middle name*)

HARBOR COURT C-120, 55 MERCHANT ST., SUITE 1900, HONOLULU, HI 96813
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

**Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*

AP 3/6

OATH OR AFFIRMATION

I, PAMELA MOY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BANKOH INVESTMENT SERVICES, INC., as of DECEMBER 31, 20 09, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

LS
OC-166

Signature

VICE PRESIDENT & CHIEF COMPLIANCE OFFICER

Title

Notary Public
commission exp 3-19-2010

This report ** contains (check all applicable boxes):

- [x] (a) Facing Page.
- [x] (b) Statement of Financial Condition.
- [x] (c) Statement of Income (Loss).
- [ ] (d) Statement of Changes in Financial Condition.
- [x] (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- [ ] (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- [x] (g) Computation of Net Capital.
- [x] (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- [x] (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- [x] (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- [ ] (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- [x] (l) An Oath or Affirmation.
- [ ] (m) A copy of the SIPC Supplemental Report.
- [ ] (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

NOTARY PUBLIC CERTIFICATION

Brice R. Hara First Circuit

Doc. Description: Oath or Affirmation

No. of Pages: 1 Date of Doc. 2/25/2010

2/25/2010

Notary Signature Date

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OC-166

FINANCIAL STATEMENTS

Bankoh Investment Services, Inc.
Year Ended December 31, 2009
With Report of Independent Registered Public
Accounting Firm

Bankoh Investment Services, Inc.

Financial Statements

Year Ended December 31, 2009

Contents

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Report of Independent Registered Public Accounting Firm

The Board of Directors
Bankoh Investment Services, Inc.

We have audited the accompanying statement of financial condition of Bankoh Investment Services, Inc. (the Company) as of December 31, 2009, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bankoh Investment Services, Inc. at December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst + Young LLP

February 24, 2010

Bankoh Investment Services, Inc.

Statement of Financial Condition

December 31, 2009

Assets	
Cash and cash equivalents	$ 2,649,723
Commissions receivable from clearing organization, investment and insurance companies	568,573
Equipment, net of accumulated depreciation	1,393
Deferred taxes	121,404
Other assets	130,273
Total assets	$ 3,471,366
Liabilities and stockholder's equity	
Liabilities:	
Due to parent for income taxes payable	$ 473,778
Accrued expenses and other liabilities	819,574
Total liabilities	1,293,352
Stockholder's equity:	
Common stock ($10 par value), authorized, issued, outstanding 50,000 shares	500,000
Retained earnings	1,678,014
Total stockholder's equity	2,178,014
Total liabilities and stockholder's equity	$ 3,471,366

See accompanying notes.

Bankoh Investment Services, Inc.

Statement of Income

Year Ended December 31, 2009

Revenues	
Commissions	$ 2,467,173
Annuity and insurance fee income	8,394,747
Interest income	8,365
Other income	111,170
Total revenues	10,981,455
Expenses	
Salaries, commissions and benefits	6,077,746
Broker charges	288,563
Net occupancy	382,216
Net equipment	31,335
Other operating expense	807,081
Total expenses	7,586,941
Income before income taxes	3,394,514
Provision for income taxes	1,364,205
Net income	$ 2,030,309

See accompanying notes.

Bankoh Investment Services, Inc.

Statement of Changes in Stockholder's Equity

		Common Stock		Retained Earnings		Total
Balances at December 31, 2008	$	500,000	$	2,097,705	$	2,597,705
Net income		–		2,030,309	$	2,030,309
Cash dividend paid		–		(2,450,000)	$	(2,450,000)
Balances at December 31, 2009	**$**	**500,000**	**$**	**1,678,014**	**$**	**2,178,014**

See accompanying notes.

Bankoh Investment Services, Inc.

Statement of Cash Flows

Year Ended December 31, 2009

Operating activities	
Net income	$ 2,030,309
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	26,520
Change in commissions receivable	90,096
Change in other assets	43,332
Change in due to/from parent for income taxes	(106,182)
Change in accrued expenses and other liabilities	(24,530)
Net cash provided by operating activities	2,059,545
Financing activities	
Cash dividend paid	(2,450,000)
Net cash used by financing activities	(2,450,000)
Net change in cash and cash equivalents	(390,455)
Cash and cash equivalents at beginning of year	3,040,178
Cash and cash equivalents at end of year	$ 2,649,723

See accompanying notes.

Bankoh Investment Services, Inc.

Notes to Financial Statements

Year Ended December 31, 2009

1. Summary of Significant Accounting Policies

The accounting and reporting principles of Bankoh Investment Services, Inc. (the "Company") conform with U.S. generally accepted accounting principles (GAAP) and prevailing practices within the industry. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results may differ from those estimates and such differences could be material to the financial statements.

Organization

The Company is a wholly-owned subsidiary of Bank of Hawaii (the "Bank"). The Bank is a wholly-owned subsidiary of Bank of Hawaii Corporation (the "Parent"). The Company is a broker-dealer in securities registered with the Securities and Exchange Commission under rule 15c3-3(k)(2)(ii) which provides that all funds and securities belonging to the Company's customers be handled by a correspondent broker-dealer. The Company acts only as an introducing broker-dealer. The Company is a member of the Financial Industry Regulatory Authority and Securities Investor Protection Corporation and provides access to a broad range of investments through major financial markets including the New York Stock Exchange, American Stock Exchange, Chicago Board Options Exchange and the NASDAQ market. The Company is also licensed to sell annuity, life insurance and other retirement plan products under a sub-agent agreement with a general agency. Annuity sales account for a significant portion of the Company's revenue. The Company conducts its business primarily in the State of Hawaii.

Cash Equivalents

The Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days. Cash equivalents represent funds held in a money market fund that totaled $2,449,293 as of December 31, 2009.

Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over lives ranging from three to ten years.

1. Summary of Significant Accounting Policies (continued)

Commissions and Broker Charges

Commission revenue and related broker charges are recorded on a trade-date basis.

Annuity Fee and Life Insurance Income

Annuity and life insurance income and related expenses are recorded on a contract date basis. The contract date is the date the insurance company receives the customer's funds and completed application.

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification" or "ASC")

In June 2009, the FASB issued an accounting standard which established the Codification to become the single source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities, with the exception of guidance issued by the U.S. Securities and Exchange Commission (the "SEC") and its staff. All guidance contained in the Codification carries an equal level of authority. The Codification is not intended to change GAAP, but rather is expected to simplify accounting research by reorganizing current GAAP into approximately 90 accounting topics. The Company adopted this accounting standard in preparing the Financial Statements for the period ended December 31, 2009. The adoption of this accounting standard, which was subsequently codified into ASC Topic 105, *"Generally Accepted Accounting Principles,"* had no impact on retained earnings and will have no impact on the Company's statements of income and condition.

Subsequent Events

The Company adopted ASC 855, *Subsequent Events*, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued.

1. Summary of Significant Accounting Policies (continued)

Management has evaluated subsequent events through February 24, 2010, which is the date we issued our financial statements for the year ended December 31, 2009. There were no material subsequent events that would require recognition or disclosure in our financial statements for the year ended December 31, 2009.

2. Service Agreement

The Company has a service agreement with National Financial Services LLC to provide certain services as the Company's agent. These services include carrying customers' cash and margin accounts on a fully disclosed basis; executing transactions in the customers' accounts as instructed by the Company; preparing transaction confirmations and monthly statements for customers; settling contracts and transactions in securities on behalf of the Company; performing cashiering functions for customer accounts including receipt and delivery of securities purchased, sold, borrowed and loaned; providing custody and safekeeping of customers' securities and cash; and handling margin accounts, dividends and exchanges, and rights and tender offers.

3. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2009, the Company had net capital of $1,614,340 which was $1,528,116 in excess of its required net capital of $86,224. The Company's aggregate indebtedness net capital ratio was .801 to 1. There were no changes to the statutory minimum net capital requirement of $50,000.

The Company had no subordinated debt at December 31, 2009 or at any time during the year then ended.

4. Related Party Transactions

The Company maintains a non-interest bearing demand account with the Bank that totaled $200,431 at December 31, 2009.

The Company invests in a Pacific Capital money market fund, which is a proprietary fund of the Bank. The Asset Management Group of the Bank serves as the investment advisor for the Pacific Capital Funds.

The Bank pays certain personnel and operating costs on behalf of the Company. These expenses are reimbursed by the Company to the Bank. Other expenses such as rent, postretirement benefits, retirement benefits, overhead, insurance, and furniture and equipment are allocated to the Company based on actual costs. At December 31, 2009, amounts due to the Bank included in accrued expenses and other liabilities totaled $116,236.

5. Equipment

The following is a summary of equipment at December 31, 2009:

	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 34,131	$ (32,738)	$ 1,393

6. Income Taxes

The significant components of the provision for income taxes for the year ended December 31, 2009 is as follows:

	2009
Current:	
Federal	$ 1,078,799
State	232,571
	1,311,370
Deferred:	
Federal	25,382
State	27,453
	52,835
Provision for income taxes	$ 1,364,205

The Company is included in the consolidated federal income tax and State of Hawaii franchise tax returns of the Parent. Income taxes are provided based upon the taxable income or loss of the Company. The Parent's tax sharing policy provides for the settlement of income taxes with the Company, as if the Company had filed a separate return. Payments are made to the Parent for current tax liabilities, and if current tax benefits are generated, payments are received from the Parent for the benefits as used.

The Company paid $1,391,754 to the Parent for income taxes during 2009.

The Company's deferred tax assets of $121,404 are predominantly the result of temporary timing differences relating to depreciation and vacation payable. Utilization of the Company's deferred tax assets are predicated on the Company being profitable in future years. Management believes that it is more likely than not that the deferred tax assets will be realized through future reversals of existing taxable temporary differences.

7. Employee Benefits

The Company participates in the Parent's Retirement Savings Plan (the "Savings Plan"). The Savings Plan has three Company contribution components: 1) 401(k) matching; 2) a 3% fixed amount based on eligible compensation; and 3) a discretionary value sharing contribution. Under the 401(k) component, participating employees may contribute up to 50% of their eligible

7. Employee Benefits (continued)

compensation (within federal limits) to the Savings Plan. The Company makes matching contributions on behalf of the participants each calendar quarter equal to $1.25 for each $1.00 contributed by participants up to 2% of the participants' eligible compensation and $0.50 for every $1.00 contributed by participants over 2% up to 5% of the participants' eligible compensation. A 3% fixed contribution and discretionary value sharing that is linked to the Parent's financial goals are made regardless of whether the participant contributes to the Savings Plan under the 401(k) and are invested in accordance with the participant's selection of investment options available under the Savings Plan. The Company's expense for the Savings Plan totaled $423,983 in 2009.

In 1995, the Parent froze its non-contributory, qualified defined-benefit retirement plan (Retirement Plan) and excess retirement plan ("Excess Plan"), which covered employees of the Parent and participating subsidiaries who met certain eligibility requirements. Beginning December 31, 2000, the Retirement Plan no longer provides for compensation increases in the determination of benefits. Retirement Plan assets are managed by investment advisors in accordance with investment policies established by the plan trustees. The assets of the Retirement Plan include investments in securities of related parties (Pacific Capital Funds mutual funds). The Asset Management Group of the Bank, an SEC registered investment advisor, serves as investment advisor for the Pacific Capital Funds family of mutual funds.

The Parent's postretirement benefit plan provides retirees with life, dental and medical insurance benefits. The retiree life insurance benefit for participants who retired after 2003 was terminated. Employees who were retired as of December 31, 2003 are still eligible for the life insurance benefits. The costs of providing postretirement benefits are "shared costs" where both, the employer and former employees pay a portion of the premium. The Parent has no segregated assets to provide for postretirement benefits. For the year ended December 31, 2009, the Company's expense for the retirement plan, excess plan and postretirement benefits was $64,128.

8. Operating Leases

The Company leases office space from the Bank on a month-to-month basis. Rent expense for the year ended December 31, 2009 was $379,928 and was included in net occupancy expense.

Supplemental Information

Schedule I

Bankoh Investment Services, Inc.

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

As of December 31, 2009

Net capital	
Total stockholder's equity qualified for net capital	$ 2,178,014
Deductions and/or charges:	
Nonallowable assets:	
Commissions receivable	275,627
Deferred taxes	121,404
Equipment, net of accumulated depreciation	1,393
Other assets	80,273
	478,697
Deduction for excess Fidelity Bond	35,991
Total deductions and/or charges	514,688
Net capital before haircuts on securities positions (tentative net capital)	1,663,326
Haircuts on money market funds	(48,986)
Net capital	$ 1,614,340
Aggregate indebtedness	
Items included in statement of financial condition:	
Due to parent for income taxes payable	473,778
Accrued expenses and other liabilities	819,574
Total aggregate indebtedness	$ 1,293,352
Computation of basic net capital requirement	
Minimum net capital required (6.6667% of total aggregate indebtness)	$ 86,224
Minimum dollar net capital requirement	$ 50,000
Net capital requirement (greater of above two minimum requirement amounts)	$ 86,224
Net capital in excess of required minimum	$ 1,528,116
Excess net capital at 1,000 %	$ 1,485,005
Ratio: aggregate indebtedness to net capital	0.801 to 1

Schedule I

Bankoh Investment Services, Inc.

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission *(continued)*

As of December 31, 2009

Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2009):	
Net capital, as reported in Company's Part II (unaudited) FOCUS Report, As Previously Filed	$ 1,677,600
Audit adjustments to record additional expense	(95,790)
Increase in non-allowable commission receivable	(20,305)
Decrease in deferred taxes	52,835
Total adjustments	(63,260)
Net capital per above	$ 1,614,340

Schedule II

Bankoh Investment Services, Inc.
Statement Regarding Rule 15c3-3

Year Ended December 31, 2009

Exemptive Provisions

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(ii) in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Company's clearing firm: National Financial Services LLC

ERNST & YOUNG

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Supplementary Report of Independent Registered Public Accounting Firm on Internal Control Required by SEC Rule 17a-5(g)(1)

The Board of Directors
Bankoh Investment Services, Inc.

In planning and performing our audit of the financial statements of Bankoh Investment Services, Inc. (the Company), as of and for the year ended December 31, 2009, in accordance with the standards of the Public Company Accounting Oversight Board (United States), we considered its internal control over financial reporting (internal control), as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. The study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company including any of the following:

- Making quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by Rule 17a-13

- Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling these responsibilities, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

February 24, 2010

Ernst & Young LLP

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