



 First Hawaiian, Inc.

# Investor Presentation

February / March 2023



## **Forward-Looking Statements**

*This presentation contains, and from time-to-time in connection with this presentation our management may make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our views at such time with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would,” “annualized,” and “outlook,” or the negative version of these words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, and any such forward-looking statements are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Further, statements about the potential effects of the COVID-19 pandemic on our businesses and financial results and conditions may constitute forward-looking statements and are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and us. Actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Factors that could cause our actual results to differ materially from those described in the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the domestic and global economic environment and capital market conditions and other risk factors, can be found in our SEC filings, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2021, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30, and September 30 2022, which are available on our website ([www.fhb.com](http://www.fhb.com)) and the SEC’s website ([www.sec.gov](http://www.sec.gov)). Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law.*

## **Use of Non-GAAP Financial Measures**

*The information provided herein includes certain non-GAAP financial measures. We believe that these measures provide useful information about our operating results and enhance the overall understanding of our past performance and future performance. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. The reconciliation of such measures to the comparable GAAP figures are included in the appendix of this presentation.*

## **Other**

*References to “we,” “us,” “our,” “FHI,” “FHB,” “Company,” and “First Hawaiian” refer to First Hawaiian, Inc. and its consolidated subsidiaries.*

# Q4 2022 FINANCIAL HIGHLIGHTS<sup>1</sup>

	Q4 2022	Q3 2022
Net Income (\$mm)	\$79.6	\$69.0
Diluted EPS	\$0.62	\$0.54
Net Interest Margin	3.15%	2.93%
Efficiency Ratio	51.5%	54.0%
ROA / ROATA <sup>2</sup>	1.28% / 1.34%	1.10% / 1.14%
ROE / ROATCE <sup>2</sup>	14.27% / 25.93%	12.08% / 21.53%
Tier 1 Leverage Ratio	8.11%	7.78%
CET1 Capital Ratio	11.82%	11.79%
Total Capital ratio	12.92%	12.92%
Dividend <sup>3</sup>	\$0.26 / share	\$0.26 / share

- Net income \$79.6 mm
- Grew total loans and leases \$391.6 mm
- Total deposits declined \$402.7 mm, 52 bp cost of deposits
- Net interest margin expanded 22 bps
- Excellent credit quality. Recorded \$3.0 mm provision expense
- Well capitalized: 11.82% CET1 ratio
- Declared \$0.26 / share dividend

(1) Comparisons to Q3 2022

(2) ROATA and ROATCE are non-GAAP financial measures. A reconciliation of average tangible assets and average tangible stockholders' equity to the comparable GAAP measurements is provided in the appendix of this slide presentation.

(3) Declared on January 25, 2023. Payable March 3, 2023 to shareholders of record at close of business on February 17, 2023.

# BALANCE SHEET HIGHLIGHTS

\$ in thousands	12/31/22	9/30/22
<b>Assets</b>		
Cash and Cash Equivalents <sup>1</sup>	\$ 526.6	\$ 948.9
Investment Securities - AFS	3,151.1	3,289.2
Investment Securities - HTM	4,320.6	4,406.1
Loans and Leases	14,092.0	13,700.4
Total Assets	24,577.2	24,870.3
<b>Liabilities</b>		
Deposits	\$ 21,689.0	\$ 22,091.7
Total Stockholders' Equity	2,269.0	2,200.7

Comments
<ul style="list-style-type: none"> <li>• Excess cash and investment portfolio runoff used to fund loan growth and deposit runoff in Q4</li> <li>• Investment portfolio duration remained stable at 5.6 yrs at 12/31/22</li> </ul>

<sup>1</sup> Includes Cash and due from banks and Interest-bearing deposits in other banks

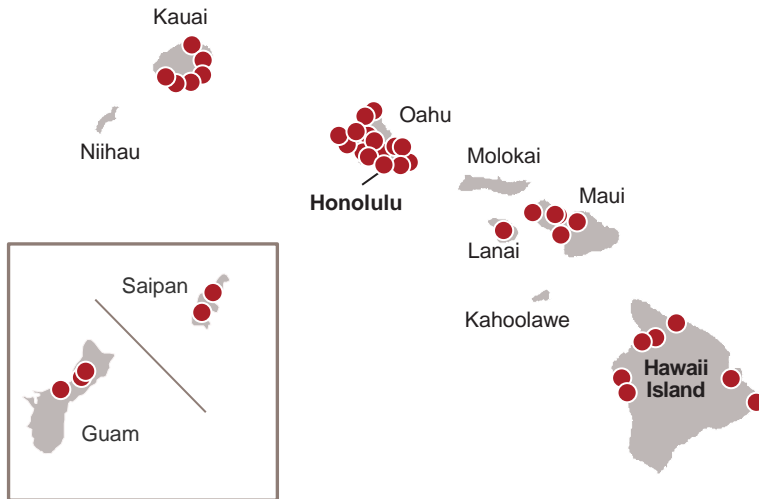
# INVESTMENT HIGHLIGHTS

- 1 Strong, Consistent Financial Performance**
- 2 Leading Position In Attractive Markets**
- 3 Experienced Leadership Team**
- 4 High Quality Balance Sheet**
- 5 Proven Through The Cycle Performance**
- 6 Well-Capitalized With Attractive Dividend**

# STRONG PERFORMER IN ATTRACTIVE MARKET

## Branch Presence

51 branches



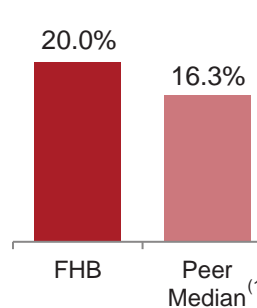
## Company Highlights

- ✓ Oldest and largest Hawaii-based bank
- ✓ Full-service community bank with complete suite of products & services
- ✓ #1 deposit market share in Hawaii<sup>(4)</sup>
- ✓ Largest Hawaii-based lender
- ✓ \$17.2 bn assets under administration as of 4Q22
- ✓ Proven through the cycle and outstanding operating performance

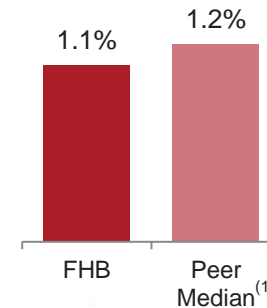
## Financial Overview – 4Q 2022 YTD (\$ billions)

<b>Market Cap</b>	<b>\$ 3.5</b>	<b>Loans</b>	<b>\$ 14.1</b>
<b>Assets</b>	<b>\$ 24.6</b>	<b>Deposits</b>	<b>\$ 21.7</b>

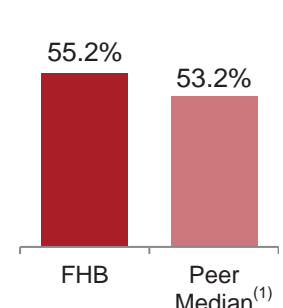
### ROATCE<sup>(2)</sup>



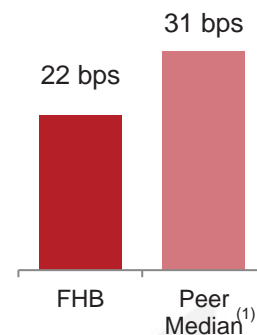
### ROATA<sup>(2)</sup>



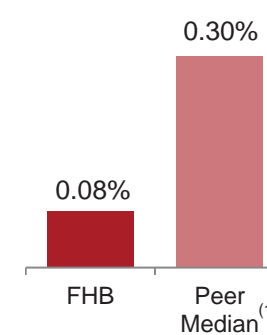
### Efficiency Ratio



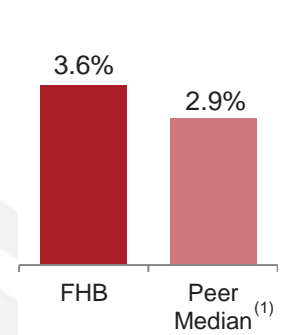
### Cost of Deposits



### NALs / Loans



### Dividend Yield<sup>(3)</sup>



Source: Public filings and S&P Global Market Intelligence as of 8-Feb-2023

Note: Financial data as of 31-Dec-2022. Market data as of 8-Feb-2023.

(1) Peer median is based on public banks \$10–\$50bn in assets constituted as of 31-Dec-2021; excludes merger targets.

(2) ROATA (Return On Average Tangible Assets) and ROATCE (Return on Average Tangible Common Equity) are non-GAAP financial measures. A reconciliation to the comparable FHB GAAP measures is provided in the appendix.

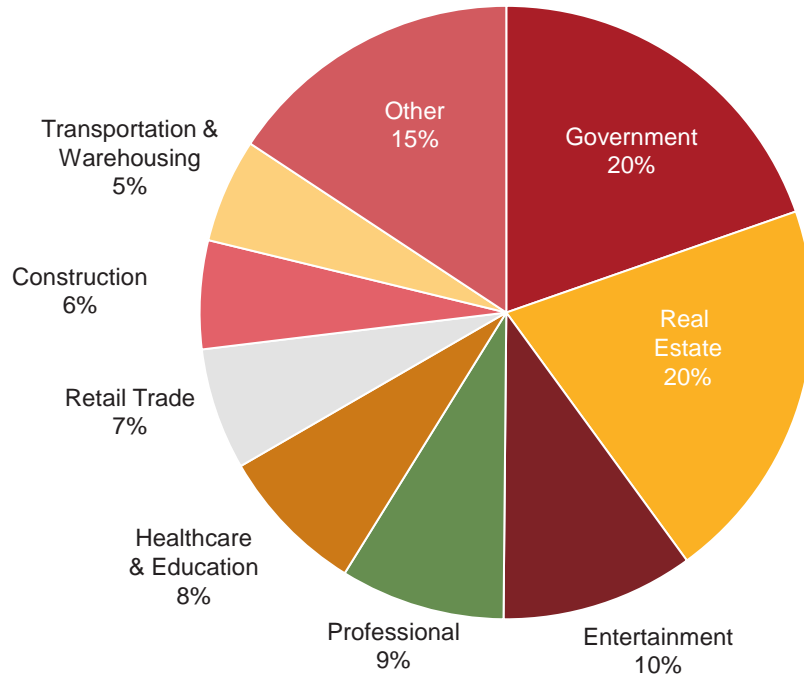
(3) Dividend yield based on dividend paid in 4Q 2022 and closing market price as of 8-Feb-2022.

(4) Deposit market share based on FDIC data as of 30-Jun-2022.

# DESPITE NEAR-TERM CHALLENGES, THE FUNDAMENTAL STRENGTHS OF HAWAII'S ECONOMY REMAIN INTACT

## Hawaii GDP by Industry (2019)<sup>(1)</sup>

Visitor spending is ~19% of Hawaii GDP<sup>(2)</sup>



## Fundamental Strengths

- Attractive destination for domestic and international travelers
  - Attractive alternative for travelers concerned about international travel
  - Well-developed visitor industry infrastructure
  - High quality medical care
- Strategically important
  - Headquarters of US Indo-Pacific Command and regional component commands: Army, Navy, Air Force, Marines
  - Estimated total defense spending in Hawaii in 2020: \$7.7bn <sup>(3)</sup>
  - Defense spending is 8.5% of state GDP <sup>(3)</sup>
  - Over 50k active duty, National Guard and Reserve personnel stationed in Hawaii <sup>(3)</sup>
  - Almost 20k civilian employees<sup>(3)</sup>

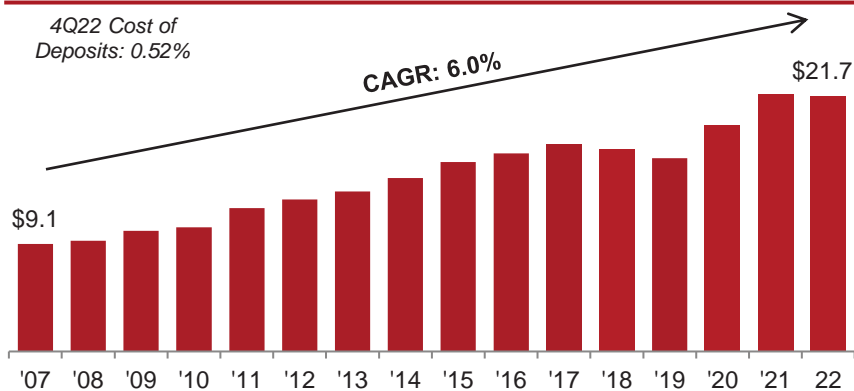
<sup>(1)</sup> US Bureau of Economic Analysis

<sup>(2)</sup> Based on \$17.9bn of 2019 visitor spending according to Hawaii Department of Business, Economic Development and Tourism.

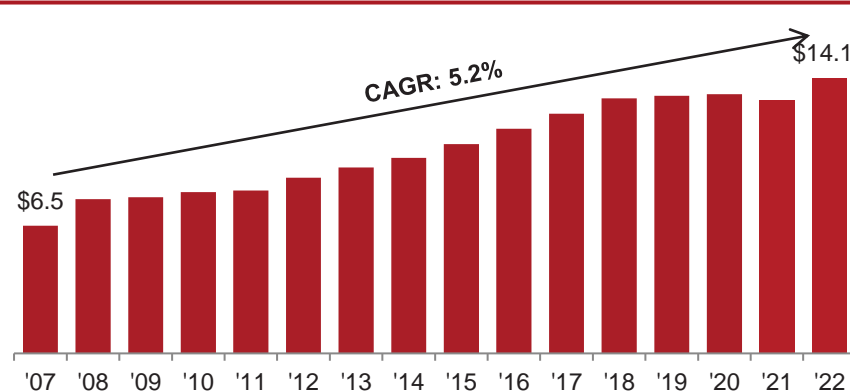
<sup>(3)</sup> [defenseeconomy.hawaii.gov](https://defenseeconomy.hawaii.gov)

# STRONG PERFORMANCE THROUGH THE CYCLE

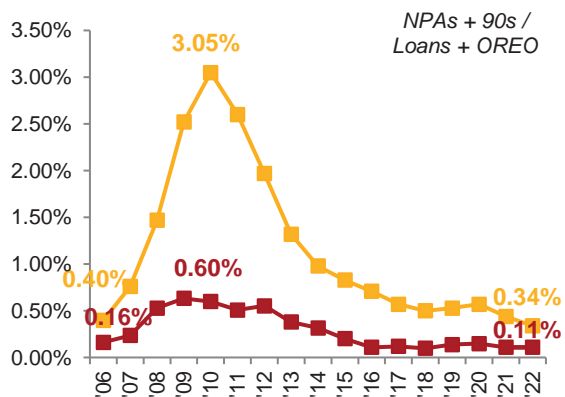
## Consistent Deposit Growth (\$bn)



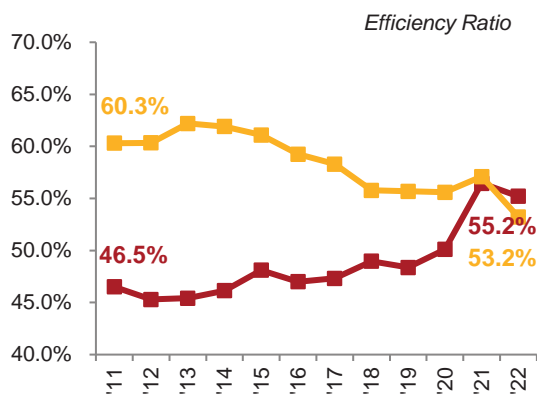
## Steady, Balanced Loan Growth (\$bn)



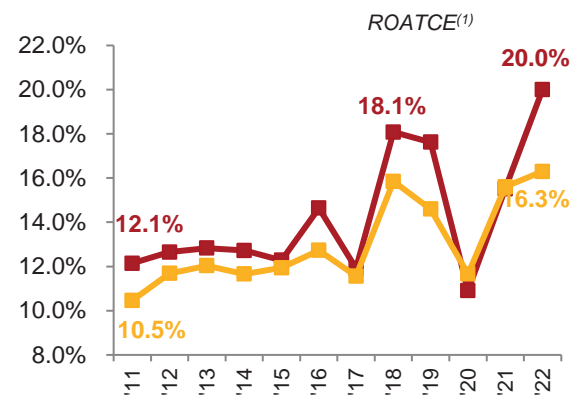
## Through the Cycle Credit Performer



## Strong Expense Mgmt. Culture



## Consistent Record of Profitability



■ First Hawaiian, Inc.

■ Public U.S. Banks with \$10-\$50bn of Assets

Source: Public filings and S&P Global Market Intelligence as of 8-Feb-2023

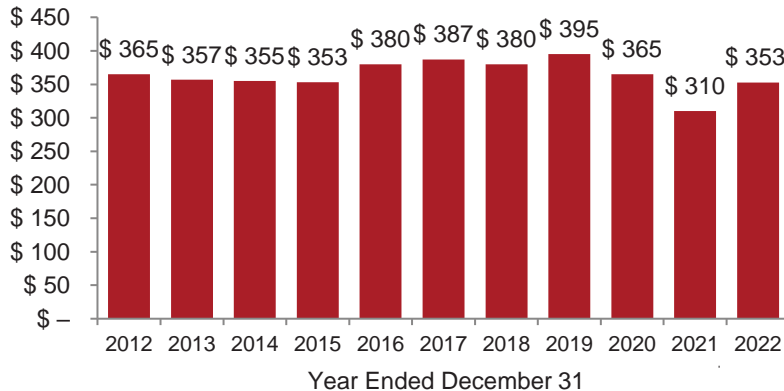
Note: Financial data as of 31-Dec-2022. \$10–\$50bn banks constituted as of 31-Dec-2021; excludes merger targets.

(1) ROATCE (Return on Average Tangible Common Equity) is a non-GAAP financial measure. A reconciliation to the comparable FHB GAAP measure is provided in the appendix.



# CONSISTENT TRACK RECORD OF STRONG PROFITABILITY

### Pre-Tax, Pre-Provision Earnings (\$mm)<sup>(1)</sup>

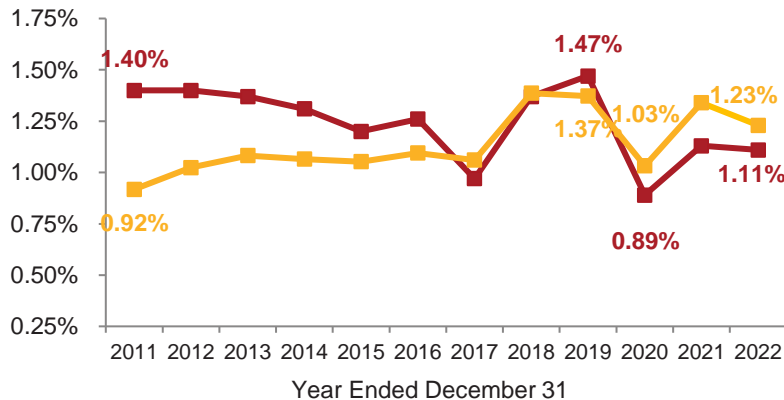


Consistent PTPP Earnings

### Stable Earnings Drivers

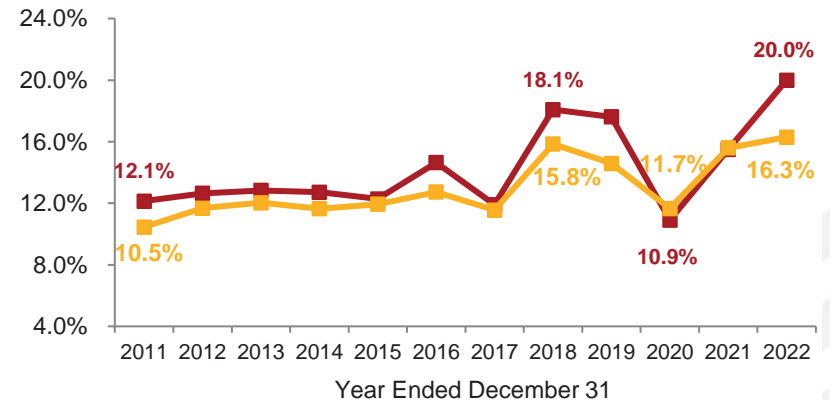
- Dominant loan and deposit positions in attractive markets
- Consistent underwriting standards with proven performance through the credit cycle
- Demonstrated history of disciplined expense management

### ROATA<sup>(1)</sup>



Consistent History of Strong Profitability

### ROATCE<sup>(1)</sup>



■ First Hawaiian, Inc.

■ Public U.S. Banks with \$10-\$50bn of Assets

Source: Public filings and S&P Global Market Intelligence, as of 8-Feb-2023

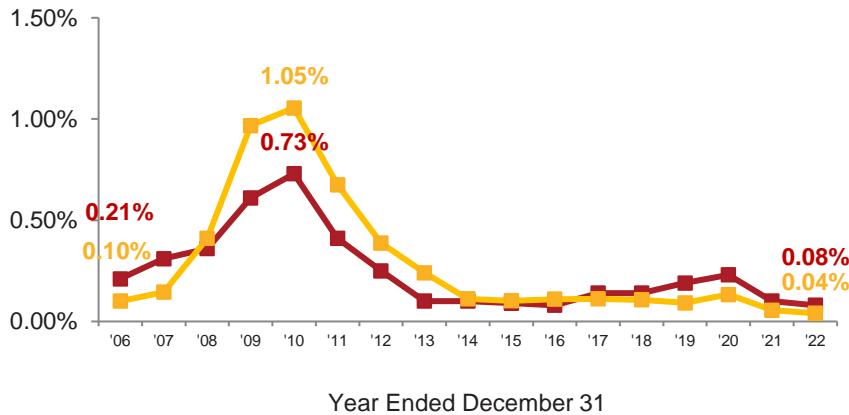
Note: Financial data as of 31-Dec-2022. \$10-\$50bn banks constituted as of 31-Dec-2021; excludes merger targets.

(1) PTPP (Pre-Tax, Pre-Provision) Earnings, ROATA (Return On Average Tangible Assets) and ROATCE (Return On Average Tangible Common Equity) are non-GAAP financial measures. A reconciliation to the comparable FHB GAAP measures is provided in the appendix.

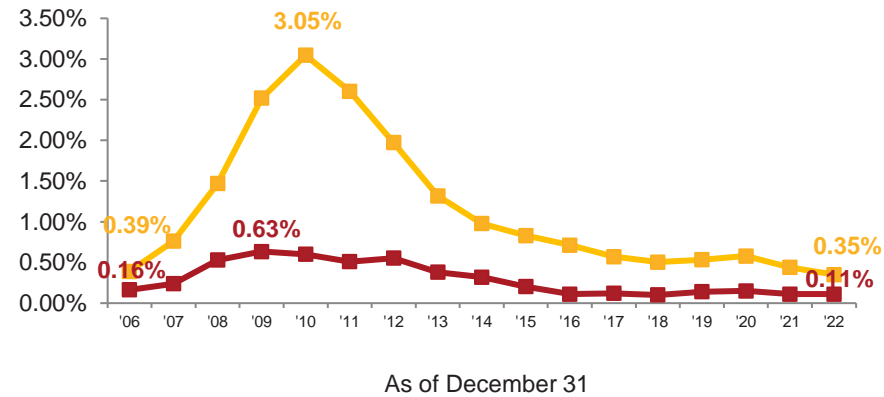
# PROVEN, CONSISTENT, AND CONSERVATIVE CREDIT RISK MANAGEMENT

*Strong through the cycle credit performance driven by conservative approach to credit risk management*

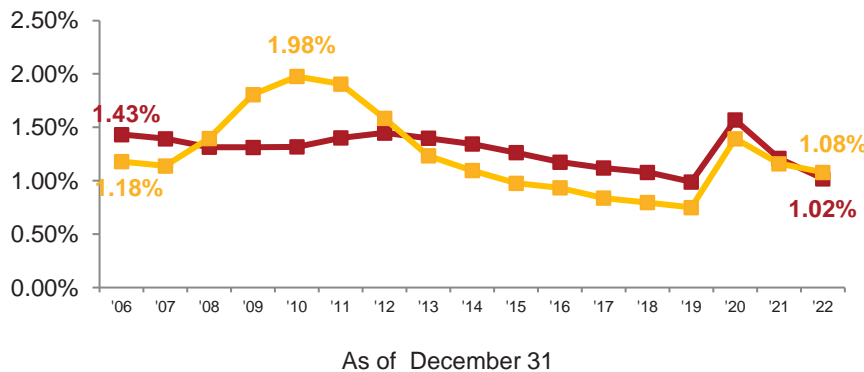
### NCOs / Average Loans



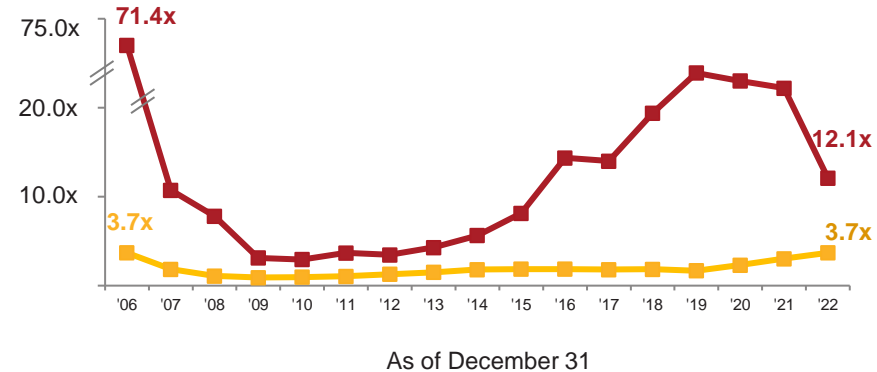
### NPAs + 90s / Loans + OREO



### Reserves / Loans



### Reserves / Non-Accrual Loans



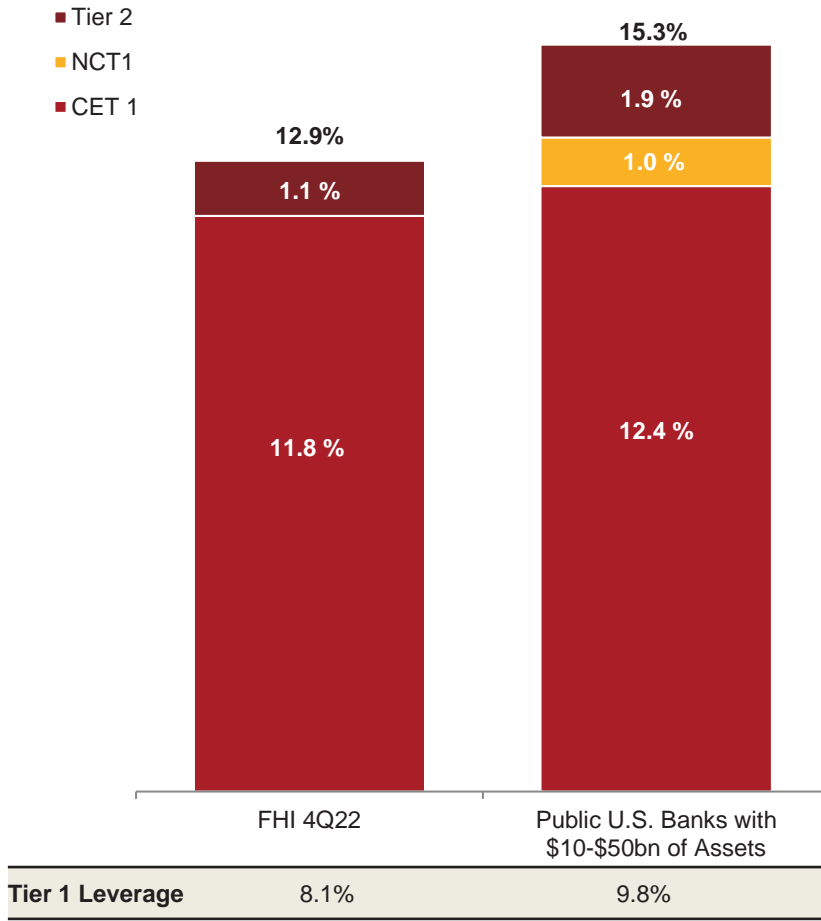
■ First Hawaiian, Inc.

■ Public U.S. Banks with \$10-\$50bn of Assets

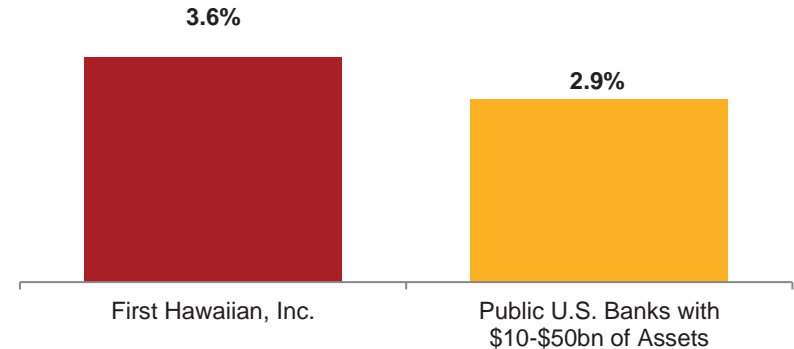
Source: Public filings and SNL Financial, available as of 8-Feb-2023  
 Note: Financial data as of 31-Dec-2022. \$10-\$50bn banks constituted as of 31-Dec-2021; excludes merger targets.

# WELL-CAPITALIZED WITH AN ATTRACTIVE DIVIDEND

## Robust Capital Position



## Attractive Dividend Yield<sup>(1)(2)</sup>



## Capital Management Approach

- Retain sufficient earnings to support loan growth and maintain strong capital levels
- Return excess capital through dividends and share repurchases
- Stock repurchase program for up to \$40mm of common stock during 2023
- Held dividend at \$0.26/share in 4Q 2022
- 0.4 mm shares repurchased in 2022

Source: Public filings and S&P Global Market Intelligence as of 8-Feb-2023

Note: Financial data as of 31-Dec-2022. \$10-\$50bn banks constituted as of 31-Dec-2021, excludes merger targets. Percentages may not total due to rounding.

<sup>(1)</sup> Dividends and share repurchases are subject to approval of FHI's board of directors, future capital needs and regulatory approvals.

<sup>(2)</sup> Dividend yield (MRQ) based on 4Q 2022 paid dividend and market data as of 8-Feb-2022.

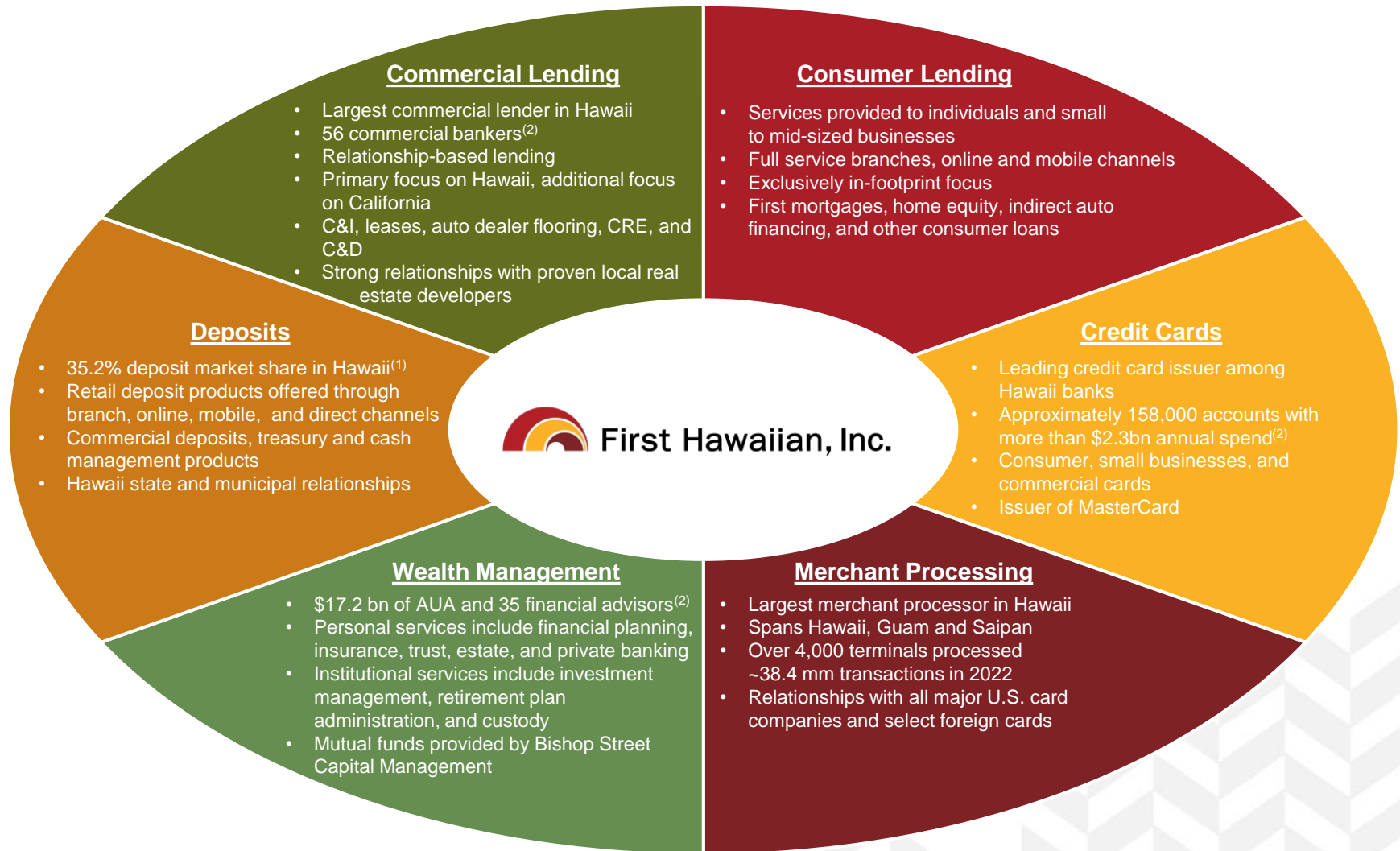
# Appendix



First Hawaiian, Inc.

# FULL SUITE OF PRODUCTS AND SERVICES

*First Hawaiian is a full-service community bank focused on building relationships with our customers*



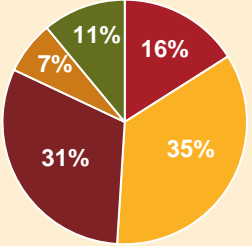
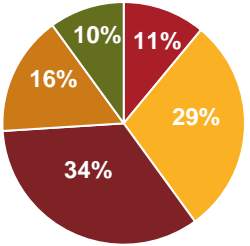
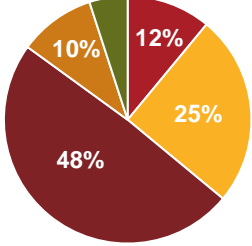
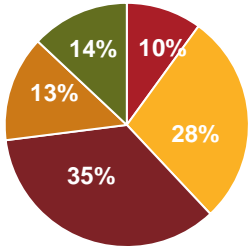
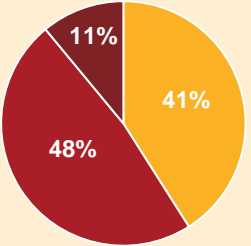
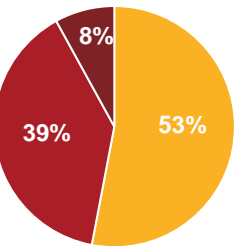
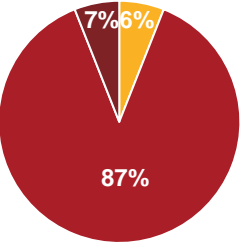
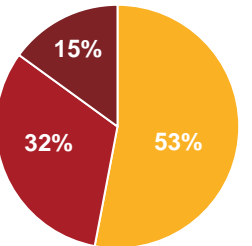
(1) Source: FDIC as of 30-Jun-2022

(2) As of 31-Dec-2022

# A LEADER IN HAWAII

*The banking market in Hawaii is dominated by local banks, with the top 4 banks accounting for ~93% of deposits*



	First Hawaiian, Inc.	Bank of Hawaii	AMERICAN Savings Bank	CENTRAL PACIFIC BANK
<b>Branches</b>	51	51	37	27
<b>FTEs</b>	2,063	2,076	1,061	762
<b>Assets (\$bn)</b>	24.6	23.6	9.5	7.4
<b>Loans (\$bn)</b>	14.1	13.6	6.0	5.6
<b>Deposits (\$bn)</b>	21.7	20.6	8.2	6.8
<b>2022 ROATCE</b>	20.0% <sup>(1)</sup>	16.1%	16.5%	15.5%
<b>2022 ROATA</b>	1.11% <sup>(1)</sup>	0.98%	0.86%	1.01%
<b>Loan Portfolio</b>	 <ul style="list-style-type: none"> <li>Commercial</li> <li>Commercial RE</li> <li>Residential RE</li> <li>HELOC</li> <li>Consumer &amp; Other</li> </ul>	 <ul style="list-style-type: none"> <li>Commercial</li> <li>Commercial RE</li> <li>Residential RE</li> <li>HELOC</li> <li>Consumer &amp; Other</li> </ul>	 <ul style="list-style-type: none"> <li>Commercial</li> <li>Commercial RE</li> <li>Residential RE</li> <li>HELOC</li> <li>Consumer &amp; Other</li> </ul>	 <ul style="list-style-type: none"> <li>Commercial</li> <li>Commercial RE</li> <li>Residential RE</li> <li>HELOC</li> <li>Consumer &amp; Other</li> </ul>
<b>Deposit Portfolio</b>	 <ul style="list-style-type: none"> <li>Transaction Accounts</li> <li>Savings / MMDA</li> <li>Time Deposits</li> </ul>	 <ul style="list-style-type: none"> <li>Transaction Accounts</li> <li>Savings / MMDA</li> <li>Time Deposits</li> </ul>	 <ul style="list-style-type: none"> <li>Transaction Accounts</li> <li>Savings / MMDA</li> <li>Time Deposits</li> </ul>	 <ul style="list-style-type: none"> <li>Transaction Accounts</li> <li>Savings / MMDA</li> <li>Time Deposits</li> </ul>
<b>Hawaii Deposits<sup>2</sup></b>				
<b>Balance (\$bn)</b>	\$21.0	\$19.9	\$8.3	\$6.6
<b>Share</b>	35.2%	33.2%	13.9%	11.1%

Sources: S&P Global Market Intelligence, FDIC, SEC and company filings. Company filings used for peers where available, otherwise regulatory data used.

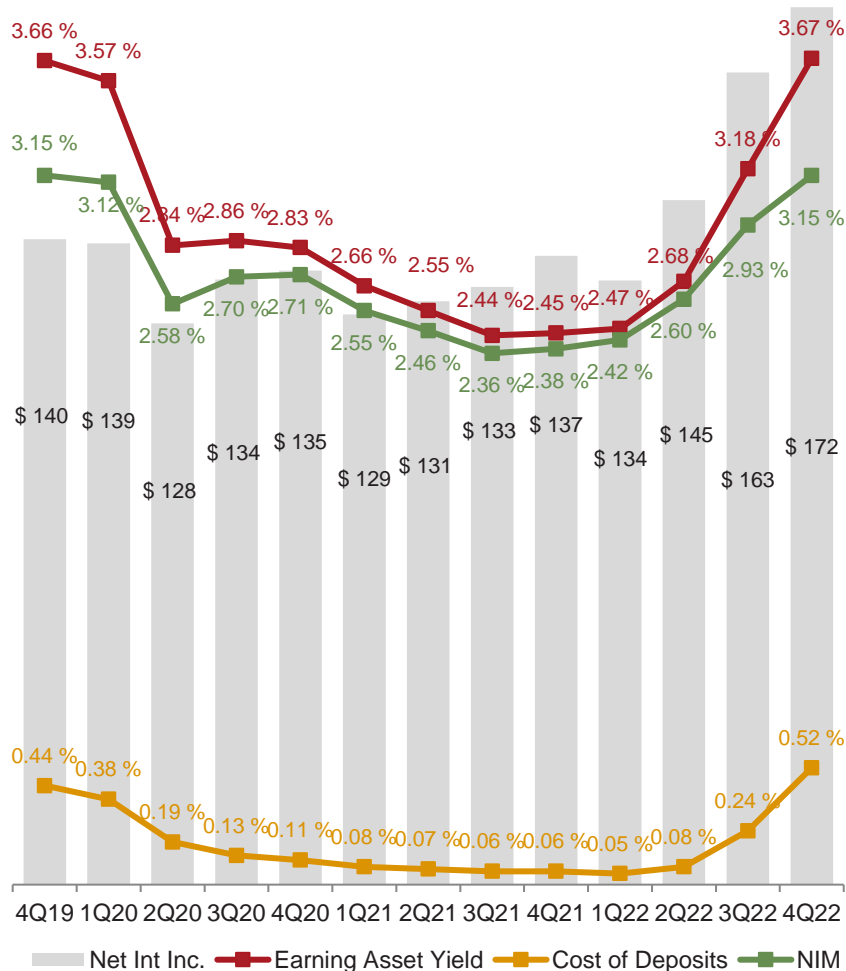
Note: Financial data as of 31-Dec-2022.

(1) ROATCE (return on average tangible common equity) and ROATA (return on average tangible assets) are non-GAAP financial measures. Reconciliations to the comparable FHB GAAP measures are provided in the appendix.

(2) Deposit market share based on FDIC data as of 30-Jun-2022.

# BALANCE SHEET WELL POSITIONED TO BENEFIT FROM RISING RATES

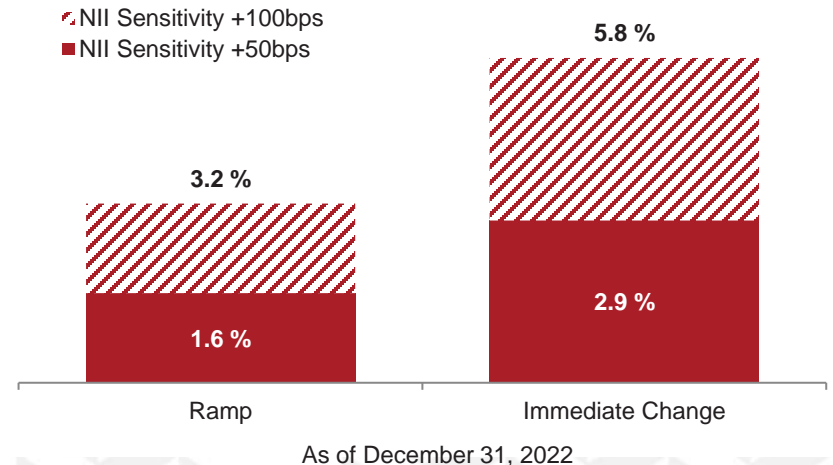
## 22 bp NIM increase in Q4



## Well Positioned for Rising Rates

- Approximately \$5.6 bn, or 41% of the loan portfolio, reprices within 90 days
- Well-structured investment portfolio with limited extension risk
- Stable, low-cost deposit base
- Hawaii has experienced lower deposit costs and had a lower deposit beta in previous rate cycles

### NII Benefit From Rate Hike<sup>(1)</sup>

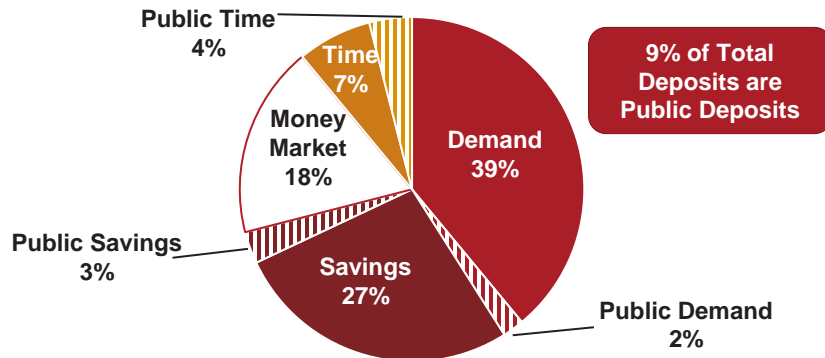


(1) For a discussion of the factors that could cause actual NII Sensitivity results to differ from simulation analyses, see “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Risk Governance and Quantitative and Qualitative Disclosures About Market Risk – Market Risk Measurement” in our filings with the SEC including the Quarterly Report on Form 10-Q for the quarter ended September 30, 2022.

# SOLID, LOW-COST CORE DEPOSIT BASE

*Strong brand, deep ties to the community and a leading market share position have driven an attractive, low-cost deposit base*

## Deposit Portfolio Composition

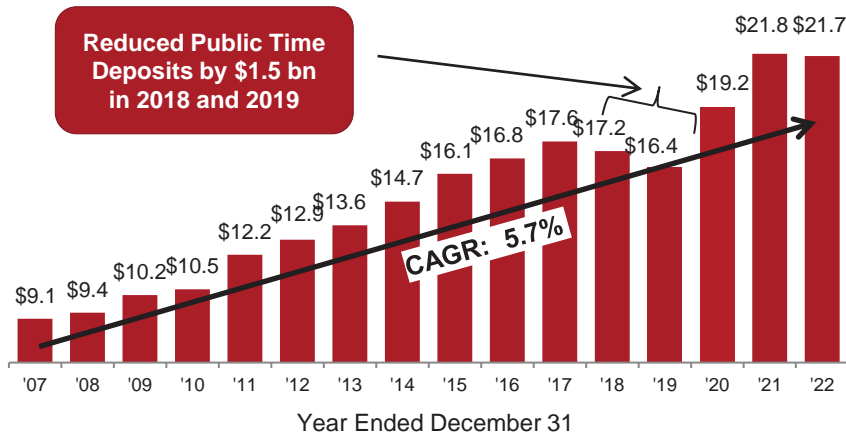


Deposits: \$21.7bn  
4Q22 Cost of Deposits: 0.52%

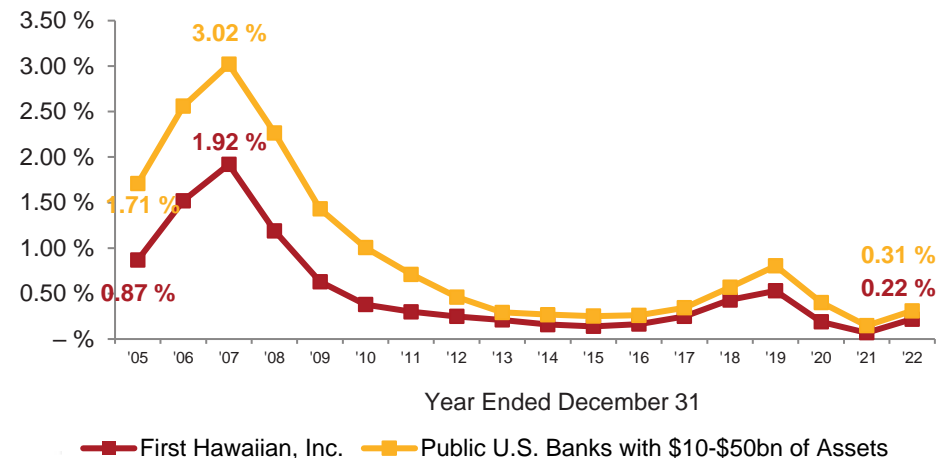
## YTD Deposit Changes

- Total deposit balances declined by \$127.1 mm, or 0.6% in 2022
  - Commercial and consumer deposits declined by \$909.2 mm
  - Public deposits increased by \$782.1 mm

## Consistent Deposit Growth (\$bn)



## Best-in-Class Cost of Deposits



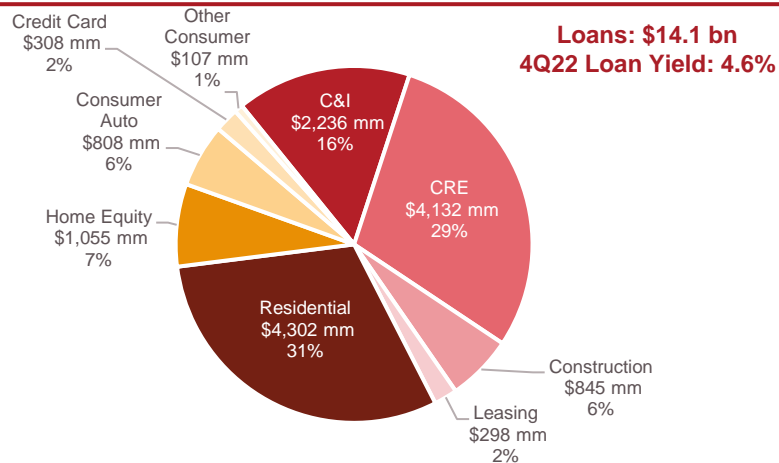
Source: Public filings and S&P Global Market Intelligence, as of 8-Feb-2023  
Note: Financial data as of 31-Dec-2022. \$10-\$50bn banks constituted as of 31-Dec-2021; excludes merger targets.



# STEADY ORGANIC GROWTH AND BALANCED LOAN PORTFOLIO

*Steady through the cycle organic loan growth and balanced loan portfolio  
Expect mid-single digit loan growth in 2023*

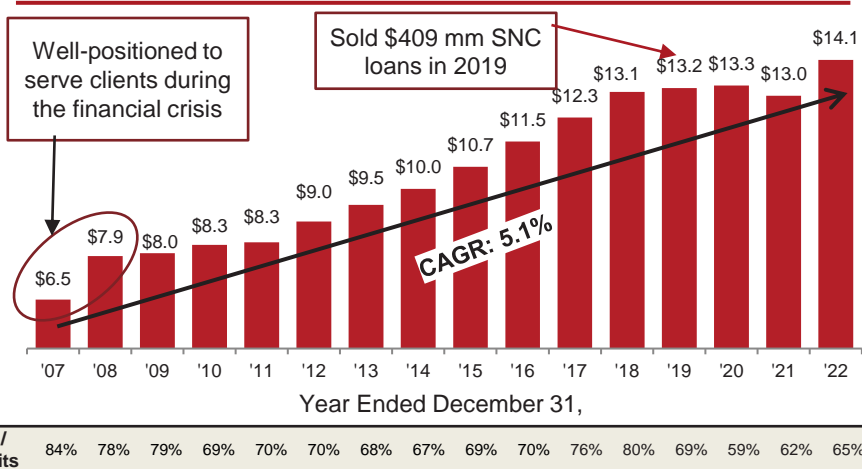
## Balanced Loan Portfolio (as of 12/31/22)



## Loan Portfolio Highlights (as of 12/31/22)

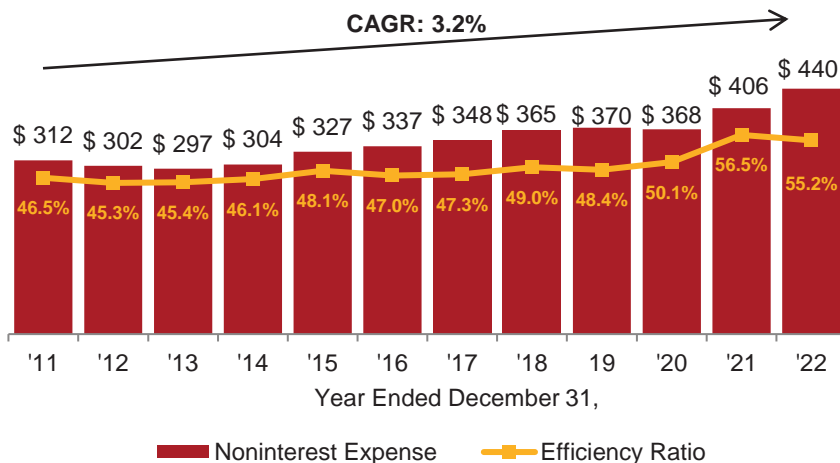
- Largest Hawaii-based lender
- Balanced Portfolio
  - 53% Commercial, 47% Consumer
  - 76% Hawaii/Guam/Saipan, 24% Mainland
- Commercial
  - Hawaii's leading commercial bank with most experienced lending team.
    - Average commercial loan officer experience > 25 years
  - 56% Hawaii/Guam/Saipan, 44% Mainland
  - \$1,717 mm Shared National Credit portfolio
    - Participating in SNC lending for over 20 years
    - 20% Hawaii-based, 80% Mainland
  - Leading SBA lender Hawaii
    - SBA Lender of the Year (Category 1) 2017, 2018, 2019, and 2021
    - Leveraged SBA experience to quickly launch PPP program
    - Originated over 10k PPP loans for over \$1.4bn in principal balances in 2020 and 2021
- Consumer
  - Primarily a Prime and Super Prime lender
  - ~90% of portfolio collateralized
  - Financing consumer auto loans for over 40 years

## Steady Loan Growth (\$bn)

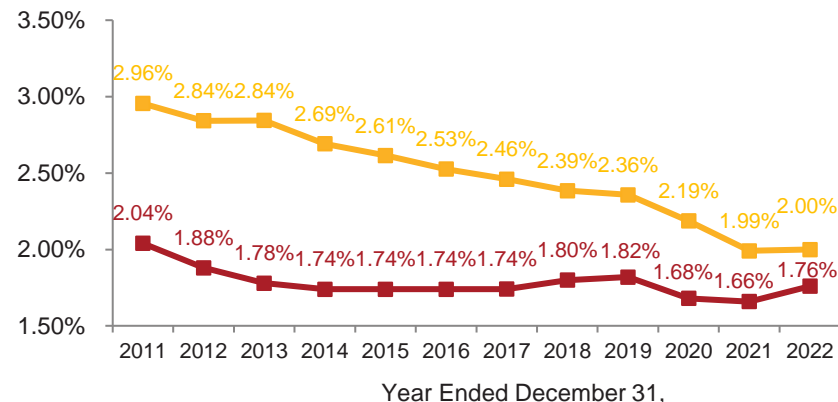


# DEMONSTRATED HISTORY OF DISCIPLINED EXPENSE MANAGEMENT

## Well Managed Noninterest Expense (\$mm)

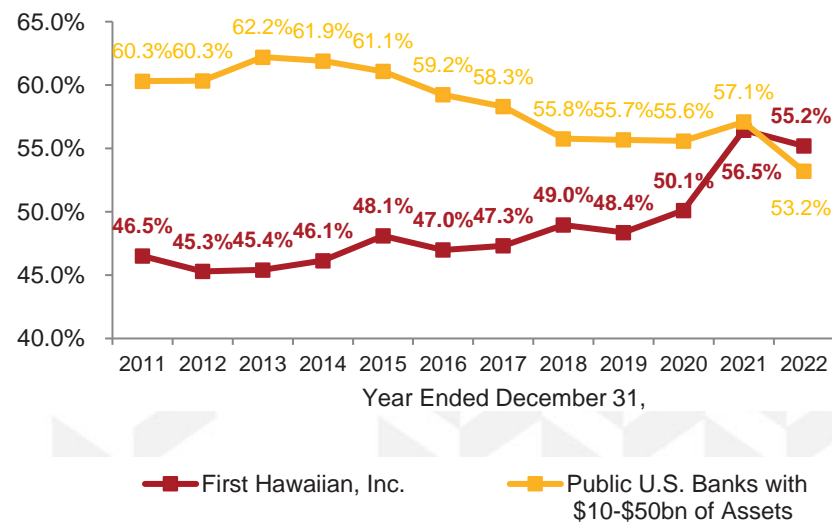


## Noninterest Expense / Average Assets



- Maintained expense discipline during pandemic
  - Very little expense growth from 2018 - 2020
- Increase in 2022 expenses driven by core system conversion expenses and new core system ongoing operating costs
- 2023 expense outlook
  - Noninterest expenses expected to be 4.0% – 4.5% higher than annualized Q4 2022 expenses
  - Increase in expenses includes impact of industry-wide impact of increase in FDIC assessment fee, estimated to be \$4 - \$5 mm

## Efficiency Ratio

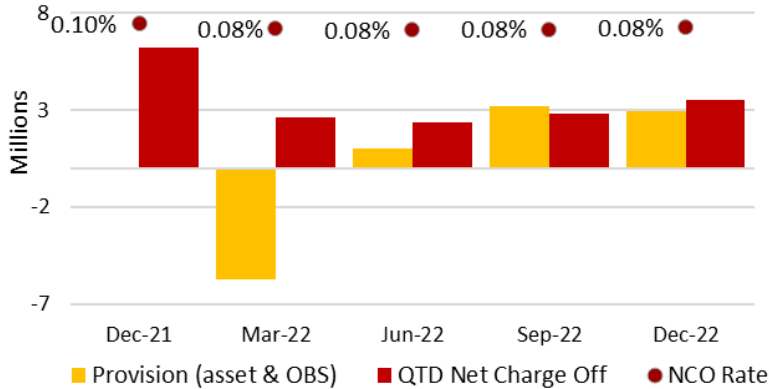


Source: Public filings and S&P Global Market Intelligence, as of 8-Feb-2023  
 Note: Financial data as of 31-Dec-2022. \$10-\$50bn banks constituted as of 31-Dec-2021; excludes merger targets.

# ASSET QUALITY

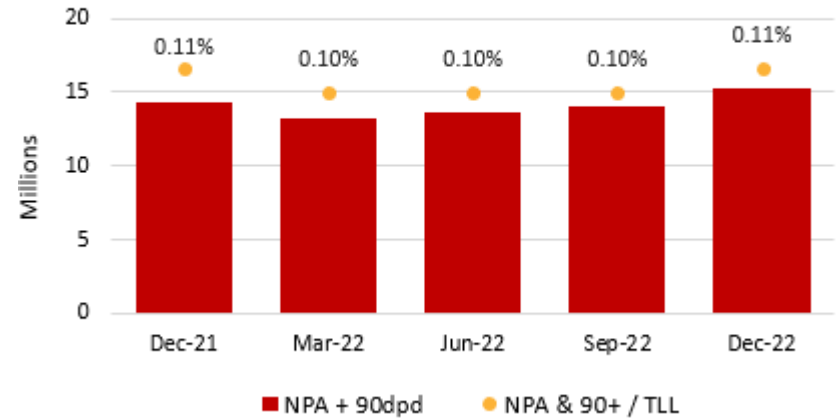
CONTINUED STRONG CREDIT PERFORMANCE

### Provision, NCO and NCO Rate



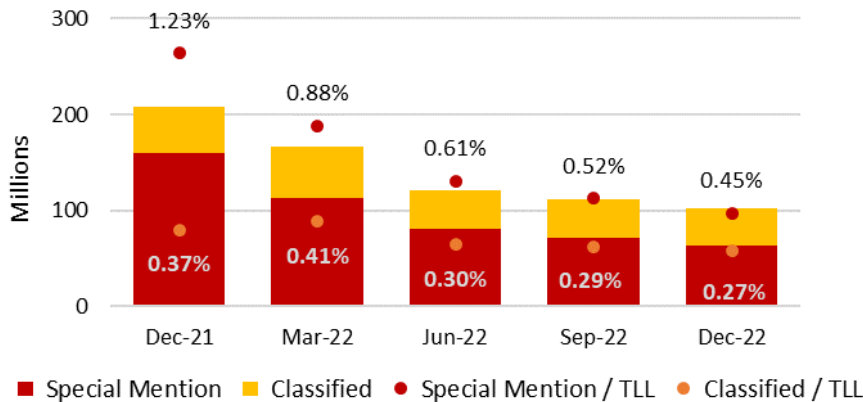
• NCO Rate - Based on YTD NCO

### NPA and 90 Past Due

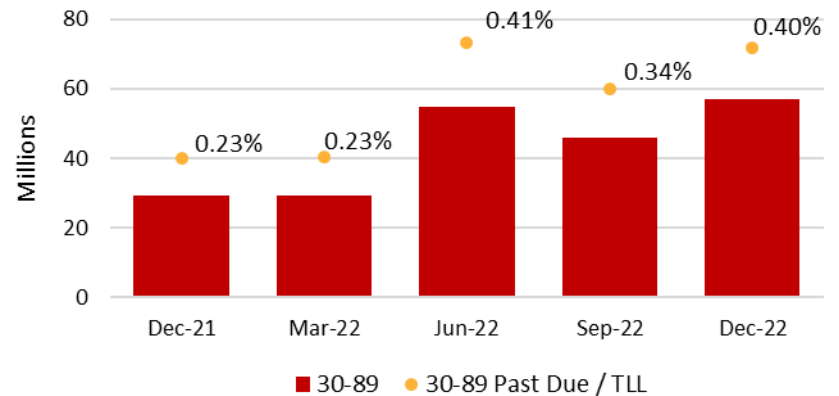


• 90 past due comprised of accruing loans  
• Includes OREO

### Commercial Criticized Assets



### 30-89 Past Due



• 30-89 past due comprised of accruing and non-accruing loans

Note: TLL - Total Loans and Leases

# COMMERCIAL REAL ESTATE

(In Millions)

Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	839	20.3%	62.9%	0.5%
Hotel	470	11.4%	55.4%	1.4%
Retail	567	15.9%	60.2%	1.1%
Multi-family	733	17.7%	56.5%	0.7%
Industrial	650	15.7%	58.7%	1.7%
Dealer Related	452	10.9%	69.6%	0.0%
Other	331	8.0%	59.8%	3.0%
<b>Total</b>	<b>4,132</b>	<b>100.0%</b>	<b>60.3%</b>	<b>1.1%</b>

The CRE portfolio is diversified across product type with a weighted average LTV of 60.3% and solid asset quality metrics.

- Office exposure is about 6% of total loans and leases – approximately 1/3<sup>rd</sup> of the total is owner-occupied and another 17% comprised of loans backed by multi-property pools.
- Despite enduring a prolonged period of high vacancy, hotel loans performed well over the COVID period reflecting the quality of sponsorship and underlying collateral.
- Retail properties are primarily comprised of grocery- anchored and smaller convenience formats

# CONSTRUCTION

(In Millions)

Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	46	5.5%	52.0%	0.0%
Hotel	8	1.0%	49.0%	0.0%
Retail	24	2.8%	63.8%	2.0%
Multi-family	419	49.6%	53.3%	0.0%
Industrial	65	7.7%	51.9%	0.0%
Dealer Related	75	8.9%	84.2%	0.0%
Other	208	24.6%	59.7%	0.1%
<b>Total</b>	<b>845</b>	<b>100.0%</b>	<b>57.7%</b>	<b>0.1%</b>

The construction book is largely centered in rental and for-sale housing.

# COMMERCIAL & INDUSTRIAL

(In Millions)

Industry	Balances	% of Balances	% Criticized
Auto Dealer	611	27.3%	0.0%
Retail	39	1.7%	0.0%
Hospitality/Hotel	71	3.2%	0.6%
Food Service	54	2.4%	4.7%
Transportation	56	2.5%	3.4%
Other	1,405	62.9%	3.2%
<b>Total</b>	<b>2,236</b>	<b>100.0%</b>	<b>2.3%</b>

Industries deemed to exhibit higher volatility represent a modest amount of total C&I exposure and dealer related credits represent about 27% of the total inclusive of \$456 million in flooring balances.

# REAL ESTATE – RESIDENTIAL

*(In Thousands)*



Current FICO	Balances	% of Balances	Weighted Average LTV
Super Prime	3,545,133	82.4%	55.3%
Prime	466,659	10.8%	57.4%
Acceptable	79,030	1.8%	55.8%
Sub-Prime	14,310	0.3%	53.5%
Poor	7,958	0.2%	53.1%
No Score	189,697	4.4%	58.9%
<b>Total</b>	<b>4,302,788</b>	<b>100.0%</b>	<b>55.7%</b>

Residential real estate is primarily comprised of properties within the branch footprint. The portfolio has a weighted average LTV of under 56% and 93% of the borrowers are in the prime and super-prime FICO buckets.

# REAL ESTATE – HELOC

(In Thousands)

Current FICO	Balances	% of Balances	Weighted Average LTV
Super Prime	809,058	76.7%	44.6%
Prime	177,088	16.8%	48.6%
Acceptable	51,707	4.9%	53.1%
Sub-Prime	12,466	1.2%	58.4%
Poor	4,215	0.4%	61.2%
No Score	817	0.1%	24.6%
<b>Total</b>	<b>1,055,351</b>	<b>100.0%</b>	<b>45.9%</b>

The HELOC is primarily comprised of properties within the branch footprint. The portfolio has a weighted average LTV of under 46% and 93% of the borrowers are in the prime and super-prime FICO buckets. Roughly 53% of the balances represent a first lien position.



# CONSUMER

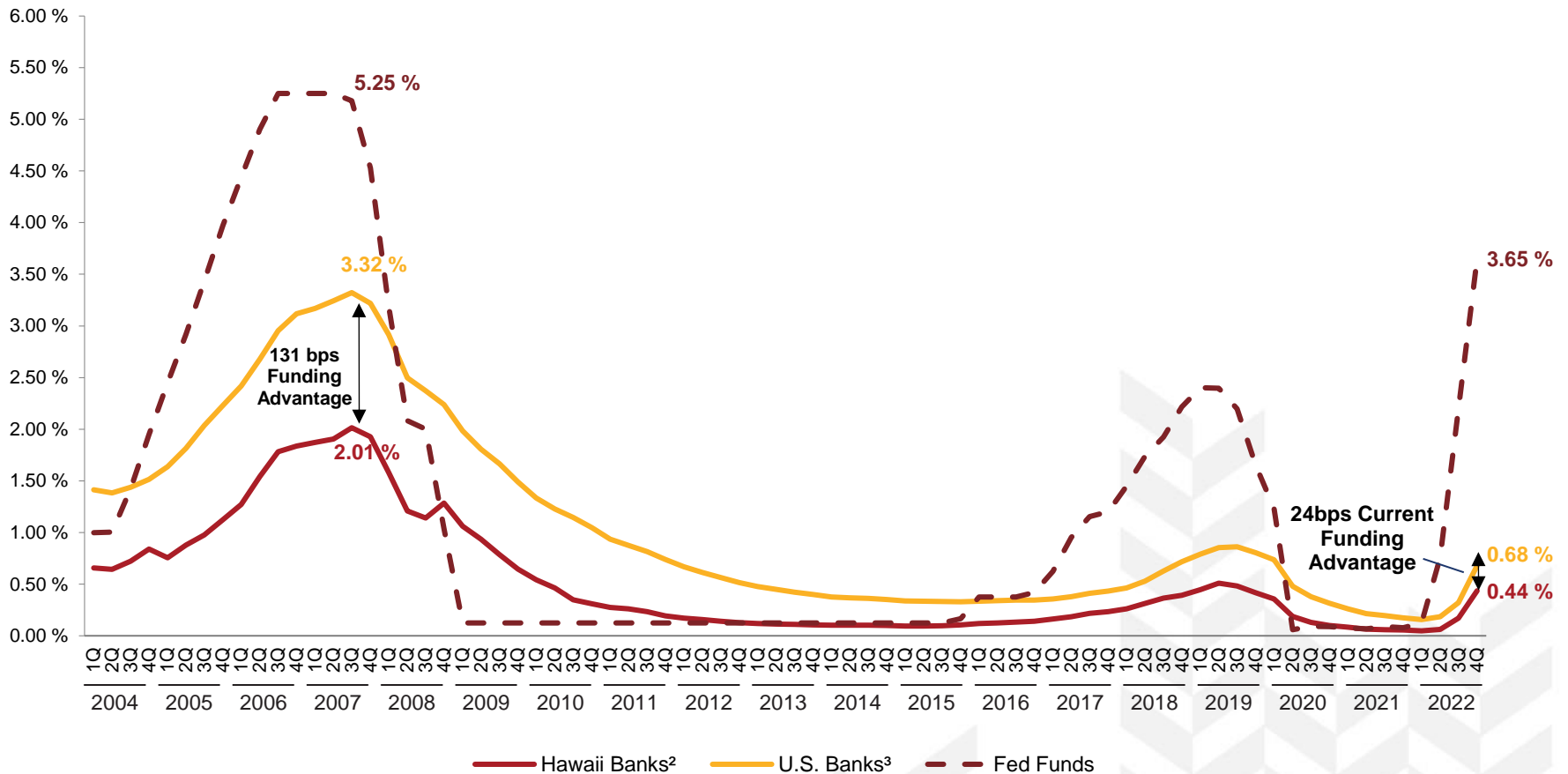
(In Thousands)

Current FICO	Balances	% of Balances
Super Prime	567,026	46.4%
Prime	318,792	26.1%
Acceptable	147,091	12.0%
Sub-Prime	57,270	4.7%
Poor	30,272	2.5%
No Score	102,483	8.4%
<b>Total</b>	<b>1,222,934</b>	<b>100.0%</b>

Indirect auto and credit cards represent 65% and 25% of consumer balances, respectively. Prime and super-prime borrowers comprise a substantial majority of new originations.

# HAWAII BANKS HAVE A SIGNIFICANT DEPOSIT ADVANTAGE

*Hawaii banks experience more favorable deposit behavior across all rate cycles; Hawaii banks experienced a deposit beta<sup>(1)</sup> of ~34% vs. ~47% for broader U.S. banks during the last rising rate cycle*



Source: SNL Financial and the Federal Reserve website

<sup>(1)</sup> Deposit beta is defined as the change in deposit costs as a percentage of the change in Fed Funds over a particular period. Deposit cost uses starting point (2Q04) to peak (3Q07); one quarter lag.

<sup>(2)</sup> Includes First Hawaiian, Bank of Hawaii, American Savings, Central Pacific, Territorial Bancorp, Hawaii National. 4Q22 cost of deposits based on publicly available company reported information.

<sup>(3)</sup> Includes all U.S. bank holding companies excluding Hawaii-based banks. 4Q22 cost of deposits based on publicly available company reported information.

# GAAP TO NON-GAAP RECONCILIATIONS



*We present pre-tax, pre-provision earnings on an adjusted basis as a non-GAAP financial measure. We believe that the presentation of this non-GAAP financial measure helps identify underlying trends in our business from period to period that could otherwise be distorted by the effect of certain expenses included in our operating results. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition.*

*Return on average tangible stockholders' equity, return on average tangible assets and tangible stockholders' equity to tangible assets are non-GAAP financial measures. We compute our return on average tangible stockholders' equity as the ratio of net income to average tangible stockholders' equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders' equity. We compute our return on average tangible assets as the ratio of net income to average tangible assets, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total assets. We compute our tangible stockholders' equity to tangible assets as the ratio of tangible stockholders' equity to tangible assets, each of which we calculate by subtracting (and thereby effectively excluding) the value of our goodwill. We believe that these measurements are useful for investors, regulators, management and others to evaluate financial performance and capital adequacy relative to other financial institutions. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP. Investors should consider our performance and capital adequacy as reported under GAAP and all other relevant information when assessing our performance and capital adequacy.*

*The following tables provide a reconciliation of these non-GAAP financial measures with their most directly comparable GAAP measures.*

# GAAP TO NON-GAAP RECONCILIATION



(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Year Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<b>Income Statement Data:</b>					
Net income	\$ 79,588	\$ 69,018	\$ 57,022	\$ 265,685	\$ 265,735
Average total stockholders' equity	\$ 2,213,030	\$ 2,267,152	\$ 2,675,513	\$ 2,321,606	\$ 2,708,370
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,217,538	\$ 1,271,660	\$ 1,680,021	\$ 1,326,114	\$ 1,712,878
Average total assets	\$ 24,575,648	\$ 24,957,042	\$ 25,650,505	\$ 24,964,422	\$ 24,426,258
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 23,580,156	\$ 23,961,550	\$ 24,655,013	\$ 23,968,930	\$ 23,430,766
Return on average total stockholders' equity <sup>(1)</sup>	14.27 %	12.08 %	8.46 %	11.44 %	9.81 %
Return on average tangible stockholders' equity (non-GAAP) <sup>(1)</sup>	25.93 %	21.53 %	13.47 %	20.03 %	15.51 %
Return on average total assets <sup>(1)</sup>	1.28 %	1.10 %	0.88 %	1.06 %	1.09 %
Return on average tangible assets (non-GAAP) <sup>(1)</sup>	1.34 %	1.14 %	0.92 %	1.11 %	1.13 %

(dollars in thousands, except per share amounts)	As of December 31, 2022	As of September 30, 2022	As of December 31, 2021
	<b>Balance Sheet Data:</b>		
Total stockholders' equity	\$ 2,269,005	\$ 2,200,651	\$ 2,656,912
Less: goodwill	995,492	995,492	995,492
Tangible stockholders' equity	\$ 1,273,513	\$ 1,205,159	\$ 1,661,420
Total assets	\$ 24,577,223	\$ 24,870,272	\$ 24,992,410
Less: goodwill	995,492	995,492	995,492
Tangible assets	\$ 23,581,731	\$ 23,874,780	\$ 23,996,918
Shares outstanding	127,363,327	127,357,680	127,502,472
Total stockholders' equity to total assets	9.23 %	8.85 %	10.63 %
Tangible stockholders' equity to tangible assets (non-GAAP)	5.40 %	5.05 %	6.92 %
Book value per share	\$ 17.82	\$ 17.28	\$ 20.84
Tangible book value per share (non-GAAP)	\$ 10.00	\$ 9.46	\$ 13.03

<sup>(1)</sup> Annualized for the three months ended December 31, 2022, September 30, 2022 and December 31, 2021.

# GAAP TO NON-GAAP RECONCILIATION - ANNUAL



As of and for the Twelve Months Ended December 31,

(Dollars in millions, except per share data)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Income	\$265.7	\$265.7	\$185.8	\$ 284.4	\$ 264.4	\$ 183.7	\$230.2	\$213.8	\$216.7	\$214.5	\$211.1	\$199.7
Average Total Stockholders' Equity	\$2,321.6	\$2,708.4	\$2,698.9	\$ 2,609.4	\$ 2,457.8	\$ 2,538.3	\$2,568.2	\$2,735.8	\$2,698.4	\$2,667.4	\$2,664.2	\$2,640.6
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
<b>Average Tangible Stockholders' Equity</b>	<b>\$1,362.1</b>	<b>\$1,712.9</b>	<b>\$1,703.4</b>	<b>\$ 1,613.9</b>	<b>\$ 1,462.3</b>	<b>\$ 1,542.8</b>	<b>\$1,572.7</b>	<b>\$1,740.3</b>	<b>\$1,702.9</b>	<b>\$1,672.0</b>	<b>\$1,668.7</b>	<b>\$1,645.1</b>
Total Stockholders' Equity	2,269.0	2,656.9	2,744.1	2,640.3	2,524.8	2,532.6	2,476.5	2,736.9	2,675.0	2,651.1	2,654.2	2,677.4
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
<b>Tangible Stockholders' Equity</b>	<b>\$1,273.5</b>	<b>\$1,661.4</b>	<b>\$1,748.6</b>	<b>\$ 1,644.8</b>	<b>\$ 1,529.3</b>	<b>\$ 1,537.1</b>	<b>\$1,481.0</b>	<b>\$1,741.4</b>	<b>\$1,679.5</b>	<b>\$1,655.6</b>	<b>\$1,658.7</b>	<b>\$1,681.9</b>
Average Total Assets	24,964.4	24,426.3	21,869.1	20,325.7	20,247.1	19,942.8	19,334.7	18,785.7	17,493.2	16,653.6	16,085.7	15,246.8
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
<b>Average Tangible Assets</b>	<b>\$23,968.9</b>	<b>\$23,430.8</b>	<b>\$20,873.6</b>	<b>\$ 19,330.2</b>	<b>\$ 19,251.6</b>	<b>\$ 18,947.3</b>	<b>\$18,339.2</b>	<b>\$17,790.2</b>	<b>\$16,497.7</b>	<b>\$15,658.1</b>	<b>\$15,090.2</b>	<b>\$14,251.3</b>
Total Assets	24,577.2	24,992.4	22,662.8	20,166.7	20,695.7	20,549.5	19,661.8	19,352.7	18,133.7	17,118.8	16,646.7	15,839.4
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
<b>Tangible Assets</b>	<b>\$23,581.7</b>	<b>\$23,996.9</b>	<b>\$21,667.3</b>	<b>\$ 19,171.2</b>	<b>\$ 19,700.2</b>	<b>\$ 19,554.0</b>	<b>\$18,666.3</b>	<b>\$18,357.2</b>	<b>\$17,138.2</b>	<b>\$16,123.3</b>	<b>\$15,651.2</b>	<b>\$14,843.9</b>
Return on Average Total Stockholders' Equity	11.44%	9.81%	6.88%	10.90%	10.76%	7.24%	8.96%	7.81%	8.03%	8.04%	7.92%	7.56%
<b>Return on Average Tangible Stockholders' Equity (non-GAAP)</b>	<b>20.03%</b>	<b>15.51%</b>	<b>10.91%</b>	<b>17.62%</b>	<b>18.08%</b>	<b>11.91%</b>	<b>14.64%</b>	<b>12.28%</b>	<b>12.72%</b>	<b>12.83%</b>	<b>12.65%</b>	<b>12.14%</b>
Return on Average Total Assets	1.06%	1.09%	0.85%	1.40%	1.31%	0.92%	1.19%	1.14%	1.24%	1.29%	1.31%	1.31%
<b>Return on Average Tangible Assets (non-GAAP)</b>	<b>1.11%</b>	<b>1.13%</b>	<b>0.89%</b>	<b>1.47%</b>	<b>1.37%</b>	<b>0.97%</b>	<b>1.26%</b>	<b>1.20%</b>	<b>1.31%</b>	<b>1.37%</b>	<b>1.40%</b>	<b>1.40%</b>
Income Before Provision for Income Taxes	\$351.2	\$ 349.0	\$ 243.7	\$ 381.7	\$ 358.2	\$ 368.4	\$ 371.8	\$ 343.2	\$ 344.2	\$ 344.5	\$ 329.8	\$ 316.4
Provision For Credit Losses	1.4	(39.0)	121.7	13.8	22.2	18.5	8.6	9.9	11.1	12.2	34.9	42.1
<b>Pre-Tax, Pre-Provision Earnings (Non-GAAP)</b>	<b>\$352.6</b>	<b>\$ 310.0</b>	<b>\$ 365.4</b>	<b>\$ 395.5</b>	<b>\$ 380.4</b>	<b>\$ 386.9</b>	<b>\$ 380.4</b>	<b>\$ 353.1</b>	<b>\$ 355.3</b>	<b>\$ 356.7</b>	<b>\$ 364.7</b>	<b>\$ 358.5</b>

Note: Totals may not sum due to rounding.