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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

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

Date of Report (Date of earliest event reported): **November 5, 2018**

**FIRST HAWAIIAN, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**001-14585**

(Commission File Number)

**99-0156159**

(IRS Employer Identification No.)

**999 Bishop St., 29th Floor  
Honolulu, Hawaii**

(Address of Principal Executive Offices)

**96813**

(Zip Code)

**(808) 525-7000**

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 7.01 Regulation FD Disclosure.**

First Hawaiian, Inc. (the “Company”), the holding company for First Hawaiian Bank, is furnishing with this Current Report on Form 8-K a copy of an investor presentation that it intends to use for any investor meetings or related interactions during the month of November in fiscal year 2018. A copy of the presentation also will be posted to the Company’s website (www.fhb.com) in the Investor Relations section.

Pursuant to Regulation FD, the presentation materials are furnished as Exhibit 99.1. The information in this Item 7.01 and Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Presentation Materials</a>

**SIGNATURE**

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

**FIRST HAWAIIAN, INC.**

Date: November 5, 2018

By: /s/Robert S. Harrison  
Robert S. Harrison  
Chairman of the Board and Chief Executive Officer  
(Principal Executive Officer)



 First Hawaiian, Inc.

# INVESTOR PRESENTATION

NOVEMBER 2018

**160**  
YEARS  
OF  
YES

**Forward-Looking Statements**

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views 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,” “contemplate,” “seek,” “estimate,” “intend,” “plan,” “target,” “project,” “would,” “annualized” and “outlook,” or the negative version of those 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, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. For a discussion of some of the risks and important factors that could affect our future results and financial condition, see our U.S. Securities and Exchange Commission (“SEC”) filings, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2017. Except as required by law, we assume no obligation to update these forward-looking statements or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.*

**Use of Non-GAAP Financial Measures**

*The information provided herein includes certain non-GAAP financial measures. We believe that these non-GAAP financial 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.*
- *Where appropriate, certain quarterly financial ratios are presented herein on an annualized basis.*
- *Unless otherwise noted, the FHI and peer financial information on slides 6-19 reflects data through Q2 2018 because the complete set of Q3 2018 financial information for all peers used for comparative purposes was not available at the time this presentation was updated.*

	BNP Paribas Sold ~15% Ownership In First Hawaiian on August 1, 2018	BNP Paribas Sold ~15% Ownership In First Hawaiian on September 10, 2018
Overview & Highlights <sup>(2)</sup>	<ul style="list-style-type: none"> <li>BNP Paribas ("BNPP") sold 20.0mm common shares of FHI common stock in an underwritten public offering with a fixed public reoffer price</li> <li>Concurrent with the offering, First Hawaiian completed a repurchase of ~1.8mm shares at an aggregate purchase price of ~\$50mm</li> <li>As a result of the offering and repurchase, BNPP's stake in First Hawaiian was reduced from 48.8% to approximately 33.3%</li> </ul>	<ul style="list-style-type: none"> <li>BNPP sold 20.0mm common shares of FHI common stock in an underwritten public offering with a variable public reoffer price</li> <li>As a result of the offering and repurchase, BNPP's stake in First Hawaiian was reduced from approximately 33.3% to 18.4%</li> <li>BNPP entered into a 60-day lock-up agreement in connection with the offering</li> </ul>
Other Significant Changes	<ul style="list-style-type: none"> <li>Majority of the members of the FHI board of directors independent as of August 1, 2018               <ul style="list-style-type: none"> <li>Two BNPP-nominated directors resigned from the board and two independent directors were appointed</li> </ul> </li> <li>Following the resignation of two of its designated directors, BNPP notified FHI that it would cease consolidating First Hawaiian's financial statements</li> <li>As a result of the accounting deconsolidation, FHI is no longer included within the scope of BNP Paribas USA's capital plan for purposes of CCAR</li> </ul>	<ul style="list-style-type: none"> <li>Following the closing of the transaction, a BNPP-nominated director resigned from the board and an independent director was appointed at the October board meeting</li> <li>Six of the nine members of the FHI board of directors are independent</li> </ul>

Source: Public filings

(1) Capital distributions remain subject to the supervision of the Federal Reserve.

(2) First Hawaiian neither issued shares nor received any proceeds in connection with either offering.

## + Dividends

- Since its IPO, First Hawaiian has returned \$249mm to its stockholders in the form of dividends, or the equivalent of a ~7.8% cash-dividend return<sup>(1)(2)</sup>
- Over that time, the quarterly dividend has increased twice (+20%) to \$0.24 per quarter and we expect to be able to continue to increase our dividend as our earnings grow

## + Repurchases

- First Hawaiian repurchased ~3mm shares from BNPP for an aggregate purchase price of ~\$82mm concurrent with BNPP's public offering on May 10, 2018
- First Hawaiian repurchased ~1.8mm shares from BNPP for an aggregate purchase price of ~\$50mm concurrent with BNPP's public offering on August 1, 2018

## = Total Capital Distribution

- Inclusive of the share repurchases, First Hawaiian has returned \$381mm, or ~86% of earnings, to stockholders since its IPO and \$230mm year-to-date<sup>(2)</sup>

Source: Public filings

(1) Calculated as the aggregate dividends paid per share since FHI's initial public offering ("IPO") completed in August 2016 divided by the IPO price.

(2) Through October 31, 2018.

**3Q18 Highlights**

- Strong loan production
- Significant reduction in rate sensitive public time deposits
- On track to achieve full year guidance on core efficiency ratio of ~48%
- Excellent asset quality
- Continued strong core profitability
- Strong capital levels, consistent capital distribution through dividends and opportunistic repurchases

**Quarterly Results**

(\$ in millions)		3Q 2018	2Q 2018	3Q 2017
<b>Balance Sheet</b>	Loans and Leases	\$ 12,600	\$ 12,638	\$ 12,150
	Deposits	16,689	17,396	17,595
<b>Core Income Statement<sup>(1)</sup></b>	Net Interest Income	\$ 141.3	\$ 141.4	\$ 133.3
	Provisions	4.5	6.0	4.5
	Noninterest Income	47.4	49.8	47.0
	Noninterest Expense	88.5	91.0	84.2
	<b>Net Income</b>	<b>\$ 70.8</b>	<b>\$ 69.7</b>	<b>\$ 57.0</b>
	<b>Diluted EPS</b>	<b>\$ 0.52</b>	<b>\$ 0.50</b>	<b>\$ 0.41</b>
<b>Core Operating Metrics<sup>(1)</sup></b>	Net Interest Margin	3.11 %	3.18 %	2.96 %
	Efficiency Ratio	46.9	47.6	46.7
	ROATA <sup>(2)</sup>	1.45	1.46	1.18
	ROATCE <sup>(2)</sup>	19.6	19.0	14.4
<b>Credit / Capital</b>	NCOs / Average Loans	0.12 %	0.13 %	0.13 %
	NALs / Total Loans	0.09	0.11	0.06
	CET1 / Tier 1	12.1	12.2	12.7

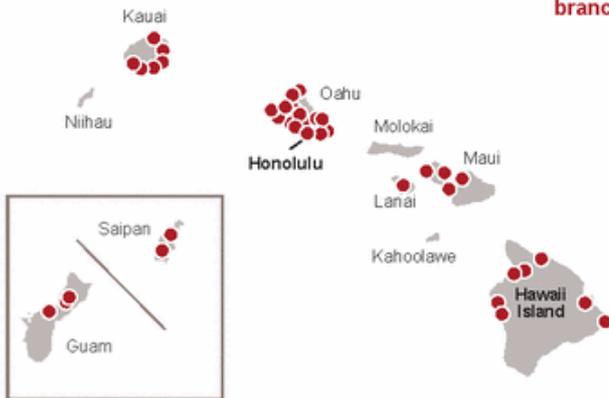
(1) Core measurements are non-GAAP financial measurements. Core excludes certain gains, expenses and one-time items. See non-GAAP reconciliations of core net income, core diluted EPS, core efficiency ratio, and average tangible assets and average tangible stockholders' equity use to calculate core ratios in the appendix.

(2) ROATA and ROATCE are non-GAAP financial measurements. A reconciliation to the comparable GAAP measurement is provided in the appendix.

- 1 Best-in-class Financial Performance
- 2 Leading Position in Attractive Market
- 3 High Quality Balance Sheet with Steady Growth Realized and Forecasted
- 4 Proven Through the Cycle Performance
- 5 Consistently Increased Capital Return
- 6 Significant Catalysts for Enhanced Performance

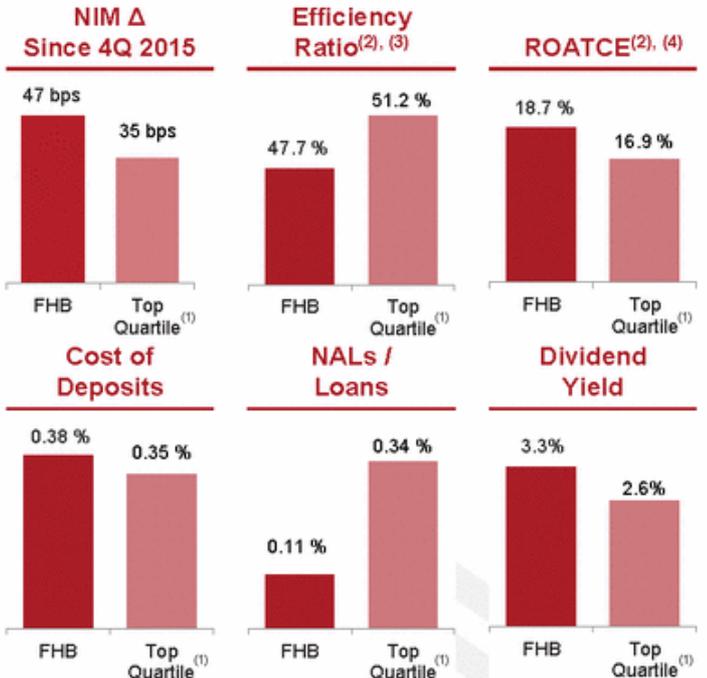
## Branch Presence

60  
branches



## Financial Overview – 2Q 2018 YTD (\$ billions)

Market Cap	\$ 3.9	Loans	\$ 12.6
Assets	\$ 20.5	Deposits	\$ 17.4



## Company Highlights

- ✓ Oldest and largest Hawaii-based bank
- ✓ Full service community bank with complete suite of products & services
- ✓ #1 deposit market share in Hawaii since 2004
- ✓ Largest Hawaii-based lender across all categories
- ✓ \$13.3 bn assets under administration as of 2Q18
- ✓ Proven through the cycle and top quartile operating performance

Source: Public filings and SNL Financial as of 21-Aug-2018

Note: Financial data as of 30-Jun-18. Market data as of 31-Aug-18. NIM change based on change from 4Q15 – 2Q18.

(1) Top quartile is based on public banks \$10–\$50bn in assets constituted as of 31-Dec-17; excludes merger targets.

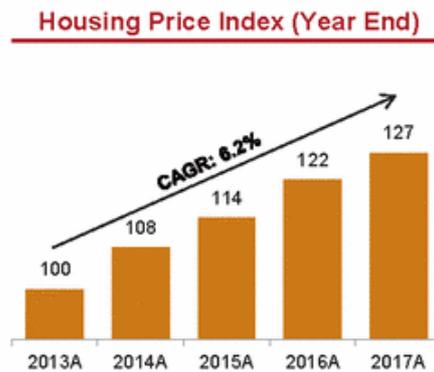
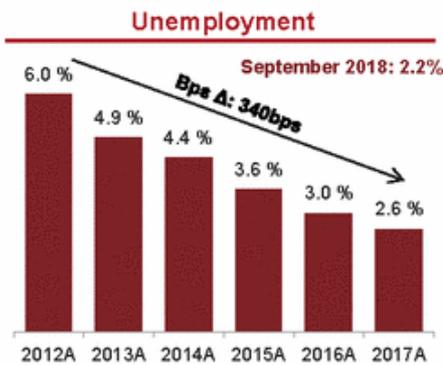
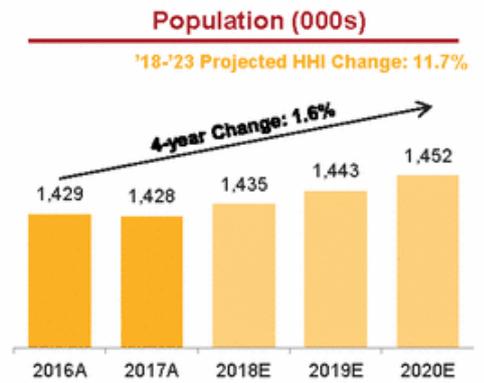
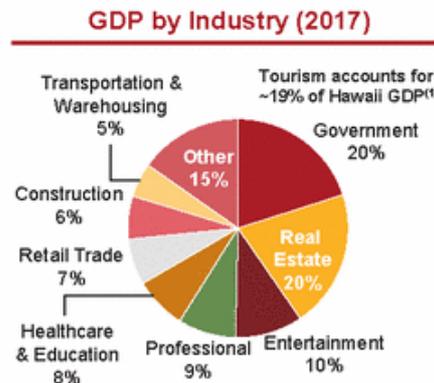
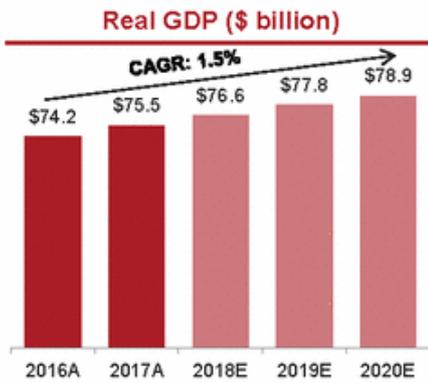
(2) FHB Ratios shown as core. Core operating measures exclude certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliation of core net income, core net interest income, core noninterest income and core noninterest expense in the appendix.

(3) Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

(4) ROATCE (return on average tangible common equity) is a non-GAAP financial measure. A reconciliation to the comparable GAAP measure is provided in the appendix.

# HAWAII IS AN ATTRACTIVE MARKET WITH STRONG ECONOMIC BACKDROP

The Hawaii economy has remained steady through economic cycles and maintains a favorable outlook

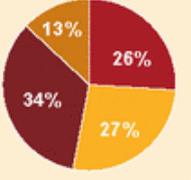
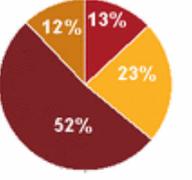
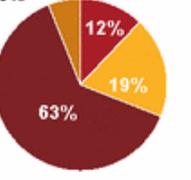
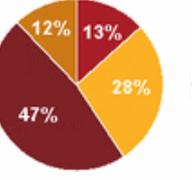
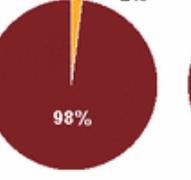
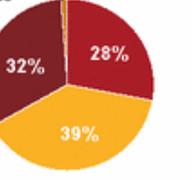
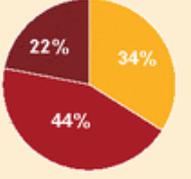
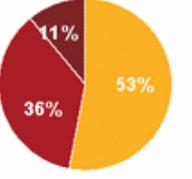
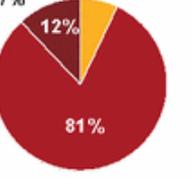
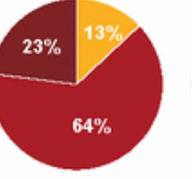
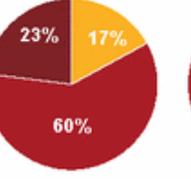
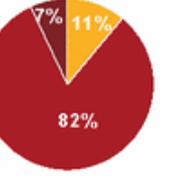


Visitor Arrivals (mm) 8.9 9.4 9.9 10.1 10.3

Source: Hawaii Department of Business, Economic Development & Tourism, Bureau of Labor Statistics, Bureau of Economic Analysis, Federal Housing Finance Agency, and SNL Financial as of 22-Oct-18  
 Note: Real GDP adjusts nominal GDP to 2009 dollars. Unemployment and housing index are shown as seasonally adjusted.  
 (\*) Based on \$18.9bn of 2017 visitor spending according to Hawaii Department of Business, Economic Development and Tourism.

# THE CLEAR LEADER IN HAWAII

The banking market in Hawaii is dominated by local banks with the top 6 banks accounting for ~97% of deposits; First Hawaiian is the clear leader among its Hawaii banking peers based on size and operating performance

	 First Hawaiian, Inc.	 Bank of Hawaii	 AMERICAN Savings Bank	 CENTRAL PACIFIC BANK	 Territorial Savings Bank	 HAWAII NATIONAL BANK	
<b>Branches</b>	60 <sup>(1)</sup>	69	49	35	29	13	
<b>FTEs</b>	2,189	2,173	1,138	820	275	169	
<b>Assets (\$bn)</b>	\$20.5	\$17.1	\$7.0	\$5.7	\$2.0	\$0.6	
<b>Loans (\$bn)</b>	12.6	10.1	4.8	3.9	1.5	0.4	
<b>Deposits (\$bn)</b>	17.4	14.9	6.2	5.0	1.7	0.6	
<b>2Q18 YTD ROATCE</b>	18.7% <sup>(2),(3)</sup>	18.2%	15.2%	11.8%	8.4%	4.1%	
<b>2Q18 YTD ROATA</b>	1.44 <sup>(2),(3)</sup>	1.30	1.17	1.02	0.98	0.37	
<b>Loan Portfolio</b>							
							
<b>Hawaii Deposits</b>	<b>Rank</b>	#1	#2	#3	#4	#5	#6
	<b>Share</b>	35.8%	31.1%	13.8%	11.1%	3.7%	1.3%

Sources: SNL Financial, FDIC and company filings

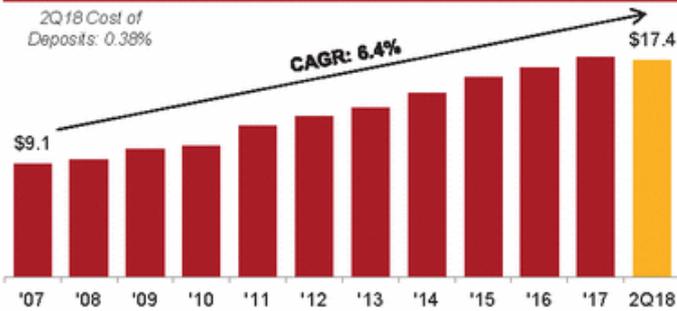
Note: Balance sheet and income statement data as of 30-Jun-18. Loan and deposit portfolio mix based on regulatory filings as of 30-Jun-18. Deposit market share and branches as of 30-Jun-18.

(1) First Hawaiian branch data as of 21-Aug-18.

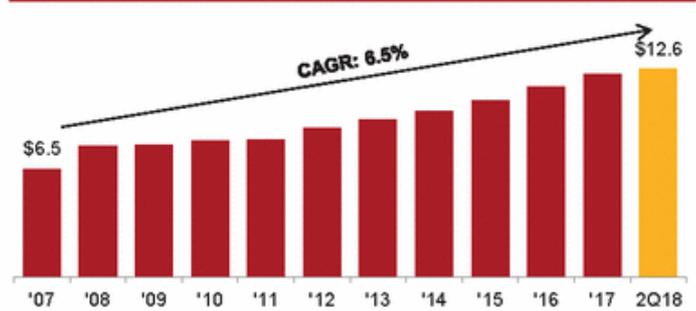
(2) ROATCE (return on average tangible common equity) and ROATA (return on average tangible assets) are non-GAAP financial measures. Reconciliations to the comparable GAAP measures are provided in the appendix.

(3) FHB ROATCE and ROATA shown as core. Core excludes certain expenses, gains and one-time items. See reconciliation of core net income to the comparable GAAP measure in the appendix.

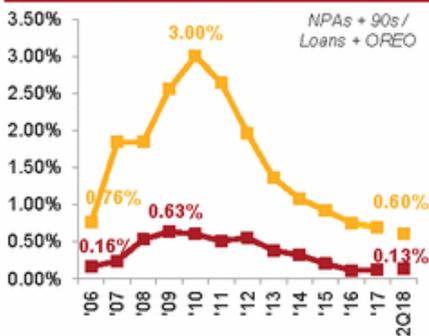
## Consistent Deposit Growth (\$bn)



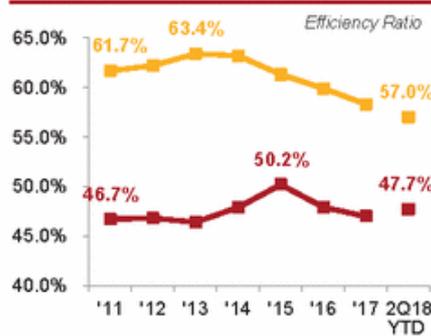
## Steady, Balanced Loan Growth (\$bn)



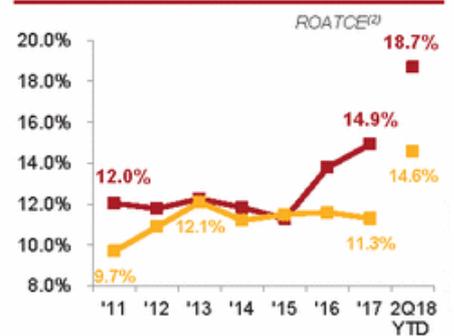
## Through the Cycle Credit Performer



## Strong Expense Mgmt. Culture<sup>(1)</sup>



## Consistent Record of Profitability<sup>(1)</sup>



■ First Hawaiian, Inc.

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

Source: Public filings and SNL Financial as of 21-Aug-18

Note: Financial data as of 30-Jun-18. \$10-\$50bn banks constituted as of 31-Dec-17, excludes merger targets.

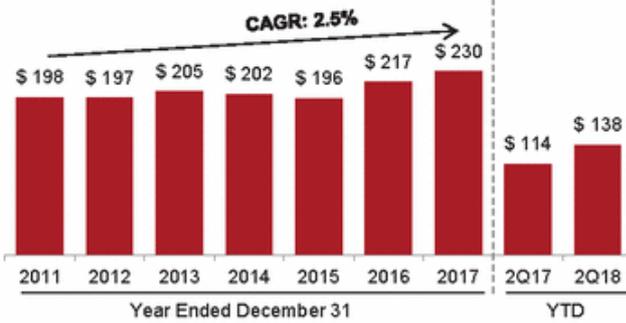
(1) FHB ratios shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

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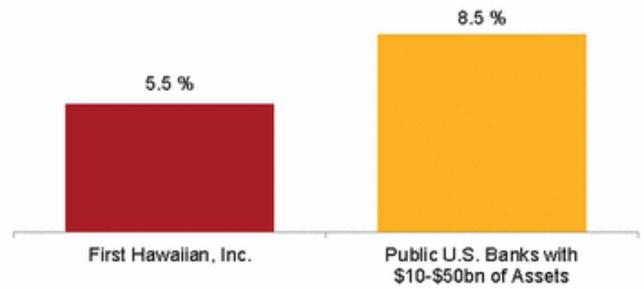
# CONSISTENT TRACK RECORD OF STRONG PROFITABILITY

## Consistent Earnings

Consistent Core Earnings (\$mm)<sup>(1)</sup>

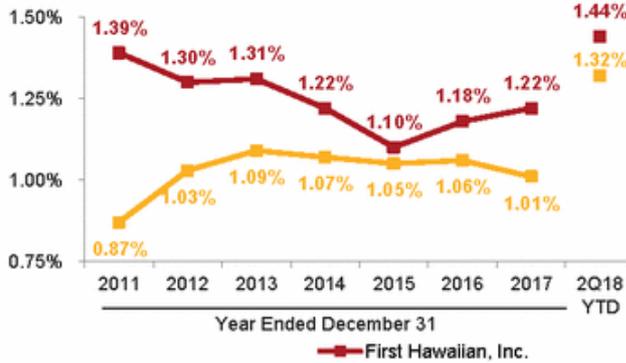


Low Earnings Volatility<sup>(1),(2)</sup>



## Peer Leading Profitability

ROATA<sup>(1),(3)</sup>



ROATCE<sup>(1),(3)</sup>



Source: Public filings and SNL Financial, as of 21-Aug-18

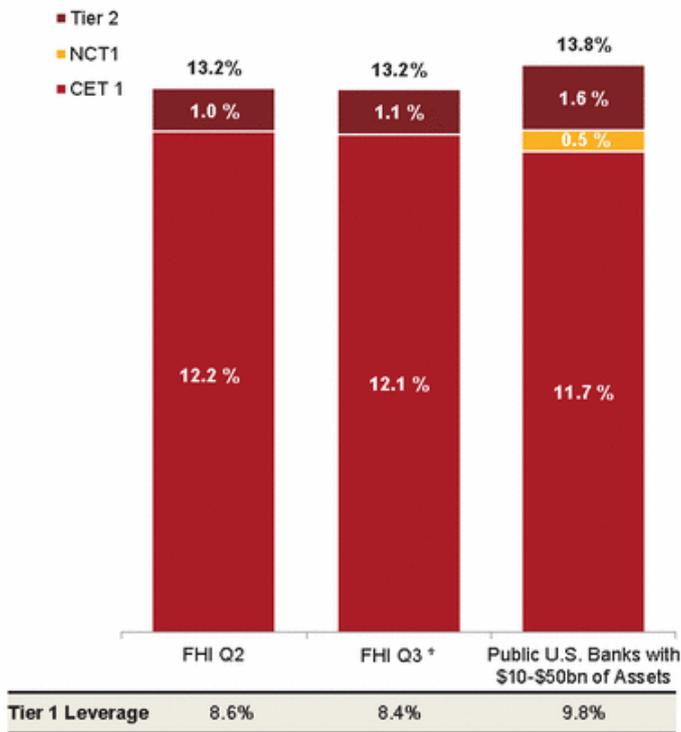
Note: Financial data as of 30-Jun-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

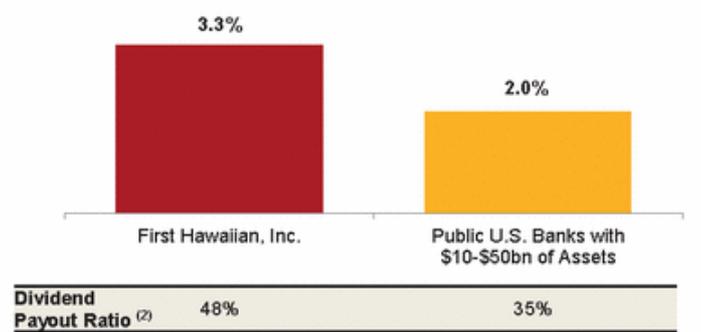
(2) Volatility of earnings calculated as the standard deviation in the change in earnings between 2011-2017.

(3) ROATA (return on average tangible assets) and ROATCE (return on average tangible common equity) are non-GAAP financial measures. A reconciliation to the comparable GAAP measures is provided in the appendix.

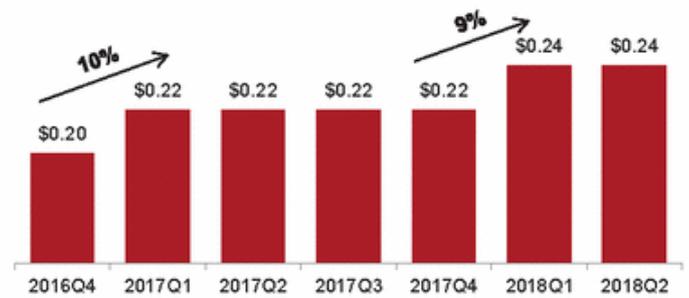
## Robust Capital Position



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



## Dividend Per Share



Source: Public filings and SNL Financial as of 21-Aug-18

Note: Financial data as of 30-Jun-18. \$10-\$50bn banks constituted as of 31-Dec-17, 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.

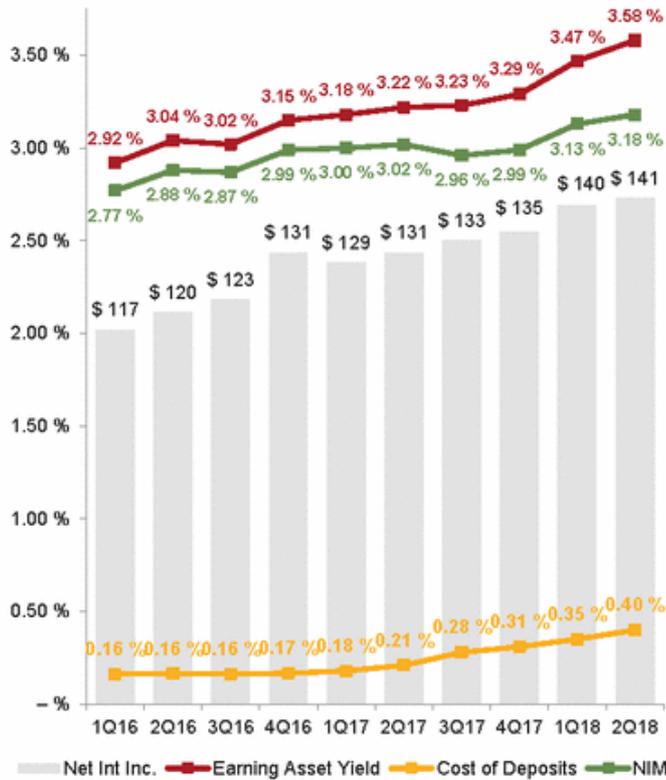
<sup>(2)</sup> FHB dividend payout ratio based on 2Q18 core earnings and a \$0.24 per share cash dividend.

<sup>(3)</sup> Dividend yield (MRQ) based on 2Q 2018 declared dividend of \$0.24 and market data as of 31-Aug-18.

<sup>(4)</sup> Reported capital ratio as of 9/30/18.

# BALANCE SHEET POSITIONED FOR NIM IMPROVEMENT IN RISING RATE ENVIRONMENT

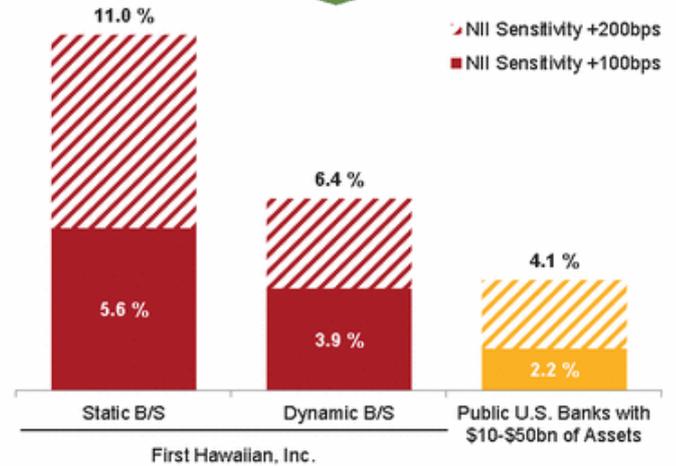
## Improving NIM



## Positioned for Rising Rates

- ~ 35% of loan portfolio indexed to 1 or 3 month Libor
- Reduced high-beta public time deposits by \$780mm, or 40%, on a YTD basis
- Hawaii has experienced lower deposit costs and had a lower deposit beta in the last rate cycle

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



Source: Public filings and SNL Financial as of 21-Aug-18

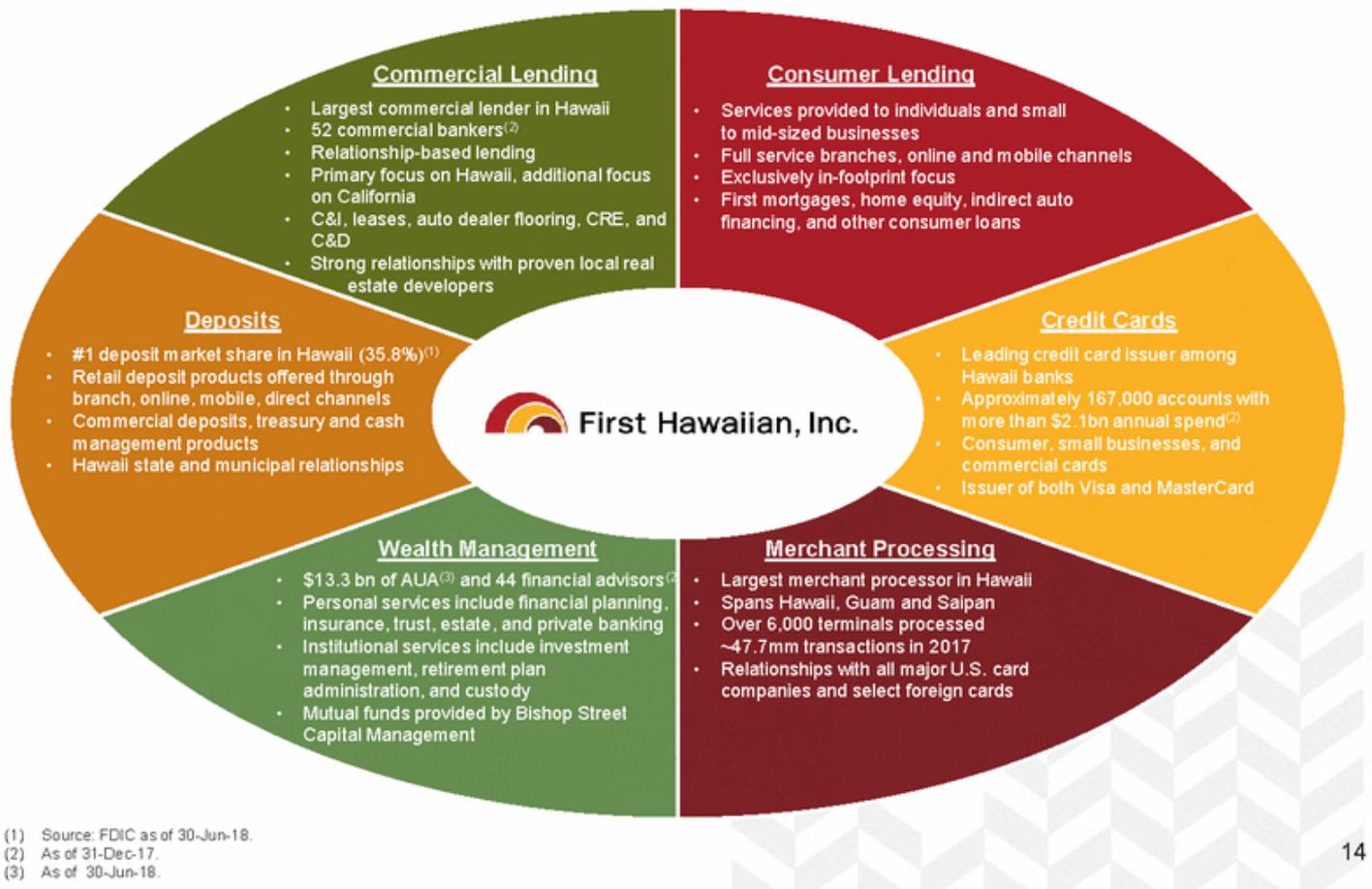
Note: \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

<sup>(1)</sup> Sensitivity results from 30-Jun-18 regulatory filings. FHB results based on instantaneous shift in rates; \$10-\$50bn bank average results on an as reported basis (includes both instantaneous and gradual rate shock scenarios based on reporting).



# APPENDIX

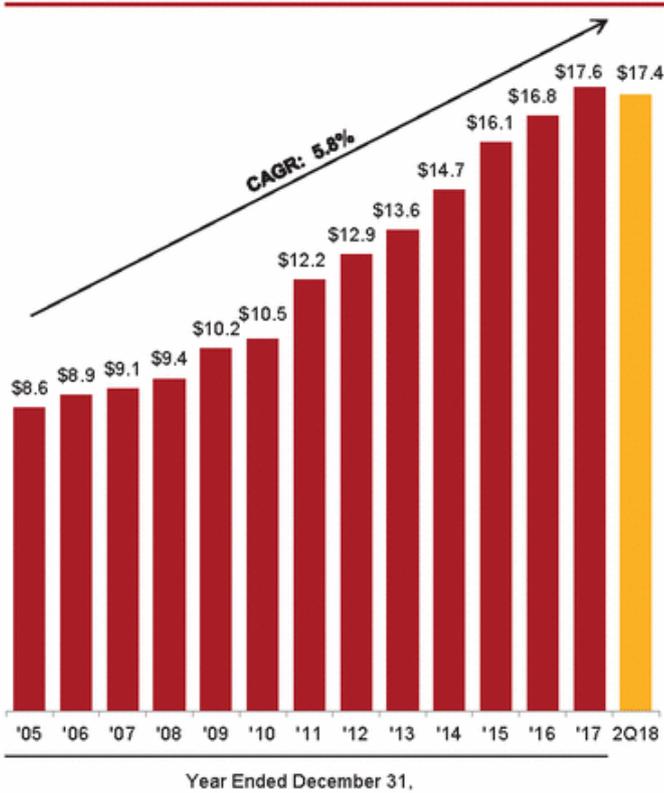
*First Hawaiian is a full service community bank focused on building relationships with our customers*



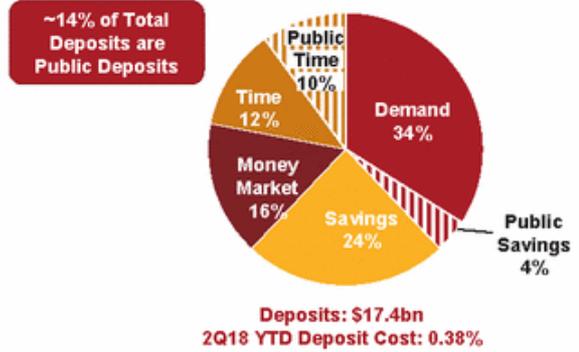
(1) Source: FDIC as of 30-Jun-18.  
 (2) As of 31-Dec-17.  
 (3) As of 30-Jun-18.

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

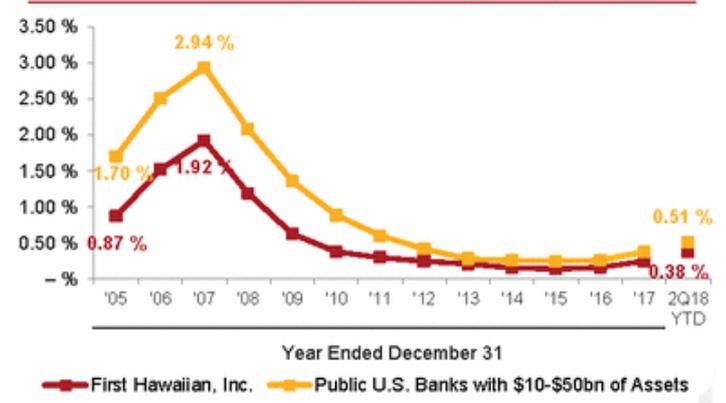
## Consistent Deposit Growth (\$bn)



## Deposit Portfolio Composition (2Q18)



## Best-in-Class Cost of Deposits

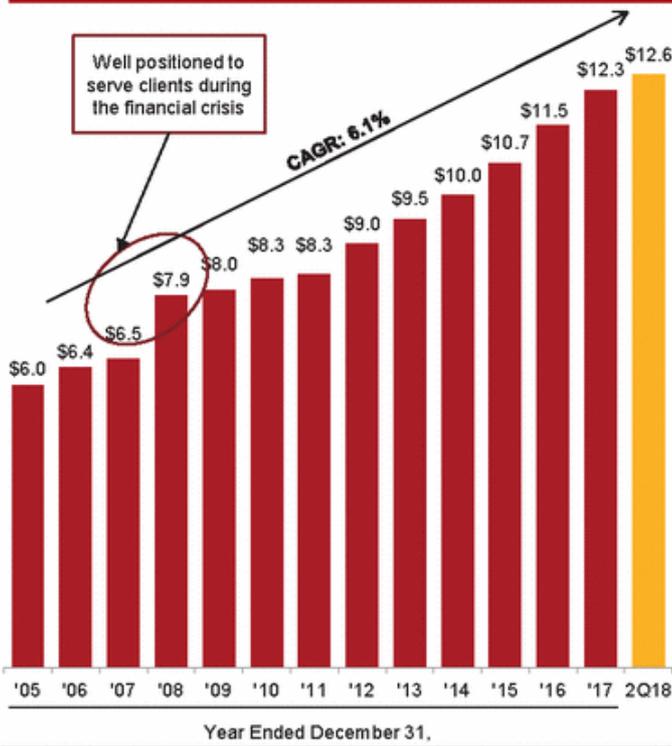


Source: Public filings and SNL Financial, as of 21-Aug-18  
Note: Financial data as of 30-Jun-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

# STEADY ORGANIC GROWTH AND BALANCED LOAN PORTFOLIO

*Steady through the cycle organic loan growth and balanced loan portfolio with attractive forward growth opportunities*

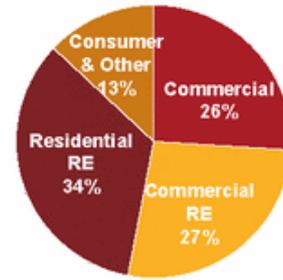
**Steady Loan Growth (\$bn)**



Year Ended December 31,	Loans / Deposits
'05	70%
'06	71%
'07	72%
'08	84%
'09	78%
'10	79%
'11	69%
'12	70%
'13	70%
'14	68%
'15	67%
'16	69%
'17	70%
2Q18	73%

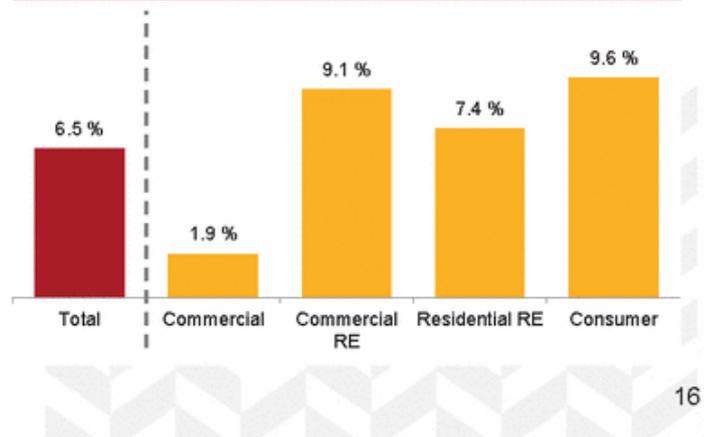
Note: Financial data as of 30-Jun-18

**Balanced Loan Portfolio (2Q18)**



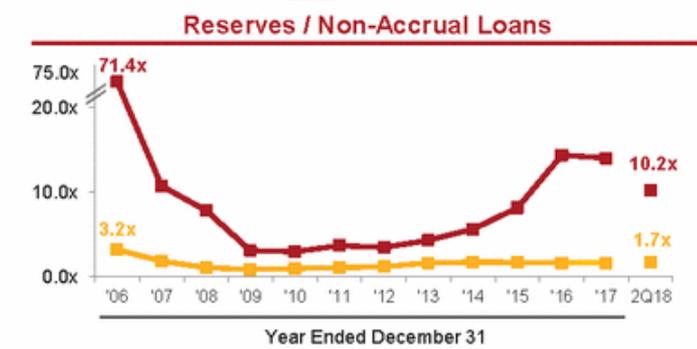
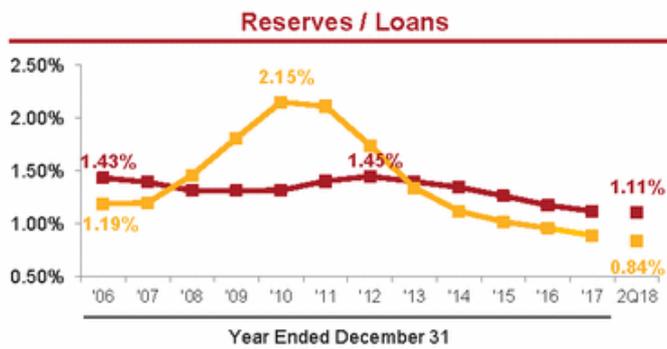
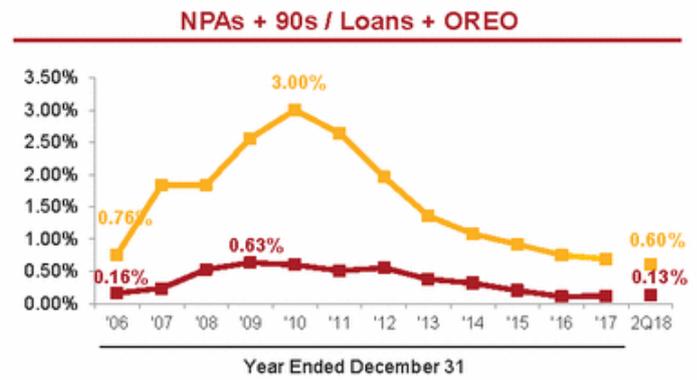
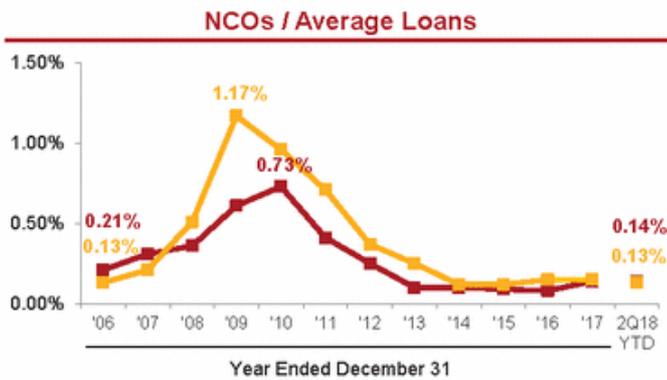
Loans: \$12.6bn  
2Q18 YTD Loan Yield: 4.12%

**Growth in All Categories (2013FY – 2Q18 CAGR)**



# PROVEN, CONSISTENT, AND CONSERVATIVE CREDIT RISK MANAGEMENT

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



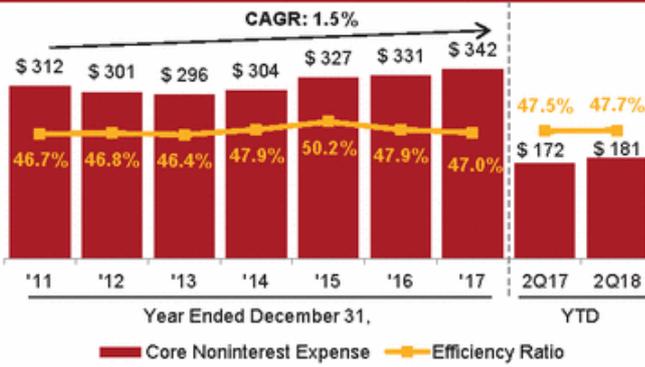
■ First Hawaiian, Inc.

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

Source: Public filings and SNL Financial, available as of 21-Aug-18  
 Note: Financial data as of 30-Jun-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

# OPERATING LEVERAGE THROUGH PRUDENT EXPENSE MANAGEMENT

Well Managed Core Noninterest Expense (\$mm)<sup>(1),(2)</sup>



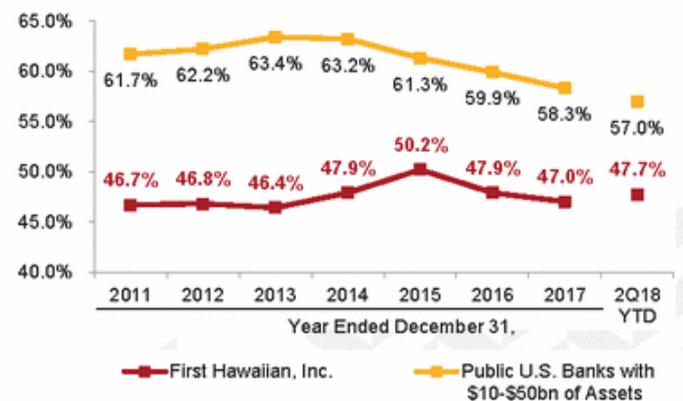
Driving Future Operating Leverage

- Improving margins and benefit from rising rates
- Additional operating capacity
- Scalable fee businesses
- Close management of expenses through transition

Noninterest Expense / Average Assets<sup>(1)</sup>



Efficiency Ratio<sup>(1),(2)</sup>



Source: Public filings and SNL Financial, as of 21-Aug-18

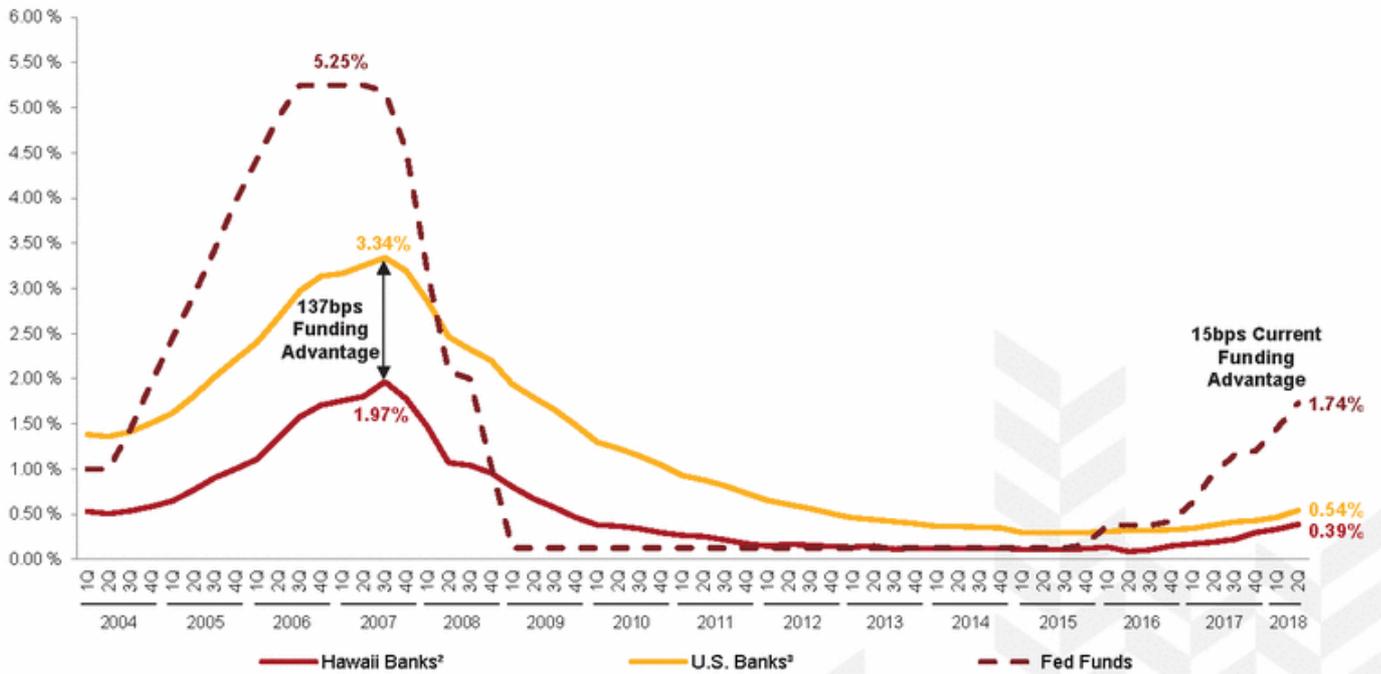
Note: Financial data as of 30-Jun-18. \$10-\$50bn banks constituted as of 31-Dec-17; excludes merger targets.

(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

(2) Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

# 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. 2Q18 cost of deposits based on public company reported information. 2Q18 excludes private companies and undisclosed public company information.

<sup>(3)</sup> Includes all U.S. bank holding companies excluding Hawaii-based banks. 2Q18 cost of deposits based on public company reported information. 2Q18 excludes private companies and undisclosed public company information.

*We present net interest income, noninterest income, noninterest expense, net income, earnings per share and the related ratios described below, on an adjusted, or "core," basis, each a non-GAAP financial measure. These core measures exclude from the corresponding GAAP measure the impact of certain items that we do not believe are representative of our financial results. We believe that the presentation of these non-GAAP financial measures helps identify underlying trends in our business from period to period that could otherwise be distorted by the effect of certain expenses, gains and other items included in our operating results.*

*Core net interest margin, core return on average total assets and core return on average total stockholders' equity are non-GAAP financial measures. We compute our core net interest margin as the ratio of core net interest income to average earning assets. We compute our core return on average total assets as the ratio of core net income to average total assets. We compute our core return on average total stockholders' equity as the ratio of core net income to average stockholders' equity.*

*Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income.*

*Return on average tangible stockholders' equity, core return on average tangible stockholders' equity, return on average tangible assets, core return on average tangible assets, tangible stockholders' equity to tangible assets and tangible book value per share 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 core return on average tangible stockholders' equity as the ratio of core 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 core return on average tangible assets as the ratio of core net income to average tangible 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) amounts related to our goodwill. We compute our tangible book value per share as the ratio of tangible stockholders' equity to outstanding shares.*

*We believe that these core 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 following tables provide a reconciliation of these non-GAAP financial measures with their most closely related GAAP measures.*

# GAAP TO NON-GAAP RECONCILIATION

(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	
	2018	2018	2017	2018	2017
<b>Income Statement Data:</b>					
Net income	\$ 67,388	\$ 69,053	\$ 58,363	\$ 204,399	\$ 171,998
Average total stockholders' equity	\$ 2,427,907	\$ 2,466,392	\$ 2,564,563	\$ 2,464,601	\$ 2,527,435
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,432,415	\$ 1,470,900	\$ 1,569,071	\$ 1,469,109	\$ 1,531,943
Average total assets	\$ 20,391,456	\$ 20,121,504	\$ 20,109,090	\$ 20,306,833	\$ 19,858,184
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 19,395,964	\$ 19,126,012	\$ 19,113,598	\$ 19,311,341	\$ 18,862,692
Return on average total stockholders' equity <sup>(1)</sup>	11.01 %	11.23 %	9.03 %	11.09 %	9.10 %
Return on average tangible stockholders' equity (non-GAAP) <sup>(1)</sup>	18.66 %	18.83 %	14.76 %	18.60 %	15.01 %
Return on average total assets <sup>(1)</sup>	1.31 %	1.38 %	1.15 %	1.35 %	1.16 %
Return on average tangible assets (non-GAAP) <sup>(1)</sup>	1.38 %	1.45 %	1.21 %	1.42 %	1.22 %
Average stockholders' equity to average assets	11.91 %	12.26 %	12.75 %	12.14 %	12.73 %
Tangible average stockholders' equity to tangible average assets (non-GAAP)	7.39 %	7.69 %	8.21 %	7.61 %	8.12 %

<sup>(1)</sup> Annualized for the three months and nine months ended September 30, 2018 and 2017 and three months ended June 30, 2018

	As of September 30, 2018	As of June 30, 2018	As of December 31, 2017	As of September 30, 2017
<b>Balance Sheet Data:</b>				
Total stockholders' equity	\$ 2,423,462	\$ 2,459,175	\$ 2,532,551	\$ 2,581,858
Less: goodwill	995,492	995,492	995,492	995,492
Tangible stockholders' equity	\$ 1,427,970	\$ 1,463,683	\$ 1,537,059	\$ 1,586,366
Total assets	\$ 19,983,838	\$ 20,479,719	\$ 20,549,461	\$ 20,565,627
Less: goodwill	995,492	995,492	995,492	995,492
Tangible assets	\$ 18,988,346	\$ 19,484,227	\$ 19,553,969	\$ 19,570,135
Shares outstanding	134,873,728	136,642,060	139,588,782	139,586,282
Total stockholders' equity to total assets	12.13 %	12.01 %	12.32 %	12.55 %
Tangible stockholders' equity to tangible assets (non-GAAP)	7.52 %	7.51 %	7.86 %	8.11 %
Book value per share	\$ 17.97	\$ 18.00	\$ 18.14	\$ 18.50
Tangible book value per share (non-GAAP)	\$ 10.59	\$ 10.71	\$ 11.01	\$ 11.36

# GAAP TO NON-GAAP RECONCILIATION

(dollars in thousands, except per share amounts)

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net interest income	\$ 141,258	\$ 141,403	\$ 133,319	\$ 422,333	\$ 393,918
Core net interest income (non-GAAP)	\$ 141,258	\$ 141,403	\$ 133,319	\$ 422,333	\$ 393,918
Noninterest income	\$ 47,405	\$ 49,797	\$ 49,664	\$ 145,902	\$ 151,281
Gains on sale of real estate	—	—	(2,667)	—	(2,667)
Core noninterest income (non-GAAP)	\$ 47,405	\$ 49,797	\$ 46,997	\$ 145,902	\$ 148,614
Noninterest expense	\$ 93,147	\$ 91,865	\$ 84,784	\$ 275,599	\$ 257,704
Loss on litigation settlement <sup>(1)</sup>	(4,125)	—	—	(4,125)	—
One-time items <sup>(2)</sup>	(511)	(914)	(543)	(1,832)	(1,384)
Core noninterest expense (non-GAAP)	\$ 88,511	\$ 90,951	\$ 84,241	\$ 269,642	\$ 256,320
Net income	\$ 67,388	\$ 69,053	\$ 58,363	\$ 204,399	\$ 171,998
Gains on sale of real estate	—	—	(2,667)	—	(2,667)
Loss on litigation settlement <sup>(1)</sup>	4,125	—	—	4,125	—
One-time items <sup>(2)</sup>	511	914	543	1,832	1,384
Tax adjustments <sup>(3)</sup>	(1,206)	(247)	801	(1,559)	488
Total core adjustments	3,430	667	(1,323)	4,398	(795)
Core net income (non-GAAP)	\$ 70,818	\$ 69,720	\$ 57,040	\$ 208,797	\$ 171,203
Core basic earnings per share (non-GAAP)	\$ 0.52	\$ 0.51	\$ 0.41	\$ 1.52	\$ 1.23
Core diluted earnings per share (non-GAAP)	\$ 0.52	\$ 0.50	\$ 0.41	\$ 1.52	\$ 1.23
Basic earnings per share	\$ 0.50	\$ 0.50	\$ 0.42	\$ 1.48	\$ 1.23
Diluted earnings per share	\$ 0.50	\$ 0.50	\$ 0.42	\$ 1.48	\$ 1.23

(1) The Company reached an agreement in principle to resolve a putative class action lawsuit alleging that the Bank improperly charged certain overdraft fees. In connection with the anticipated settlement agreement, the Company recorded an expense of approximately \$4.1 million during the three and nine months ended September 30, 2018

(2) One-time items include the loss on our funding swap as a result of a decrease in the conversion rate of our Visa Class B restricted shares sold in 2016 as well as public offering related costs

(3) Represents the adjustments to net income, tax effected at the Company's effective tax rate for the respective period.

# GAAP TO NON-GAAP RECONCILIATION

(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Six Months Ended	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Income Statement Data:</b>					
Net income	\$ 69,053	\$ 67,958	\$ 56,895	\$ 137,011	\$ 113,635
Average total stockholders' equity	\$ 2,466,392	\$ 2,500,299	\$ 2,528,388	\$ 2,483,252	\$ 2,508,564
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,470,900	\$ 1,504,807	\$ 1,532,896	\$ 1,487,760	\$ 1,513,072
Average total assets	\$ 20,121,504	\$ 20,407,718	\$ 19,692,222	\$ 20,263,820	\$ 19,730,651
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 19,126,012	\$ 19,412,226	\$ 18,696,730	\$ 19,268,328	\$ 18,735,159
Return on average total stockholders' equity <sup>(1)</sup>	11.23 %	11.02 %	9.03 %	11.13 %	9.13 %
Return on average tangible stockholders' equity (non-GAAP) <sup>(1)</sup>	18.83 %	18.32 %	14.89 %	18.57 %	15.14 %
Return on average total assets <sup>(1)</sup>	1.38 %	1.35 %	1.16 %	1.36 %	1.16 %
Return on average tangible assets (non-GAAP) <sup>(1)</sup>	1.45 %	1.42 %	1.22 %	1.43 %	1.22 %
Average stockholders' equity to average assets	12.26 %	12.25 %	12.84 %	12.25 %	12.71 %
Tangible average stockholders' equity to tangible average assets (non-GAAP)	7.69 %	7.75 %	8.20 %	7.72 %	8.08 %
<sup>(1)</sup> Annualized for the three months and six months ended June 30, 2018 and 2017 and three months ended March 31, 2018					
<b>Balance Sheet Data:</b>					
Total stockholders' equity	\$ 2,459,175	\$ 2,520,862	\$ 2,532,551	\$ 2,552,602	\$ 2,552,602
Less: goodwill	995,492	995,492	995,492	995,492	995,492
Tangible stockholders' equity	\$ 1,463,683	\$ 1,525,370	\$ 1,537,059	\$ 1,557,110	\$ 1,557,110
Total assets	\$ 20,479,719	\$ 20,242,942	\$ 20,549,461	\$ 20,373,974	\$ 20,373,974
Less: goodwill	995,492	995,492	995,492	995,492	995,492
Tangible assets	\$ 19,484,227	\$ 19,247,450	\$ 19,553,969	\$ 19,378,482	\$ 19,378,482
Shares outstanding	136,642,060	139,601,123	139,588,782	139,546,615	139,546,615
Total stockholders' equity to total assets	12.01 %	12.45 %	12.32 %	12.53 %	12.53 %
Tangible stockholders' equity to tangible assets (non-GAAP)	7.51 %	7.93 %	7.86 %	8.04 %	8.04 %
Book value per share	\$ 18.00	\$ 18.06	\$ 18.14	\$ 18.29	\$ 18.29
Tangible book value per share (non-GAAP)	\$ 10.71	\$ 10.93	\$ 11.01	\$ 11.16	\$ 11.16

# GAAP TO NON-GAAP RECONCILIATION

(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Six Months Ended	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Net interest income	\$ 141,403	\$ 139,672	\$ 131,254	\$ 281,075	\$ 260,599
Core net interest income (non-GAAP)	\$ 141,403	\$ 139,672	\$ 131,254	\$ 281,075	\$ 260,599
Noninterest income	\$ 49,797	\$ 48,700	\$ 50,558	\$ 98,497	\$ 101,617
Core noninterest income (non-GAAP)	\$ 49,797	\$ 48,700	\$ 50,558	\$ 98,497	\$ 101,617
Noninterest expense	\$ 91,865	\$ 90,587	\$ 86,929	\$ 182,452	\$ 172,920
One-time items <sup>(1)</sup>	(914)	(407)	(457)	(1,321)	(841)
Core noninterest expense (non-GAAP)	\$ 90,951	\$ 90,180	\$ 86,472	\$ 181,131	\$ 172,079
Net income	\$ 69,053	\$ 67,958	\$ 56,895	\$ 137,011	\$ 113,635
One-time items <sup>(1)</sup>	914	407	457	1,321	841
Tax adjustments <sup>(2)</sup>	(247)	(106)	(171)	(353)	(313)
Total core adjustments	667	301	286	968	528
Core net income (non-GAAP)	\$ 69,720	\$ 68,259	\$ 57,181	\$ 137,979	\$ 114,163
Core basic earnings per share (non-GAAP)	\$ 0.51	\$ 0.49	\$ 0.41	\$ 0.99	\$ 0.82
Core diluted earnings per share (non-GAAP)	\$ 0.50	\$ 0.49	\$ 0.41	\$ 0.99	\$ 0.82
Basic earnings per share	\$ 0.50	\$ 0.49	\$ 0.41	\$ 0.99	\$ 0.81
Diluted earnings per share	\$ 0.50	\$ 0.49	\$ 0.41	\$ 0.99	\$ 0.81

(1) One-time items include the loss on our funding swap as a result of a decrease in the conversion rate of our Visa Class B restricted shares sold in 2016 as well as public offering related costs

(2) Represents the adjustments to net income, tax effected at the Company's effective tax rate for the respective period.

(Dollars in millions, except per share data)	As of and for the Twelve Months Ended December 31,						
	2017	2016	2015	2014	2013	2012	2011
Net Income	\$ 183.7	\$230.2	\$213.8	\$216.7	\$214.5	\$211.1	\$199.7
Basic EPS	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80
Diluted EPS	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80
Average Total Stockholders' Equity	\$ 2,538.3	\$2,568.2	\$2,735.8	\$2,688.4	\$2,867.4	\$2,664.2	\$2,640.6
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5
<b>Average Tangible Stockholders' Equity</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	2,532.6	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
<b>Tangible Stockholders' Equity</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	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
<b>Average Tangible Assets</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	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
<b>Tangible Assets</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	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>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	0.92	1.19	1.14	1.24	1.29	1.31	1.31
<b>Return on Average Tangible Assets (non-GAAP)</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>

Note: Totals may not sum due to rounding.

For the Fiscal Year Ended December 31,

(Dollars in millions, except per share data)	2017	2016	2015	2014	2013	2012	2011
Net Interest Income	\$ 528.8	\$ 491.7	\$ 461.3	\$ 443.8	\$ 439.0	\$ 447.5	\$ 470.0
Accounting Change (ASC 310 Adjustment)	-	-	-	-	(4.3)	-	-
Early Buyout on Lease	-	-	-	(3.1)	-	-	-
Early Loan Termination <sup>(2)</sup>	-	-	(4.8)	-	-	-	-
<b>Core Net Interest Income (Non-GAAP)</b>	<b>\$ 528.8</b>	<b>\$ 491.7</b>	<b>\$ 456.5</b>	<b>\$ 440.7</b>	<b>\$ 434.7</b>	<b>\$ 447.5</b>	<b>\$ 470.0</b>
Noninterest Income <sup>(1)</sup>	\$ 205.6	\$ 226.0	\$ 219.1	\$ 216.0	\$ 214.4	\$ 219.1	\$ 200.2
Gain on Sale of Securities	-	(4.6)	(7.7)	-	(0.2)	(16.7)	(1.7)
Gain on Sale of Stock (Visa/MasterCard)	-	(22.7)	(4.6)	(20.8)	(11.1)	-	-
Gain on Sale of Bank Properties	(6.9)	-	(3.4)	-	(0.4)	(6.4)	-
Other Adjustments <sup>(2)(3)</sup>	-	-	(7.5)	-	-	-	(0.9)
<b>Core Noninterest Income (Non-GAAP)</b>	<b>\$ 198.7</b>	<b>\$ 198.8</b>	<b>\$ 195.9</b>	<b>\$ 195.1</b>	<b>\$ 202.7</b>	<b>\$ 196.0</b>	<b>\$ 197.6</b>
Noninterest Expense <sup>(1)</sup>	\$ 347.6	\$ 337.3	\$ 327.3	\$ 304.4	\$ 296.7	\$ 301.9	\$ 311.7
Non-Recurring Items <sup>(4)</sup>	(5.5)	(6.2)	-	-	(0.7)	(0.7)	-
<b>Core Noninterest Expense (Non-GAAP)</b>	<b>\$ 342.1</b>	<b>\$ 331.1</b>	<b>\$ 327.3</b>	<b>\$ 304.4</b>	<b>\$ 296.0</b>	<b>\$ 301.2</b>	<b>\$ 311.7</b>
Net Income	\$ 183.7	\$ 230.2	\$ 213.8	\$ 216.7	\$ 214.5	\$ 211.1	\$ 199.7
Accounting Change (ASC 310 Adjustment)	-	-	-	-	(4.3)	-	-
Early Buyout on Lease	-	-	-	(3.1)	-	-	-
Early Loan Termination	-	-	(4.8)	-	-	-	-
Gain on Sale of Securities	-	(4.6)	(7.7)	-	(0.2)	(16.7)	(1.7)
Gain on Sale of Stock (Visa/MasterCard)	-	(22.7)	(4.6)	(20.8)	(11.1)	-	-
Gain on Sale of Real Estate	(6.9)	-	(3.4)	-	(0.4)	(6.4)	-
Other Adjustments <sup>(2)(3)</sup>	-	-	(7.5)	-	-	-	(0.9)
Non-Recurring Items <sup>(4)</sup>	5.5	6.2	-	-	0.7	0.7	-
Tax reform Bill	47.8	-	-	-	-	-	-
Tax Adjustments <sup>(5)</sup>	0.6	8.0	10.6	8.9	5.8	8.1	1.0
Total Core Adjustments	46.7	(13.1)	(17.5)	(15.0)	(9.5)	(14.3)	(1.7)
<b>Core Net Income (Non-GAAP)</b>	<b>\$ 230.4</b>	<b>\$ 217.1</b>	<b>\$ 196.3</b>	<b>\$ 201.6</b>	<b>\$ 205.0</b>	<b>\$ 196.7</b>	<b>\$ 198.0</b>
<b>Core Basic EPS (Non-GAAP)</b>	<b>\$ 1.65</b>	<b>\$ 1.56</b>	<b>\$ 1.41</b>	<b>\$ 1.45</b>	<b>\$ 1.47</b>	<b>\$ 1.57</b>	<b>\$ 1.79</b>
<b>Core Diluted EPS (Non-GAAP)</b>	<b>\$ 1.65</b>	<b>\$ 1.56</b>	<b>\$ 1.41</b>	<b>\$ 1.45</b>	<b>\$ 1.47</b>	<b>\$ 1.57</b>	<b>\$ 1.79</b>

Note: Totals may not sum due to rounding.

(1) Noninterest income and expenses prior to 2017 have been revised from the amounts previously reported to reflect the reclassifications described in the footnote to Table 1 of the fourth quarter 2017 earnings release.

(2) Adjustments that are not material to our financial results have not been presented for certain periods.

(3) Other adjustments include a one-time MasterCard signing bonus and a recovery of an investment that was previously written down.

(4) Includes salaries and benefits stemming from the 2017 tax reform bill and non-recurring public company transition costs.

(5) Represents the adjustments to net income, tax effected at the Company's effective tax rate, exclusive of one-time tax reform bill expense, for the respective period.