

HANCOCK JOHN BANK & THRIFT OPPORTUNITY FUND
Form N-Q
September 27, 2006

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811- 8568

John Hancock Bank and Thrift Opportunity Fund
(Exact name of registrant as specified in charter)

601 Congress Street, Boston, Massachusetts 02210
(Address of principal executive offices) (Zip code)
Alfred P. Ouellette, Senior Attorney & Assistant Secretary

601 Congress Street

Boston, Massachusetts 02210
(Name and address of agent for service)

Registrant's telephone number, including area code: 617-663-4324

Date of fiscal year end: October 31

Date of reporting period: July 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS

John Hancock

Bank and Thrift Opportunity Fund

Securities owned by the Fund on
July 31, 2006 (unaudited)

| Issuer, description | Interest rate (%) | Maturity date | Credit rating (A) | Par value (\$000) | Value |
|----------------------------|------------------------------|--------------------------|------------------------------|------------------------------|------------------|
| Bonds 0.08% | | | | | \$846,230 |

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(Cost \$770,000)

Regional Banks 0.08% **846,230**

CSBI Capital Trust I,
Gtd Sub Cap Inc Ser A (B)(G) 11.750 06-06-27 B- 770 846,230

| Issuer | Shares | Value |
|--------|--------|-------|
|--------|--------|-------|

Common stocks 88.76% **\$884,819,617**

(Cost \$405,261,046)

**Asset Management & Custody Banks
3.06%** **30,542,790**

| | | |
|---------------------------------------|---------|------------|
| Bank of New York Co., Inc. (The) (NY) | 305,000 | 10,251,050 |
| Mellon Financial Corp. (PA) | 330,000 | 11,550,000 |
| Northern Trust Corp. (IL) | 70,000 | 3,997,000 |
| State Street Corp. (MA) | 79,000 | 4,744,740 |

Consumer Finance 0.55% **5,486,358**

| | | |
|--------------------------------------|--------|-----------|
| Capital One Financial Corp. (VA) (L) | 70,929 | 5,486,358 |
|--------------------------------------|--------|-----------|

Diversified Banks 11.15% **111,111,296**

| | | |
|--------------------------------------|---------|------------|
| Comerica, Inc. (MI) | 384,400 | 22,506,620 |
| Toronto-Dominion Bank (The) (Canada) | 130,349 | 6,680,386 |
| U.S. Bancorp. (MN) | 805,541 | 25,777,312 |
| Wachovia Corp. (NC) (L) | 507,571 | 27,221,033 |
| Wells Fargo & Co. (CA) | 399,861 | 28,925,945 |

**Other Diversified Financial Services
6.36%** **63,364,525**

| | | |
|----------------------------|---------|------------|
| Bank of America Corp. (NC) | 534,260 | 27,530,418 |
| Citigroup, Inc. (NY) | 415,925 | 20,093,337 |
| JPMorgan Chase & Co. (NY) | 345,041 | 15,740,770 |

Regional Banks 62.91% **627,136,980**

| | | |
|--------------------------------|---------|------------|
| Access National Corp. (VA) | 250,000 | 2,325,000 |
| Alabama National Bancorp. (AL) | 152,000 | 10,298,000 |
| AmericanWest Bancorp. (WA) | 357,921 | 7,623,717 |
| Ameris Bancorp. (GA) | 78,480 | 2,001,240 |
| AmSouth Bancorp. (AL) | 95,879 | 2,747,892 |
| BB&T Corp. (NC) | 344,846 | 14,480,084 |

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| | | |
|--|---------|-----------|
| Beverly National Corp. (MA) | 97,500 | 2,340,000 |
| BOK Financial Corp. (OK) | 117,208 | 6,028,007 |
| Cadence Financial Corp. (MS) | 100,500 | 2,106,480 |
| Camden National Corp. (ME) | 140,000 | 6,244,000 |
| Capital City Bank Group, Inc. (FL) (L) | 74,543 | 2,421,157 |

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John Hancock

Bank and Thrift Opportunity Fund

Securities owned by the Fund on July 31, 2006 (unaudited)

| | | |
|--|---------|------------|
| Cascade Bancorp. (OR) (L) | 184,272 | 6,355,541 |
| Chittenden Corp. (VT) | 230,245 | 6,497,514 |
| City Holding Co. (WV) | 41,600 | 1,612,000 |
| City National Corp. (CA) (L) | 243,377 | 16,235,680 |
| CoBiz, Inc. (CO) | 63,200 | 1,483,304 |
| Colonial BancGroup, Inc. (The) (AL) | 589,700 | 14,978,380 |
| Commercial Bankshares, Inc. (FL) (L) | 63,702 | 2,229,570 |
| Community Banks, Inc. (PA) (L) | 110,307 | 2,854,745 |
| Compass Bancshares, Inc. (AL) | 439,857 | 25,925,172 |
| Cullen/Frost Bankers, Inc. (TX) | 20,000 | 1,174,400 |
| Dearborn Bancorp., Inc. (MI) (I) | 75,993 | 1,741,000 |
| Desert Community Bank (CA) | 275,000 | 5,024,250 |
| DNB Financial Corp. (PA) | 72,577 | 1,524,117 |
| East West Bancorp., Inc. (CA) (L) | 435,000 | 17,552,250 |
| ECB Bancorp., Inc. (NC) | 65,000 | 2,168,400 |
| Eurobankshares, Inc. (Puerto Rico) (I) | 42,830 | 406,457 |
| F.N.B. Corp. (PA) | 90,049 | 1,489,410 |
| Fifth Third Bancorp. (OH) | 304,040 | 11,596,086 |
| Financial Institutions, Inc. (NY) | 73,000 | 1,470,220 |
| First Charter Corp. (NC) | 91,700 | 2,162,286 |
| First Horizon National Corp. (TN) (L) | 152,150 | 6,375,085 |
| First Midwest Bancorp., Inc. (IL) | 103,800 | 3,705,660 |
| First National Lincoln Corp. (ME) | 146,499 | 2,600,357 |
| First Regional Bancorp. (CA) (I) | 150,000 | 14,821,500 |
| First State Bancorp. (NM) | 130,000 | 3,170,700 |
| Fulton Financial Corp. (PA) | 359,890 | 5,956,179 |
| Glacier Bancorp., Inc. (MT) | 370,288 | 11,345,624 |
| Harleysville National Corp. (PA) | 144,664 | 3,040,837 |
| Independent Bank Corp. (MI) | 328,510 | 8,413,141 |
| International Bancshares Corp. (TX) | 200,337 | 5,803,763 |
| KeyCorp (OH) (L) | 297,000 | 10,959,300 |
| M&T Bank Corp. (NY) (L) | 166,657 | 20,318,821 |

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| | | |
|---|---------|------------|
| Marshall & Ilsley Corp. (WI) (L) | 529,295 | 24,860,986 |
| MB Financial, Inc. (IL) (L) | 152,950 | 5,438,902 |
| Mercantile Bankshares Corp. (MD) | 314,250 | 11,174,730 |
| Merrill Merchants Bankshares, Inc. (ME) | 78,173 | 1,867,553 |
| Mid-State Bancshares (CA) | 50,000 | 1,349,500 |
| National City Corp. (OH) (L) | 466,587 | 16,797,132 |
| North Fork Bancorp., Inc. (NY) | 701,592 | 19,876,101 |
| Northrim Bancorp., Inc. (AK) | 70,053 | 1,733,812 |
| Pacific Capital Bancorp. (CA) | 364,354 | 10,733,869 |
| Placer Sierra Bancshares (CA) | 14,550 | 317,045 |
| PNC Financial Services Group, Inc. (PA) | 353,100 | 25,013,604 |
| Prosperity Bancshares, Inc. (TX) | 158,745 | 5,583,062 |
| Provident Bankshares Corp. (MD) | 175,058 | 6,436,883 |
| Regions Financial Corp. (AL) | 177,390 | 6,437,483 |
| S&T Bancorp., Inc. (PA) | 154,700 | 4,837,469 |
| SCBT Financial Corp. (SC) | 5,100 | 192,627 |
| Security Bank Corp. (GA) (L) | 197,500 | 4,471,400 |
| Sky Financial Group, Inc. (OH) | 309,850 | 7,600,621 |
| Smithtown Bancorp., Inc. (NY) (L) | 45,000 | 1,198,800 |
| South Financial Group, Inc. (The) (SC) | 70,150 | 1,895,453 |
| Southcoast Financial Corp. (SC) (I)(L) | 44,990 | 949,289 |
| Summit Bancshares, Inc. (TX) | 279,000 | 7,834,320 |

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Bank and Thrift Opportunity Fund

Securities owned by the Fund on

July 31, 2006 (unaudited)

| | | |
|--|---------|------------|
| Summit Bank Corp. (GA) | 135,000 | 2,181,613 |
| SunTrust Banks, Inc. (GA) (L) | 322,826 | 25,461,287 |
| SVB Financial Group (DE) (I)(L) | 160,850 | 7,209,297 |
| Synovus Financial Corp. (GA) | 615,350 | 17,389,791 |
| Taylor Capital Group, Inc. (IL) | 241,950 | 7,638,361 |
| TCF Financial Corp. (MN) | 412,666 | 11,104,842 |
| TD Banknorth, Inc. (ME) (L) | 309,517 | 8,975,993 |
| Texas Regional Bancshares, Inc. (Class A) (TX) | 110,000 | 4,170,100 |
| TriCo Bancshares (CA) | 53,000 | 1,315,990 |
| UCBH Holdings, Inc. (CA) | 402,500 | 6,713,700 |
| Umpqua Holdings Corp. (OR) (L) | 182,901 | 4,771,887 |
| UnionBanCal Corp. (DE) | 134,000 | 8,279,860 |
| Univest Corp. (PA) | 205,218 | 6,002,626 |
| Valley National Bancorp. (NJ) (L) | 100,255 | 2,603,622 |
| Vineyard National Bancorp Co. (CA) | 283,970 | 7,917,084 |
| Virginia Financial Group, Inc. (VA) | 45,500 | 1,911,000 |
| West Coast Bancorp. (OR) | 67,583 | 2,050,468 |

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| | | |
|----------------------------------|---------|------------|
| Westamerica Bancorp. (CA) (L) | 40,000 | 1,924,400 |
| Whitney Holding Corp. (LA) | 150,750 | 5,440,567 |
| Wilmington Trust Corp. (DE) | 350,000 | 15,242,500 |
| Yardville National Bancorp. (NJ) | 97,400 | 3,377,832 |
| Zions Bancorp. (UT) | 356,053 | 29,246,193 |

Thriffs & Mortgage Finance 4.73% **47,177,668**

| | | |
|---|---------|------------|
| Astoria Financial Corp. (NY) | 80,865 | 2,405,734 |
| BankUnited Financial Corp. (Class A) (FL) | 56,650 | 1,676,274 |
| Benjamin Franklin Bancorp., Inc. (MA) | 15,000 | 209,250 |
| Berkshire Hills Bancorp., Inc. (DE) | 74,110 | 2,585,698 |
| Countrywide Financial Corp. (CA) (L) | 186,500 | 6,682,295 |
| Freddie Mac (VA) | 47,450 | 2,745,457 |
| Hingham Institute for Savings (MA) | 80,000 | 3,000,800 |
| Hudson City Bancorp., Inc. (NJ) (L) | 383,810 | 4,978,016 |
| LSB Corp. (MA) | 65,000 | 1,088,750 |
| NewAlliance Bancshares, Inc. (CT) | 12,581 | 177,518 |
| PennFed Financial Services, Inc. (NJ) | 313,600 | 5,663,616 |
| Sovereign Bancorp., Inc. (PA) | 113,400 | 2,340,576 |
| Washington Mutual, Inc. (WA) | 230,812 | 10,317,296 |
| Webster Financial Corp. (CT) | 70,110 | 3,306,388 |

| Issuer, description, maturity date | Interest rate (%) | Par value (\$000) | Value |
|---|--------------------------|--------------------------|--------------|
|---|--------------------------|--------------------------|--------------|

Short-term investments 11.16% **\$111,246,322**

(Cost \$111,246,322)

Certificates of Deposit 0.01% **80,826**

Deposits in mutual banks 81 80,826

Joint Repurchase Agreement 1.37% **13,688,000**

Investment in a joint repurchase agreement transaction with Morgan Stanley - Dated 7-31-06 due 8-01-06 (Secured by U.S. Treasury Inflation Indexed Bond 3.625% due 4-15-28) 5.250 13,688 13,688,000

| | Shares | |
|----------------------------------|------------|----------------------|
| Cash Equivalents 9.78% | | 97,477,496 |
| <hr/> | | |
| AIM Cash Investment Trust (T) | 97,477,496 | 97,477,496 |
| Total investments 100.00% | | \$996,912,169 |

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John Hancock

Bank and Thrift Opportunity Fund

Footnotes to Schedule of Investments

July 31, 2006 (unaudited)

(B) This security is fair valued in good faith under procedures established by the Board of Trustees.

(G) Security rated internally by John Hancock Advisers, LLC.

(I) Non-income-producing security.

(L) All or a portion of this security is on loan as of July 31, 2006.

(T) Represents investment of securities lending collateral.

Parenthetical disclosure of a foreign country in the security description represents country of a foreign issuer.

The percentage shown for each investment category is the total value of that category as a percentage of the total investment of the Fund.

The cost of investments owned on July 31, 2006, including short-term investments, was \$517,277,368. Gross unrealized appreciation and depreciation of investments aggregated \$481,231,382 and \$1,596,581, respectively, resulting in net unrealized appreciation of \$479,634,801.

Footnotes to Schedule of Investments - Page 1

ITEM 2. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal executive officer and principal financial officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Separate certifications for the registrant's principal executive officer and principal financial officer, as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

John Hancock Bank and Thrift Opportunity Fund

By: /s/ Keith F. Hartstein

Keith F. Hartstein
President and Chief Executive Officer

Date: September 26, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Keith F. Hartstein

Keith F. Hartstein
President and Chief Executive Officer

Date: September 26, 2006

By: /s/ John G. Vrysen

John G. Vrysen
Executive Vice President and Chief Financial Officer

Date: September 26, 2006
