
**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 13, 2023

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:
Common Stock, par value \$0.01 per share

Trading Symbol(s)
FHB

Name of each exchange on which registered:
NASDAQ Global Select Market

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.

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 months of November and December in fiscal year 2023. 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	Presentation Materials
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

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

FIRST HAWAIIAN, INC.

Date: November 13, 2023

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



Investor Presentation

November / December,
2023



Forward-Looking Statements

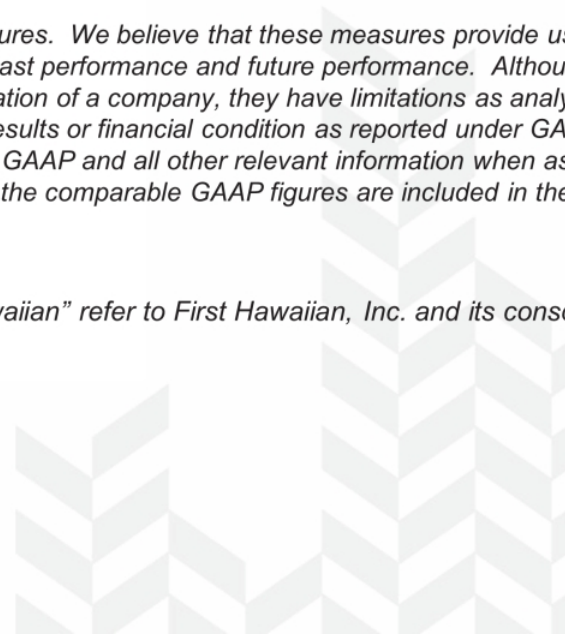
This presentation contains, and from time-to-time in connection with this presentation our management may make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our view with respect to, among other things, future events and our financial performance. These statements are often, but not always, qualified by the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would,” “annualized,” and “outlook,” or the negative version of these words or comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, but rather, they are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made and any such forward-looking statements are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Our 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 global economic environment and capital market conditions and other risk factors, can be found in our SEC filings, including 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, June 30, and September 30, 2023, which are available on our website (www.fhb.com) and the SEC’s website (www.sec.gov). Each forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by 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 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 evaluating our performance or financial condition. The reconciliation of such measures to the comparable GAAP figures are included in the presentation.

Other

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



▶ Q3 2023 FINANCIAL HIGHLIGHTS¹



	Q3 2023	Q2 2023
Net Income (\$mm)	\$58.2	\$62.4
Diluted EPS	\$0.46	\$0.49
Net Interest Margin	2.86%	2.91%
Efficiency Ratio	58.3%	58.0%
ROA / ROATA ²	0.93% / 0.97%	1.01% / 1.05%
ROE / ROATCE ²	9.76% / 16.84%	10.68% / 18.57%
Tier 1 Leverage Ratio	8.45%	8.30%
CET1 Capital Ratio	12.21%	12.05%
Total Capital ratio	13.38%	13.17%
Dividend ³	\$0.26 / share	\$0.26 / share

- Net income \$58.2 mm
- Total loans and leases declined \$1.1 billion
- Total deposits increased \$433.3 million
- Cost of deposits: 1.40%
- Total cost of funds: 1.49%
- Net interest margin declined 5 bps
- Excellent credit quality. Recorded \$1.1 billion provision expense
- Well capitalized: 12.21% CET1 ratio
- Declared \$0.26 / share dividend

(1) Comparisons to Q2 2023

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

(3) Declared on October 18, 2023. Payable December 1, 2023 to shareholders of record at close of business on November 20, 2023.

▶ BALANCE SHEET HIGHLIGHTS



\$ in millions	9/30/23	6/30/23
Assets		
Cash and Cash Equivalents ¹	\$ 1,213.4	\$ 558.1
Investment Securities - AFS	2,722.7	2,909.4
Investment Securities - HTM	4,104.1	4,180.4
Loans and Leases	14,332.3	14,362.8
Total Assets	24,912.5	24,511.6
Liabilities		
Deposits	\$21,511.5	\$21,078.2
Short-term borrowings	500.0	-
Long-term borrowings	-	500.0
Total Stockholders' Equity	2,351.0	2,359.7

Comments
<ul style="list-style-type: none"> • Solid balance sheet with strong liquidity <ul style="list-style-type: none"> ○ Cash and cash equivalents increased at end of quarter in anticipation of deposit outflows ○ Loan/deposit ratio: 67% ○ \$8.3 bn of available liquidity • Investment portfolio duration remained at 5.5 yrs at 9/30/23

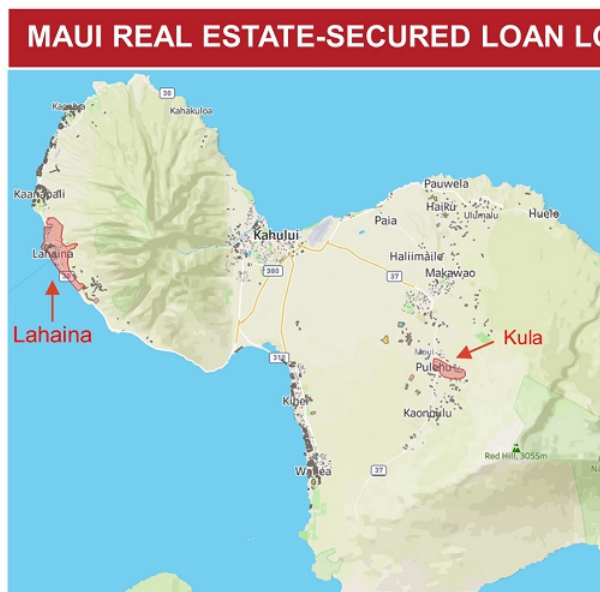
¹ Includes Cash and due from banks and Interest-bearing deposits in other banks



▶ MAUI UPDATE



MAUI REAL ESTATE-SECURED LOANS				
\$ million (9/30/23)	Lahaina	Kula	All Other Areas	Maui Total
CRE	23.7	7.2	357.7	388.5
Construction	0.3	0.0	47.5	47.8
Residential				
1 st position (includes HELOCS behind FHB 1 st)	57.2	21.0	990.4	1,068.6
Subordinate position	3.6	2.8	99.8	106.2
Total	84.7	31.0	1,495.3	1,611.1



MAUI C&I COMMITMENTS	
	\$ million (9/30/23)
Maui-based firms	14.8

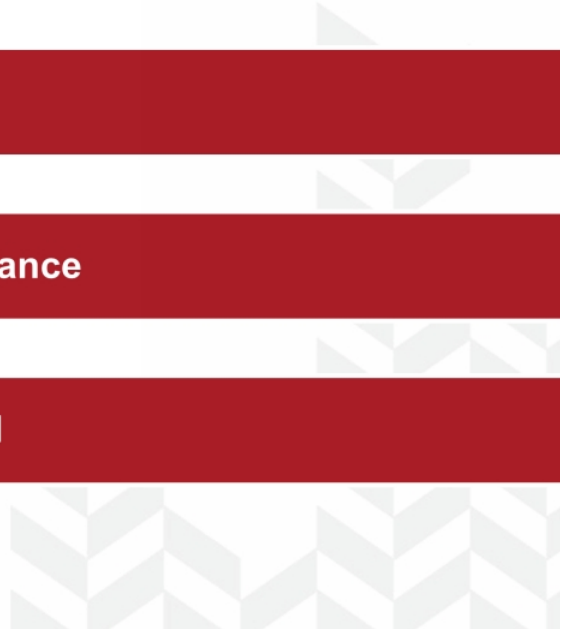
MAUI CONSUMER LOANS	
	\$ million (9/30/23)
Direct and Indirect Auto	68.8
Credit Card	12.8
All Other Consumer	11.2

- ### COMMENTS
- Lahaina and Kula were the primary populated areas affected by wildfires.
 - Fire insurance on residential mortgages requires coverage to be placed if necessary.
 - Expect modest expenses attributable to Maui fire restoration.
 - FHB has no loans outstanding to the electric utility.
 - Relief program included the waiver of ATM fees, payment deferral and late payment fee waivers.

▶ 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

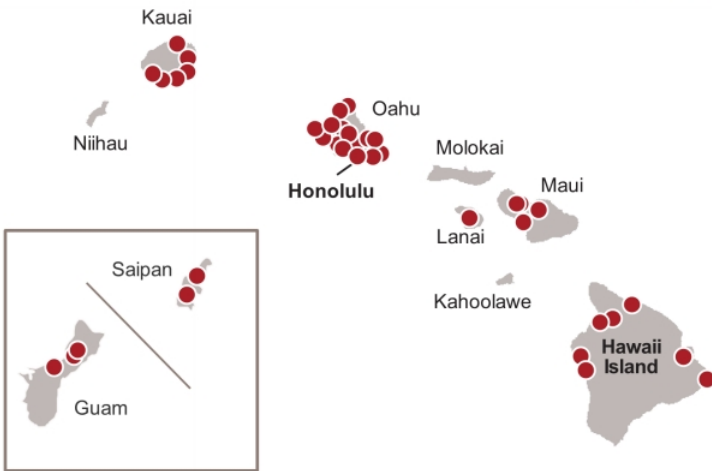


STRONG PERFORMER IN ATTRACTIVE MARKET



Branch Presence

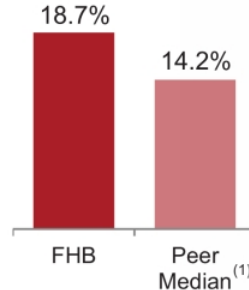
50 branches



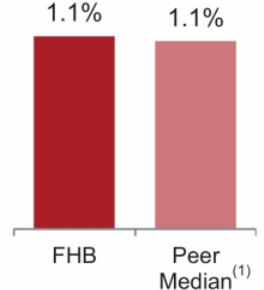
Financial Overview – 3Q 2023 (\$ b)

Market Cap	\$2.5	Loans
Assets	\$ 24.9	Deposits

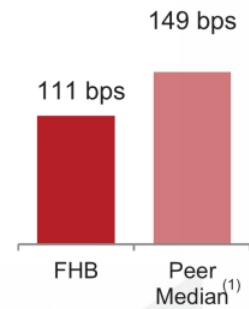
ROATCE^(2,5)



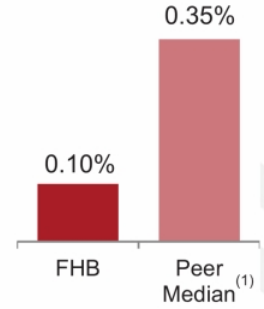
ROATA^(2,5)



Cost of Deposits⁽⁵⁾



NALs / Loans



Company Highlights

- ✓ Oldest and largest Hawaii-based bank
- ✓ Full-service community bank with complete suite of products & services
- ✓ Largest combined deposit base in Hawaii, Guam and Saipan⁽⁴⁾
- ✓ Largest Hawaii-based lender
- ✓ \$18.2 bn assets under administration as of 3Q23
- ✓ Proven through the cycle and outstanding operating performance

Source: Public filings and S&P Global Capital IQ as of 03-Nov-2023

Note: Financial data as of 30-Sep-2023. Market data as of 03-Nov-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 F provided in the appendix.

(3) Dividend yield based on dividend paid in 3Q 2023 and closing market price as of 03-Nov-2023.

(4) Deposit market share based on FDIC data as of 30-Jun-2023.

(5) Annualized for the nine months ended September 30, 2023

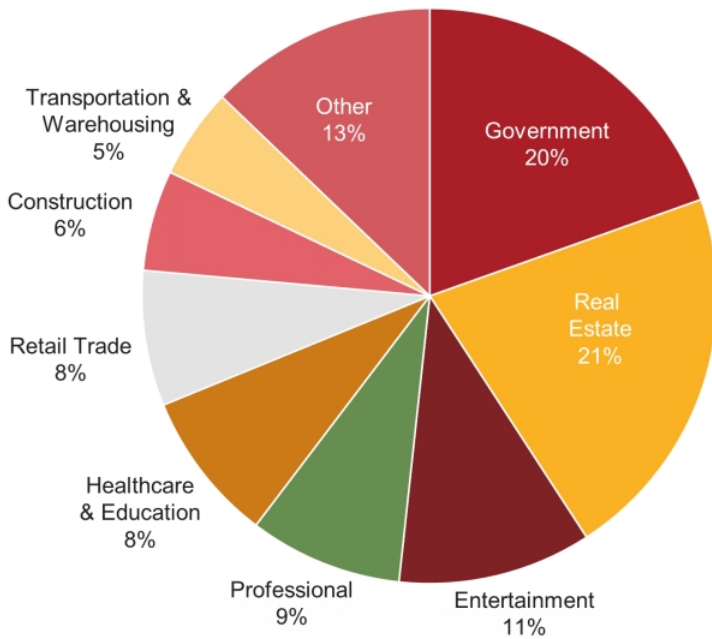
(6) For the nine months ended September 30, 2023

HAWAII IS AN ATTRACTIVE MARKET WITH STRONG ECONOMIC FUNDAMENTALS



Hawaii GDP by Industry (2022)⁽¹⁾

Visitor spending is ~19% of Hawaii GDP⁽²⁾



Fundamental Strengths

- Attractive destination for domestic and international travelers
 - Attractive alternative for travelers concerned about international travel
 - Well-developed visitor industry and infrastructure
 - High quality medical care
- Strategically important
 - Headquarters of US Indo-Pacific Command and regional component commands for the Navy, Air Force, Marines
 - Estimated total defense spending in 2022: \$8.8bn ⁽³⁾
 - Defense spending is 8.9% of Hawaii's GDP
 - Over 48.5k active duty and reserve personnel stationed in Hawaii
 - 20k civilian employees⁽³⁾

⁽¹⁾ US Bureau of Economic Analysis

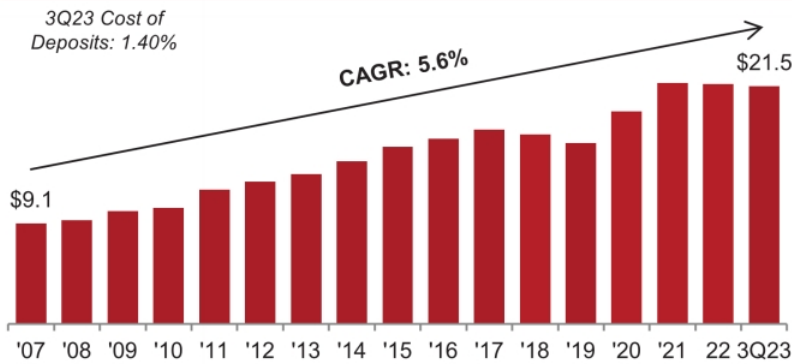
⁽²⁾ Based on \$19.3bn of 2022 visitor spending according to Hawaii Department of Business, Economic Development and Tourism.

⁽³⁾ defenseeconomy.hawaii.gov

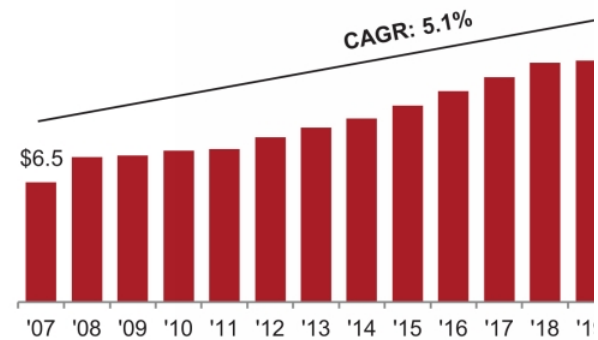
STRONG PERFORMANCE THROUGH THE CYCLE



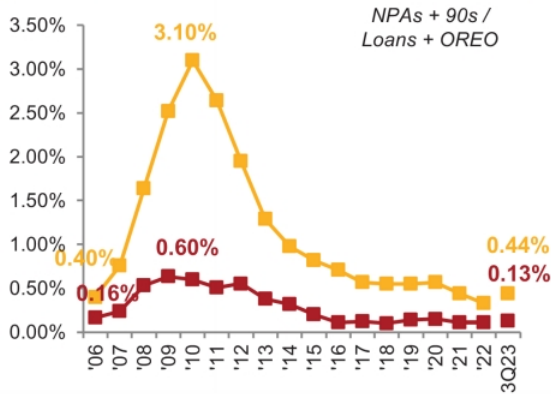
Consistent Deposit Growth (\$bn)



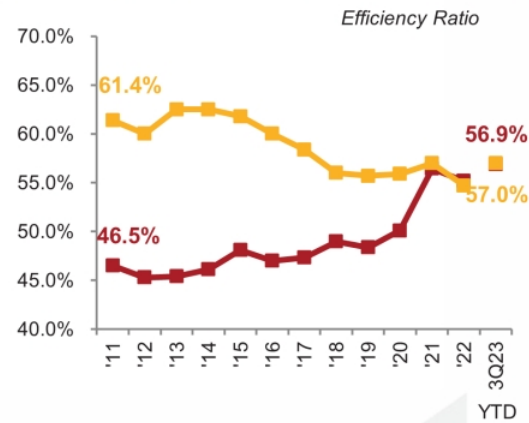
Steady, Balanced Loan Growth



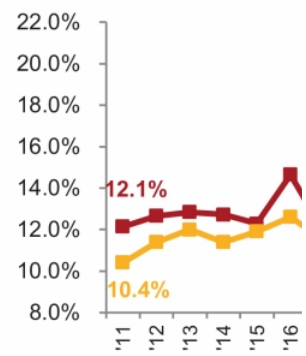
Through the Cycle Credit Performer



Strong Expense Mgmt. Culture



Strong Profit



— First Hawaiian, Inc.

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

Source: Public filings and S&P Global Capital IQ as of 03-Nov-2023

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

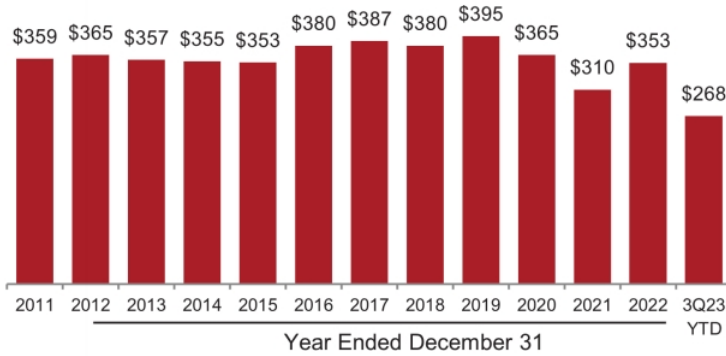
(1) ROATCE (Return on Average Tangible Common Equity) is a non-GAAP financial measure. A reconciliation to the comparable FHB GAAP measure is provided in the app

CONSISTENT TRACK RECORD OF STRONG PROFITABILITY



Consistent PTPP Earnings

Pre-Tax, Pre-Provision Earnings (\$mm)⁽¹⁾

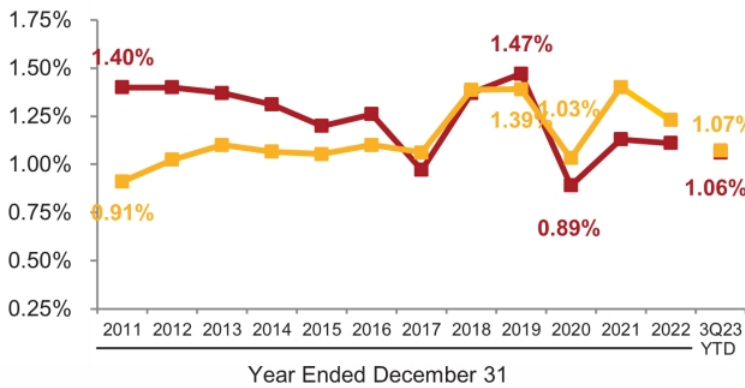


Stable Earnings Drivers

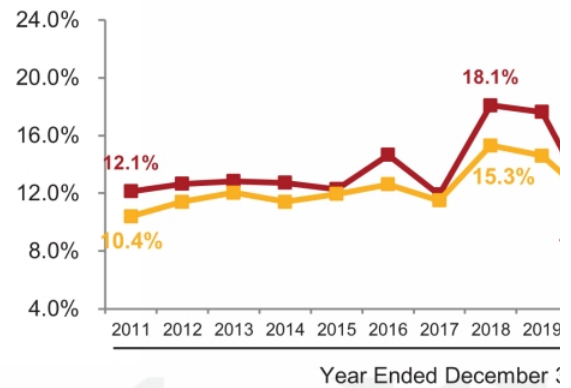
- Dominant loan and deposit positions markets
- Consistent underwriting standards w performance through the credit cycle
- Demonstrated history of disciplined management

Consistent History of Strong Profitability

ROATA⁽¹⁾



ROATCE⁽¹⁾



■ First Hawaiian, Inc.

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

Source: Public filings and S&P Global Capital IQ, as of 03-Nov-2023

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

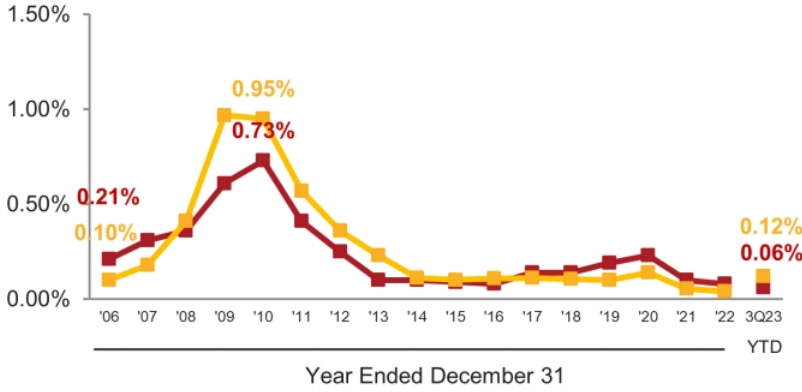
(1) Pre-Tax, Pre-Provision Earnings, ROATA (Return On Average Tangible Assets) and ROATCE (Return On Average Tangible Common Equity) are non-GAAP financial measures. A record comparable FHB GAAP measures is provided in the appendix.

PROVEN, CONSISTENT, AND CONSERVATIVE CREDIT RISK MANAGEMENT

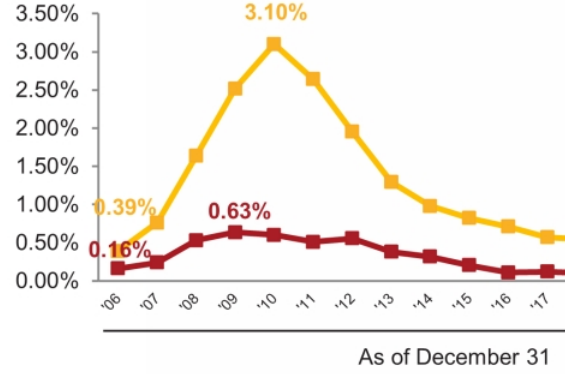


Strong through the cycle credit performance driven by conservative approach to credit risk management

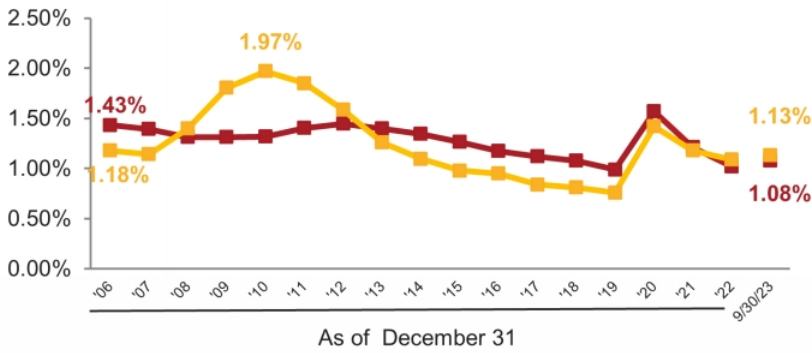
NCOs / Average Loans



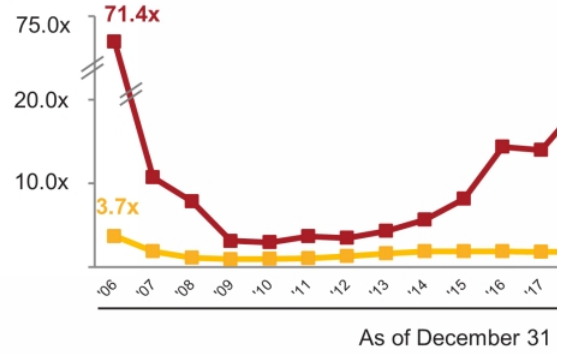
NPAs + 90s / Loans + ORE



Reserves / Loans



Reserves / Non-Accrual Loans



■ First Hawaiian, Inc.

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

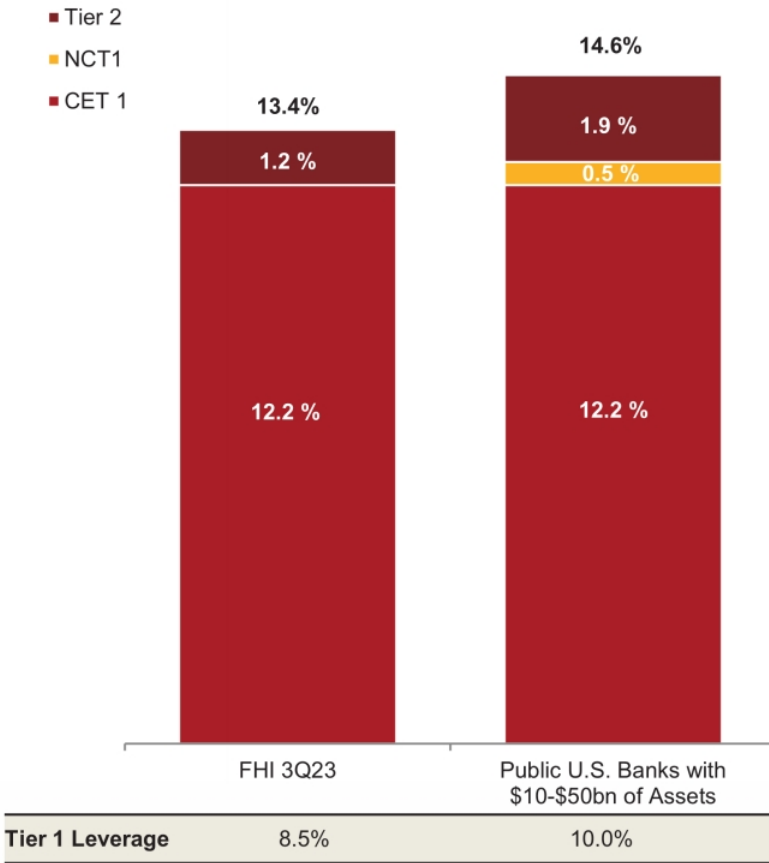
Source: Public filings and SNL Financial, available as of 03-Nov-2023

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

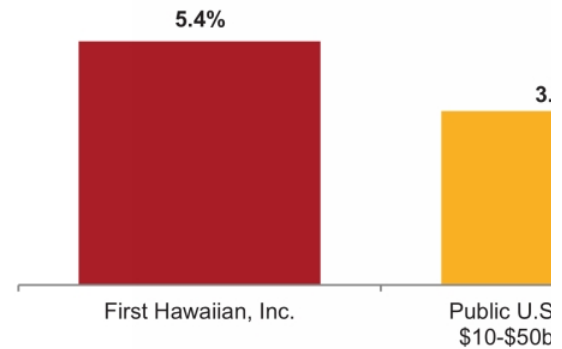
WELL-CAPITALIZED WITH AN ATTRACTIVE DIVIDEND



Robust Capital Position



Attractive Dividend Yield⁽¹⁾



Capital Management Approach

- Retain sufficient earnings to support I maintain strong capital levels
- Return excess capital through dividend repurchases
- Stock repurchase authorization for up common stock during 2023
- Held dividend at \$0.26/share in 3Q 2023
- No shares repurchased YTD through 3Q 2023

Source: Public filings and S&P Global Capital IQ as of 03-Nov-2023

Note: Financial data as of 30-Sep-2023. \$10-\$50bn banks constituted as of 31-Dec-2022, excludes merger targets. Percentages may not total due to rounding.

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

⁽²⁾ Dividend yield (MRQ) based on 3Q 2023 paid dividend and market data as of 03-Nov-2023.



APPENDIX

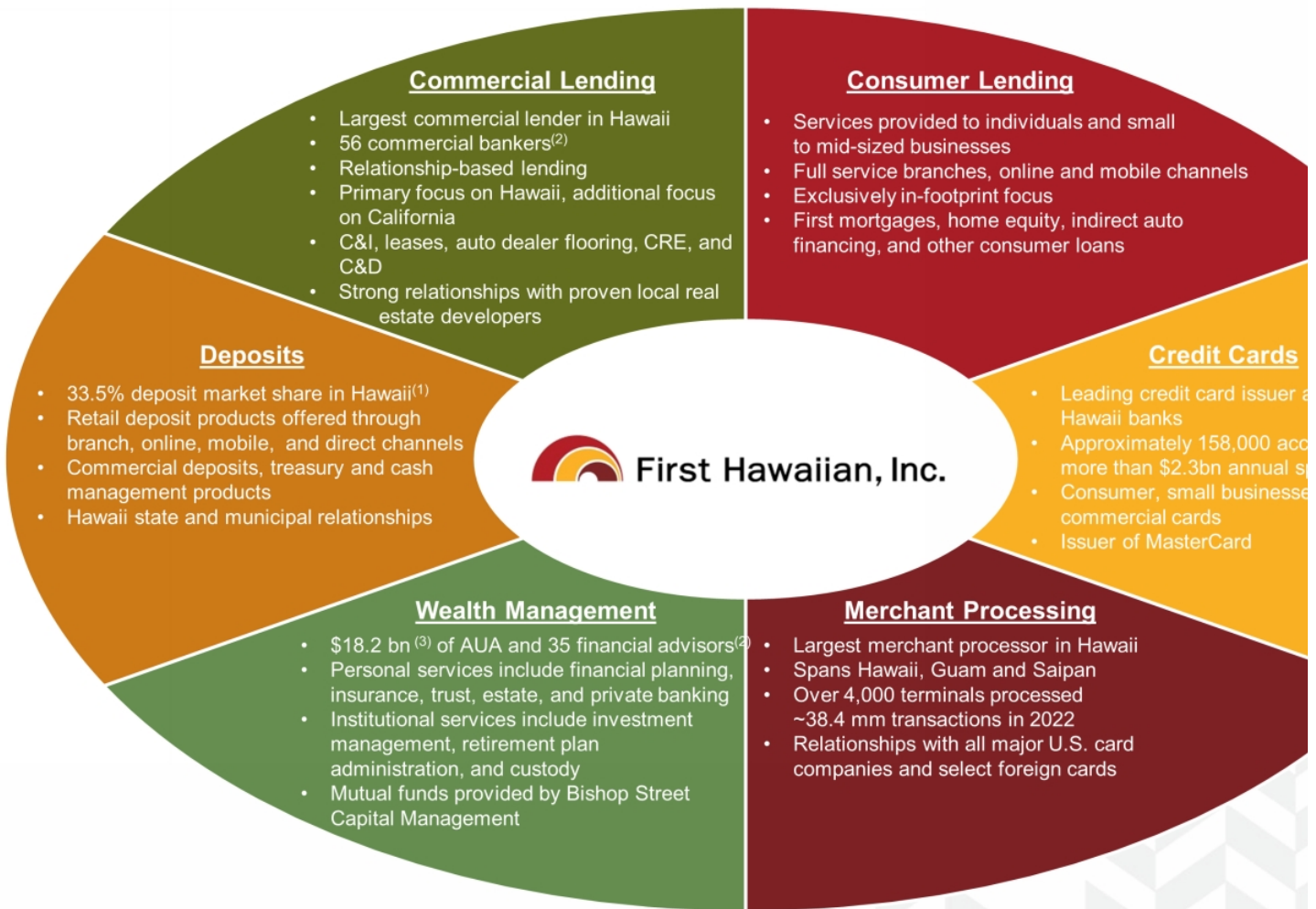


First Hawaiian, Inc.

FULL SUITE OF PRODUCTS AND SERVICES



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



(1) Source: FDIC as of 30-Jun-2023

(2) As of 31-Dec-2022

(3) As of 30-Sep-2023

A LEADER IN HAWAII



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

	First Hawaiian, Inc.	Bank of Hawaii	AMERICAN Savings Bank
Branches	50	51	35
FTEs	2,087	1,919	989
Assets (\$bn)	24.9	23.5	9.7
Loans (\$bn)	14.3	13.9	6.2
Deposits (\$bn)	21.5	20.8	8.2
YTD 2023 ROATCE ⁽¹⁾	18.7%	15.8%	16.4%
YTD 2023 ROATA ⁽¹⁾	1.06%	0.78%	0.70%
Loan Portfolio			
Deposit Portfolio			
Hawaii Deposits²			
Balance (\$bn)	\$19.4	\$19.4	\$8.2
Share	33.5%	33.5%	14.2%

Sources: FDIC, SEC and company filings. Company filings and public information used for peers where available, otherwise regulatory data used.

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

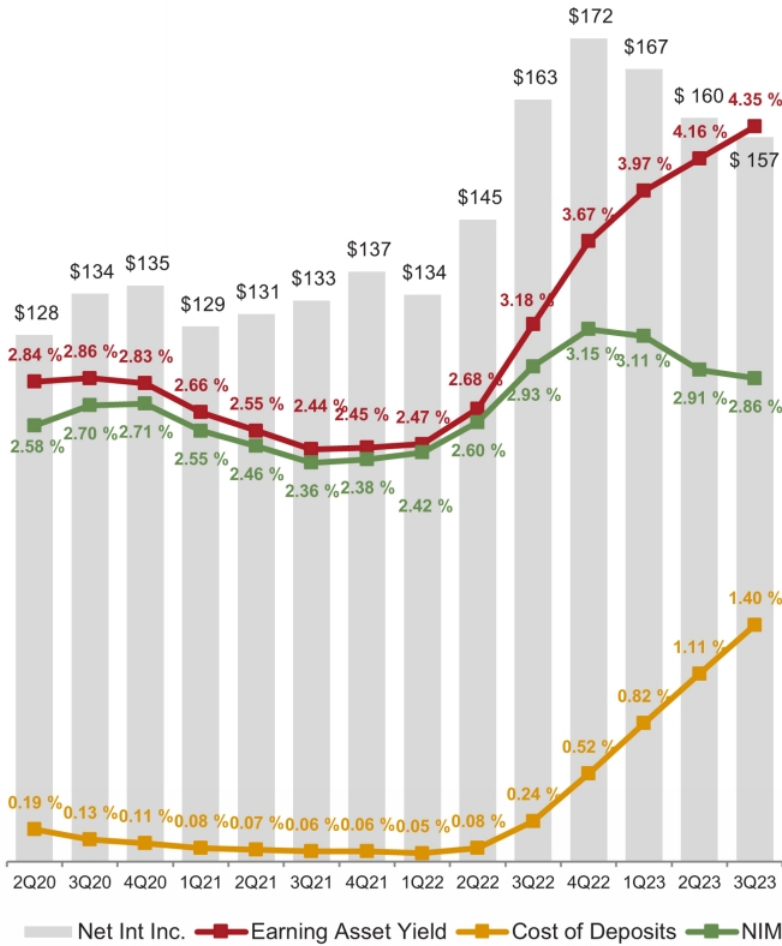
(1) ROATCE (return on average tangible common equity) and ROATA (return on average tangible assets) are non-GAAP financial measures. Reconciliations to the comparable FHB GAAP in the appendix.

(2) Deposit market share based on FDIC data as of 30-Jun-2023

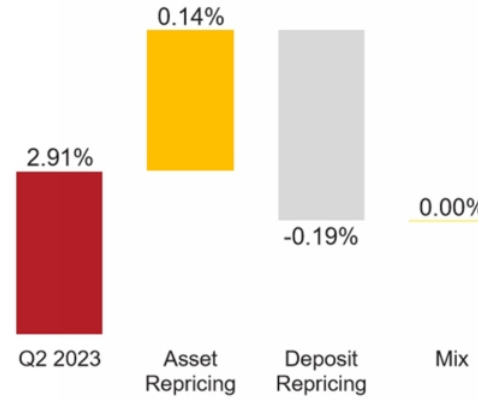
WELL POSITIONED FOR HIGHER FOR LONGER RATE ENVIRONMENT



5 bp NIM decrease in Q3



Q2 '23 – Q3 '23 NIM Wa



Well-Matched Balance SI

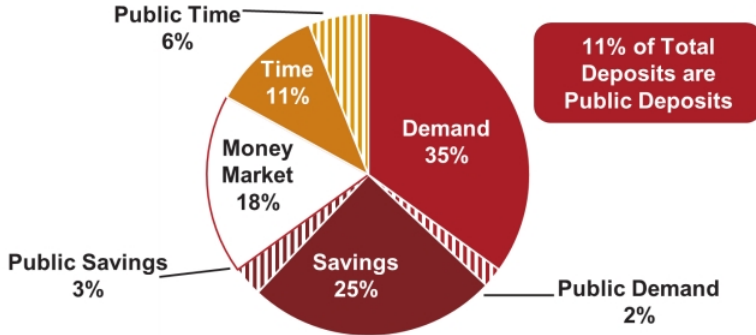
- Approximately \$6.0 bn, or 42% of the reprices within 90 days
- Well-structured investment portfolio w extension risk
- Stable, low-cost deposit base
- Hawaii has experienced lower deposit lower deposit beta in previous rate cyc

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

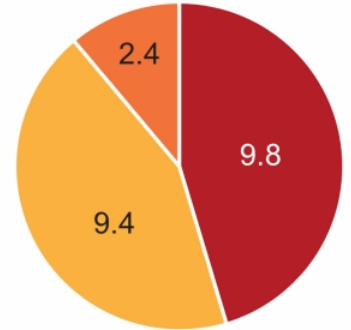
Deposit Portfolio Composition (as of 9/30/23)



Deposits: \$21.5 bn
3Q23 Cost of Deposits: 1.40%

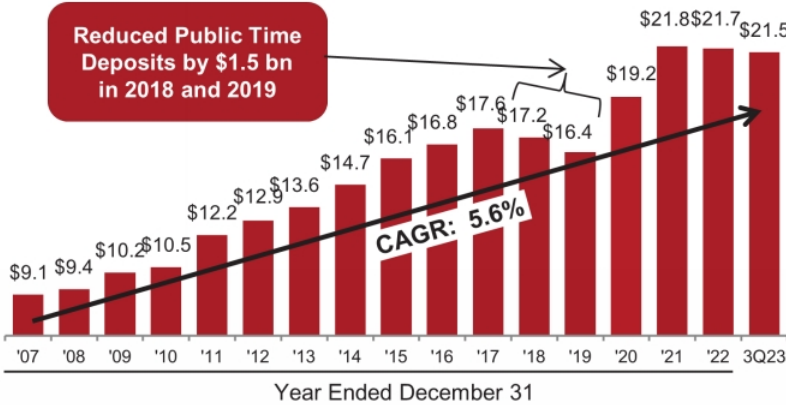
Deposits Well-Balanced Between Retail

(\$ billions)
at 9/30/23



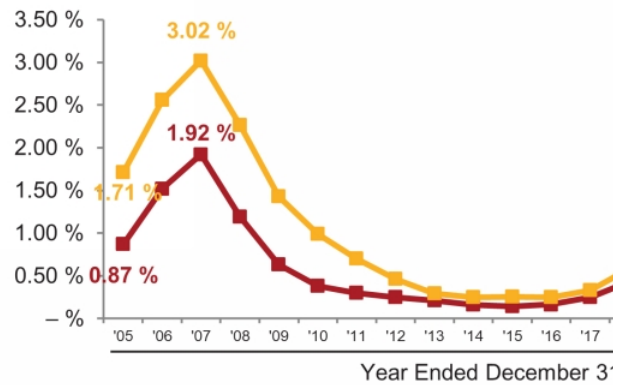
■ Retail ■ Commercial ■ Public

Consistent Deposit Growth (\$bn)



Reduced Public Time Deposits by \$1.5 bn in 2018 and 2019

Best-in-Class Cost of Deposits



■ First Hawaiian, Inc. ■ Public U.S. Banks with Assets of \$10-\$50bn

Source: Public filings and S&P Global Capital IQ, as of 03-Nov-2023

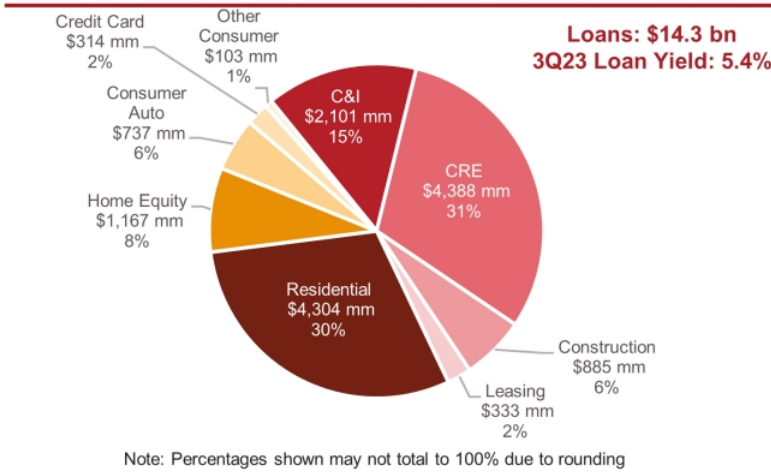
Note: Financial data as of 30-Sep-2023. \$10-\$50bn banks constituted as of 31-Dec-2022; excludes merger targets.

STEADY ORGANIC GROWTH AND BALANCED LOAN PORTFOLIO

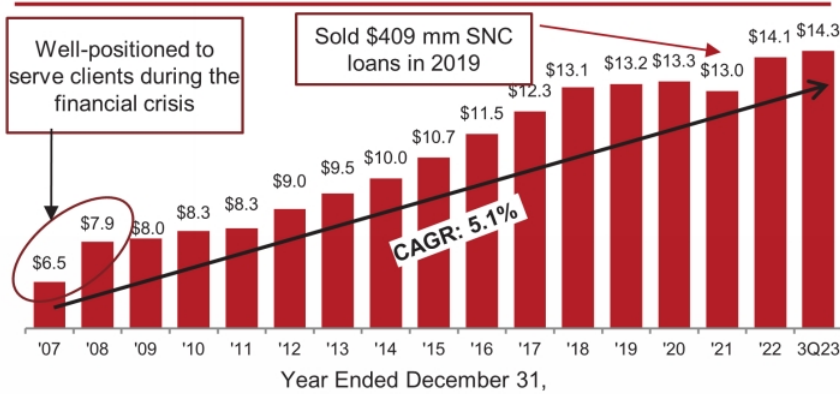


*Steady through the cycle organic loan growth and balanced loan portfolio
Expect low to mid-single digit loan growth in 2023*

Balanced Loan Portfolio (as of 9/30/23)



Steady Loan Growth (\$bn)



Loans / Deposits	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	3Q23
Loans / Deposits	84%	78%	79%	69%	70%	68%	67%	69%	70%	76%	80%	69%	59%	62%	65%	67%	

Note: Financial data as of 30-Sep-2023

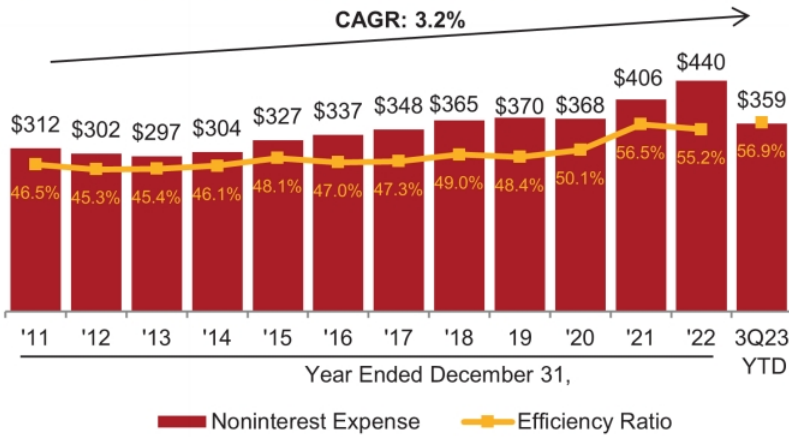
Loan Portfolio Highlights (as of 9/30/23)

- Largest Hawaii-based lender
- Balanced Portfolio
 - 54% Commercial, 46% Consumer
 - 76% Hawaii/Guam/Saipan, 24% Mainland
- Commercial
 - Hawaii's leading commercial bank with lending team.
 - Average commercial loan officer years
 - 56% Hawaii/Guam/Saipan, 44% Mainland
 - \$1,731 mm Shared National Credit portfolio
 - Participating in SNC lending for 10+ years
 - 23% Hawaii-based, 77% Mainland
 - Leading SBA lender Hawaii
 - SBA Lender of the Year (Category 2019, and 2021)
 - Leveraged SBA experience to qualify for program
 - Originated over 10k PPP loans for small businesses with principal balances in 2020 and 2021
- Consumer
 - Primarily a Prime and Super Prime lending
 - ~90% of portfolio collateralized
 - Financing consumer auto loans for over 10 years

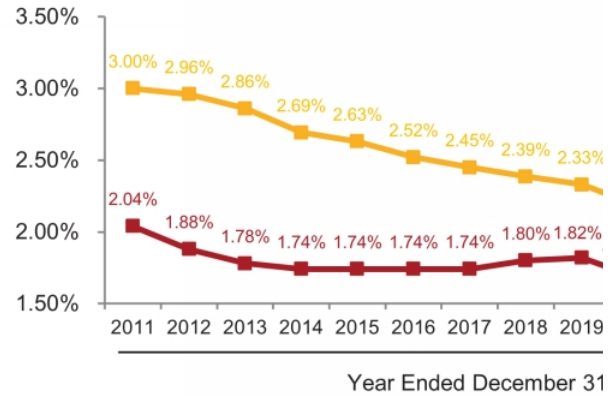
DEMONSTRATED HISTORY OF DISCIPLINED EXPENSE MANAGEMENT



Well Managed Noninterest Expense (\$mm)

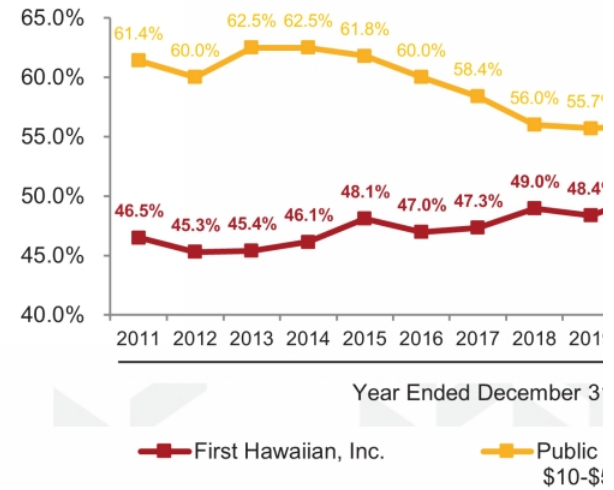


Noninterest Expense / Average Assets



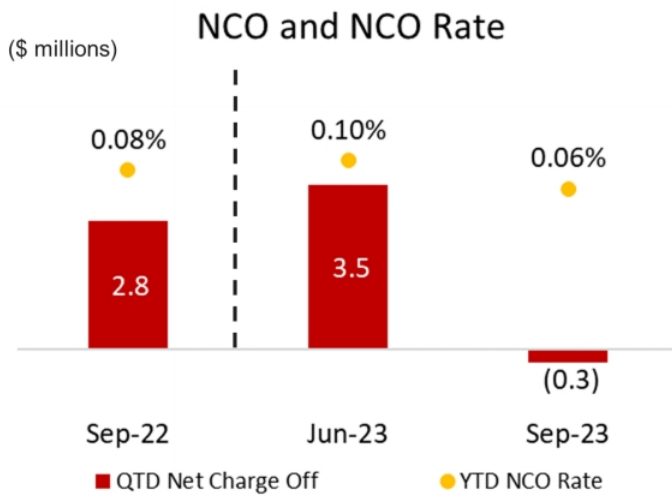
- Maintained expense discipline during pandemic
 - Very little expense growth from 2018 - 2020
- Increase in 2022 expenses driven by core system conversion expenses and new core system ongoing operating costs
- Increase in 2023 expenses includes impact of industry-wide impact of increase in FDIC assessment 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

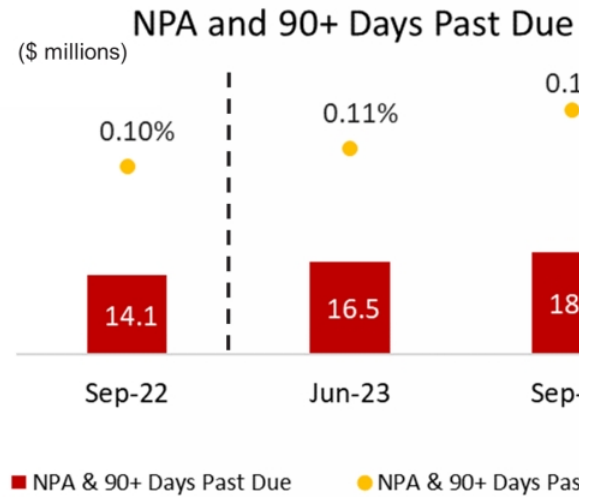


Source: Public filings and S&P Global Capital IQ, as of 03-Nov-2023
 Note: Financial data as of 30-Sep-2023. \$10-\$50bn banks constituted as of 31-Dec-2022; excludes merger targets.

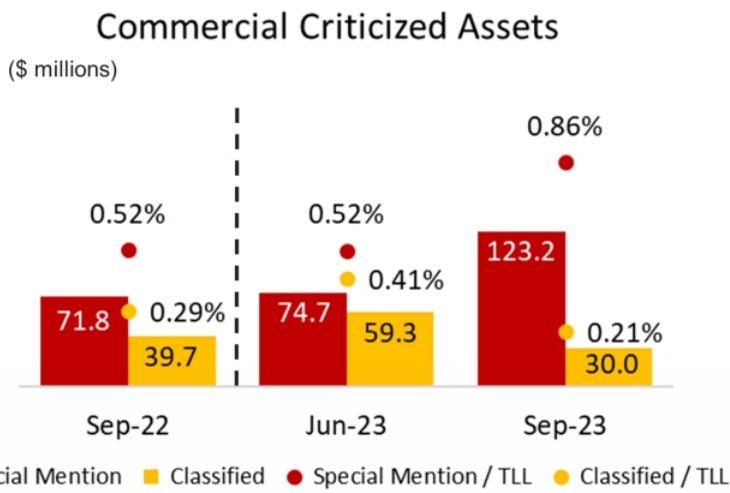
ASSET QUALITY



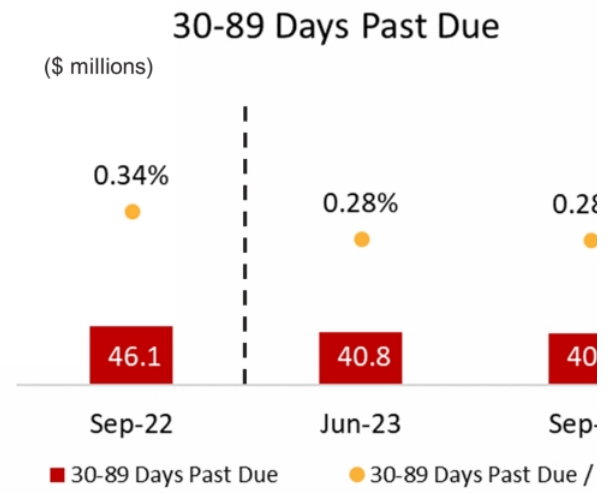
▪ YTD NCO Rate - Annualized YTD NCO/Avg Loans and Leases



▪ Includes OREO and 90+ days past due is comprised of accruing and non-accruing



▪ TLL - Total Loans and Leases



▪ 30-89 days past due is comprised of accruing and non-accruing

COMMERCIAL REAL ESTATE



As of 9/30/23
(In \$ Millions)

Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	783	17.9%	59.8%	1.7%
Hotel	400	9.1%	53.7%	0.0%
Retail	777	17.7%	62.1%	1.5%
Multi-family	920	21.0%	55.9%	5.4%
Industrial	642	14.6%	58.4%	2.7%
Dealer Related	448	10.2%	69.2%	0.0%
Other	418	9.5%	59.5%	0.6%
Total	4,388	100.0%	59.5%	2.2%

The CRE portfolio continues to be well diversified across property types, well-secured with average LTV of 59.5% and criticized rate of 2.2%.

- Office exposure in CRE represents approximately 5.5% of total loans and leases.
- Despite enduring a prolonged period of high vacancy, hotel loans continue to perform well reflecting the quality of sponsorship and underlying collateral.
- Retail properties are primarily comprised of grocery-anchored and smaller convenience
- The Bank continues to monitor the CRE book, focusing attention on investor real estate construction/development and office.

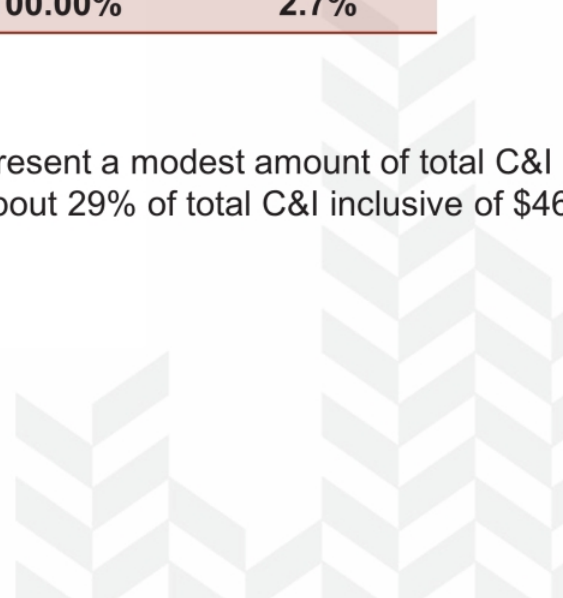
COMMERCIAL & INDUSTRIAL



As of 9/30/23
(In \$ Millions)

Property Type	Balances	% of Balances	% Criticized
Auto Dealers	611	29.1%	0.0%
Retail	-	0.0%	0.0%
Hospitality/Hotel	74	3.5%	0.4%
Food Service	48	2.3%	4.6%
Transportation	51	2.4%	2.6%
Other	1,317	62.7%	4.0%
Total	2,101	100.00%	2.7%

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 \$46 million in flooring balances.



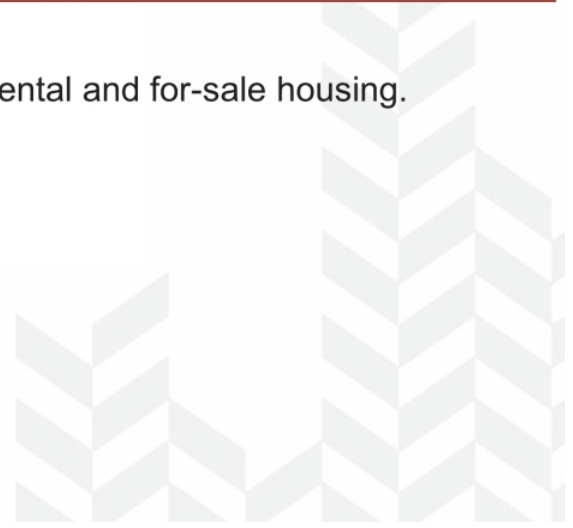
► CONSTRUCTION



As of 9/30/23
(In \$ Millions)

Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	67	7.6%	46.8%	0.0%
Hotel	50	5.7%	49.5%	0.0%
Retail	23	2.6%	58.0%	0.0%
Multi-family	433	48.9%	55.7%	0.0%
Industrial	84	9.5%	50.5%	0.8%
Dealer Related	96	10.8%	83.7%	0.0%
Other	132	14.9%	58.2%	0.1%
Total	885	100.0%	57.6%	0.1%

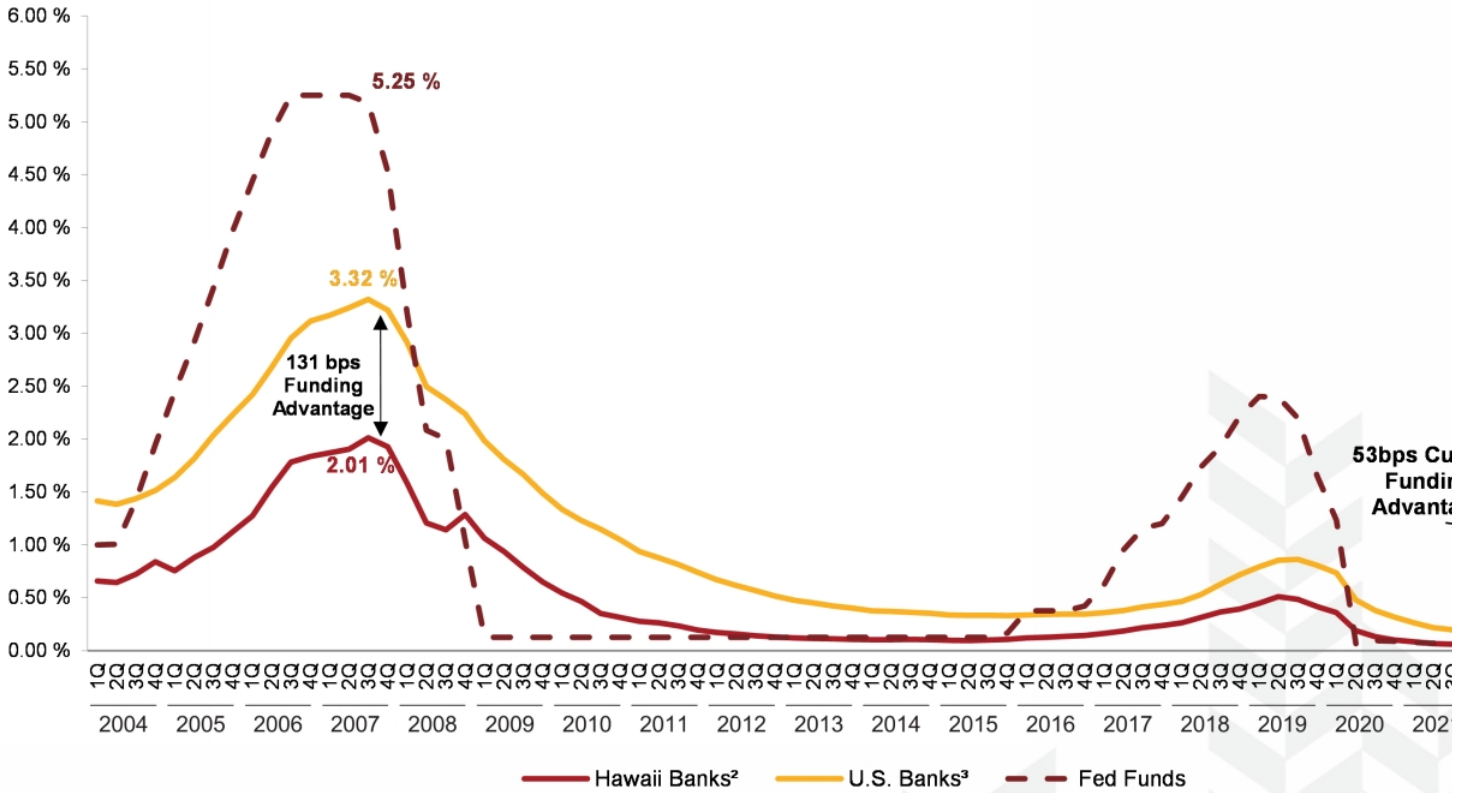
The construction book is largely centered in rental and for-sale housing.



HAWAII BANKS HAVE A SIGNIFICANT DEPOSIT ADVANTAGE



Hawaii banks experience more favorable deposit behavior across all rate cycles; Hawaii banks experience a deposit beta⁽¹⁾ of ~18% vs. ~27% for broader U.S. banks during the current rising rate cycle



Source: S&P Global and the Federal Reserve website

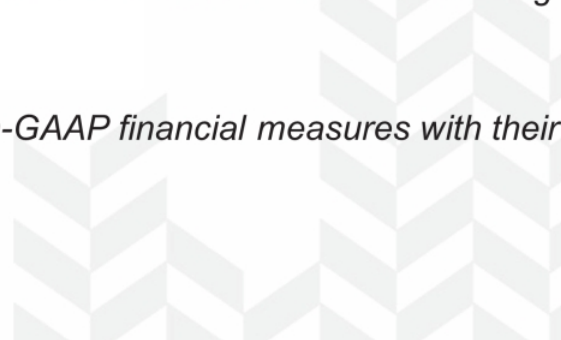
⁽¹⁾ Deposit beta is defined as the change in deposit costs as a percentage of the change in Fed Funds over a particular period. Deposit cost uses starting point (1Q22) to current period. ⁽²⁾ Includes First Hawaiian, Bank of Hawaii, American Savings, Central Pacific, Territorial Bancorp, Hawaii National. 2Q23 cost of deposits based on publicly available company reported information. ⁽³⁾ 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 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. Although these non-GAAP financial measures are useful for investors, regulators, management and others to evaluate 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 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 performance and capital adequacy.

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



GAAP TO NON-GAAP RECONCILIATION



(dollars in thousands)	For the Three Months Ended			For the Nine Months	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30 2023	
Income Statement Data:					
Net income	\$ 58,221	\$ 62,442	\$ 69,018	\$ 187,481	\$
Average total stockholders' equity	\$ 2,367,422	\$ 2,344,285	\$ 2,267,152	\$ 2,337,292	\$
Less: average goodwill	995,492	995,492	995,492	995,492	
Average tangible stockholders' equity	\$ 1,371,930	\$ 1,348,793	\$ 1,271,660	\$ 1,341,800	\$
Average total assets	\$ 24,727,893	\$ 24,821,486	\$ 24,957,042	\$ 24,699,826	\$
Less: average goodwill	995,492	995,492	995,492	995,492	
Average tangible assets	\$ 23,732,401	\$ 23,825,994	\$ 23,961,550	\$ 23,704,334	\$
Return on average total stockholders' equity ⁽¹⁾	9.76 %	10.68 %	12.08 %	10.72 %	
Return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾	16.84 %	18.57 %	21.53 %	18.68 %	
Return on average total assets ⁽¹⁾	0.93 %	1.01 %	1.10 %	1.01 %	
Return on average tangible assets (non-GAAP) ⁽¹⁾	0.97 %	1.05 %	1.14 %	1.06 %	

(dollars in thousands, except per share amounts)	As of September 30, 2023	As of June 30, 2023	As of December 31, 2022	As of September 30, 2022
Balance Sheet Data:				
Total stockholders' equity	\$ 2,351,009	\$ 2,359,738	\$ 2,269,005	\$ 2,200,651
Less: goodwill	995,492	995,492	995,492	995,492
Tangible stockholders' equity	\$ 1,355,517	\$ 1,364,246	\$ 1,273,513	\$ 1,205,159
Total assets	\$ 24,912,524	\$ 24,511,566	\$ 24,577,223	\$ 24,870,272
Less: goodwill	995,492	995,492	995,492	995,492
Tangible assets	\$ 23,917,032	\$ 23,516,074	\$ 23,581,731	\$ 23,874,780
Shares outstanding	127,609,934	127,608,037	127,363,327	127,357,680
Total stockholders' equity to total assets	9.44 %	9.63 %	9.23 %	8.85 %
Tangible stockholders' equity to tangible assets (non-GAAP)	5.67 %	5.80 %	5.40 %	5.05 %
Book value per share	\$ 18.42	\$ 18.49	\$ 17.82	\$ 17.28
Tangible book value per share (non-GAAP)	\$ 10.62	\$ 10.69	\$ 10.00	\$ 9.46

⁽¹⁾ Annualized for the three and nine months months ended September 30, 2023 and 2022, and three months ended June 30, 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
Net Income	\$265.7	\$265.7	\$185.8	\$ 284.4	\$ 264.4	\$ 183.7	\$230.2	\$213.8	\$216.7	\$21
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	\$2,66
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	99
Average Tangible Stockholders' Equity	\$1,362.1	\$1,712.9	\$1,703.4	\$ 1,613.9	\$ 1,462.3	\$ 1,542.8	\$1,572.7	\$1,740.3	\$1,702.9	\$1,67
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	2,65
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	99
Tangible Stockholders' Equity	\$1,273.5	\$1,661.4	\$1,748.6	\$ 1,644.8	\$ 1,529.3	\$ 1,537.1	\$1,481.0	\$1,741.4	\$1,679.5	\$1,65
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	16,65
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	99
Average Tangible Assets	\$23,968.9	\$23,430.8	\$20,873.6	\$ 19,330.2	\$ 19,251.6	\$ 18,947.3	\$18,339.2	\$17,790.2	\$16,497.7	\$15,65
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	17,11
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	99
Tangible Assets	\$23,581.7	\$23,996.9	\$21,667.3	\$ 19,171.2	\$ 19,700.2	\$ 19,554.0	\$18,666.3	\$18,357.2	\$17,138.2	\$16,12
Return on Average Total Stockholders' Equity	11.44%	9.81%	6.88%	10.90%	10.76%	7.24%	8.96%	7.81%	8.03%	8.0
Return on Average Tangible Stockholders' Equity (non-GAAP)	20.03%	15.51%	10.91%	17.62%	18.08%	11.91%	14.64%	12.28%	12.72%	12.8
Return on Average Total Assets	1.06%	1.09%	0.85%	1.40%	1.31%	0.92%	1.19%	1.14%	1.24%	1.2
Return on Average Tangible Assets (non-GAAP)	1.11%	1.13%	0.89%	1.47%	1.37%	0.97%	1.26%	1.20%	1.31%	1.3
Income Before Provision for Income Taxes	\$351.2	\$ 349.0	\$ 243.7	\$ 381.7	\$ 358.2	\$ 368.4	\$ 371.8	\$ 343.2	\$ 344.2	\$ 34
Provision For Credit Losses	1.4	(39.0)	121.7	13.8	22.2	18.5	8.6	9.9	11.1	1
Pre-Tax, Pre-Provision Earnings (Non-GAAP)	\$352.6	\$ 310.0	\$ 365.4	\$ 395.5	\$ 380.4	\$ 386.9	\$ 380.4	\$ 353.1	\$ 355.3	\$ 35

Note: Totals may not sum due to rounding.