First Hawaiian, Inc.

4th Quarter 2023 Earnings Call

January 26, 2024

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 quarters ended March 31, 2023, June 30, 2023, and September 30, 2023.

Q4 2023 FINANCIAL HIGHLIGHTS[1]

First Hawaiian, Inc.

	Q4 2023	Q3 2023
Net Income ($mm)	**$47.5**	$58.2
Diluted EPS	**$0.37**	$0.46
Net Interest Margin	**2.81%**	2.86%
Efficiency Ratio	**67.3%**	58.3%
ROA / ROATA[2]	**0.77% / 0.81%**	0.93% / 0.97%
ROE / ROATCE[2]	**7.94% / 13.66%**	9.76% / 16.84%
Tier 1 Leverage Ratio CET1 Capital Ratio Total Capital ratio	**8.64% 12.39% 13.57%**	8.45% 12.21% 13.38%
Dividend[3]	**$0.26 / share**	$0.26 / share

- Net income $47.5 mm
  - Includes $16.3 mm FDIC Special Assessment expense, or $12.0 mm net of taxes.
- Total loans and leases unchanged
- Total deposits decreased $178.8 mm
- Cost of deposits: 1.56%
- Total cost of funds: 1.64%
- Net interest margin declined 5 bps
- Excellent credit quality. Recorded $5.3 mm provision expense
- Well capitalized: 12.39% CET1 ratio
- Declared $0.26 / share dividend

(1) Comparisons to Q3 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 January 24, 2024. Payable March 1, 2024 to shareholders of record at close of business on February 16, 2024.

Q4 2023 BALANCE SHEET HIGHLIGHTS

First Hawaiian, Inc.

$ in millions	12/31/23	9/30/23
Assets		
Cash and Cash Equivalents[1]	**$ 1,739.9**	$ 1,213.4
Investment Securities - AFS	**2,255.3**	2,722.7
Investment Securities - HTM	**4,041.4**	4,104.1
Loans and Leases	**14,353.5**	14,332.3
Total Assets	**24,926.5**	24,912.5
Liabilities		
Deposits	**$21,332.7**	$21,511.5
Short-term borrowings	**500.0**	500.0
Total Stockholders' Equity	**2,486.1**	2,351.0

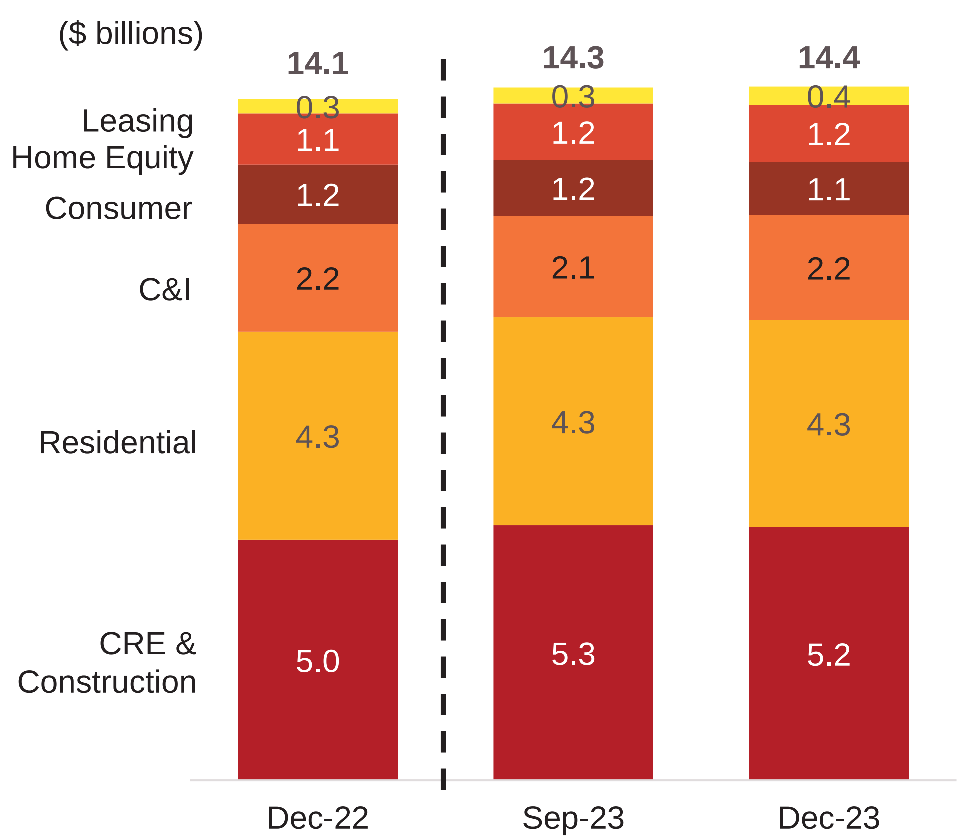
[1] Includes Cash and due from banks and Interest-bearing deposits in other banks

Comments

- Balance sheet actions taken to improve 2024 earnings
  - Sold $526 mm of AFS securities with average yield of approximately 2.4%
  - Sale contributed to elevated cash balances at end of quarter
  - Intend to use proceeds to reduce high-cost deposits in Q1 2024
  - Securities sale / deposit reduction expected to be additive to NIM and net interest income in 2024 starting in Q1
  - Recognized loss of $40 mm on sale of securities
- Sold 120,104 shares of Visa Class B stock for $41 mm gain
- Investment portfolio duration was 5.6 yrs at 12/31/23
- Continue to maintain high liquidity levels
  - Loan/deposit ratio: 67%
  - $9.1 bn of available liquidity at 12/31/23

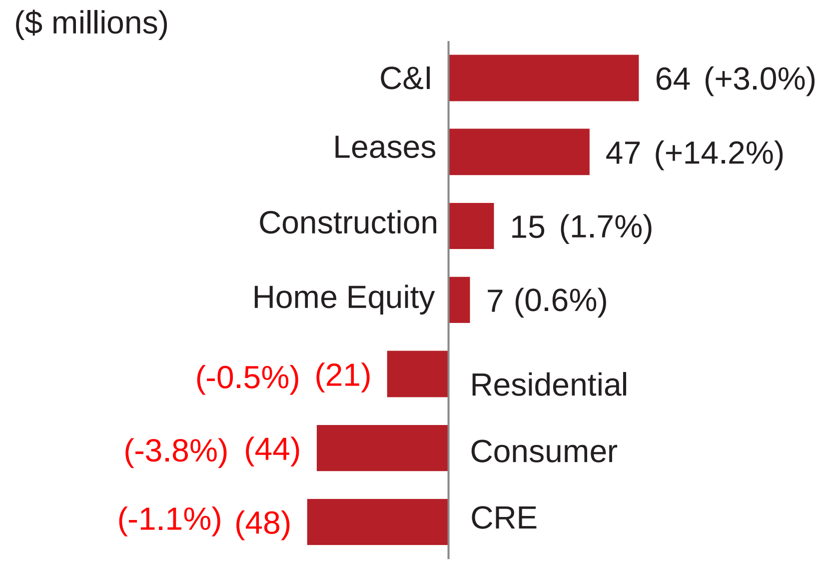
LOANS AND LEASES FLAT IN Q4

Total Loans and Leases



Note: Segments may not sum to total due to rounding

Q4 '23 vs Q3 '23 Net Changes



Q4 Highlights

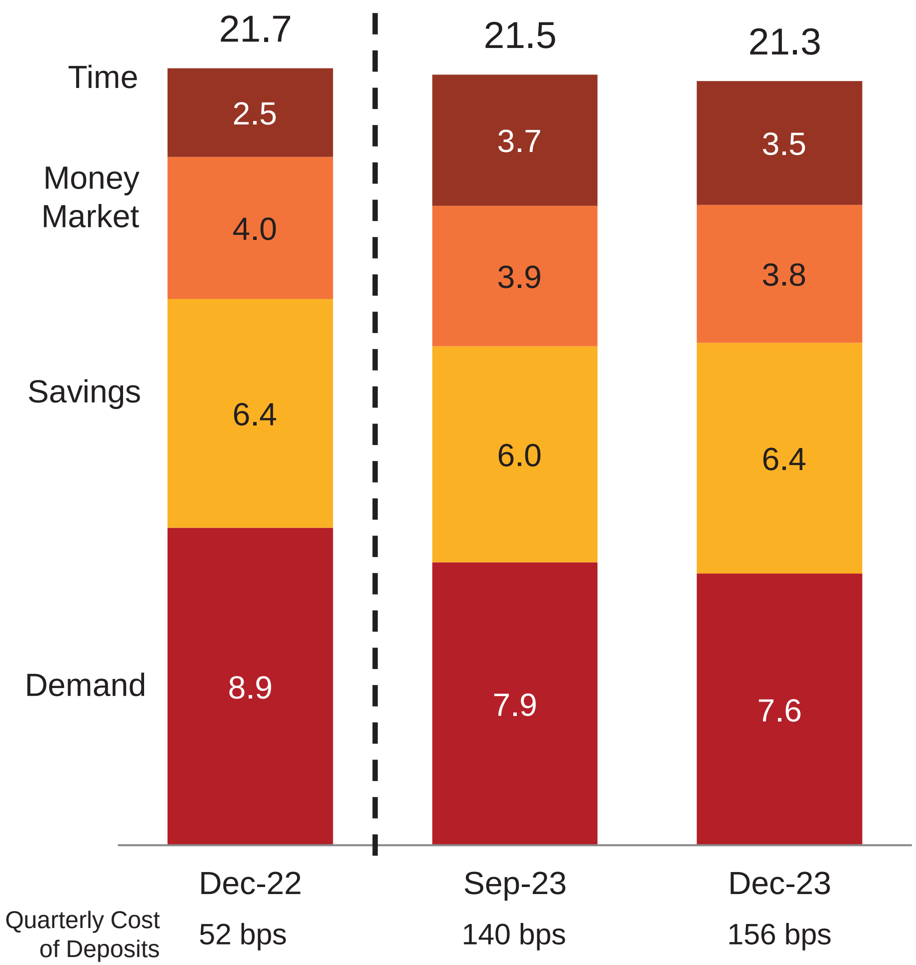
- $98 million increase in dealer flooring balances
- Drop in consumer loan balances driven by $44 million decrease in indirect auto loans

RETAIL & COMML DEPOSITS UP $405 MM
PUBLIC TIME DEPOSITS DOWN $506 MM

First Hawaiian, Inc.

Total Deposits

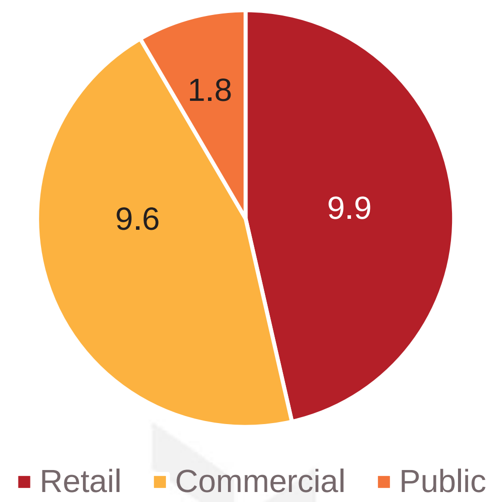
($ billions)



Note: Segments may not sum to total due to rounding

Deposit Composition

($ billions)



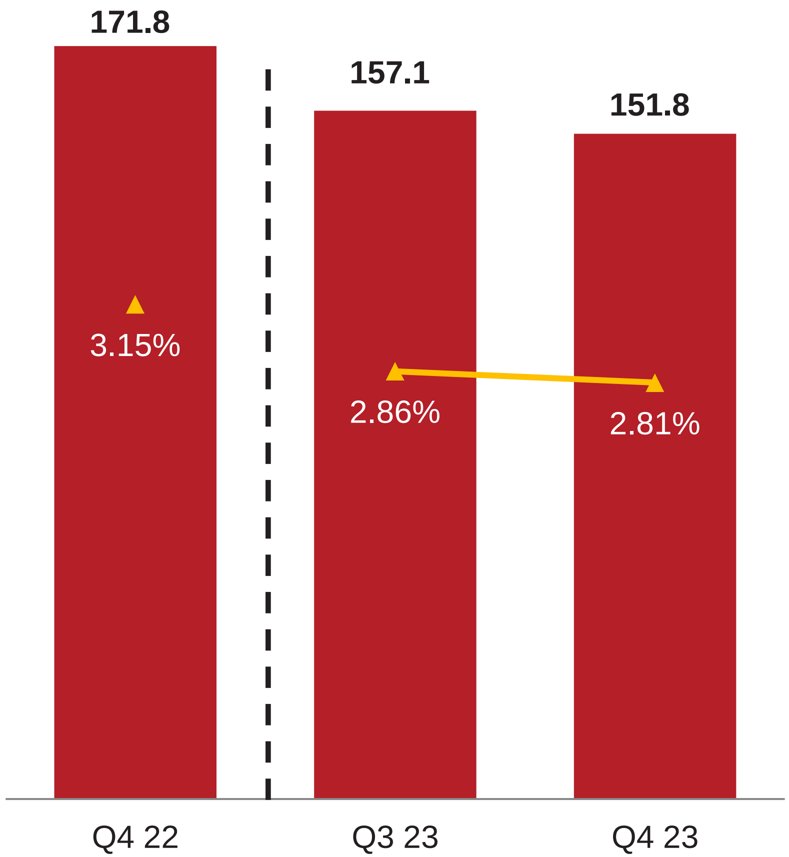
Q4 Highlights

- $179 mm, or 0.8%, decrease in total deposits
  - $405 mm increase in retail and commercial deposits
    - Growth split 40%/60% between retail and commercial
  - $584 mm decrease in public deposits
    - $506 mm decrease in public time deposits
- 156 bp cost of deposits, up 16 bp from Q3

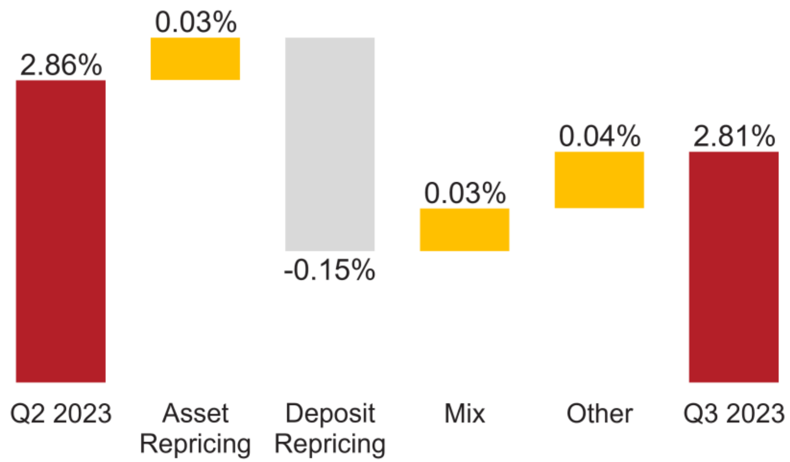
$5.4 MM DECREASE IN NET INT INCOME, 5 BP DECREASE IN NIM

Net Interest Income and Net Interest Margin

($ millions)



Q3 ‘23 – Q4 ‘23 NIM Walk



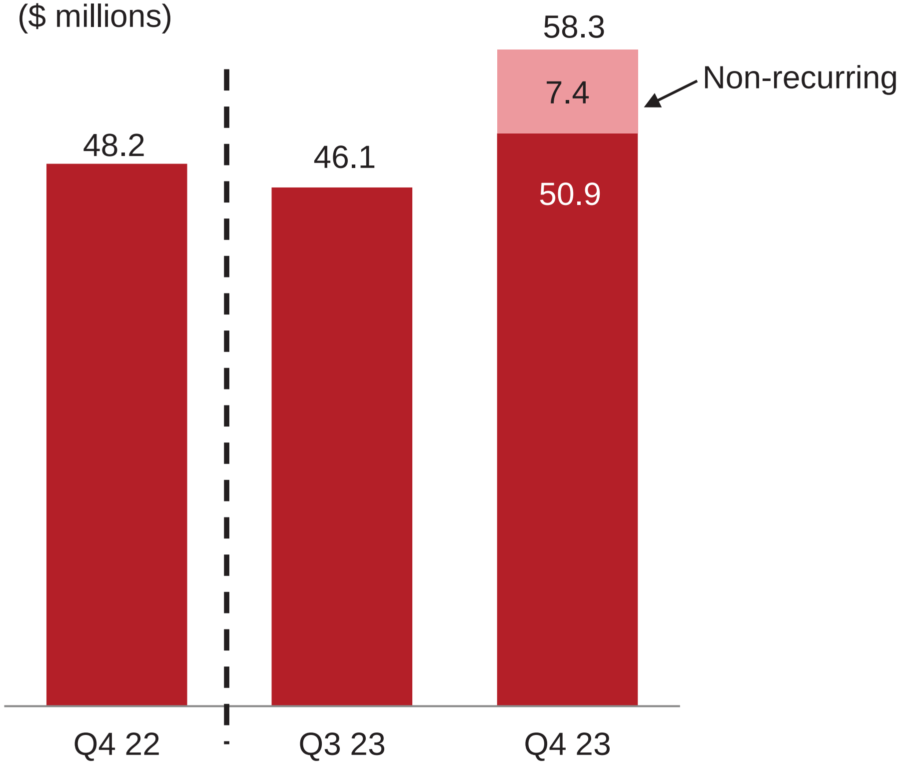
Comments

- Net interest margin declined 5 bps in Q4
  - Impact of increase in deposit costs partially offset by asset repricing and balance sheet mix shift
  - Non-recurring items added 4 bps to Q4 NIM.
- Total cost of funds: 1.64%

NONINTEREST INCOME AND EXPENSE

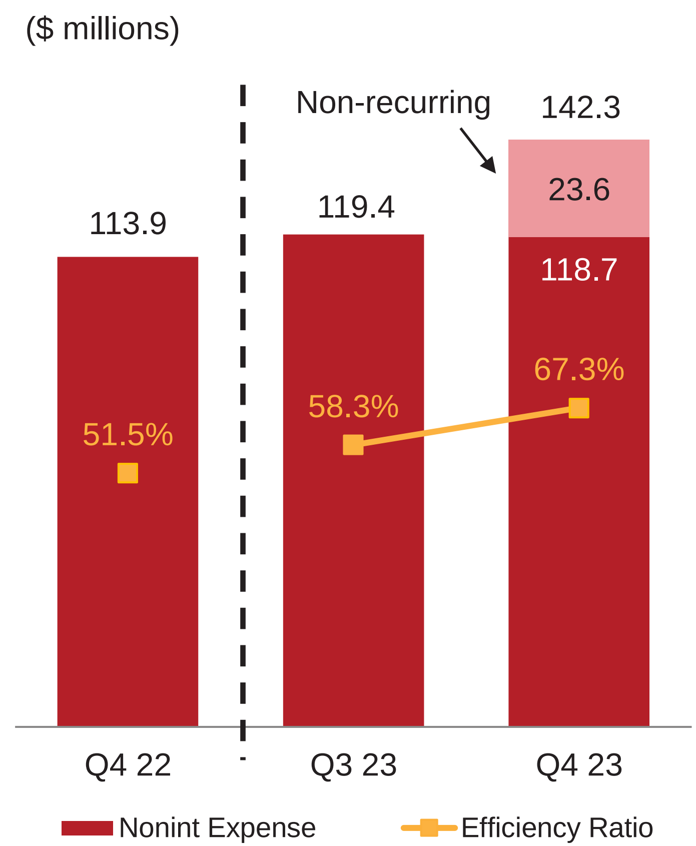
First Hawaiian, Inc.

Noninterest Income



- Non-recurring items include:
  - Gain on sale of Visa B shares: $40.8 mm
  - Gain on sale of branch real estate: $7.9 mm
  - Loss on sale of securities: ($40.0 mm)
  - Other: ($1.3 mm)

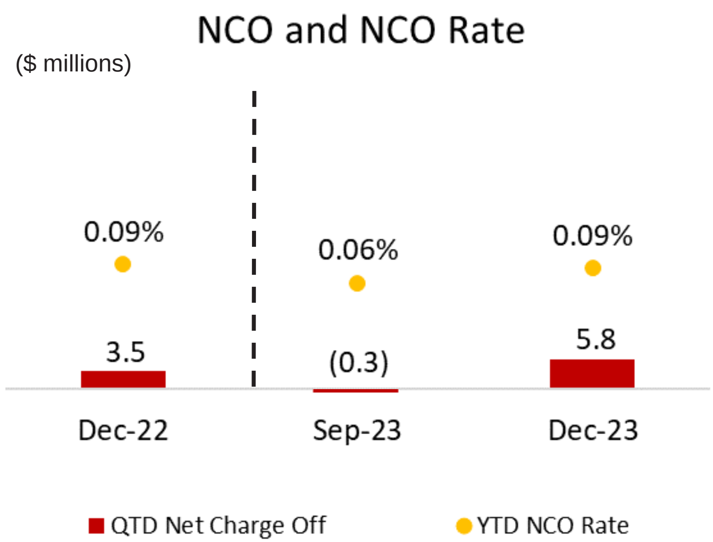
Noninterest Expense



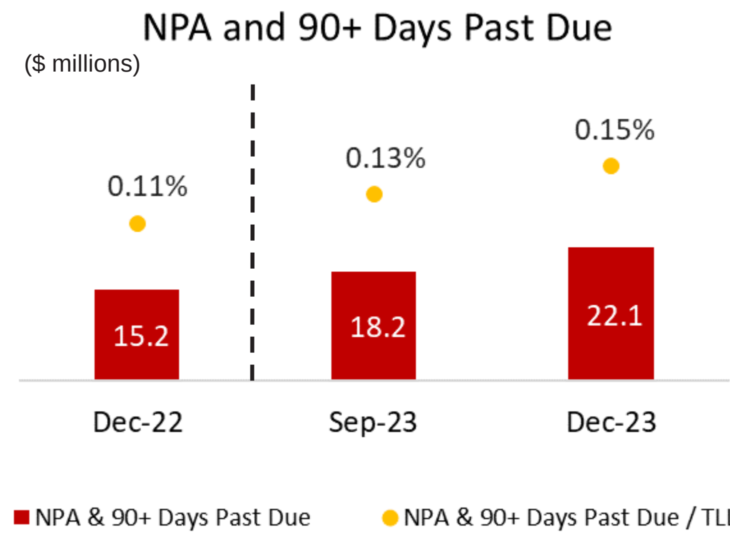
- Non-recurring items include:
  - FDIC special assessment: $16.3 mm
  - Other: $7.3 mm

ASSET QUALITY

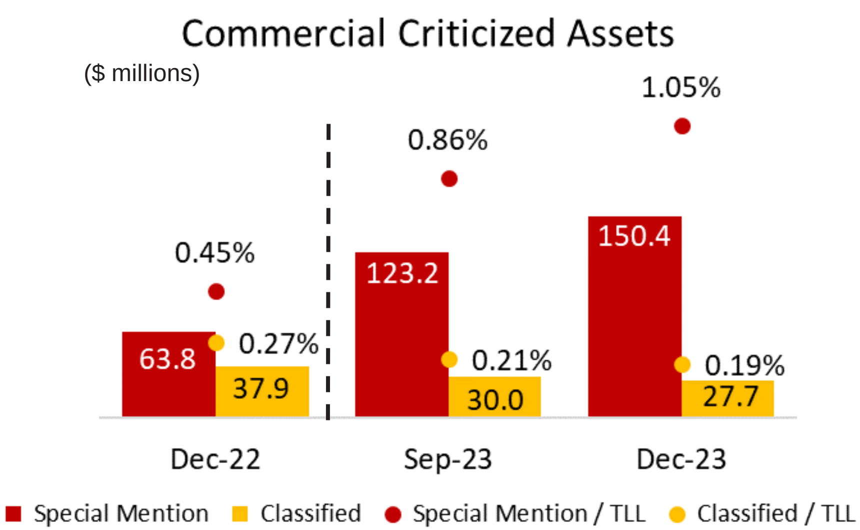
First Hawaiian, Inc.



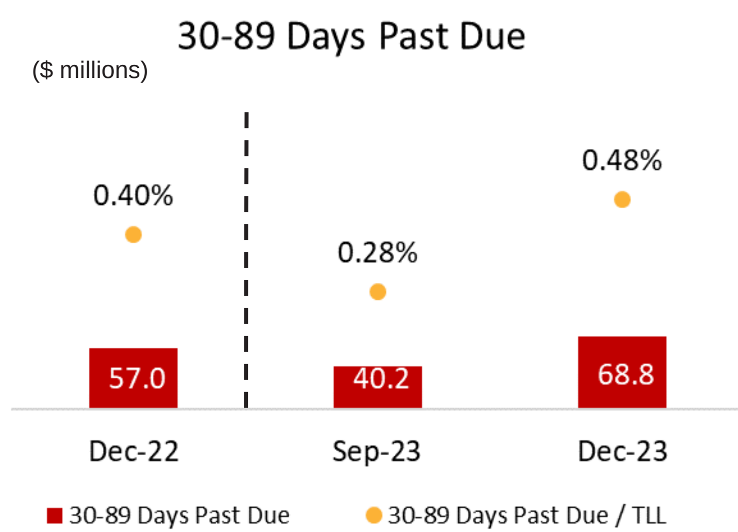
- YTD NCO Rate - Annualized YTD NCO/Avg Loans and Leases



- Includes OREO and 90+ days past due accruing loans



- TLL - Total Loans and Leases



- 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 increased 1 bp to 1.09%
- The bank recorded a $2.2MM release on the reserve for unfunded commitments

Rollforward of the On-Balance Sheet Allowance for Credit Losses

($ in 000's)	C&I	CRE	Const	Lease	Mortgage	Home Equity	Consumer	Total
9/30/2023	13,700	43,798	10,204	1,710	36,999	11,427	36,957	154,795
Charge-offs	-910	-2,500	-	-	-	-20	-4,147	-7,577
Recoveries	171	-	-	-	31	163	1,450	1,815
Provision	1,995	2,646	188	44	-150	158	2,619	7,500
12/31/2023	14,956	43,944	10,392	1,754	36,880	11,728	36,879	156,533
% of Total ACL	9.5%	28.1%	6.6%	1.1%	23.6%	7.5%	23.6%	100.0%
Total Loan Balance	2,165,349	4,340,243	900,292	379,809	4,283,315	1,174,588	1,109,901	14,353,497
ACL/Total LL	0.69%	1.01%	1.15%	0.46%	0.86%	1.00%	3.32%	1.09%

COMMERCIAL REAL ESTATE

(In Millions)

First Hawaiian, Inc.

Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	751	17.3%	59.7%	0.5%
Hotel	398	9.2%	53.7%	1.7%
Retail	797	18.4%	62.3%	1.3%
Multi-family	870	20.0%	55.9%	5.8%
Industrial	660	15.2%	58.5%	2.8%
Dealer Related	466	10.7%	69.5%	0.0%
Other	398	9.2%	56.2%	1.0%
Total	**4,340**	**100.0%**	**59.4%**	**2.2%**

The CRE portfolio continues to be well-diversified across property types, well-secured with a weighted average LTV of 59.4% and of high quality, with a criticized rate of 2.2%.

- Office exposure in CRE represents approximately 5.2% of total loans and leases, but criticized office CRE is less than 3 bps of total loans and leases.
- As a whole, 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.

APPENDIX

First Hawaiian, Inc.

SUMMARY INCOME STATEMENT

First Hawaiian, Inc.

($ in millions except per share data)	Quarter ended 12/31/23		Quarter ended 9/30/23		Quarter ended 12/31/22	
Net interest income	$	151.8	$	157.1	$	171.8
Provision for credit losses		5.3		7.5		3.0
Noninterest income		58.3		46.1		48.2
Noninterest expense		142.3		119.4		113.9
Pre-tax income		**62.5**		**76.4**		**103.1**
Tax expense		15.0		18.1		23.5
Net Income	**$**	**47.5**	**$**	**58.2**	**$**	**79.6**
Diluted earnings per share	$	0.37	$	0.46	$	0.62

Note: Totals may not sum due to rounding.

SELECTED BALANCE SHEET ITEMS

First Hawaiian, Inc.

($ in millions except per share data)	As of 12/31/23		9/30/23		12/31/22	
Selected Assets						
Investment securities – AFS	$ 2,255.3		$ 2,722.7		$ 3,151.1	
Investment securities – HTM	4,041.4		4,104.1		4,320.6	
Loans and leases	14,353.5		14,332.3		14,092.0	
Total assets	24,926.5		24,912.5		24,577.2	
Selected Liabilities and Stockholders' Equity						
Total deposits	$ 21,332.7		$ 21,511.5		$ 21,689.0	
Short-term borrowings	500.0		500.0		75.0	
Total stockholders' equity	2,486.1		2,351.0		2,269.0	
Shares Outstanding	127,618,761		127,609,934		127,363,327	
Book value per share	$ 19.48		$ 18.42		$ 17.82	
Tangible book value per share (1)	11.68		10.62		10.00	
Tier 1 Leverage Ratio	8.64	%	8.45	%	8.11	%
CET 1 / Tier 1	12.39	%	12.21	%	11.82	%
Total Capital Ratio	13.57	%	13.38	%	12.92	%

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

COMMERCIAL & INDUSTRIAL

(In Millions)

Property Type	Balances	% of Balances	% Criticized
Auto Dealers	705	32.6%	0.0%
Retail	-	0.0%	0.0%
Hospitality/Hotel	84	3.9%	0.3%
Food Service	46	2.1%	4.6%
Transportation	50	2.3%	2.4%
Other	1,280	59.1%	6.2%
Total	**2,165**	**100.00%**	**3.8%**

Industries deemed to exhibit higher volatility represent a modest amount of total C&I exposure and dealer related credits represent about 32.6% of total C&I, inclusive of $563 million in flooring balances.

CONSTRUCTION

(In Millions)

First Hawaiian, Inc.

Property Type	Balances	% of Balances	Weighted Average LTV	% Criticized
Office	76	8.5%	47.1%	0.0%
Hotel	55	6.1%	49.8%	0.0%
Retail	27	3.0%	58.1%	0.0%
Multi-family	423	47.0%	57.1%	0.0%
Industrial	95	10.5%	50.7%	0.7%
Dealer Related	73	8.1%	82.9%	0.0%
Other	151	16.9%	58.9%	0.1%
Total	**900**	**100.0%**	**57.5%**	**0.1%**

The construction book is concentrated in Multi-family and 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 December 31, 2023	September 30, 2023	December 31, 2022	For the Year Ended December 31, 2023	2022
Income Statement Data:					
Net income	**$ 47,502**	$ 58,221	$ 79,588	**$ 234,983**	$ 265,685
Average total stockholders' equity	**$ 2,374,669**	$ 2,367,422	$ 2,213,030	**$ 2,346,713**	$ 2,321,606
Less: average goodwill	**995,492**	995,492	995,492	**995,492**	995,492
Average tangible stockholders' equity	**$ 1,379,177**	$ 1,371,930	$ 1,217,538	**$ 1,351,221**	$ 1,326,114
Average total assets	**$ 24,404,727**	$ 24,727,893	$ 24,575,648	**$ 24,625,445**	$ 24,964,422
Less: average goodwill	**995,492**	995,492	995,492	**995,492**	995,492
Average tangible assets	**$ 23,409,235**	$ 23,732,401	$ 23,580,156	**$ 23,629,953**	$ 23,968,930
Return on average total stockholders' equity[(1)]	**7.94 %**	9.76 %	14.27 %	**10.01 %**	11.44 %
Return on average tangible stockholders' equity (non-GAAP)[(1)]	**13.66 %**	16.84 %	25.93 %	**17.39 %**	20.03 %
Return on average total assets[(1)]	**0.77 %**	0.93 %	1.28 %	**0.95 %**	1.06 %
Return on average tangible assets (non-GAAP)[(1)]	**0.81 %**	0.97 %	1.34 %	**0.99 %**	1.11 %

(dollars in thousands, except per share amounts)	As of December 31, 2023	As of September 30, 2023	As of December 31, 2022
Balance Sheet Data:			
Total stockholders' equity	**$ 2,486,066**	$ 2,351,009	$ 2,269,005
Less: goodwill	**995,492**	995,492	995,492
Tangible stockholders' equity	**$ 1,490,574**	$ 1,355,517	$ 1,273,513
Total assets	**$ 24,926,474**	$ 24,912,524	$ 24,577,223
Less: goodwill	**995,492**	995,492	995,492
Tangible assets	**$ 23,930,982**	$ 23,917,032	$ 23,581,731
Shares outstanding	**127,618,761**	127,609,934	127,363,327
Total stockholders' equity to total assets	**9.97 %**	9.44 %	9.23 %
Tangible stockholders' equity to tangible assets (non-GAAP)	**6.23 %**	5.67 %	5.40 %
Book value per share	**$ 19.48**	$ 18.42	$ 17.82
Tangible book value per share (non-GAAP)	**$ 11.68**	$ 10.62	$ 10.00

(1) Annualized for the three months months ended December 31, 2023, September 30, 2023 and December 31, 2022