



2nd Quarter 2024 Earnings Call

July 26, 2024



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”, “seek”, “estimate”, “intend”, “plan”, “projection”, “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, there can be no assurance that actual results will not prove to be materially different from the results expressed or implied by the forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the domestic and global economic environment and capital market conditions and other risk factors. For a discussion of some of these 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, 2023 and Form 10-Q for the quarter ended March 31, 2024.

Q2 2024 FINANCIAL HIGHLIGHTS¹

	Q2 2024	Q1 2024
Net Income (\$mm)	\$61.9	\$54.2
Diluted EPS	\$0.48	\$0.42
Net Interest Margin	2.92%	2.91%
Efficiency Ratio	59.2%	62.2%
ROA / ROATA ²	1.04% / 1.08%	0.90% / 0.94%
ROE / ROATCE ²	9.91% / 16.42%	8.73% / 14.53%
Tier 1 Leverage Ratio	9.03%	8.80%
CET1 Capital Ratio	12.73%	12.55%
Total Capital ratio	13.92%	13.75%
Dividend ³	\$0.26 / share	\$0.26 / share

- Net income \$61.9 mm
- Total loans and leases increased \$39.7 mm
- Total deposits decreased \$350.6 mm
- Cost of deposits: 1.70%
- Total cost of funds: 1.77%
- Net interest margin increased 1 bp
- Excellent credit quality. Recorded \$1.8 mm provision expense
- Well capitalized: 12.73% CET1 ratio
- Declared \$0.26 / share dividend

(1) Comparisons to Q1 2024

(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 24, 2024. Payable August 30, 2024 to shareholders of record at close of business on August 19, 2024.

Q2 2024 BALANCE SHEET HIGHLIGHTS

\$ in millions	6/30/24	3/31/24
Assets		
Cash and Cash Equivalents ¹	\$ 1,114.8	\$ 1,274.3
Investment Securities - AFS	2,068.0	2,159.3
Investment Securities - HTM	3,917.2	3,988.0
Loans and Leases	14,359.9	14,320.2
Total Assets	23,991.8	24,279.2
Liabilities		
Deposits	\$20,318.8	\$20,669.5
Short-term borrowings	500.0	500.0
Total Stockholders' Equity	2,550.3	2,513.8

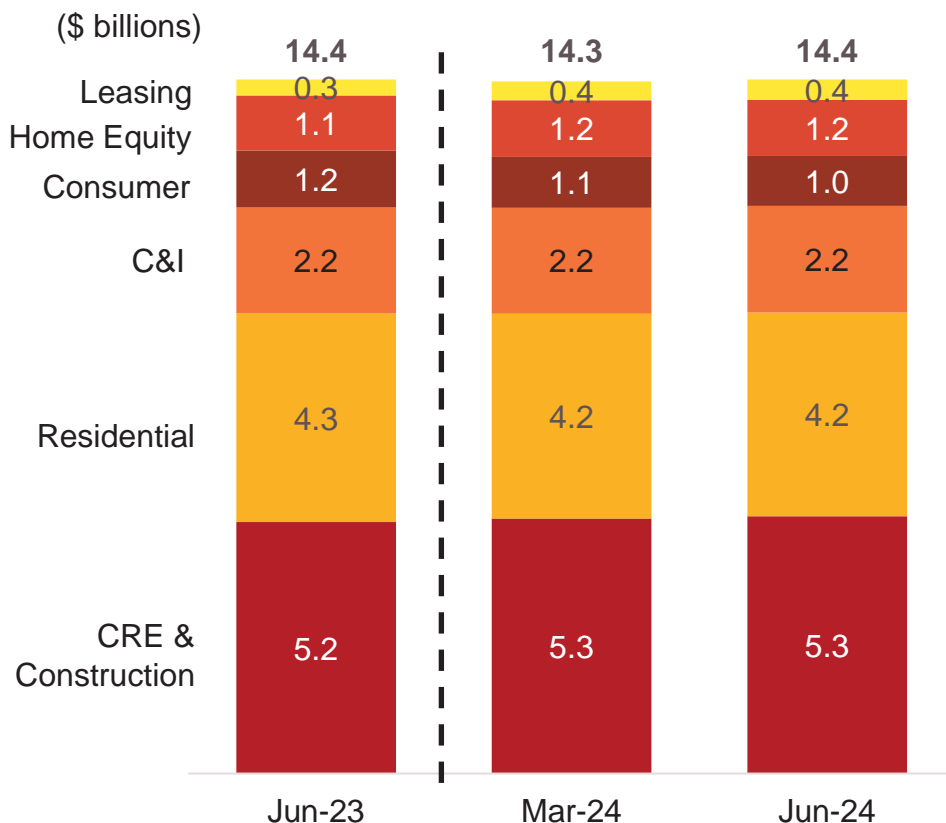
¹ Includes Cash and due from banks and Interest-bearing deposits in other banks

Q2 Highlights

- Continued to use low-yielding investment portfolio run off to fund loan growth / reduce high cost deposits
- Investment portfolio duration was 5.8 yrs at 6/30/24
- Balance sheet remains strong
 - Continued to grow capital levels
 - Continue to maintain high liquidity levels
 - Loan/deposit ratio: 71%

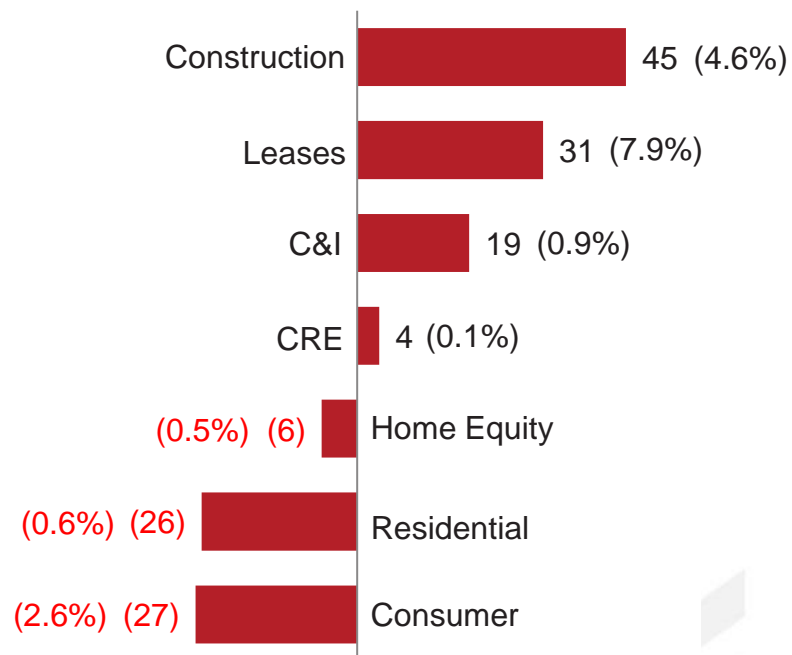
GOOD LOAN PRODUCTION PARTIALLY OFFSET BY PAYOFFS AND PAYDOWNS

Total Loans and Leases



Q2 '24 vs Q1 '24 Net Changes

(\$ millions)



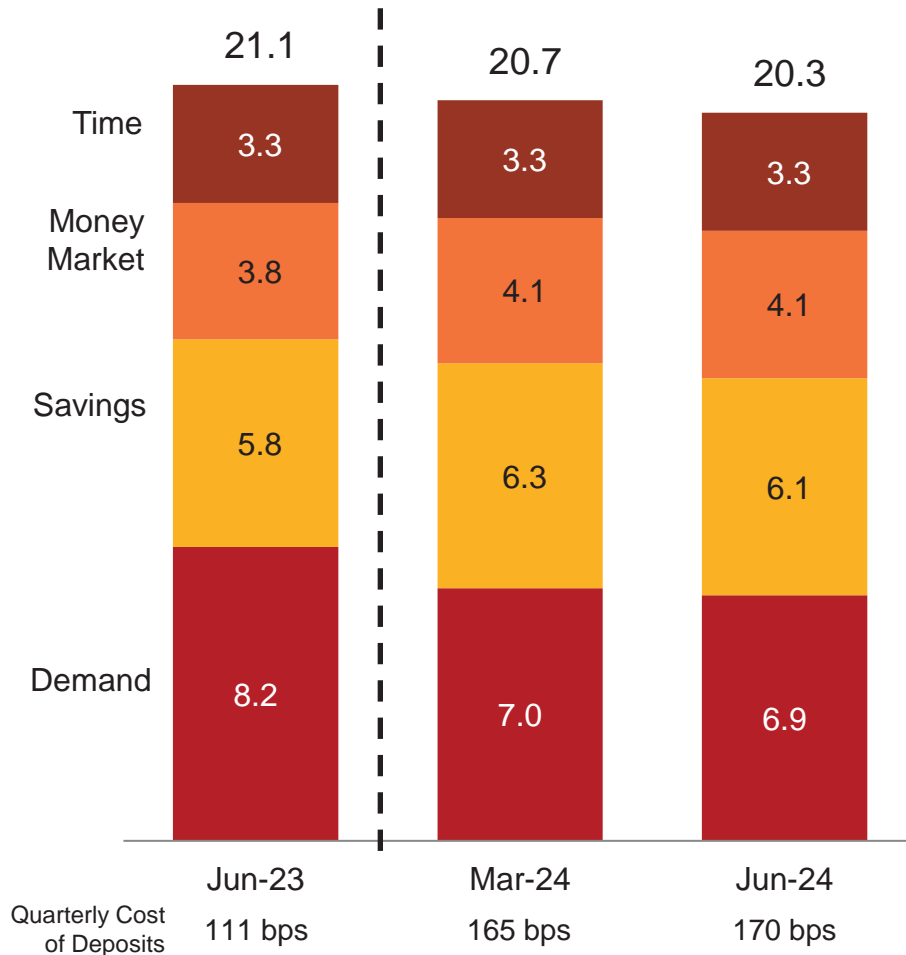
Note: Segments may not sum to total due to rounding

DEPOSITS DOWN \$351 MM

REDUCED PUBLIC TIME DEPOSITS \$148 MM

Total Deposits

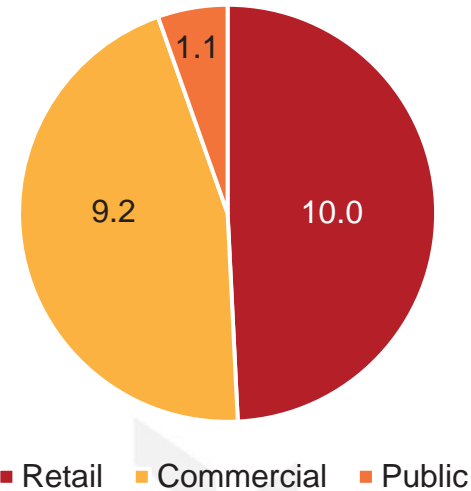
(\$ billions)



Note: Segments may not sum to total due to rounding

Deposit Composition

(\$ billions)



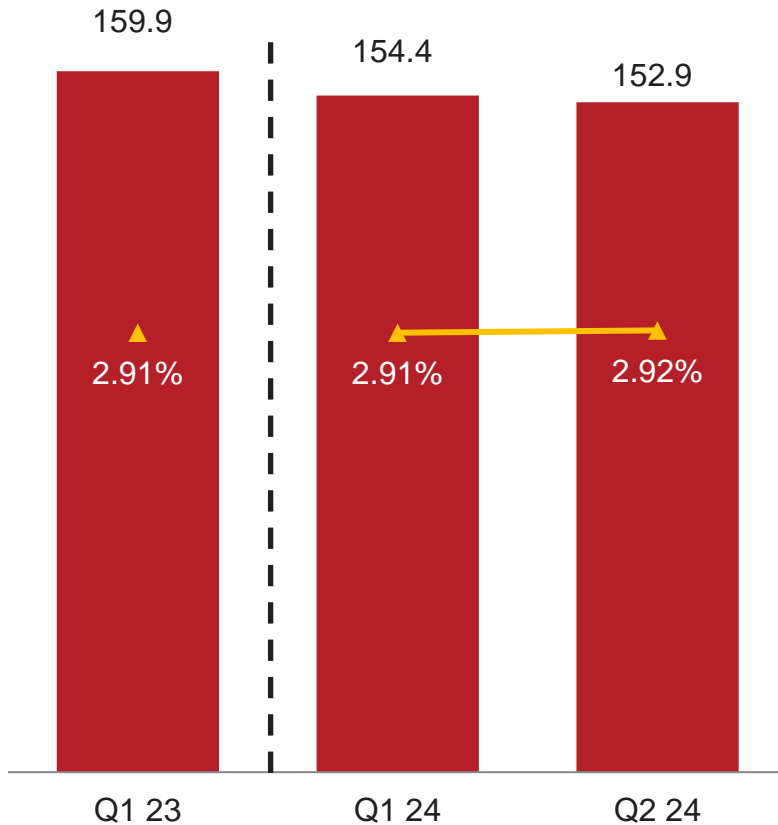
Q2 Highlights

- \$351 mm, or 1.7%, decrease in total deposits
 - \$135 mm decrease in retail and commercial deposits
 - \$63 mm decrease in retail deposits
 - \$72 mm decrease in commercial deposits
 - \$216 mm decrease in public deposits
 - \$148 mm decrease in public time deposits
- 170 bp cost of deposits, up 5 bps
- 34% noninterest bearing / total deposit ratio

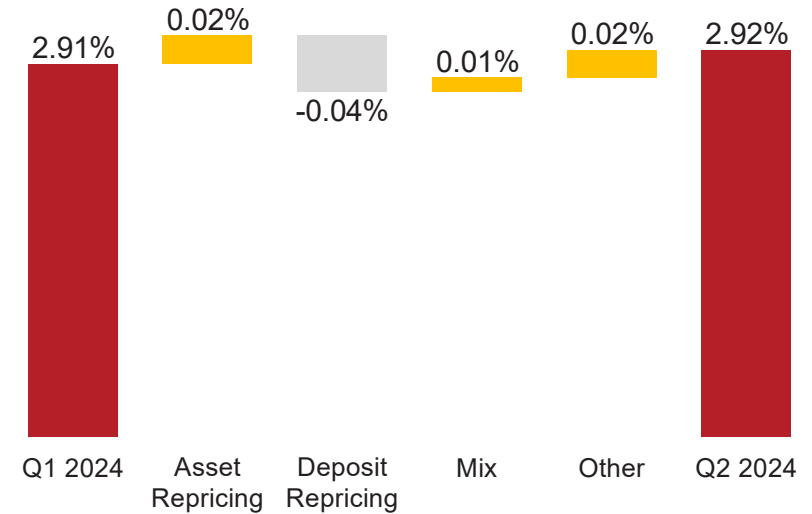
\$1.6 MM DECREASE IN NET INT INCOME 1 BP INCREASE IN NIM

Net Interest Income and Net Interest Margin

(\$ millions)



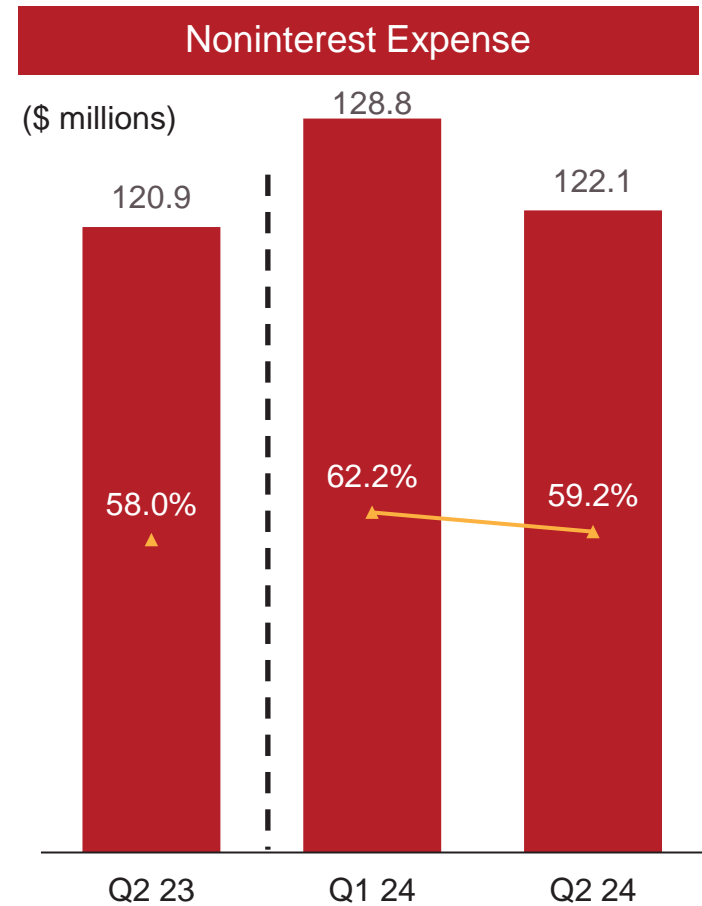
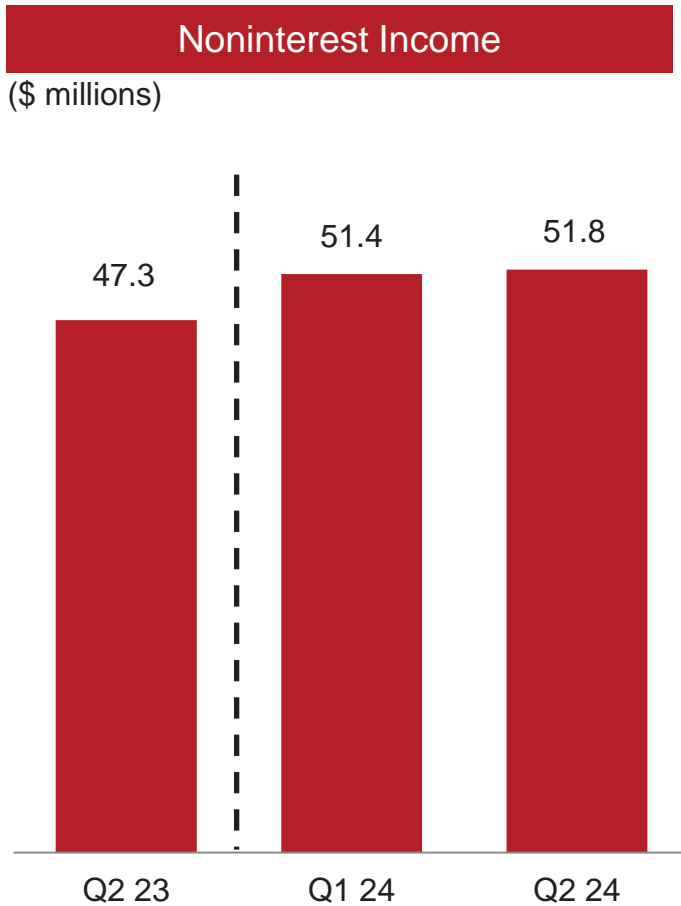
Q1 '24 – Q2 '24 NIM Walk



Q2 Highlights

- Net interest margin increased 1 bps in Q2
 - Increase in NIM largely due to change in balance sheet mix
 - Asset repricing increase largely offset by deposit cost increase
- Total cost of funds: 1.77%

NONINTEREST INCOME AND EXPENSE



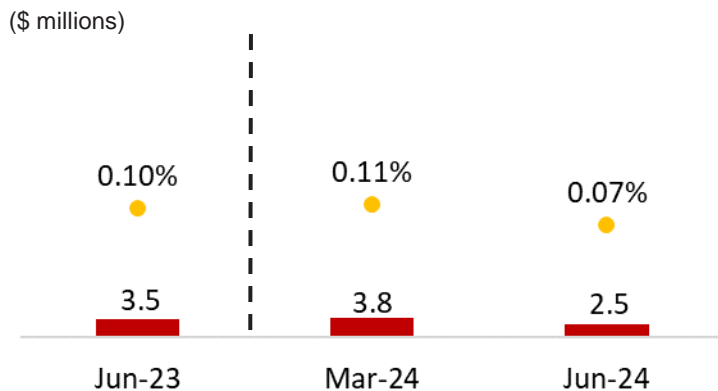
■ Nonint Expense — Efficiency Ratio

- Both Q1 2024 and Q2 2024 included approximately \$2 mm of insurance recoveries

- Q1 2024 noninterest expense included \$4.1 mm FDIC special assessment

ASSET QUALITY REMAINS STRONG

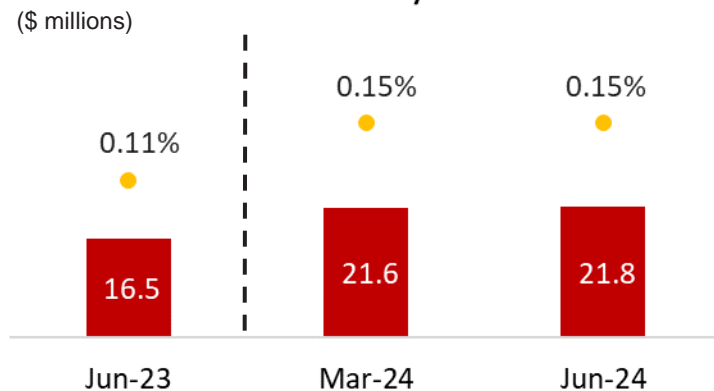
NCO and NCO Rate



■ QTD Net Charge Off ● QTD NCO Rate

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

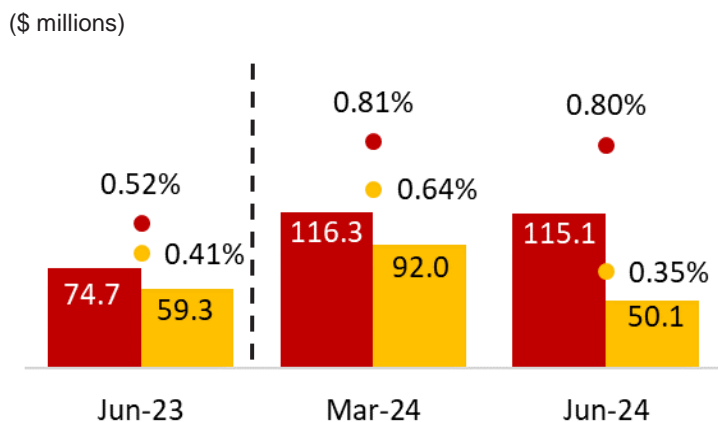
NPA and 90+ Days Past Due



■ NPA & 90+ Days Past Due ● NPA & 90+ Days Past Due / TLL

▪ Includes OREO and 90+ days past due accruing loans

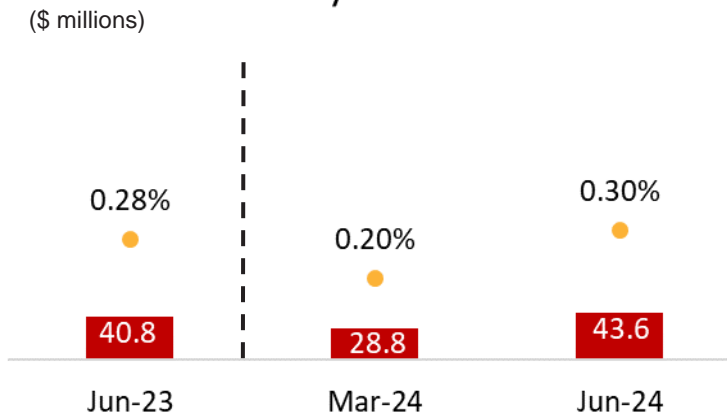
Commercial Criticized Assets



■ Special Mention ■ Classified ● Special Mention / TLL ● Classified / TLL

▪ TLL - Total Loans and Leases
 ▪ Q1 2024 Classified: Includes \$24.4MM paid-off in full in April with a 17 bp impact on Classified / TLL ratio.

30-89 Days Past Due



■ 30-89 Days Past Due ● 30-89 Days Past Due / TLL

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

ALLOWANCE FOR CREDIT LOSS

RESERVE LEVELS CONTINUE TO PROVIDE FOR UNCERTAINTY



- The Asset ACL / Total Loans and Leases remain unchanged at 1.12%.

Rollforward of the On-Balance Sheet Allowance for Credit Losses

(\$ in 000's)	C&I	CRE	Const	Lease	Mortgage	Home Equity	Consumer	Total
3/31/2024	17,087	43,526	12,441	2,485	36,790	11,447	36,060	159,836
Charge-offs	-677	-	-	-	-	-	-4,182	-4,859
Recoveries	250	-	-	-	28	112	1,950	2,340
Provision	-1,947	886	-3,110	-133	9,334	-2,376	546	3,200
6/30/2024	14,713	44,412	9,331	2,352	46,152	9,183	34,374	160,517
% of Total ACL	9.2%	27.7%	5.8%	1.4%	28.8%	5.7%	21.4%	100.0%
Total Loan Balance	2,208,690	4,305,017	1,017,649	425,190	4,216,416	1,159,833	1,027,104	14,359,899
ACL/Total LL	0.67%	1.03%	0.92%	0.55%	1.09%	0.79%	3.35%	1.12%

COMMERCIAL REAL ESTATE

(As of 6/30/24)

Property Type	Balances (\$ mm)	% of Balances	Weighted Average LTV	% Criticized
Office	743	17.3%	59.5%	1.7%
Hotel	385	8.9%	53.8%	0.0%
Retail	814	18.9%	62.0%	1.2%
Multi-family	844	19.6%	55.3%	6.0%
Industrial	663	15.4%	58.0%	2.7%
Dealer Related	471	10.9%	67.9%	0.0%
Other	385	8.9%	56.2%	0.7%
Total	4,305	100.0%	59.0%	2.2%

CRE exposure increased \$3.7MM from Q1 2024 with the larger increases in Retail, Dealer Related, and Industrial. The portfolio continues to be well diversified across property types, well secured with a weighted average LTV of 59.0% and criticized rate of 2.2%.

- Office exposure in CRE represents approximately 5.2% of total loans and leases, with criticized office CRE at 9 bps of total loans and leases.
- The CRE portfolio continues to perform well, reflecting the quality of sponsorship and underlying collateral.
- The Bank continues to monitor the CRE book closely, focusing attention on investor real estate, construction/development and office.



QUESTIONS



First Hawaiian, Inc.



SUMMARY INCOME STATEMENT



(\$ in millions except per share data)	Quarter ended		
	6/30/24	3/31/24	6/30/23
Net interest income	\$ 152.9	\$ 154.4	\$ 159.9
Provision for credit losses	1.8	6.3	5.0
Noninterest income	51.8	51.4	47.3
Noninterest expense	122.1	128.8	120.9
Pre-tax income	80.7	70.7	81.4
Tax expense	18.8	16.5	19.0
Net Income	\$ 61.9	\$ 54.2	\$ 62.4
Diluted earnings per share	\$ 0.48	\$ 0.42	\$ 0.49

Note: Totals may not sum due to rounding.

SELECTED BALANCE SHEET ITEMS



(\$ in millions except per share data)	As of		
	6/30/24	3/31/24	6/30/23
Selected Assets			
Investment securities – AFS	\$ 2,068.0	\$ 2,159.3	\$ 2,909.4
Investment securities – HTM	3,917.2	3,988.0	4,180.4
Loans and leases	14,359.9	14,320.2	14,362.8
Total assets	23,991.8	24,279.2	24,511.6
Selected Liabilities and Stockholders' Equity			
Total deposits	\$ 20,318.8	\$ 20,669.5	\$ 21,078.2
Short-term borrowings	500.0	500.0	-
Long-term borrowings	0.0	0.0	500.0
Total stockholders' equity	2,550.3	2,513.8	2,359.7
Shares Outstanding	127,879,012	127,841,908	127,608,037
Book value per share	\$ 19.94	\$ 19.66	\$ 18.49
Tangible book value per share ⁽¹⁾	12.16	11.88	10.69
Tier 1 Leverage Ratio	9.03 %	8.80 %	8.30 %
CET 1 / Tier 1	12.73 %	12.55 %	12.05 %
Total Capital Ratio	13.92 %	13.75 %	13.17 %

⁽¹⁾ Non-GAAP financial measure. A reconciliation to the directly comparable GAAP measure is provided in the appendix of this slide presentation. 14

COMMERCIAL & INDUSTRIAL

(As of 6/30/24)

Industry	Balances (\$ mm)	% of Balances	% Criticized
Auto Dealers	836	37.8%	1.7%
Retail	-	0.0%	0.0%
Hospitality/Hotel	88	4.0%	0.2%
Food Service	42	1.9%	2.8%
Transportation	46	2.1%	2.1%
Other	1,197	54.3%	4.0%
Total	2,209	100.00%	2.9%

Industries deemed to exhibit higher volatility represent a modest amount of total C&I exposure

Dealer related credits represent about 37.8% of total C&I.

CONSTRUCTION

(As of 6/30/24)

Property Type	Balances (\$ mm)	% of Balances	Weighted Average LTV	% Criticized
Office	85	8.3%	46.8%	0.0%
Hotel	64	6.3%	50.3%	0.0%
Retail	25	2.5%	60.7%	0.0%
Multi-family	489	48.0%	57.5%	0.0%
Industrial	118	11.6%	51.0%	0.6%
Dealer Related	80	7.9%	80.5%	0.0%
Other	157	15.4%	56.0%	0.1%
Total	1,018	100.0%	57.1%	0.1%

The construction book is concentrated in Multi-family and largely centered in rental and for-sale housing. Multi-family criticized rate is 0.0%, down from 5.4% in Q1 2024.

GAAP TO NON-GAAP RECONCILIATIONS



Return on average tangible assets, return on average tangible stockholders' equity, tangible book value per share and tangible stockholders' equity to tangible assets 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. 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, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Income Statement Data:					
Net income	\$ 61,921	\$ 54,220	\$ 62,442	\$ 116,141	\$ 129,260
Average total stockholders' equity	\$ 2,512,471	\$ 2,496,840	\$ 2,344,285	\$ 2,504,656	\$ 2,321,977
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,516,979	\$ 1,501,348	\$ 1,348,793	\$ 1,509,164	\$ 1,326,485
Average total assets	\$ 23,958,913	\$ 24,187,207	\$ 24,821,486	\$ 24,073,060	\$ 24,685,560
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 22,963,421	\$ 23,191,715	\$ 23,825,994	\$ 23,077,568	\$ 23,690,068
Return on average total stockholders' equity ⁽¹⁾	9.91 %	8.73 %	10.68 %	9.32 %	11.23 %
Return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾	16.42 %	14.53 %	18.57 %	15.48 %	19.65 %
Return on average total assets ⁽¹⁾	1.04 %	0.90 %	1.01 %	0.97 %	1.06 %
Return on average tangible assets (non-GAAP) ⁽¹⁾	1.08 %	0.94 %	1.05 %	1.01 %	1.10 %
	As of June 30, 2024	As of March 31, 2024	As of December 31, 2023	As of June 30, 2023	
(dollars in thousands, except per share amounts)					
Balance Sheet Data:					
Total stockholders' equity	\$ 2,550,312	\$ 2,513,761	\$ 2,486,066	\$ 2,359,738	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible stockholders' equity	\$ 1,554,820	\$ 1,518,269	\$ 1,490,574	\$ 1,364,246	
Total assets	\$ 23,991,791	\$ 24,279,186	\$ 24,926,474	\$ 24,511,566	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible assets	\$ 22,996,299	\$ 23,283,694	\$ 23,930,982	\$ 23,516,074	
Shares outstanding	127,879,012	127,841,908	127,618,761	127,608,037	
Total stockholders' equity to total assets	10.63 %	10.35 %	9.97 %	9.63 %	
Tangible stockholders' equity to tangible assets (non-GAAP)	6.76 %	6.52 %	6.23 %	5.80 %	
Book value per share	\$ 19.94	\$ 19.66	\$ 19.48	\$ 18.49	
Tangible book value per share (non-GAAP)	\$ 12.16	\$ 11.88	\$ 11.68	\$ 10.69	

⁽¹⁾ Annualized for the three months months ended June 30, 2024 and 2023 and the three months ended March 31, 2024