First Hawaiian, Inc.

2nd Quarter 2023 Earnings Call

July 28, 2023

FORWARD-LOOKING STATEMENTS

First Hawaiian, Inc.

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, 2022 , and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

Q2 2023 FINANCIAL HIGHLIGHTS[1]

First Hawaiian, Inc.

	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[2]	1.01% / 1.05%	1.10% / 1.15%
ROE / ROATCE[2]	10.68% / 18.57%	11.78% / 20.78%
Tier 1 Leverage Ratio CET1 Capital Ratio Total Capital ratio	8.30% 12.05% 13.17%	8.26% 11.97% 13.09%
Dividend[3]	$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

First Hawaiian, Inc.

$ in millions	6/30/23	3/31/23
Assets		
Cash and Cash Equivalents[1]	$ 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
Liabilities		
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

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

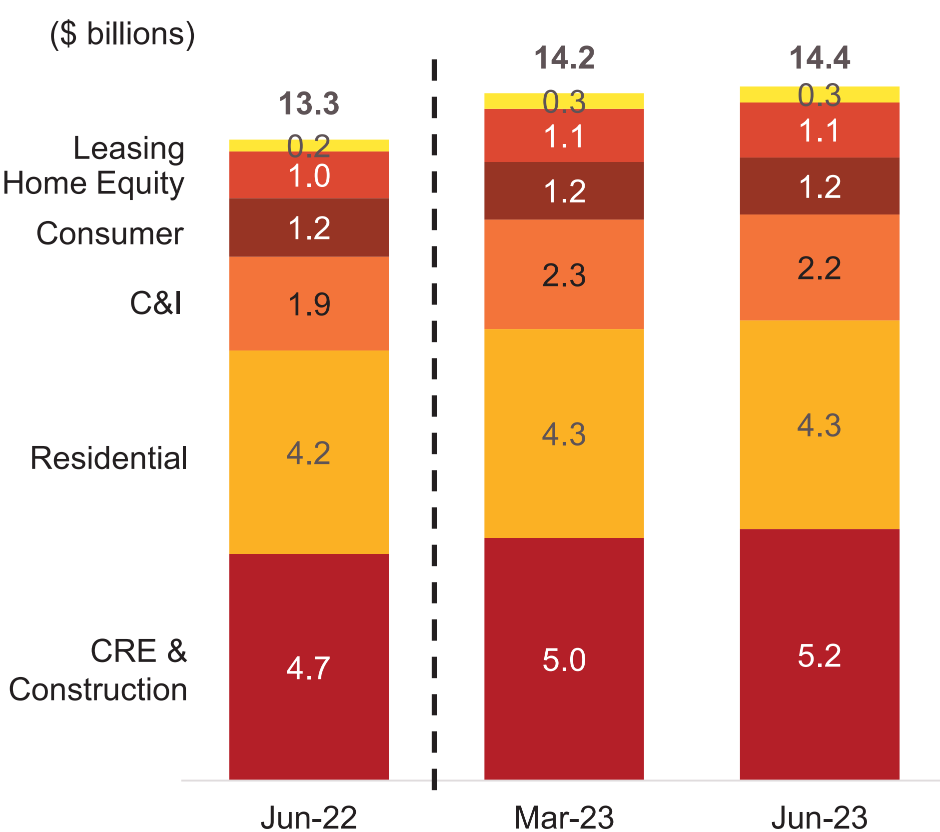
Comments

- Reduced excess cash, while maintaining ample liquidity
  - Reduced Cash and Cash Equivalents down to $558.1 mm
  - Loan/deposit ratio: 68%
  - $8.6 bn of available liquidity at 6/30/23
- Investment portfolio duration remained stable at 5.5 yrs at 6/30/23

LOANS AND LEASES GREW $142 MM, OR 1.0%, IN Q2

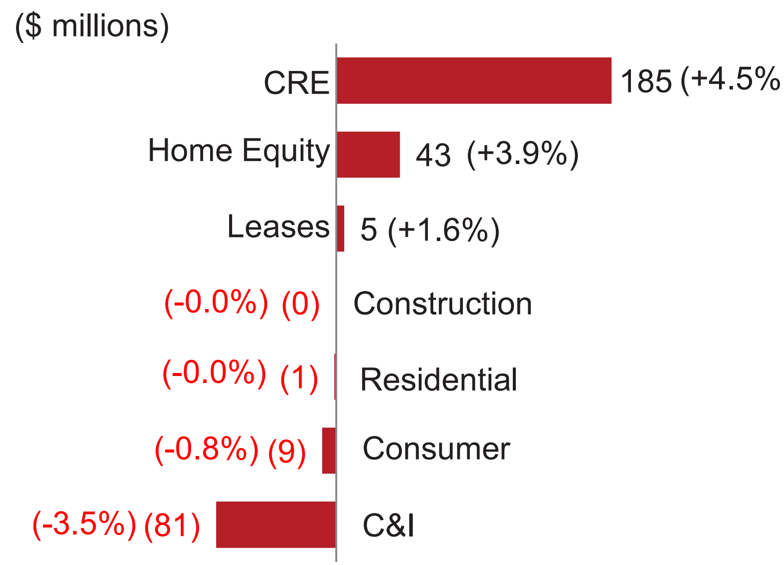
First Hawaiian, Inc.

Total Loans and Leases



Note: Segments may not sum to total due to rounding

Q2 '23 vs Q1 '23 Net Changes



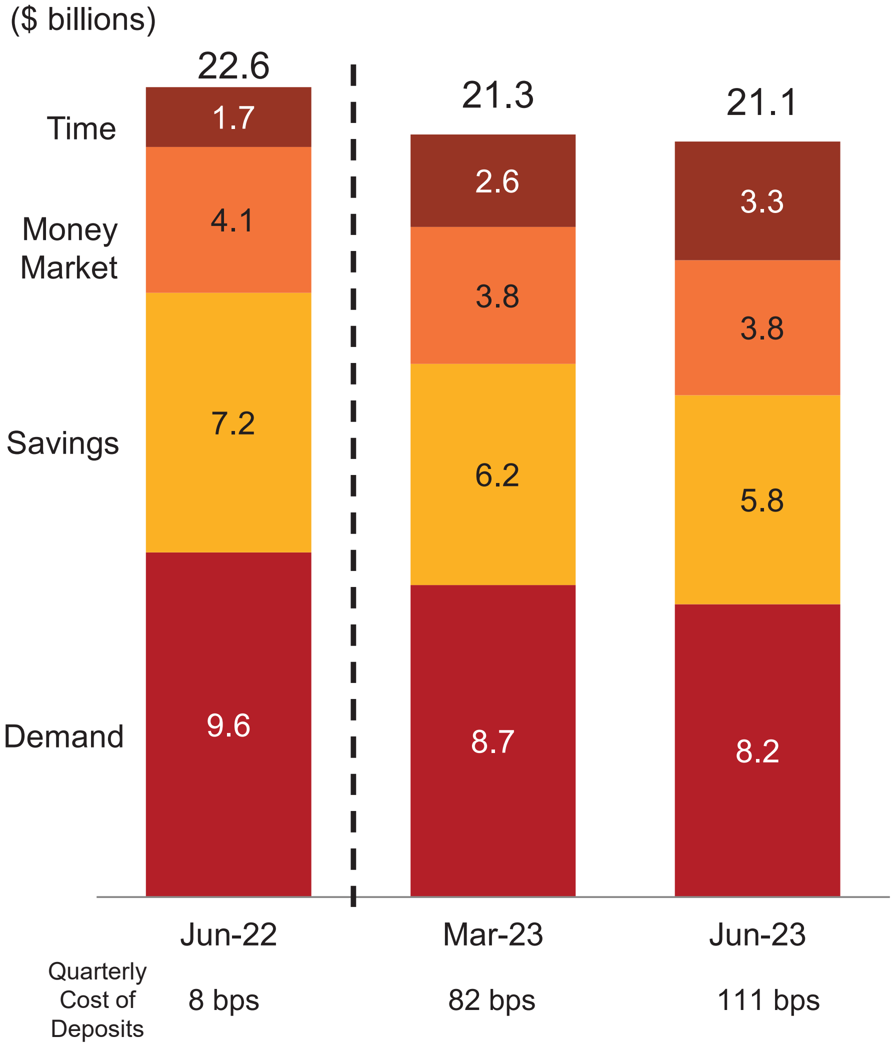
Q2 Highlights

- Construction loan balance reflects the conversion of approximately $130 mm of completed construction loans to CRE
- Dealer flooring balances increased $29 mm

$203 MM, OR 1%, DECLINE IN TOTAL DEPOSITS IN Q2

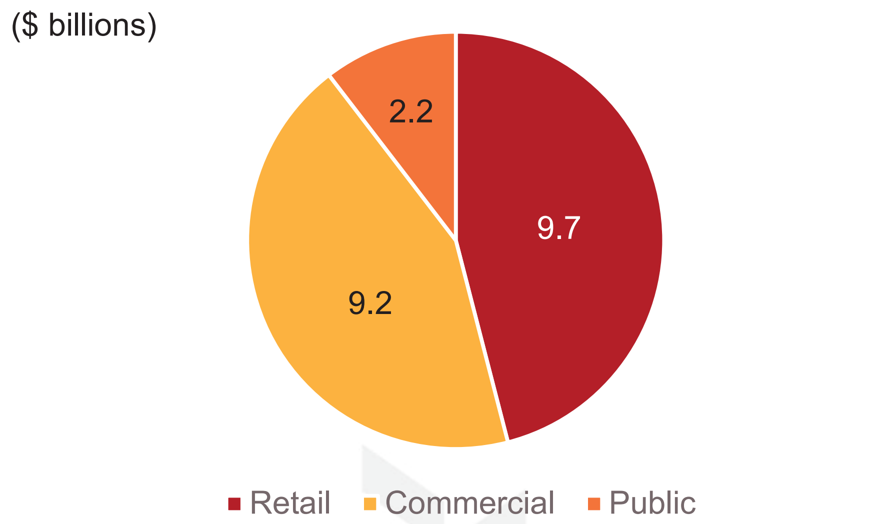
First Hawaiian, Inc.

Total Deposits



Note: Segments may not sum to total due to rounding

Deposit Composition

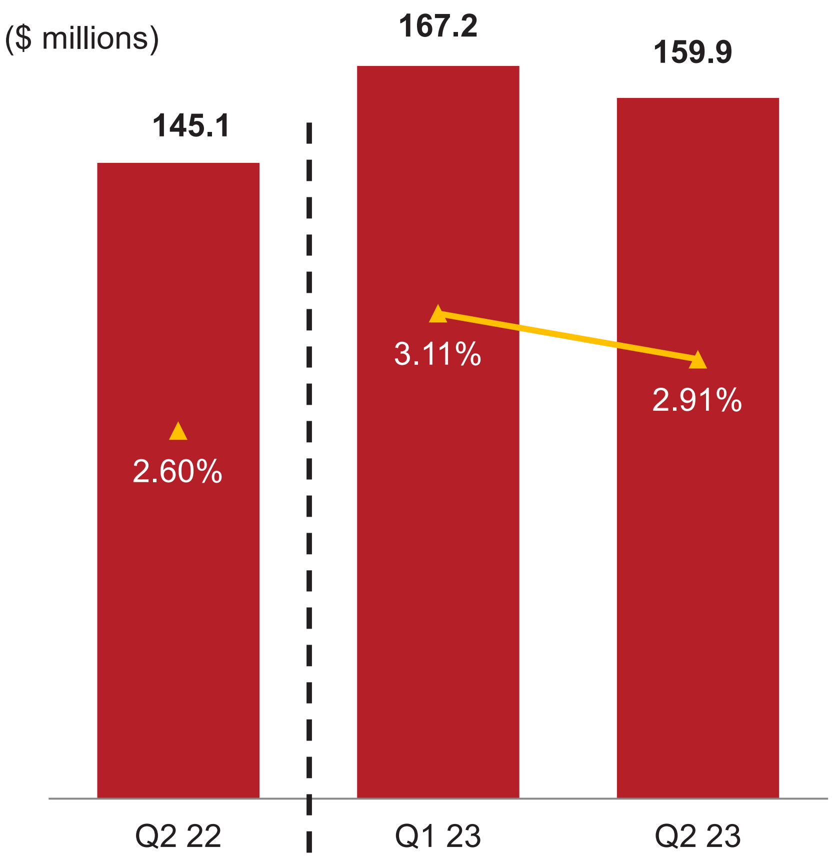


Q2 Highlights

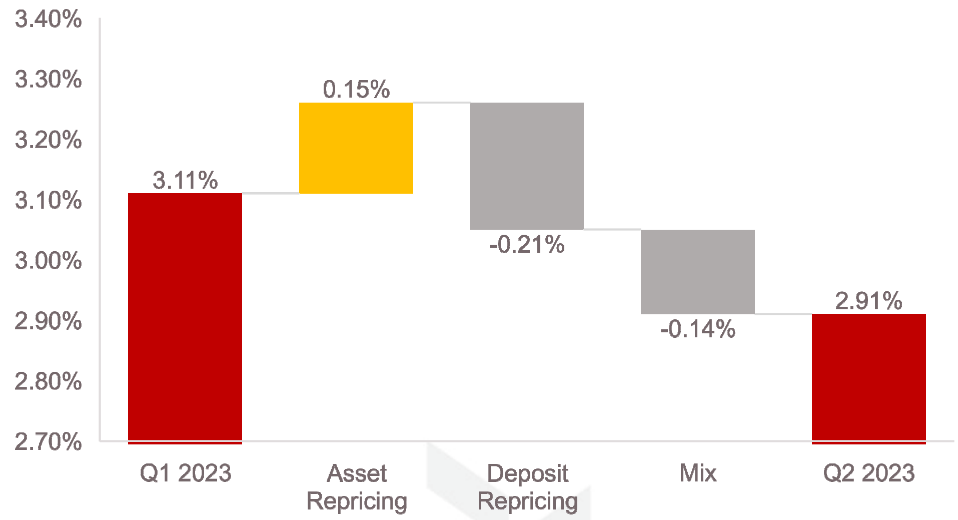
- $203 mm, or 1.0%, decline in total deposits
  - $664 mm decline in retail and commercial deposits
    - Outflow split 32%/68% between retail and commercial
    - On a YTD basis, retail and commercial deposits down 4.9%
  - $461 mm increase in public deposits
    - $555 mm increase in public time deposits
- 111 bp cost of deposits, up 29 bp from Q1

$7.3 MM DECREASE IN NET INT INCOME, 20 BP DECREASE IN NIM

Net Interest Income and Net Interest Margin



Q1 '23 – Q2 '23 NIM Walk



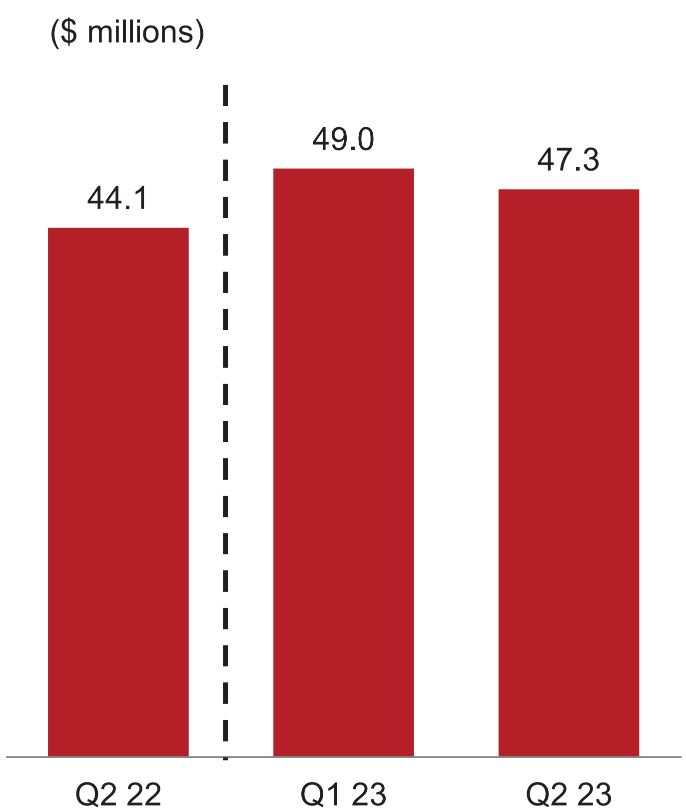
Comments

- Decline in net interest income due to higher funding costs, partially offset by higher interest earned on loans

NONINTEREST INCOME AND EXPENSE

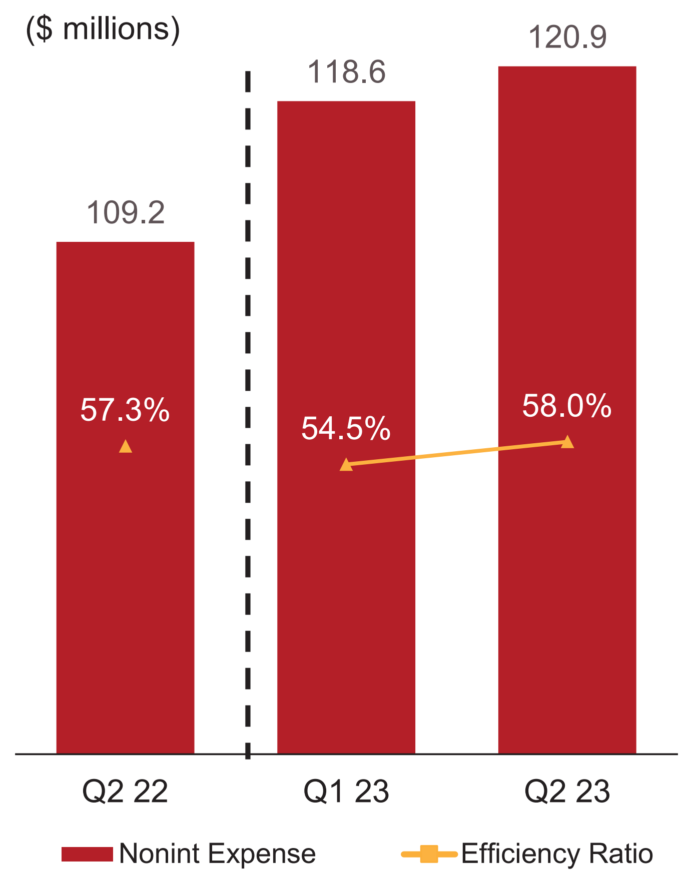
First Hawaiian, Inc.

Noninterest Income



- Q1 BOLI income included $2 mm death benefit

Noninterest Expense

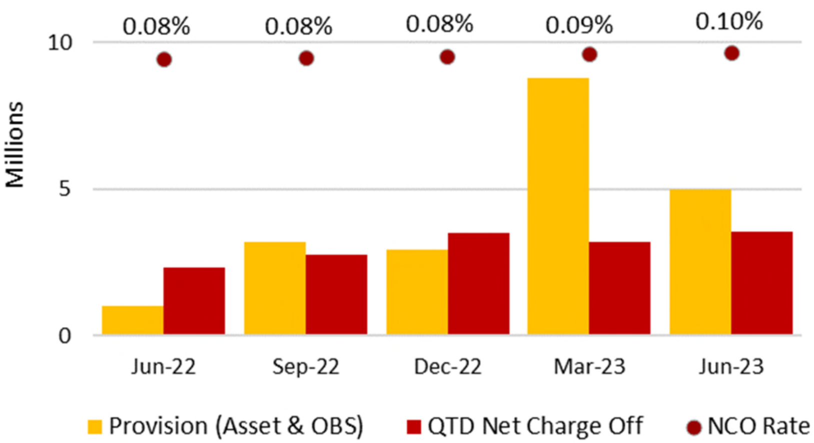


- Q2 expense includes $2.9 mm of nonrecurring separation expenses

ASSET QUALITY

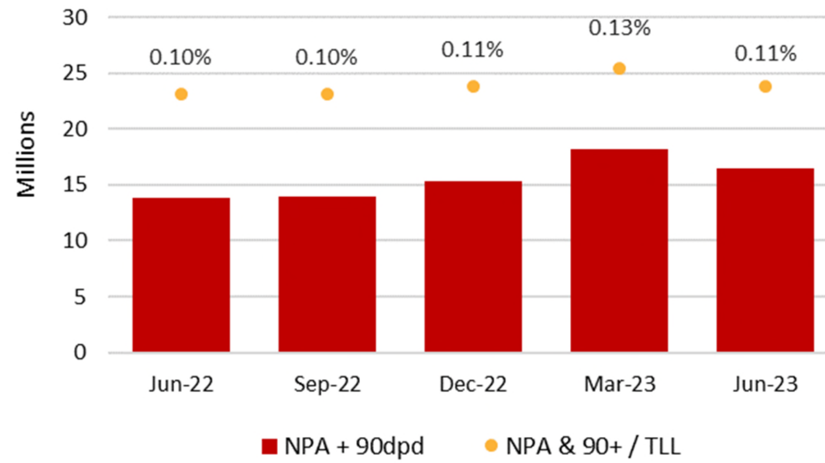
CONTINUED STRONG CREDIT PERFORMANCE

Provision, NCO and NCO Rate



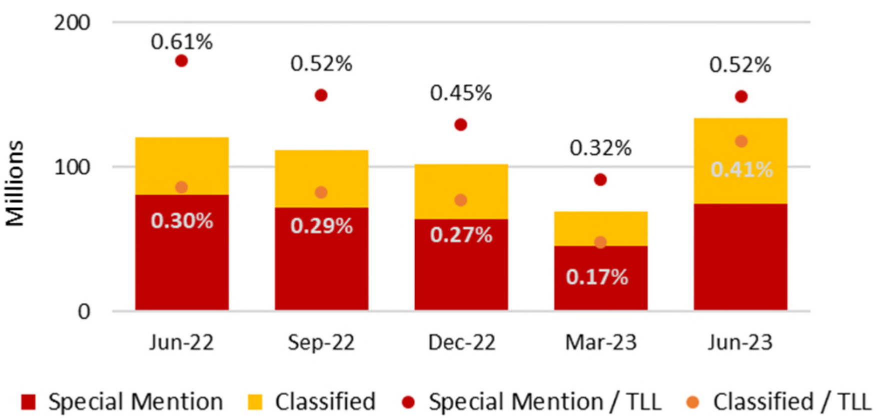
- NCO Rate - Based on YTD NCO

NPA and 90 Past Due



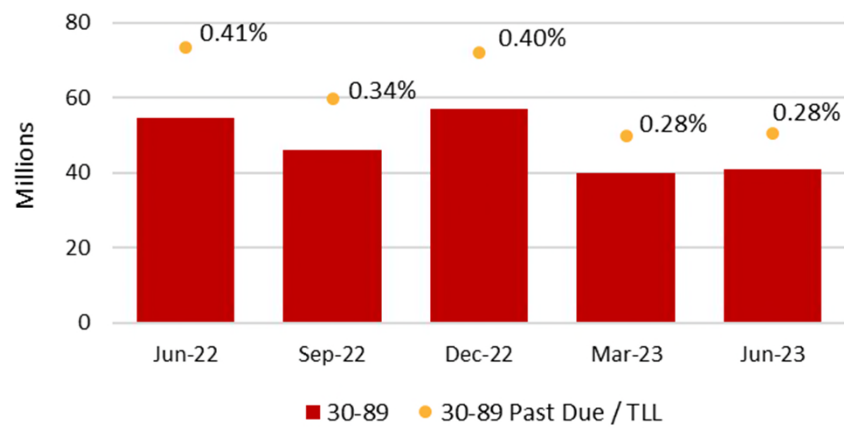
- 90 past due comprised of accruing loans
- Includes OREO

Commercial Criticized Assets



Note: TLL - Total Loans and Leases

30-89 Past Due



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

ALLOWANCE FOR CREDIT LOSS

RESERVE LEVELS CONTINUE TO PROVIDE FOR UNCERTAINTY

First Hawaiian, Inc.

- The ACL / Total Loans and Leases remained flat at 1.03%.
- The reserve continues to incorporate downside risks for macro uncertainties.

Rollforward of the On-Balance Sheet Allowance for Credit Losses

($ in 000's)	C&I	CRE	Const	Lease	Mortgage	Home Equity	Consumer	Total
3/31/2023	14,038	40,311	6,473	1,481	34,320	9,341	41,158	147,122
Charge-offs	-997	-	-	-	-	-137	-4,516	-5,650
Recoveries	292	-	-	-	30	59	1,728	2,109
Provision	477	-424	3,398	-34	-1,547	2,543	587	5,000
6/30/2023	13,810	39,887	9,871	1,447	32,803	11,806	38,957	148,581
% of Total ACL	9.3%	26.8%	6.6%	1.0%	22.1%	8.0%	26.2%	100.0%
Total Loan Balance	2,187,831	4,290,948	913,837	332,400	4,317,537	1,138,163	1,182,116	14,362,832
ACL/Total LL	0.63%	0.93%	1.08%	0.44%	0.76%	1.04%	3.30%	1.03%

COMMERCIAL REAL ESTATE

(In Millions)

First Hawaiian, Inc.

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%
Total	**4,291**	**100.0%**	**59.4%**	**1.8%**

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


QUESTIONS
First Hawaiian, Inc.

APPENDIX

First Hawaiian, Inc.

SUMMARY INCOME STATEMENT

First Hawaiian, Inc.

($ in millions except per share data)	Quarter ended 6/30/23	3/31/23	6/30/22
Net interest income	$ 159.9	$ 167.2	$ 145.1
Provision for credit losses	5.0	8.8	1.0
Noninterest income	47.3	49.0	44.1
Noninterest expense	120.9	118.6	109.2
Pre-tax income	**81.4**	**88.9**	**79.1**
Tax expense	19.0	22.1	19.7
Net Income	**$ 62.4**	**$ 66.8**	**$ 59.4**
Diluted earnings per share	$ 0.49	$ 0.52	$ 0.46

Note: Totals may not sum due to rounding.

SELECTED BALANCE SHEET ITEMS

First Hawaiian, Inc.

($ in millions except per share data)	As of								
		6/30/23			**3/31/23**			**6/30/22**	
Selected Assets									
Investment securities – AFS	$	2,909.4		$	3,054.3		$	3,967.7	
Investment securities – HTM		4,180.4			4,261.4			4,093.2	
Loans and leases		14,362.8			14,221.3			13,262.8	
Total assets		24,511.6			24,884.2			25,377.5	
Selected Liabilities and Stockholders' Equity									
Total deposits	$	21,078.2		$	21,281.5		$	22,601.5	
Short-term borrowings		-			250.0			-	
Long-term borrowings		500.0			500.0			-	
Total stockholders' equity		2,359.7			2,329.0			2,252.6	
Shares Outstanding		127,608,037			127,573,680			127,451,087	
Book value per share	$	18.49		$	18.26		$	17.67	
Tangible book value per share [1]		10.69			10.45			9.86	
Tier 1 Leverage Ratio		8.03	%		8.26	%		7.54	%
CET 1 / Tier 1		12.05	%		11.97	%		11.98	%
Total Capital Ratio		13.17	%		13.09	%		13.14	%

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

DEPOSIT COVERAGE AND BORROWING CAPACITY

First Hawaiian, Inc.

FDIC DEPOSIT INSURANCE COVERAGE

FDIC INSURED DEPOSITS	FDIC INSURED DEPOSITS + FULLY COLLATERALIZED PUBLIC DEPOSITS
49%	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	AVERAGE COMMERCIAL ACCOUNT BALANCE
$21,400	$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
Total Available Liquidity	**8.6**
Total Available Liquidity Using BTFP	**9.1**

Note: BTFP = Bank Term Funding Program

- Total Available Liquidity = 101% of uninsured, non-public deposits[1]
- Total Available Liquidity Using BTFP = 107% of uninsured, non-public deposits[1]

[1] 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

COMMERCIAL & INDUSTRIAL

(In Millions)

First Hawaiian, Inc.

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%
Total	**2,188**	**100.0%**	**2.6%**

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

(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%
Total	**914**	**100.0%**	**58.0%**	**0.0%**

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

GAAP TO NON-GAAP RECONCILIATIONS

First Hawaiian, Inc.

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

First Hawaiian, Inc.

(dollars in thousands)	For the Three Months Ended June 30, 2023	March 31, 2023	June 30, 2022	For the Six Months Ended June 30, 2023	June 30, 2022
Income Statement Data:					
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[1]	**10.68 %**	11.78 %	10.52 %	**11.23 %**	9.82 %
Return on average tangible stockholders' equity (non-GAAP)[1]	**18.57 %**	20.78 %	18.79 %	**19.65 %**	16.76 %
Return on average total assets[1]	**1.01 %**	1.10 %	0.94 %	**1.06 %**	0.94 %
Return on average tangible assets (non-GAAP)[1]	**1.05 %**	1.15 %	0.98 %	**1.10 %**	0.98 %

(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
Balance Sheet Data:				
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

[1] Annualized for the three and six months months ended June 30, 2023 and 2022, and three months ended March 31, 2023.