



# Investor Presentation

September, 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. 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 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, 2022, and our Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2023, 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.*

# Q2 2023 FINANCIAL HIGHLIGHTS<sup>1</sup>

	Q2 2023	Q1 2023
Net Income (\$mm)	\$62.4	\$66.8
Diluted EPS	\$0.49	\$0.52
Net Interest Margin	2.91%	3.11%
Efficiency Ratio	58.0%	54.5%
ROA / ROATA <sup>2</sup>	1.01% / 1.05%	1.10% / 1.15%
ROE / ROATCE <sup>2</sup>	10.68% / 18.57%	11.78% / 20.78%
Tier 1 Leverage Ratio	8.30%	8.26%
CET1 Capital Ratio	12.05%	11.97%
Total Capital ratio	13.17%	13.09%
Dividend <sup>3</sup>	\$0.26 / share	\$0.26 / share

- Net income \$62.4 mm
- Grew total loans and leases \$141.6 mm
- Total deposits declined \$203.3 mm, 111 bp cost of deposits
- Net interest margin contracted 20 bps
- Excellent credit quality. Recorded \$5.0 mm provision expense
- Well capitalized: 12.05% CET1 ratio
- Declared \$0.26 / share dividend

(1) Comparisons to Q1 2023

(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 July 19, 2023. Payable September 1, 2023 to shareholders of record at close of business on August 21, 2023.

# BALANCE SHEET HIGHLIGHTS

\$ in millions	6/30/23	3/31/23
<b>Assets</b>		
Cash and Cash Equivalents <sup>1</sup>	\$ 558.1	\$ 865.6
Investment Securities - AFS	2,909.4	3,054.3
Investment Securities - HTM	4,180.4	4,261.4
Loans and Leases	14,362.8	14,221.3
Total Assets	24,511.6	24,884.2
<b>Liabilities</b>		
Deposits	\$21,078.2	\$21,281.5
Short-term borrowings	-	250.0
Long-term borrowings	500.0	500.0
Total Stockholders' Equity	2,359.7	2,329.0

Comments
<ul style="list-style-type: none"> <li>• Reduced excess cash, while maintaining ample liquidity                             <ul style="list-style-type: none"> <li>○ Reduced Cash and Cash Equivalents to \$558.1 mm</li> <li>○ Loan/deposit ratio: 68%</li> <li>○ \$8.6 bn of available liquidity at 6/30/23</li> </ul> </li> <li>• Investment portfolio duration remained stable at 5.5 yrs at 6/30/23</li> </ul>

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

## MAUI REAL ESTATE-SECURED LOANS<sup>1</sup>

\$ mm	Lahaina	Kula	All Other Areas	Maui Total
CRE	29.9	5.9	366.3	402.0
Construction	0.3	2.3	51.1	53.7
Residential				
1 <sup>st</sup> position (includes HELOCS behind FHB 1 <sup>st</sup> )	59.0	21.0	1,034.2	1,114.1
Subordinate position	3.1	3.1	53.8	60.0
<b>Total</b>	<b>92.2</b>	<b>32.2</b>	<b>1,505.4</b>	<b>1,629.8</b>

## MAUI C&I LOANS<sup>1</sup>

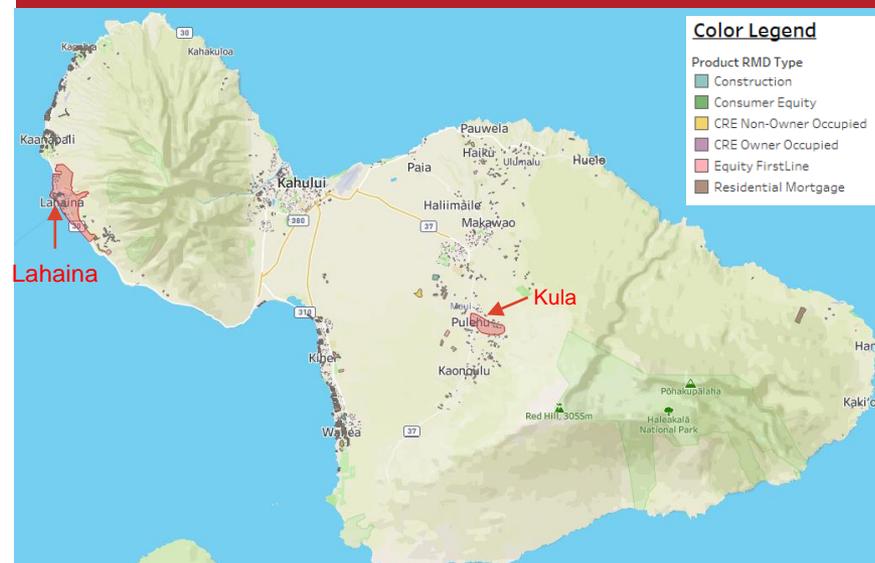
	\$ mm
Maui-based firms	12.0

## MAUI CONSUMER LOANS<sup>1</sup>

	\$ mm
Direct and Indirect Auto	72.6
Credit Card	13.2
All Other Consumer	11.2

<sup>1</sup>Outstanding balances as of 7/31/23

## MAUI REAL ESTATE SECURED LOAN LOCATIONS



## COMMENTS

- Lahaina and Kula were the primary populated areas impacted by wildfires
- Fire insurance on residential mortgages required and force-placed if necessary
- We expect modest expenses attributable to Maui fire recovery and restoration
- FHB has no loans outstanding to the electric utility
- FHB Maui relief and assistance programs:
  - 6-month deferrals for residential mortgage and home equity loans in fire zones
  - 3-month deferrals on all other Maui loans upon request
  - Waiving all ATM fees on Maui
  - Donated \$250k to Maui Strong Fund

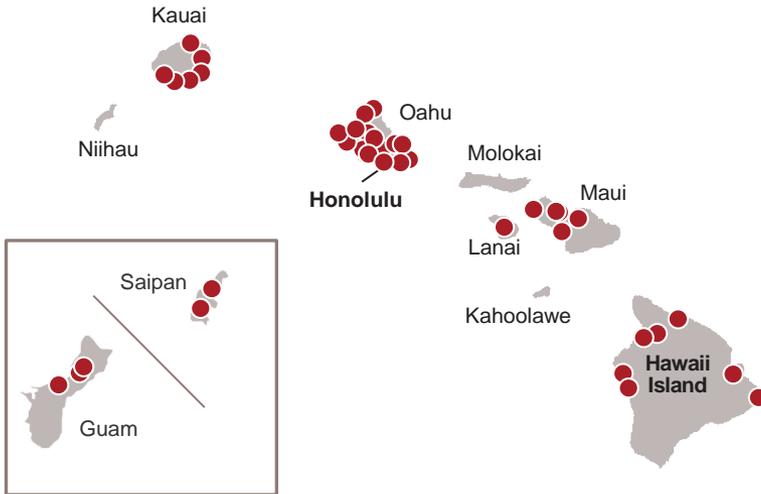
# INVESTMENT HIGHLIGHTS

- 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



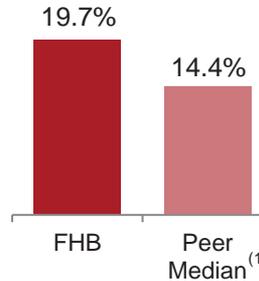
## Company Highlights

- ✓ 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
- ✓ \$18.6 bn assets under administration as of 2Q23
- ✓ Proven through the cycle and outstanding operating performance

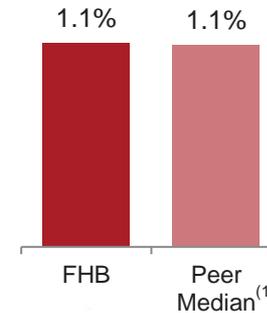
## Financial Overview – 2Q 2023 (\$ billions)

<b>Market Cap</b>	<b>\$2.4</b>	<b>Loans</b>	<b>\$ 14.4</b>
<b>Assets</b>	<b>\$ 24.5</b>	<b>Deposits</b>	<b>\$ 21.1</b>

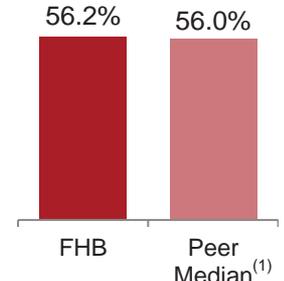
### ROATCE<sup>(2)</sup>



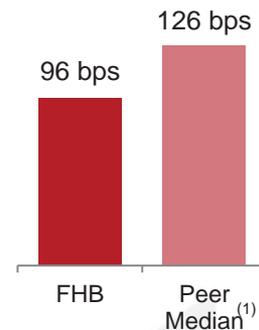
### ROATA<sup>(2)</sup>



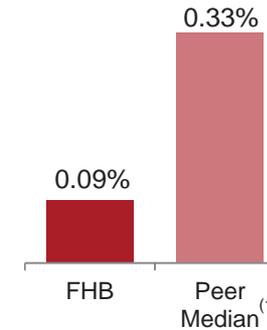
### Efficiency Ratio



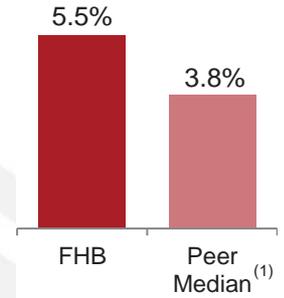
### Cost of Deposits



### NALs / Loans



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



Source: Public filings and S&P Global Capital IQ as of 17-Aug-2023

Note: Financial data as of 30-Jun-2023. Market data as of 31-Aug-2023.

(1) Peer median is based on public banks \$10–\$50bn in assets constituted as of 31-Dec-2022; 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.

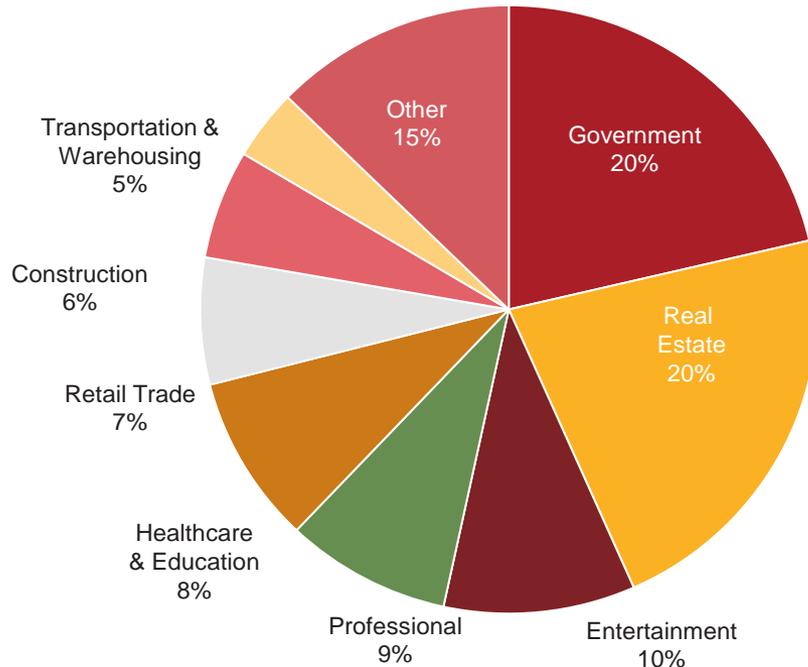
(3) Dividend yield based on dividend paid in 2Q 2023 and closing market price as of 31-Aug-2023.

(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

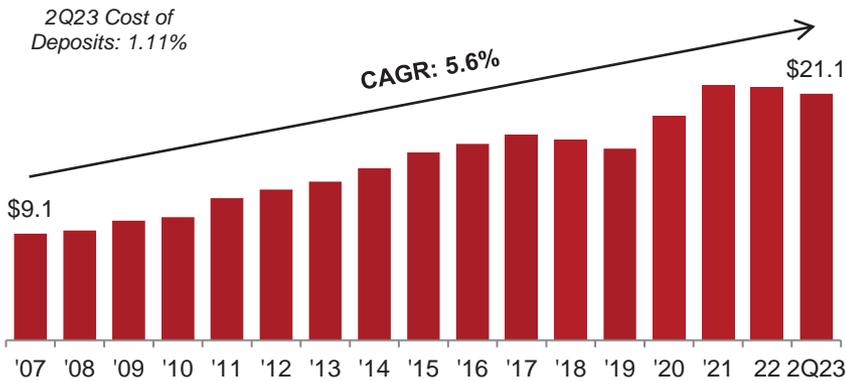
<sup>(2)</sup> Based on \$17.9bn of 2019 visitor spending according to Hawaii Department of Business, Economic Development and Tourism.

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

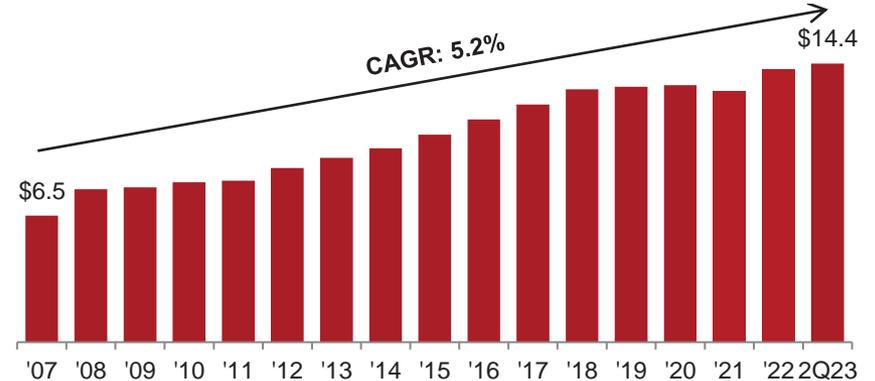
# STRONG PERFORMANCE THROUGH THE CYCLE



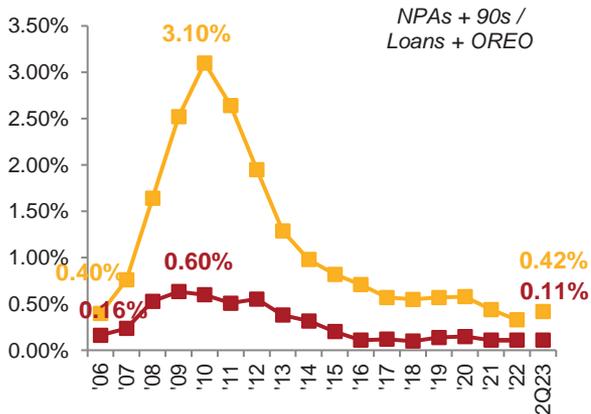
## Consistent Deposit Growth (\$bn)



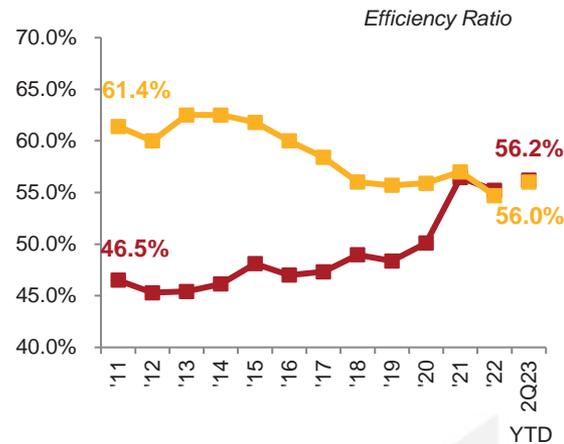
## Steady, Balanced Loan Growth (\$bn)



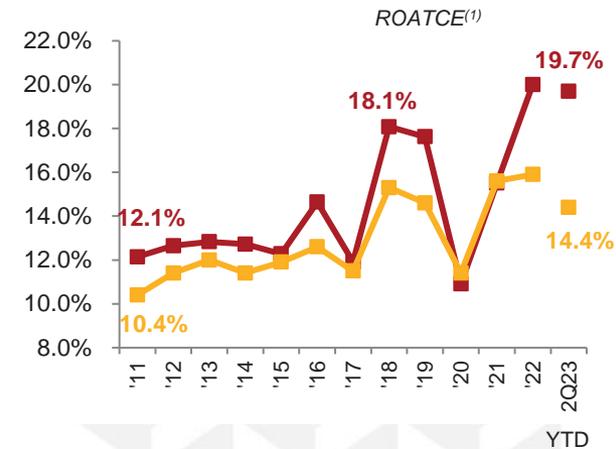
## Through the Cycle Credit Performer



## Strong Expense Mgmt. Culture



## Strong Profitability



■ First Hawaiian, Inc.

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

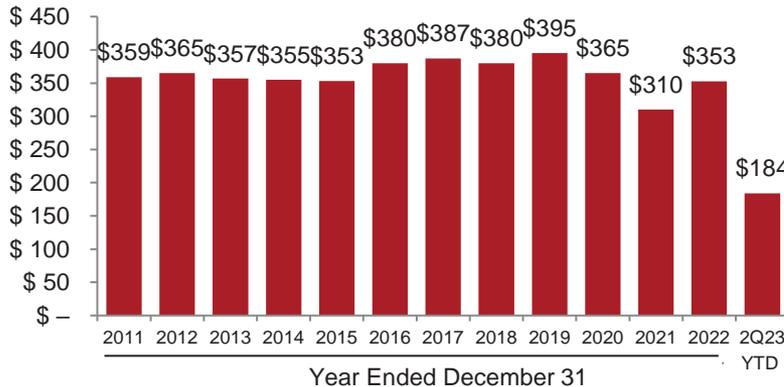
Source: Public filings and S&P Global Capital IQ as of 17-Aug-2023

Note: Financial data as of 30-Jun-2023. \$10-\$50bn banks constituted as of 31-Dec-2022; 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>

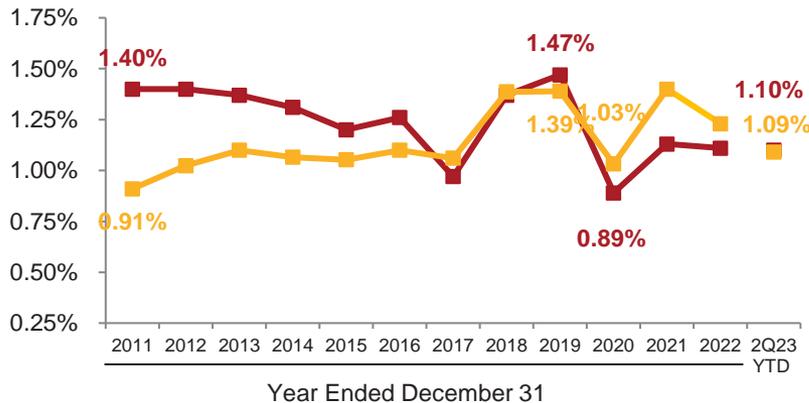


Consistent PTPP Earnings

### Stable Earnings Drivers

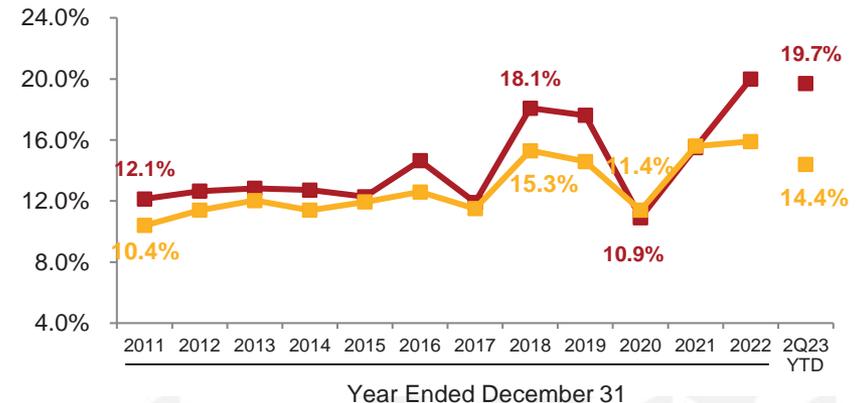
- Dominant loan and deposit positions in attractive markets
- Consistent underwriting standards with proven performance through the credit cycle
- Demonstrated history of disciplined expense management

### 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 Capital IQ, as of 17-Aug-2023

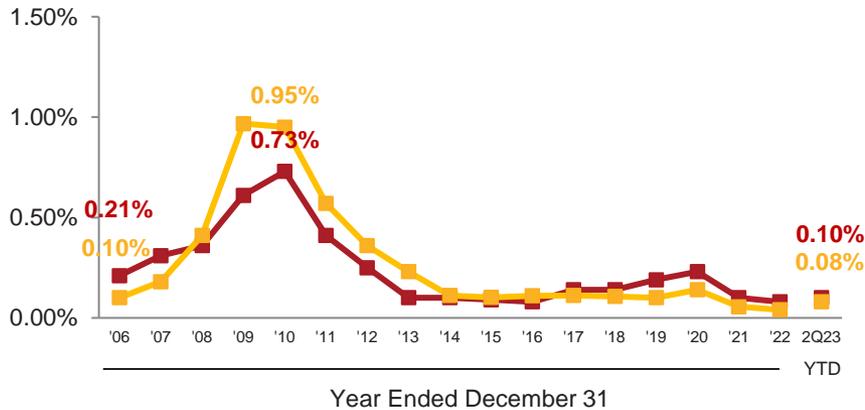
Note: Financial data as of 30-Jun-2023. \$10-\$50bn banks constituted as of 31-Dec-2022; excludes merger targets.

(1) 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.

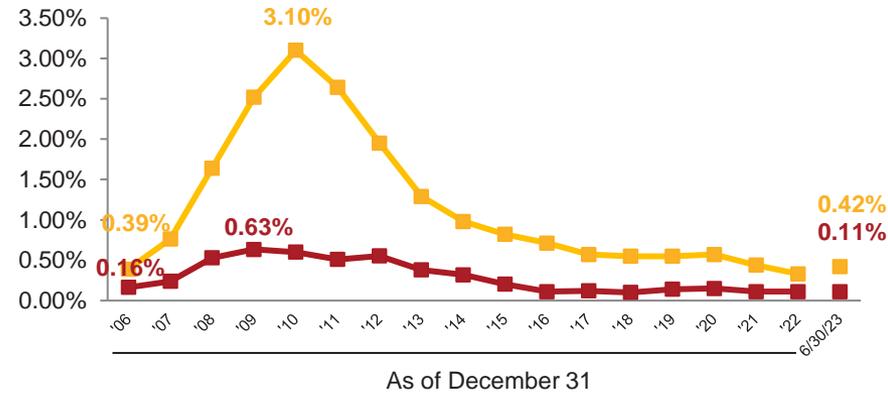
# PROVEN, CONSISTENT, AND CONSERVATIVE CREDIT RISK MANAGEMENT

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

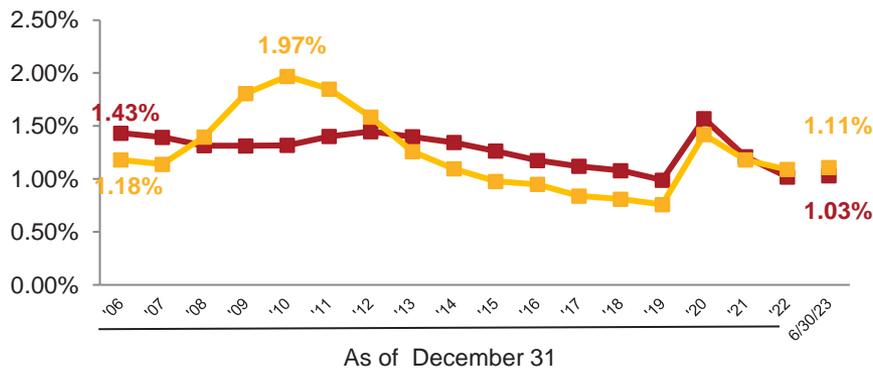
### NCOs / Average Loans



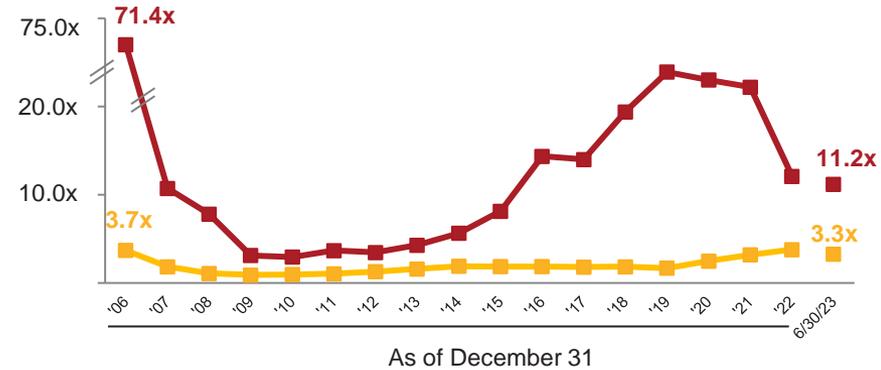
### NPAs + 90s / Loans + OREO



### Reserves / Loans



### Reserves / Non-Accrual Loans



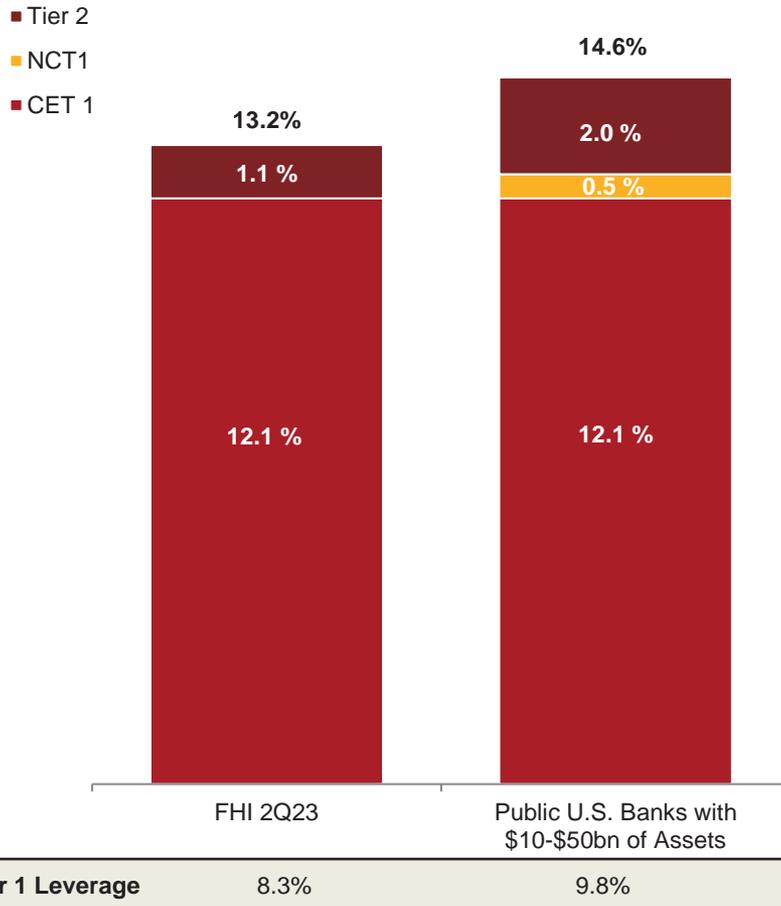
■ First Hawaiian, Inc.

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

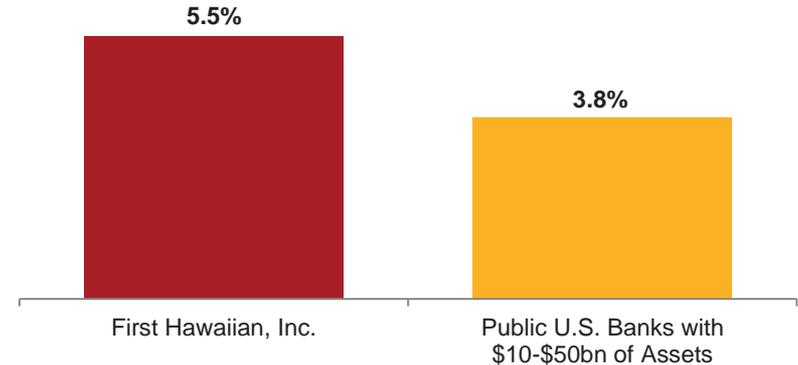
Source: Public filings and SNL Financial, available as of 17-Aug-2023  
 Note: Financial data as of 30-Jun-2023. \$10-\$50bn banks constituted as of 31-Dec-2022; excludes merger targets.

# 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 authorization for up to \$40mm of common stock during 2023
- Held dividend at \$0.26/share in 2Q 2023
- No shares repurchased in 1H 2023

Source: Public filings and S&P Global Capital IQ as of 17-Aug-2023

Note: Financial data as of 30-Jun-2023. \$10-\$50bn banks constituted as of 31-Dec-2022, 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.

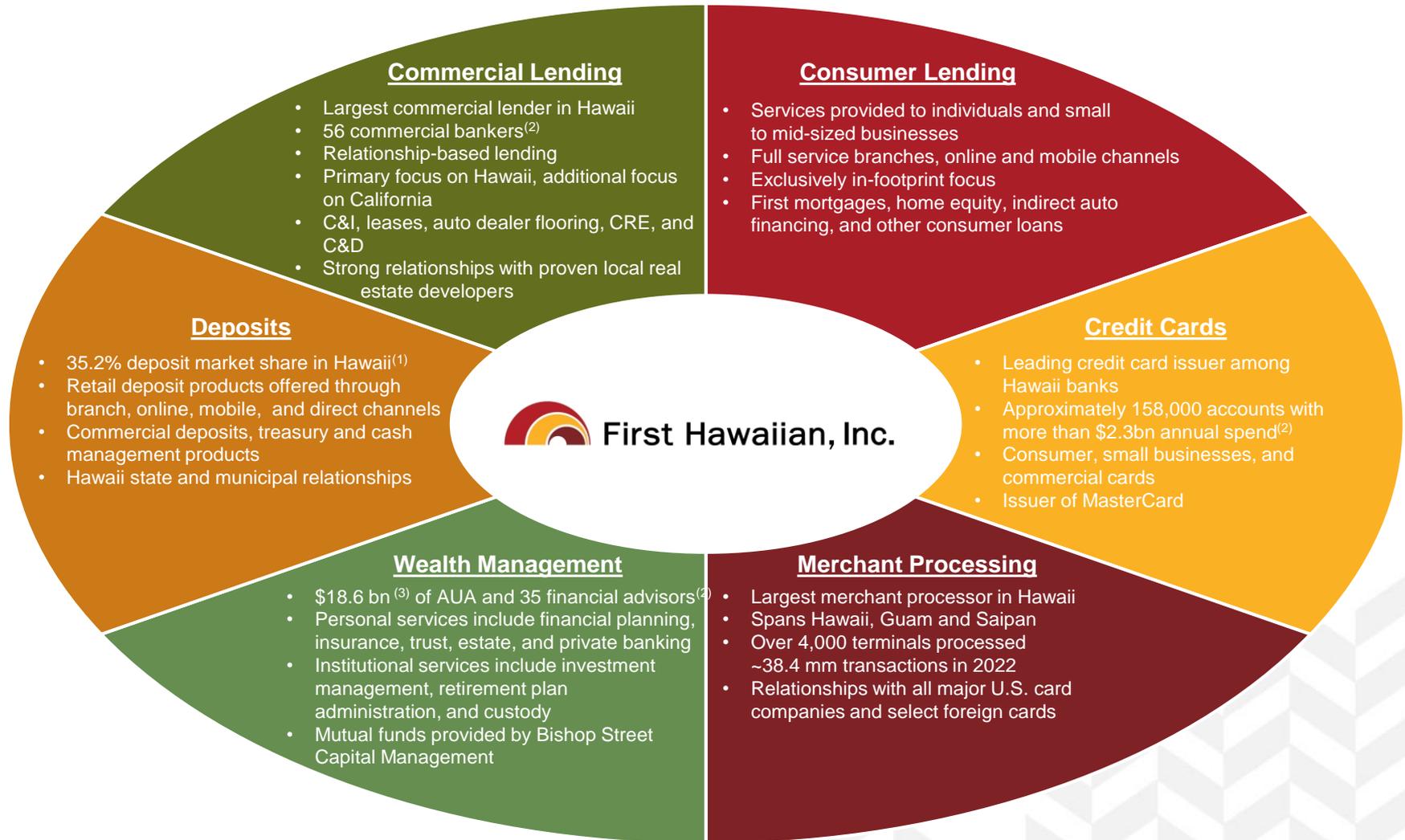
<sup>(2)</sup> Dividend yield (MRQ) based on 2Q 2023 paid dividend and market data as of 31-Aug-2023.



# APPENDIX

# FULL SUITE OF PRODUCTS AND SERVICES

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



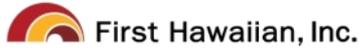
(1) Source: FDIC as of 30-Jun-2022

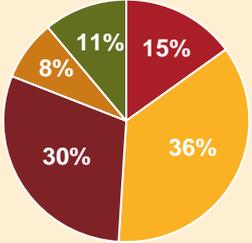
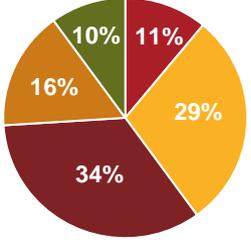
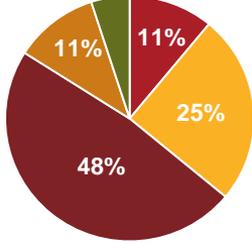
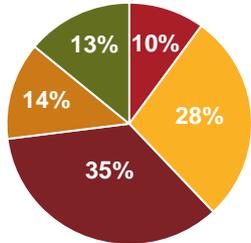
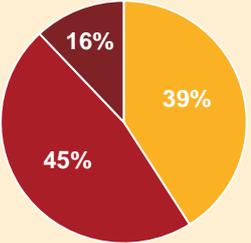
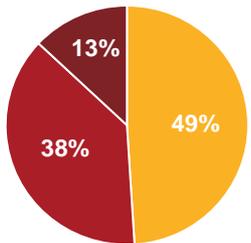
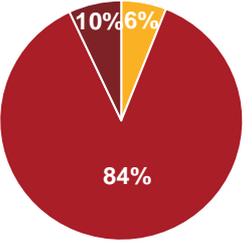
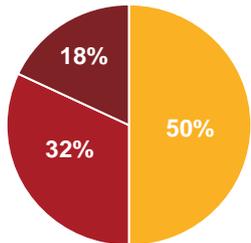
(2) As of 31-Dec-2022

(3) As of 30-Jun-2023

# A LEADER IN HAWAII

*The banking market in Hawaii is dominated by local banks, with the top 4 banks accounting for ~93% of deposits<sup>(2)</sup>*



	First Hawaiian, Inc.	Bank of Hawaii	AMERICAN Savings Bank	CENTRAL PACIFIC BANK
<b>Branches</b>	51	51	36	27
<b>FTEs</b>	2,126	2,025	1,009	753
<b>Assets (\$bn)</b>	24.5	24.9	9.6	7.6
<b>Loans (\$bn)</b>	14.4	13.9	6.1	5.5
<b>Deposits (\$bn)</b>	21.1	20.5	8.2	6.8
<b>YTD 2023 ROATCE <sup>(1)</sup></b>	19.7%	15.8%	19.1%	13.1%
<b>YTD 2023 ROATA<sup>(1)</sup></b>	1.10%	0.78%	0.81%	0.83%
<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 Capital IQ, FDIC, SEC and company filings. Company filings used for peers where available, otherwise regulatory data used.

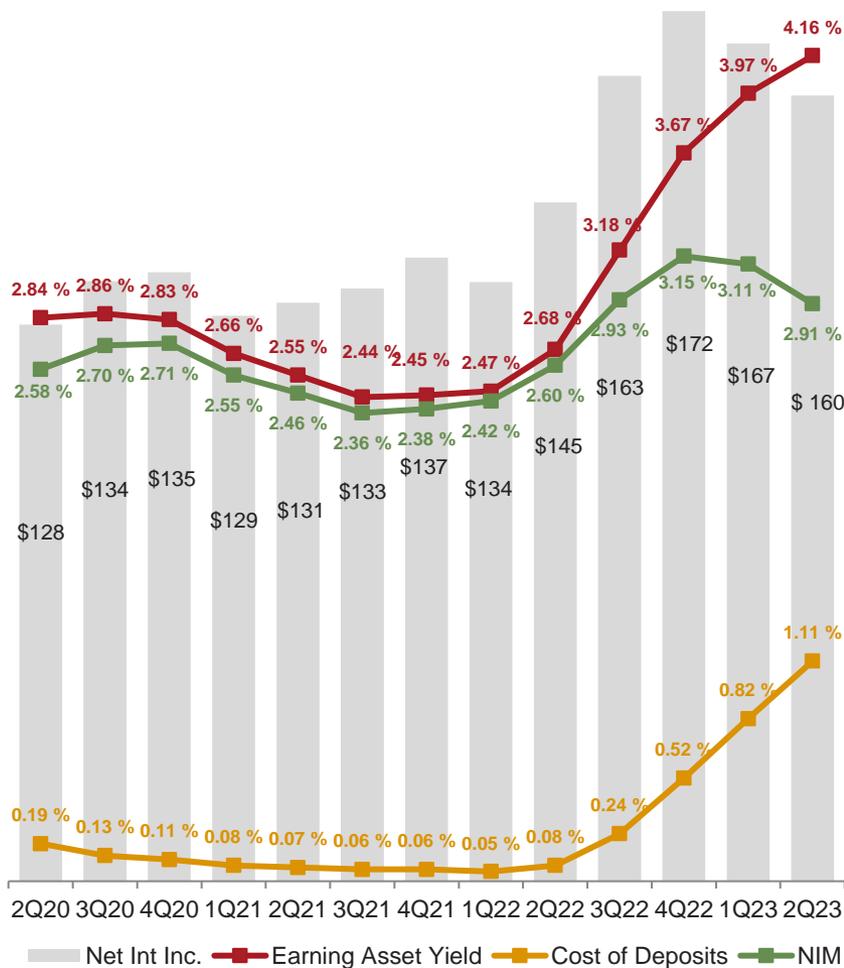
Note: Financial data as of 30-Jun-2023.

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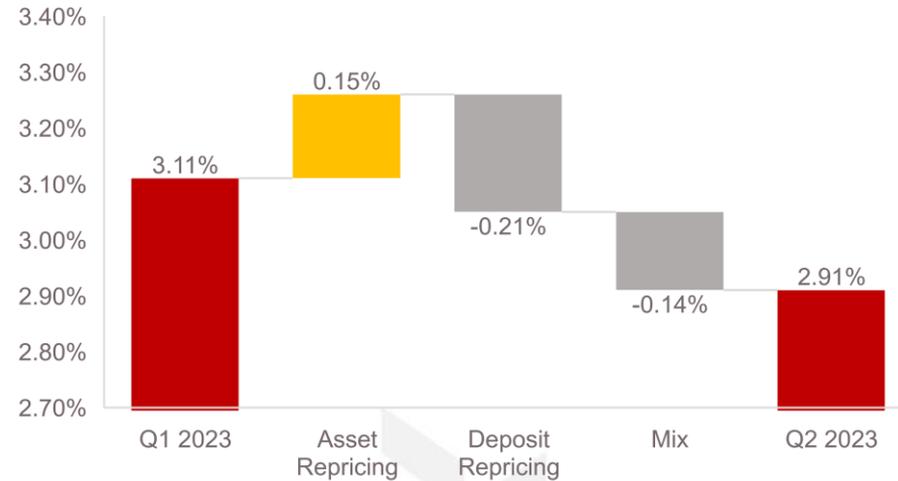
(2) Deposit market share based on FDIC data as of 30-Jun-2022.

# WELL POSITIONED FOR VOLATILE INTEREST RATES

## 20 bp NIM decrease in Q2



## Q1 '23 – Q2 '23 NIM Walk



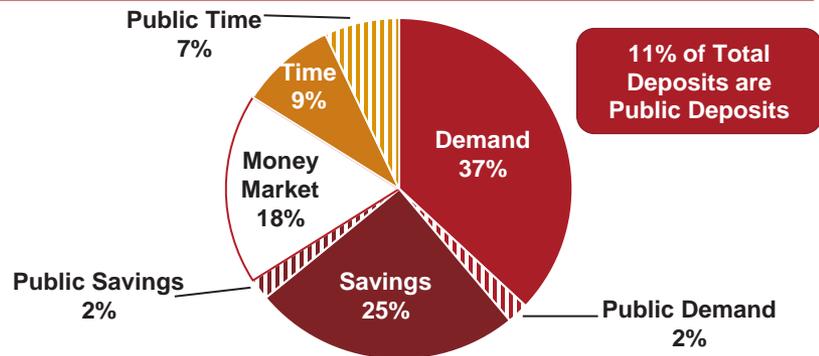
## Well-Matched Balance Sheet

- Approximately \$5.7 bn, or 40% 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

# 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*

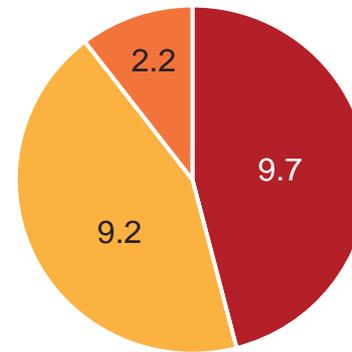
## Deposit Portfolio Composition (as of 6/30/23)



Deposits: \$21.1bn  
2Q23 Cost of Deposits: 1.11%

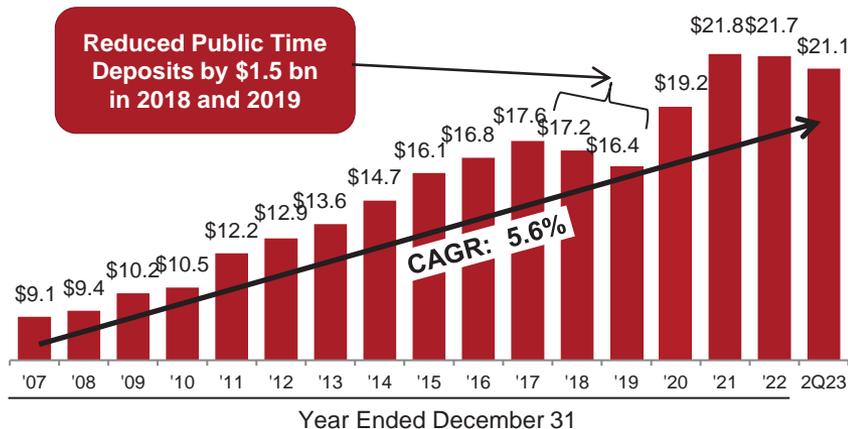
## Deposits Well-Balanced Between Retail and Commercial

(\$ billions)  
at 6/30/23

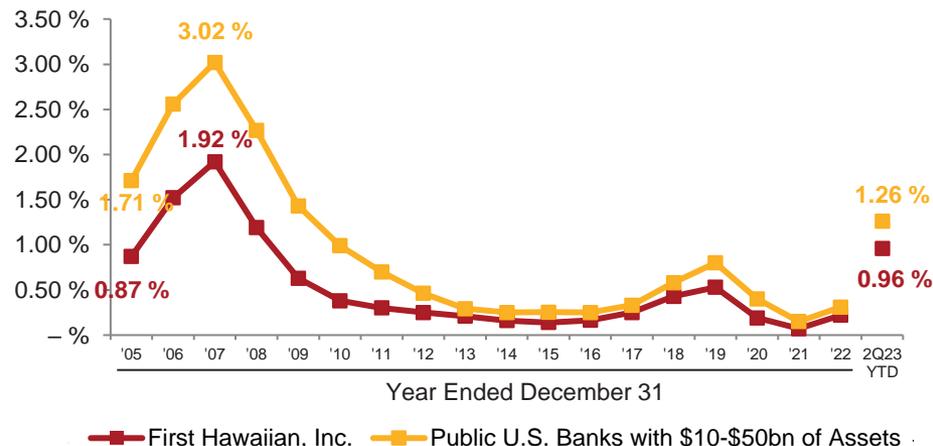


■ Retail ■ Commercial ■ Public

## Consistent Deposit Growth (\$bn)



## Best-in-Class Cost of Deposits



Source: Public filings and S&P Global Capital IQ, as of 17-Aug-2023  
Note: Financial data as of 30-Jun-2023. \$10-\$50bn banks constituted as of 31-Dec-2022; excludes merger targets.

# DEPOSIT COVERAGE AND BORROWING CAPACITY

## FDIC DEPOSIT INSURANCE COVERAGE

**FDIC INSURED DEPOSITS**

**49%**

**FDIC INSURED DEPOSITS + FULLY COLLATERALIZED PUBLIC DEPOSITS**

**60%**

- Deposit balances over \$250k in corporate operating accounts is estimated to be \$2.4 bn

As of 6/30/23

## AVERAGE DEPOSIT BALANCES



**AVERAGE RETAIL ACCOUNT BALANCE**

**\$21,400**



**AVERAGE COMMERCIAL ACCOUNT BALANCE**

**\$140,874**

As of 6/30/23

## LIQUIDITY CAPACITY

(\$ billions)	6/30/23
Total Cash	0.4
Available Securities	3.9
FHLB Capacity	2.9
FRB Discount Window	1.4
<b>Total Available Liquidity</b>	<b>8.6</b>
<b>Total Available Liquidity Using BTFP</b>	<b>9.1</b>

Note: BTFP = Bank Term Funding Program

- Total Available Liquidity = 101% of uninsured, non-public deposits<sup>1</sup>
- Total Available Liquidity Using BTFP = 107% of uninsured, non-public deposits<sup>1</sup>

<sup>1</sup> Uninsured, non-public deposits as of 6/30/23

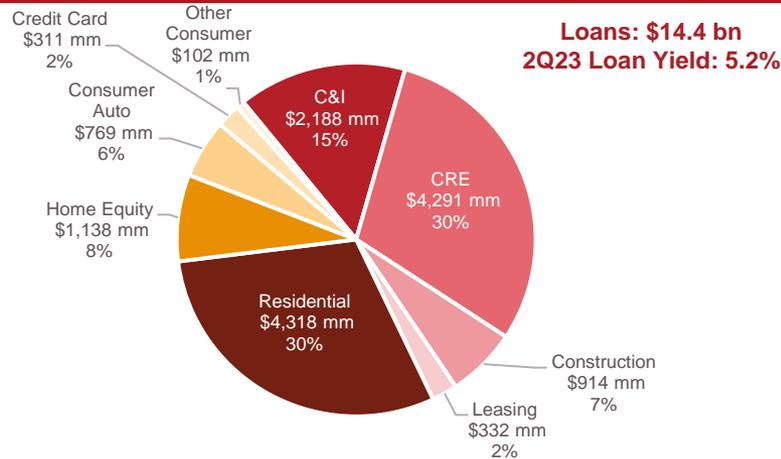
At June 30

- 60% of total deposits were FDIC insured or fully collateralized
- Deposit balances over \$250k in corporate operating accounts is estimated to be \$2.4 bn
- Total available liquidity (cash and borrowing capacity) over 100% of uninsured, non-public deposits

# STEADY ORGANIC GROWTH AND BALANCED LOAN PORTFOLIO

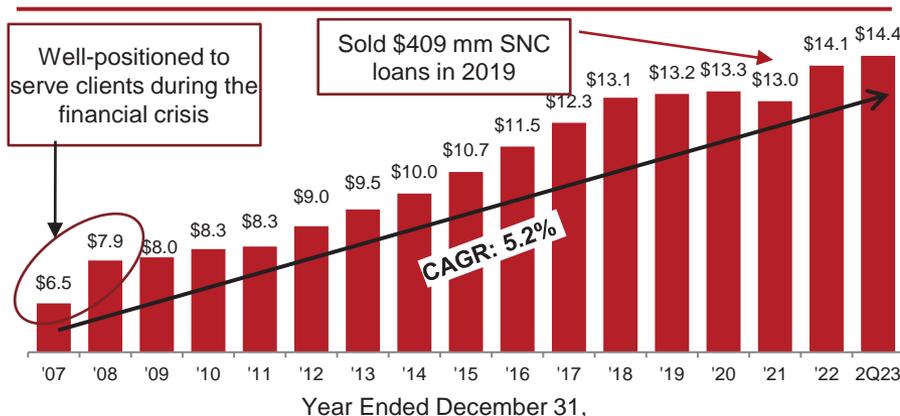
*Steady through the cycle organic loan growth and balanced loan portfolio  
Expect low to mid-single digit loan growth in 2023*

## Balanced Loan Portfolio (as of 6/30/23)



Note: Percentages shown may not total to 100% due to rounding

## Steady Loan Growth (\$bn)



Loans / Deposits	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	2Q23
Loans / Deposits	84%	78%	79%	69%	70%	70%	68%	67%	69%	70%	76%	80%	69%	59%	62%	65%	68%

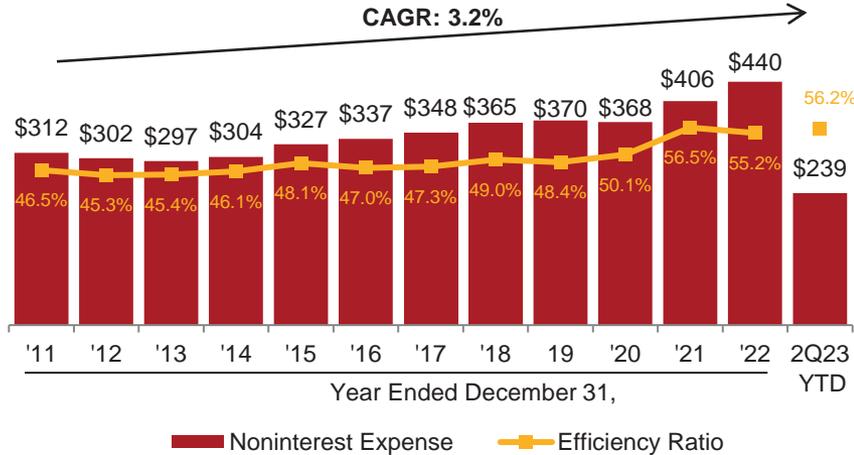
Note: Financial data as of 30-Jun-2023

## Loan Portfolio Highlights (as of 6/30/23)

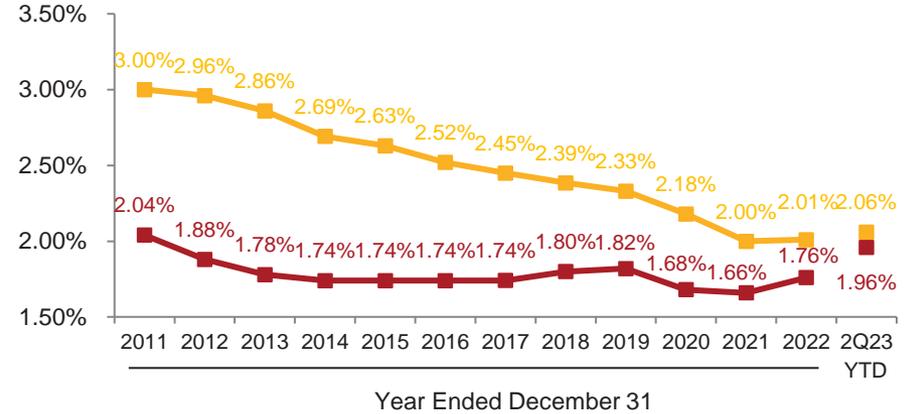
- Largest Hawaii-based lender
- Balanced Portfolio
  - 54% Commercial, 46% Consumer
  - 75% Hawaii/Guam/Saipan, 24% Mainland
- Commercial
  - Hawaii's leading commercial bank with most experienced lending team.
    - Average commercial loan officer experience > 25 years
  - 56% Hawaii/Guam/Saipan, 44% Mainland
  - \$1,765 mm Shared National Credit portfolio
    - Participating in SNC lending for over 20 years
    - 23% Hawaii-based, 77% 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

# DEMONSTRATED HISTORY OF DISCIPLINED EXPENSE MANAGEMENT

## Well Managed Noninterest Expense (\$mm)

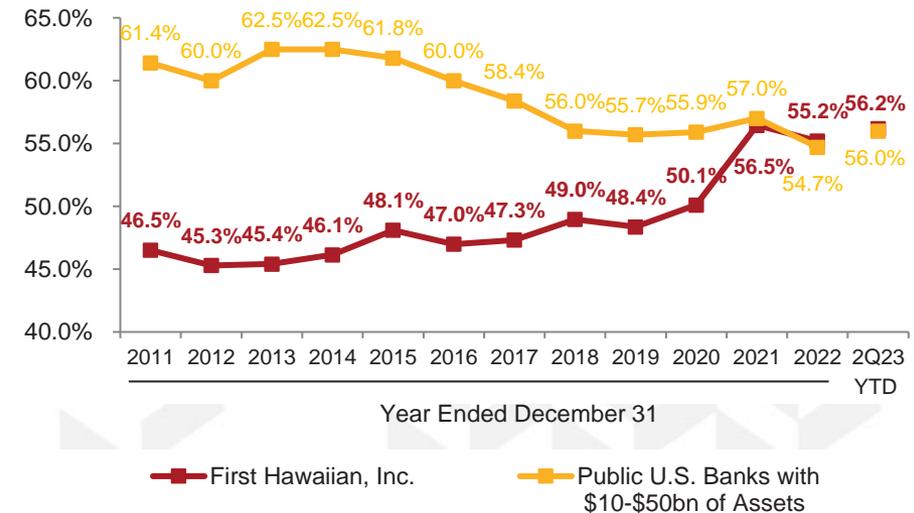


## Noninterest Expense / Average Assets



- 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
- Increase in 2023 expenses includes impact of industry-wide impact of increase in FDIC assessment fee, estimated to be \$4 - \$5 mm
- FDIC special assessment to replenish deposit insurance fund expected to be a late 2023 / early 2024 event

## Efficiency Ratio

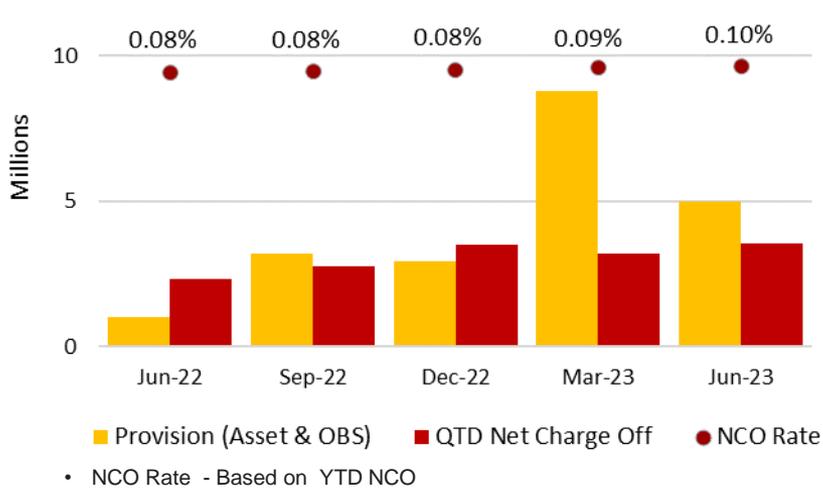


Source: Public filings and S&P Global Capital IQ, as of 17-Aug-2023  
 Note: Financial data as of 30-Jun-2023. \$10-\$50bn banks constituted as of 31-Dec-2022; excludes merger targets.

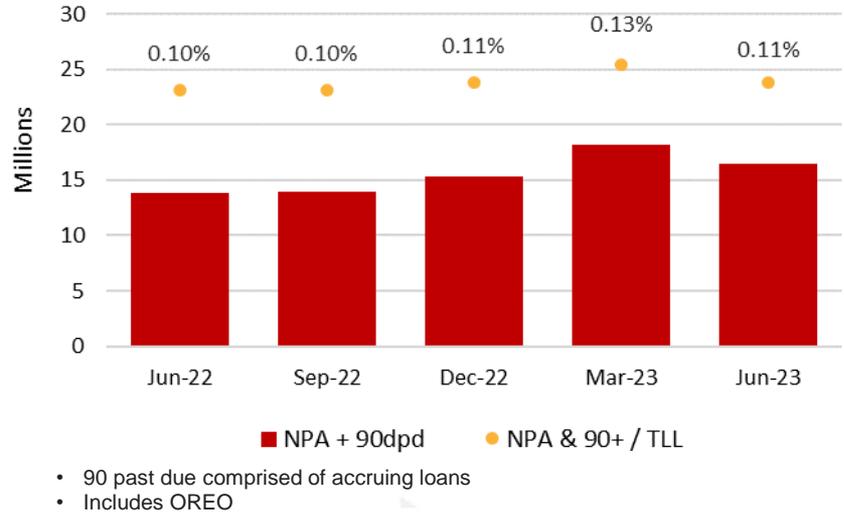
# ASSET QUALITY

## CONTINUED STRONG CREDIT PERFORMANCE

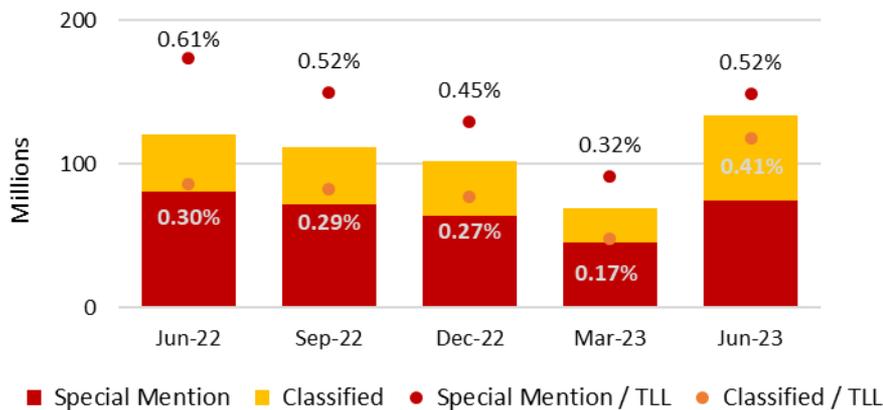
### Provision, NCO and NCO Rate



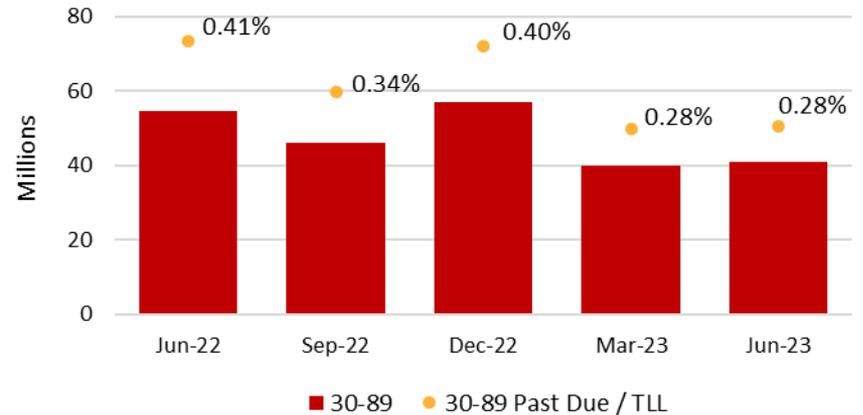
### NPA and 90 Past Due



### Commercial Criticized Assets



### 30-89 Past Due



Note: TLL - Total Loans and Leases

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

# COMMERCIAL REAL ESTATE

As of 6/30/23  
(In \$ Millions)

Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	800	18.6%	59.3%	5.8%
Hotel	435	10.1%	53.2%	0.0%
Retail	776	18.1%	62.1%	0.7%
Multi-family	813	19.0%	56.3%	0.6%
Industrial	637	14.9%	58.4%	2.7%
Dealer Related	447	10.4%	69.1%	0.0%
Other	382	8.9%	58.4%	0.5%
<b>Total</b>	<b>4,291</b>	<b>100.0%</b>	<b>59.4%</b>	<b>1.8%</b>

The CRE portfolio continues to be well diversified across property types, well secured with a weighted average LTV of 59.4% and criticized rate of 1.8%.

- Office exposure in CRE represents about 5.6% of total loans and leases
- 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

# COMMERCIAL & INDUSTRIAL

As of 6/30/23  
(In \$ Millions)

Property Type	Balances	% of Balances	% Criticized
Auto Dealers	626	28.6%	0.0%
Retail	-	0.0%	0.0%
Hospitality/Hotel	73	3.4%	0.5%
Food Service	49	2.3%	4.8%
Transportation	51	2.3%	2.8%
Other	1,388	63.4%	3.8%
<b>Total</b>	<b>2,188</b>	<b>100.0%</b>	<b>2.6%</b>

Industries deemed to exhibit higher volatility represent a modest amount of total C&I exposure and dealer related credits represent about 29% of total C&I inclusive of \$489 million in flooring balances.

# CONSTRUCTION

As of 6/30/23  
(In \$ Millions)

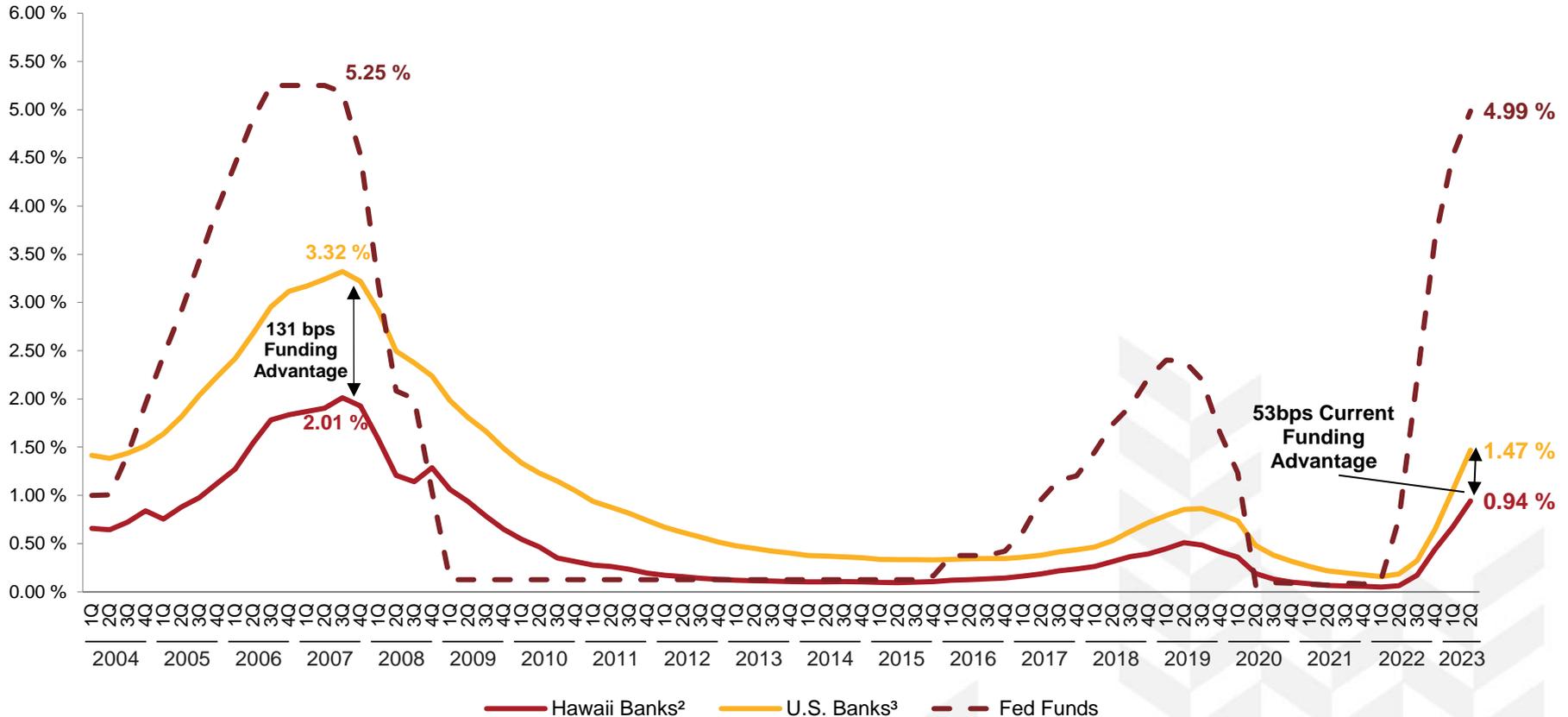
Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	60	6.6%	47.9%	0.0%
Hotel	56	6.2%	49.5%	0.0%
Retail	20	2.2%	63.3%	0.0%
Multi-family	425	46.4%	54.8%	0.0%
Industrial	79	8.7%	51.0%	0.0%
Dealer Related	97	10.6%	83.5%	0.0%
Other	177	19.3%	60.5%	0.1%
<b>Total</b>	<b>914</b>	<b>100.0%</b>	<b>58.0%</b>	<b>0.0%</b>

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

# 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 ~18% vs. ~27% for broader U.S. banks during the current rising rate cycle*



Source: S&P Global 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 (1Q22) to current (2Q23).

<sup>(2)</sup> Includes First Hawaiian, Bank of Hawaii, American Savings, Central Pacific, Territorial Bancorp, Hawaii National. 2Q23 cost of deposits based on publicly available company reported information.

<sup>(3)</sup> Includes all U.S. bank holding companies excluding Hawaii-based banks. 2Q23 cost of deposits based on publicly available company reported information.

# GAAP TO NON-GAAP RECONCILIATIONS



*Return on average tangible assets, return on average tangible stockholders' equity, tangible book value per share, tangible stockholders' equity to tangible assets and pre-tax, pre-provision earnings are non-GAAP financial measures. 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 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 tangible book value per share as the ratio of tangible stockholders' equity to outstanding shares. Tangible stockholders' equity is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our total stockholders' equity. 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. Pre-tax, pre-provision earnings are calculated by subtracting (and thereby effectively excluding) the provision for credit losses from our income before provision for income taxes. 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)	For the Three Months Ended			For the Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Income Statement Data:</b>					
Net income	\$ 62,442	\$ 66,818	\$ 59,360	\$ 129,260	\$ 117,079
Average total stockholders' equity	\$ 2,344,285	\$ 2,299,422	\$ 2,262,654	\$ 2,321,977	\$ 2,404,471
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,348,793	\$ 1,303,930	\$ 1,267,162	\$ 1,326,485	\$ 1,408,979
Average total assets	\$ 24,821,486	\$ 24,548,124	\$ 25,250,176	\$ 24,685,560	\$ 25,165,783
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 23,825,994	\$ 23,552,632	\$ 24,254,684	\$ 23,690,068	\$ 24,170,291
Return on average total stockholders' equity <sup>(1)</sup>	10.68 %	11.78 %	10.52 %	11.23 %	9.82 %
Return on average tangible stockholders' equity (non-GAAP) <sup>(1)</sup>	18.57 %	20.78 %	18.79 %	19.65 %	16.76 %
Return on average total assets <sup>(1)</sup>	1.01 %	1.10 %	0.94 %	1.06 %	0.94 %
Return on average tangible assets (non-GAAP) <sup>(1)</sup>	1.05 %	1.15 %	0.98 %	1.10 %	0.98 %
<b>Balance Sheet Data:</b>					
(dollars in thousands, except shares outstanding and per share amounts)	As of June 30, 2023	As of March 31, 2023	As of December 31, 2022	As of June 30, 2022	
Total stockholders' equity	\$ 2,359,738	\$ 2,329,012	\$ 2,269,005	\$ 2,252,611	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible stockholders' equity	\$ 1,364,246	\$ 1,333,520	\$ 1,273,513	\$ 1,257,119	
Total assets	\$ 24,511,566	\$ 24,884,207	\$ 24,577,223	\$ 25,377,533	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible assets	\$ 23,516,074	\$ 23,888,715	\$ 23,581,731	\$ 24,382,041	
Shares outstanding	127,608,037	127,573,680	127,363,327	127,451,087	
Total stockholders' equity to total assets	9.63 %	9.36 %	9.23 %	8.88 %	
Tangible stockholders' equity to tangible assets (non-GAAP)	5.80 %	5.58 %	5.40 %	5.16 %	
Book value per share	\$ 18.49	\$ 18.26	\$ 17.82	\$ 17.67	
Tangible book value per share (non-GAAP)	\$ 10.69	\$ 10.45	\$ 10.00	\$ 9.86	

<sup>(1)</sup> Annualized for the three and six months months ended June 30, 2023 and 2022, and three months ended March 31, 2023.

# 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.