

Bank of Hawai'i Corporation  
**first quarter 2023**  
**financial report**

April 24, 2023

## forward-looking statements

*this presentation, and other statements made by the Company in connection with it, may contain forward-looking statements concerning, among other things, forecasts of our financial results and condition, expectations for our operations and business prospects, and our assumptions used in those forecasts and expectations. we have not committed to update forward-looking statements to reflect later events or circumstances.*

# a community bank approach

**coveted 125  
year old  
brand**

**traditional  
community  
bank focus**

**broad &  
deep market  
penetration**

**diversified, long  
tenured deposit  
base**

**strong liquidity**

**diversified, lower  
risk loan assets**

**exceptional  
credit  
quality**

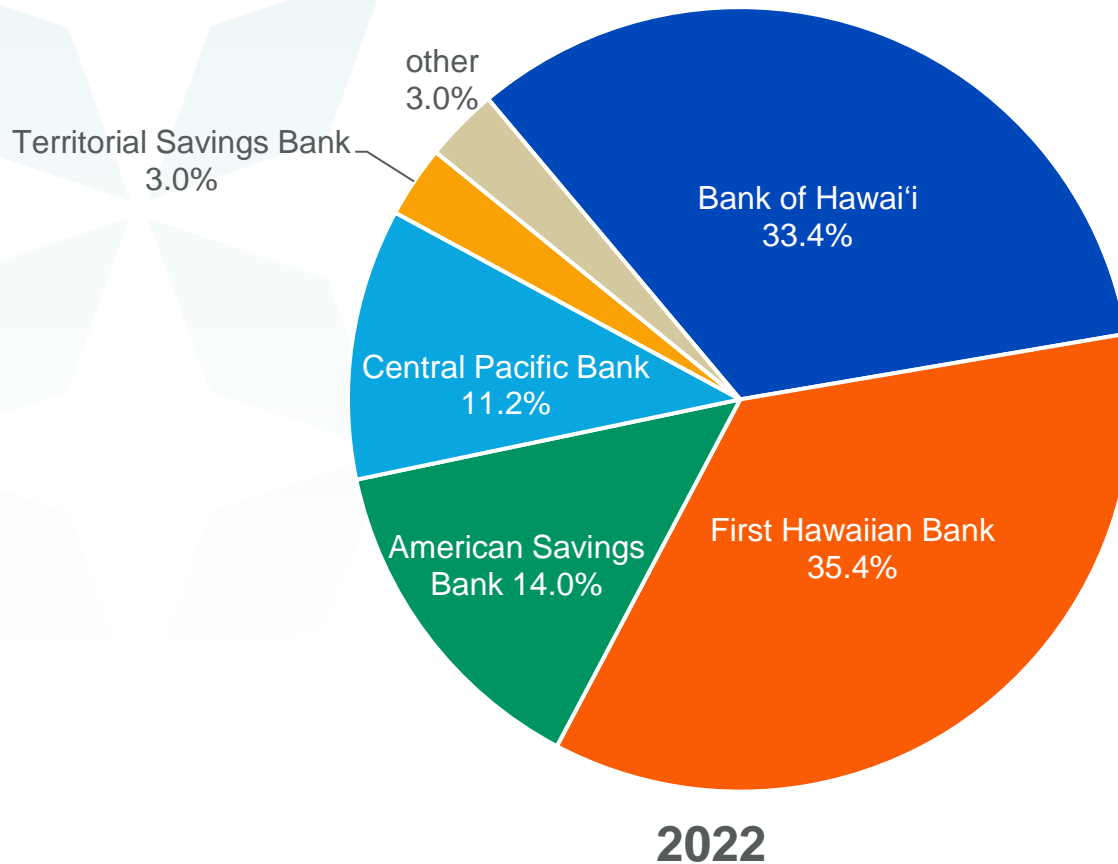
**exceptional  
deposit  
performance**

# our deposits

Through our 125 year history in the islands, Bank of Hawai'i has developed an exceptionally seasoned deposit base, built one relationship at a time, over many years, and in neighborhoods and communities we understand

- ✓ unique marketplace
- ✓ diversified
- ✓ tenured

# unique deposit market



**unique deposit market with five local competitors holding 97% of the bank deposit market**

# distributed

**# depositors  
fully FDIC insured**

**98%**

**\$ balances  
FDIC uninsured/  
uncollateralized**

**42%**

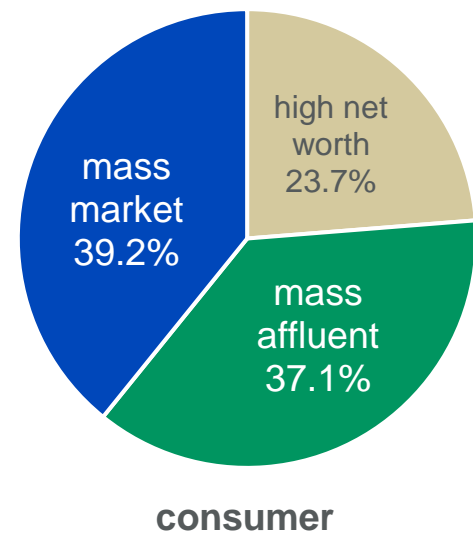
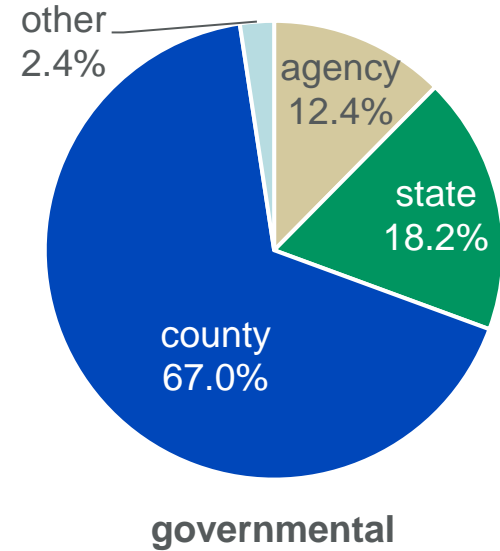
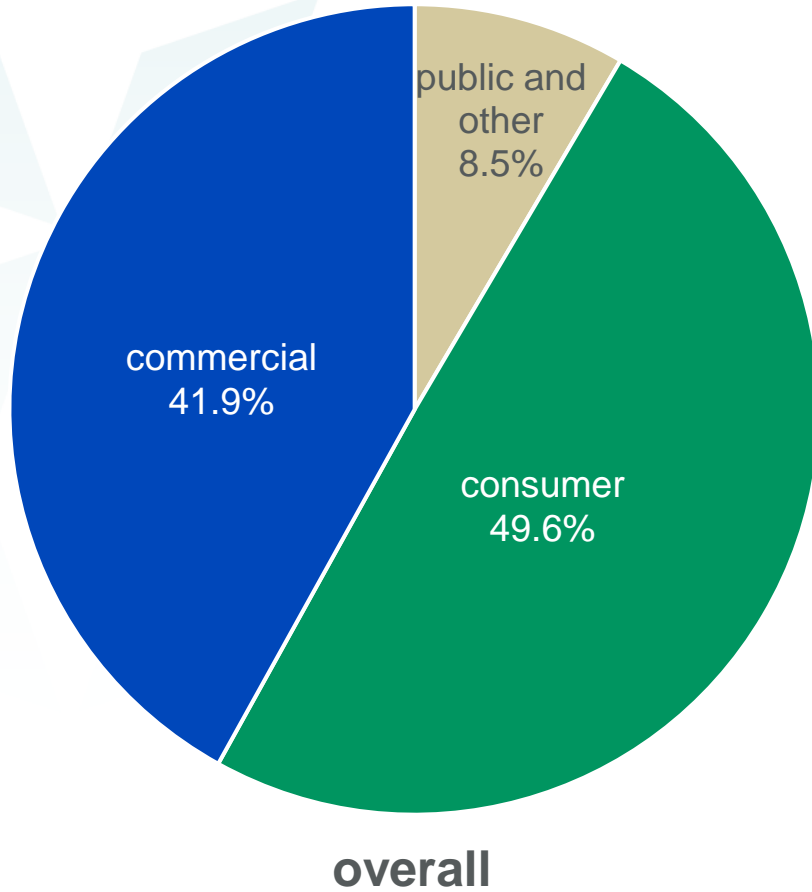
**average consumer  
account balance**

**\$18,000**

**average commercial  
account balance**

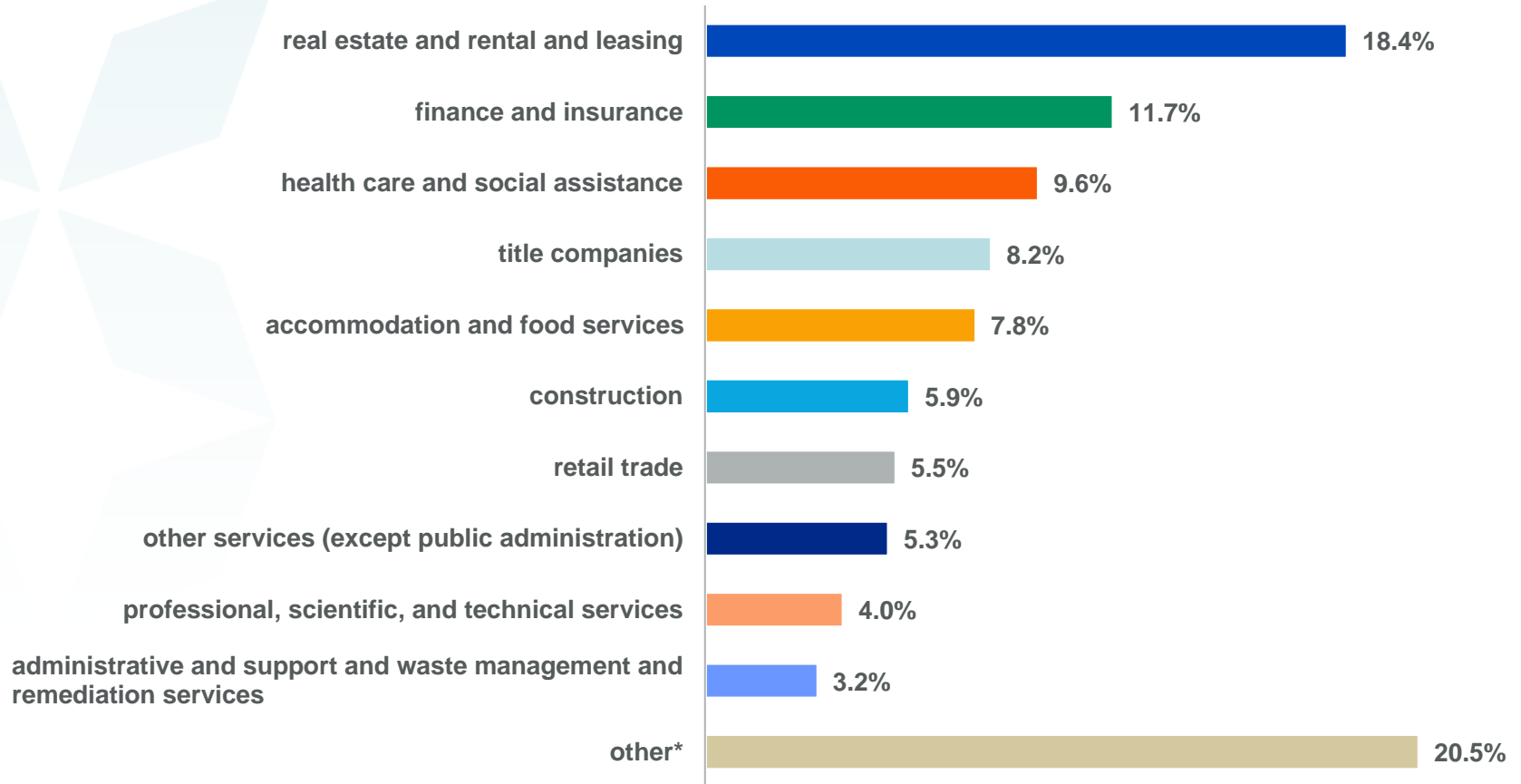
**\$133,000**

# diversified deposit base



# diversified deposit base

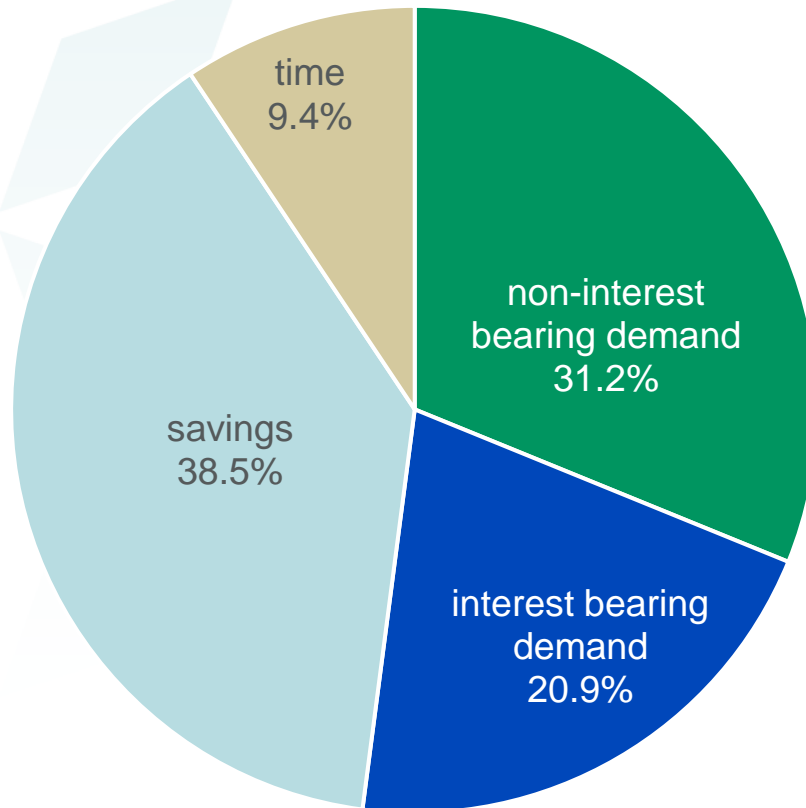
## commercial deposits by sector



\*as of March 31, 2023, no sector included in 'other' comprises more than 3.1% of total, excludes foreign currency and agency accounts  
note: numbers may not add up due to rounding



# highly operational in nature



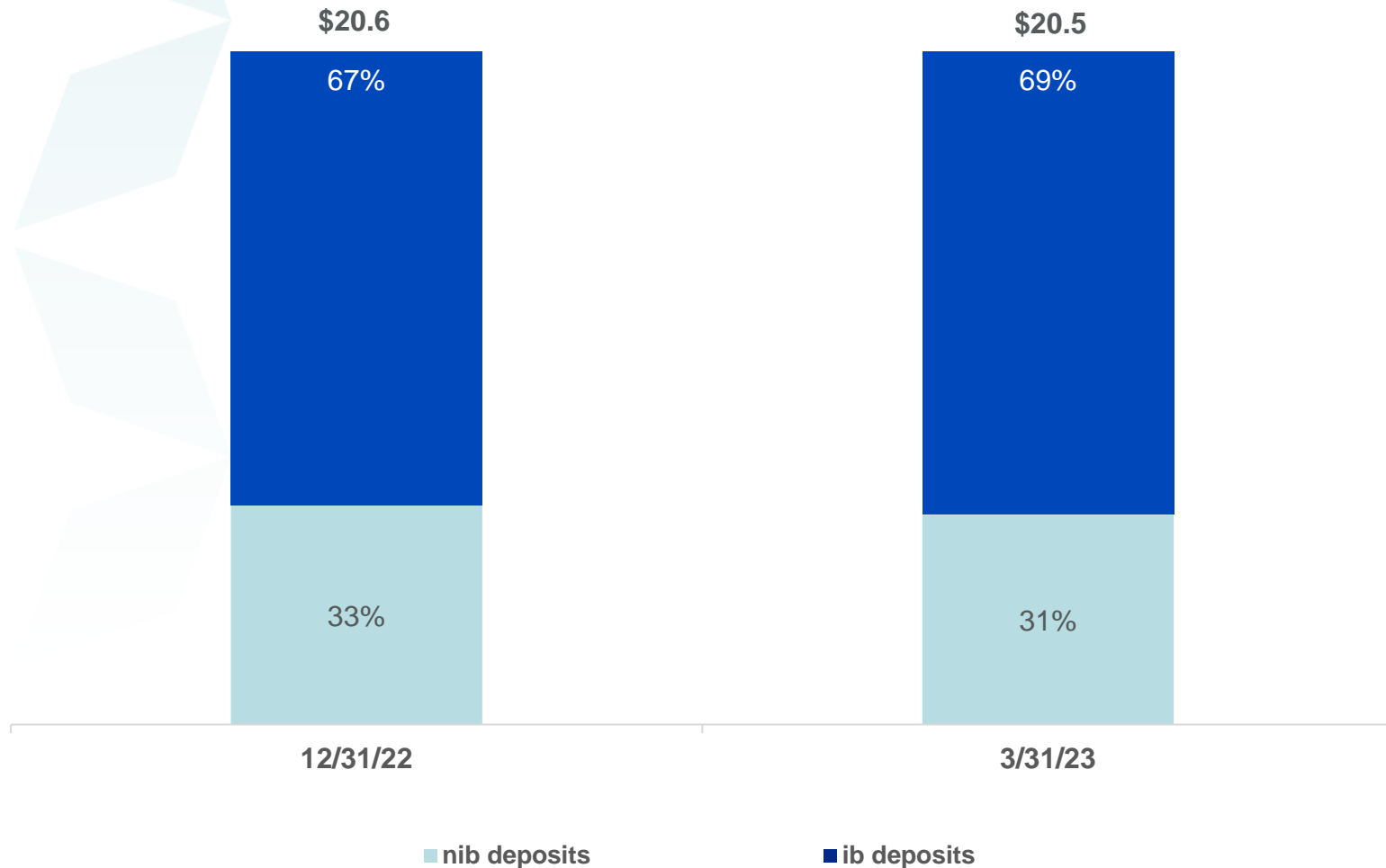
**overall demand: 52%**

**95% of Commercial deposits are with relationships with multiple deposit accounts**  
(3.7 accounts per relationship)

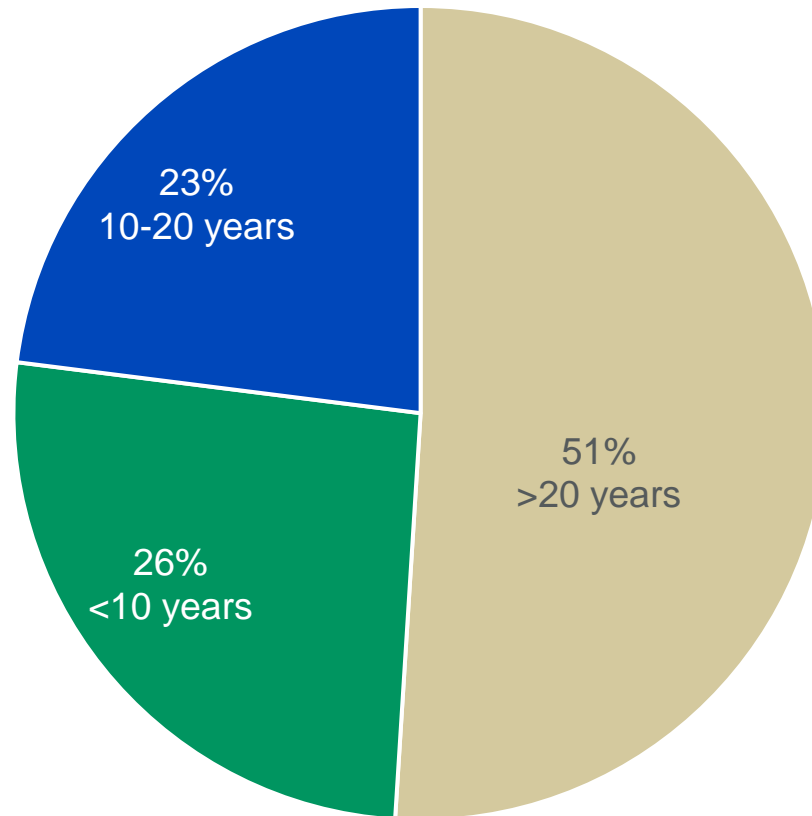
**71% of Consumer deposits are with relationships with multiple deposit accounts**  
(1.4 accounts per relationship)

# quarterly deposit mix shift

\$ in billions

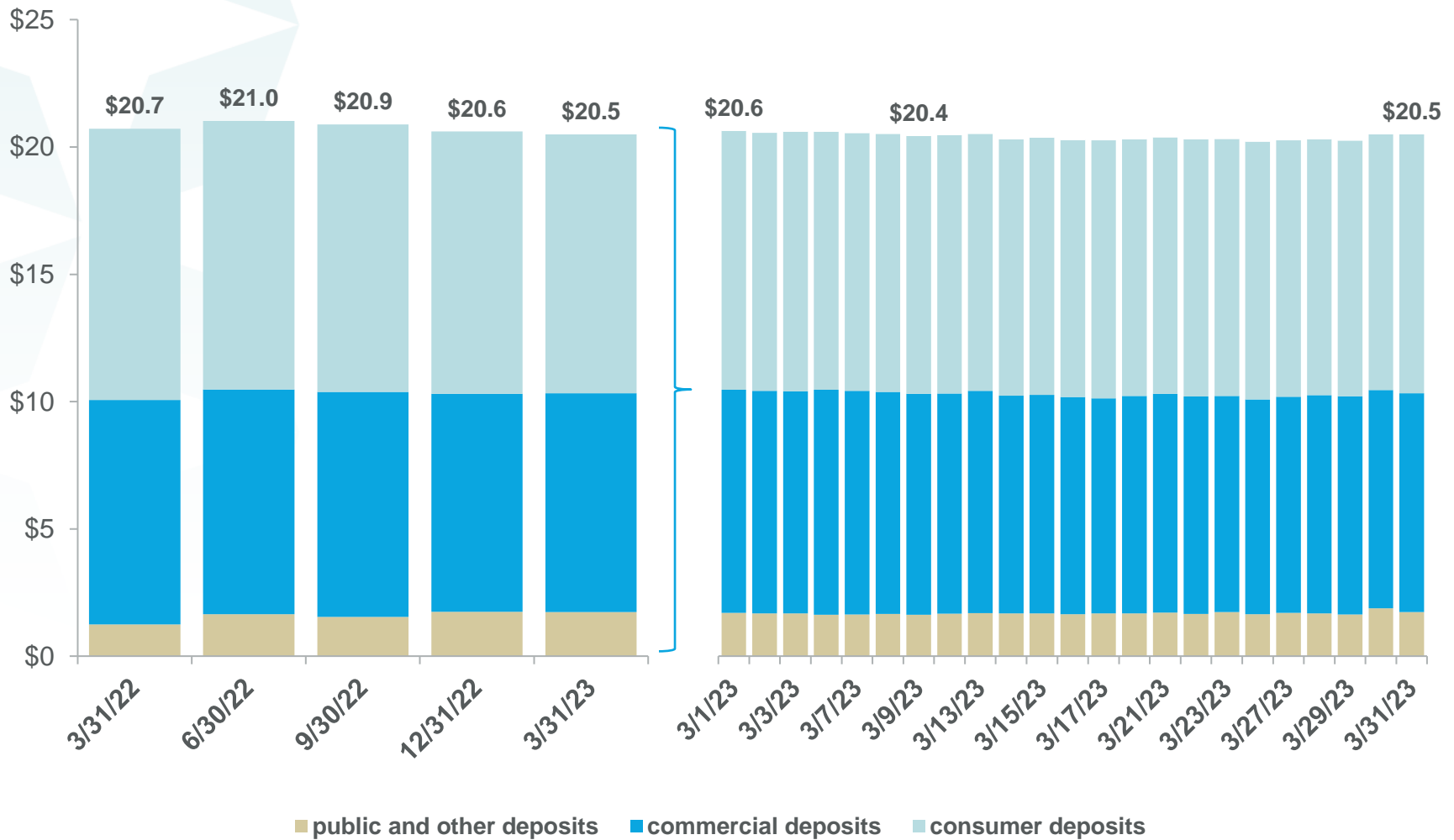


# tenured deposit base



# stable 2022 and Q1-23 deposit balances

\$ in billions



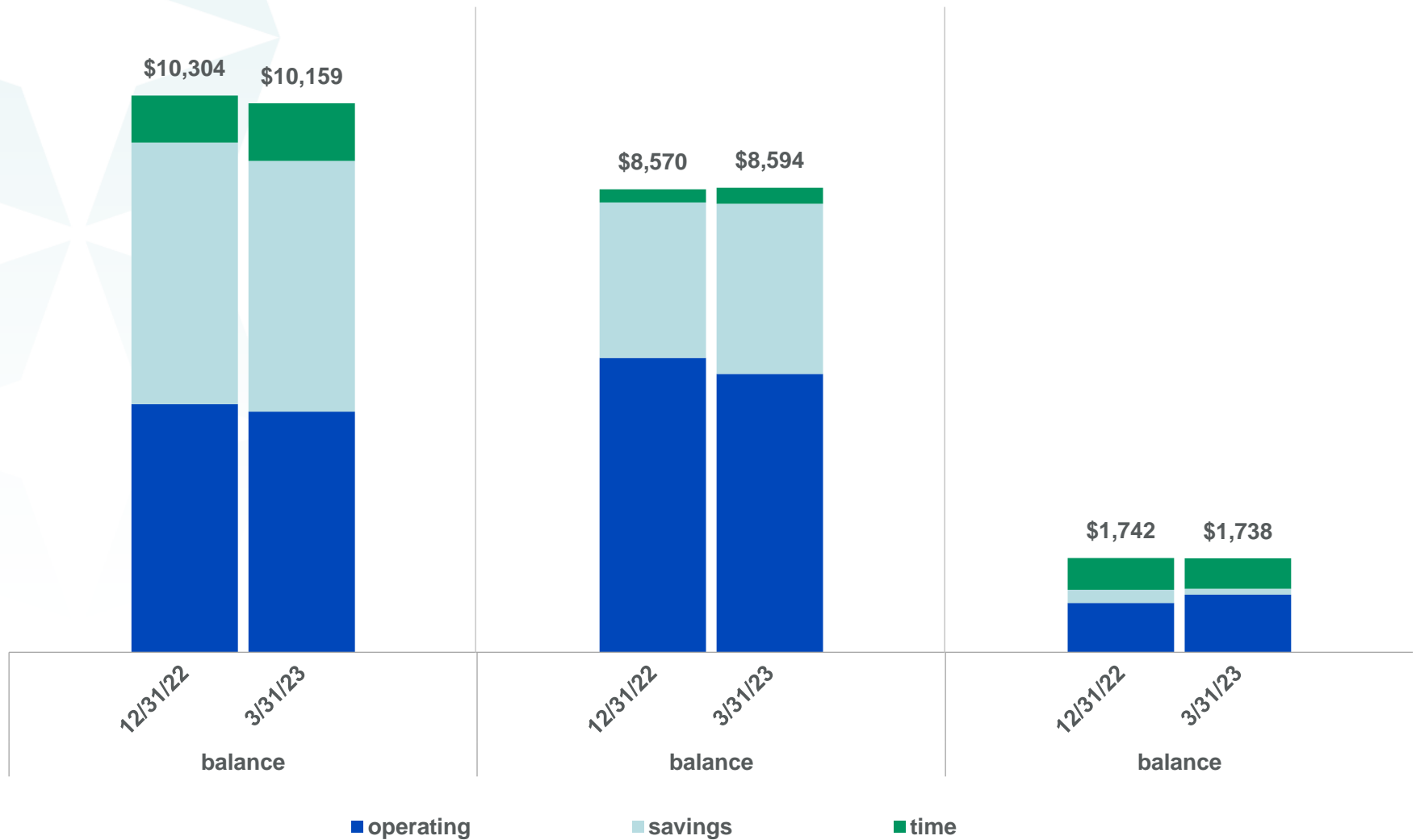
# deposit balance by segment

\$ in millions

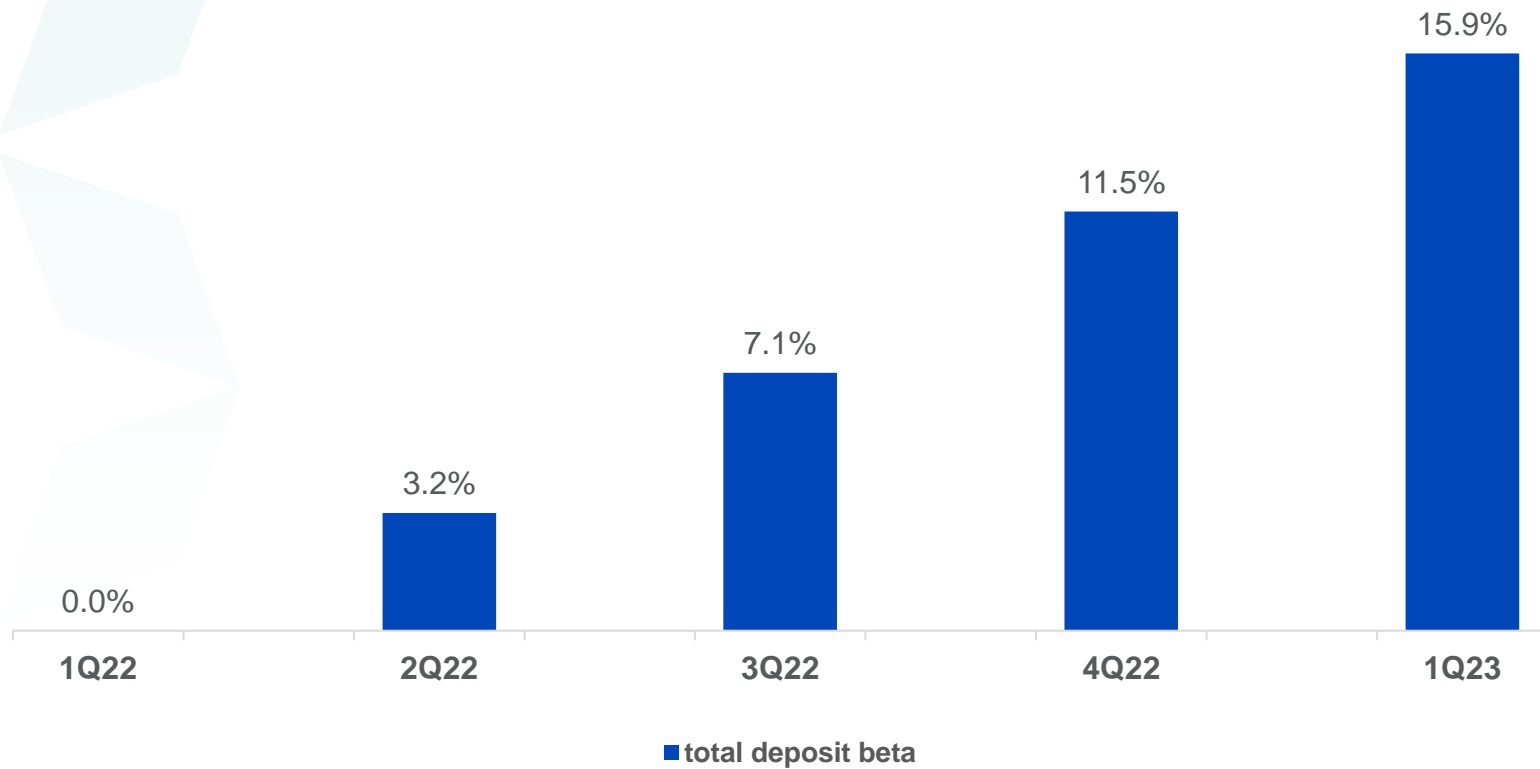
## consumer

## commercial

## public and other

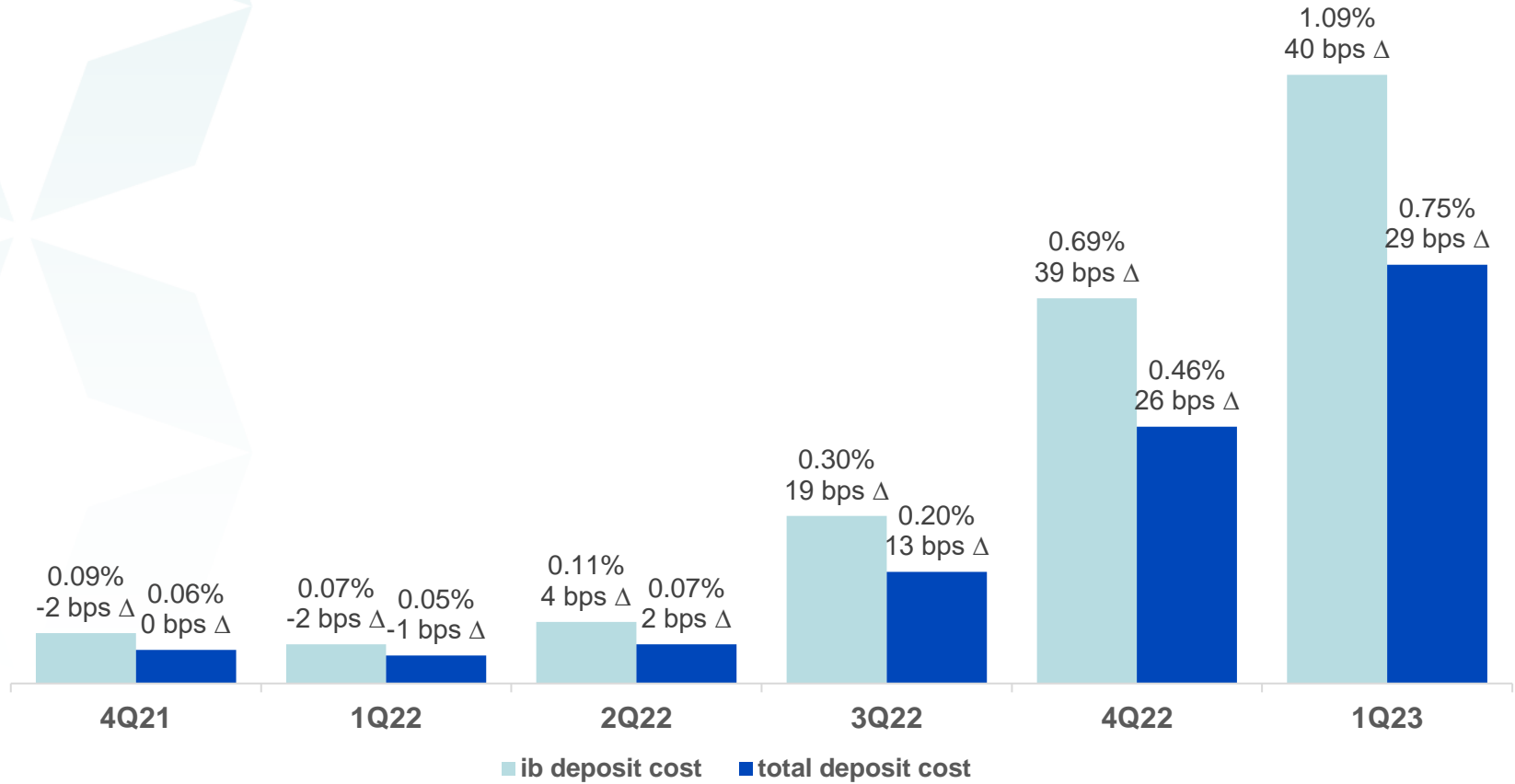


# deposit beta performance



note: beta calculated as change in average total deposit rate divided by change in average Fed Funds rate

# deposit cost

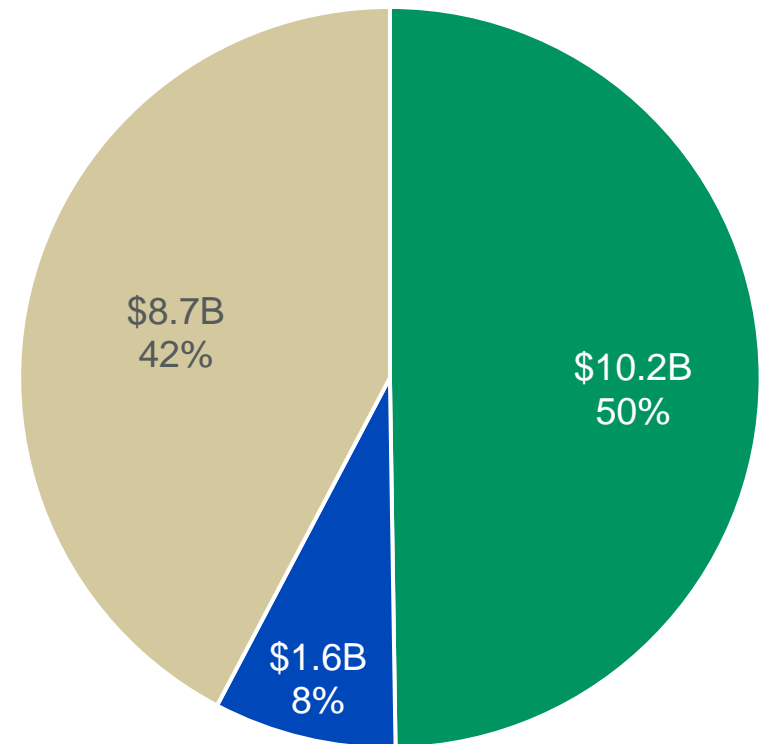


# liquidity lines

\$ in billions

**Bank of Hawai'i carries substantial liquidity lines and equivalents for both day-to-day operational purposes as well as for liquidity back stop purposes. The high quality of our asset base provides us with ample access.**

overnight Fed Funds	\$0.8
FRB & FHLB borrowing capacity*	7.1
securities available for pledging	0.3
	<hr/>
	\$8.2
estimated loans avail. for sale, securitization, repo, or pledging	\$1.9
	<hr/>
<b>total</b>	<b>\$10.1</b>



■ insured ■ collateralized (public) ■ uninsured

note: pie chart as of March 31, 2023, numbers may not add up due to rounding  
\*available borrowing capacity includes Bank Term Funding Program margins

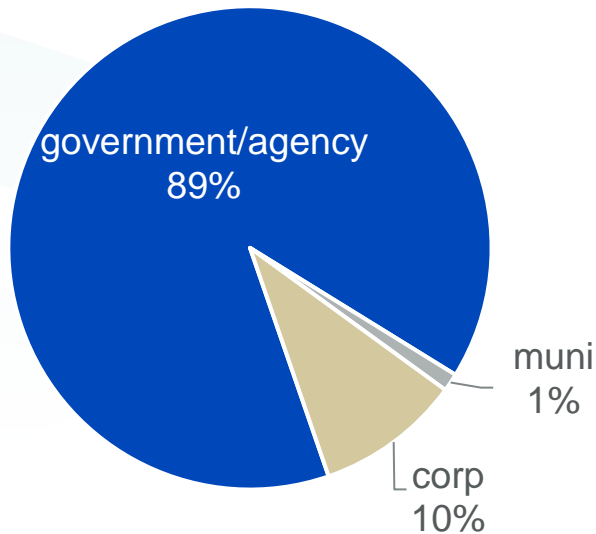


# assets

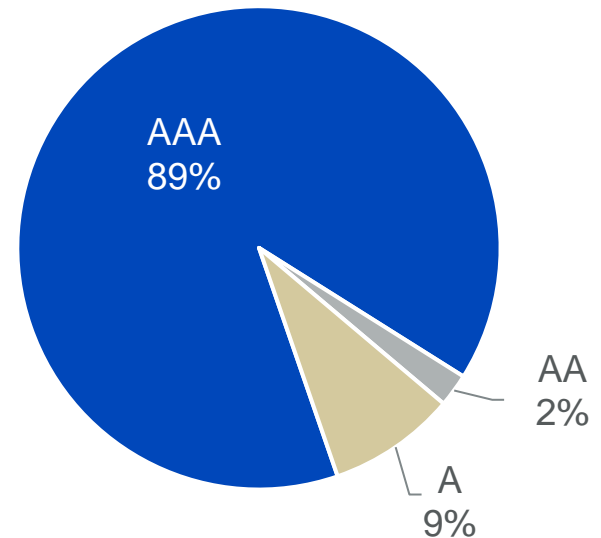
# conservative and liquid investment portfolio

## high-quality investment portfolio

sector

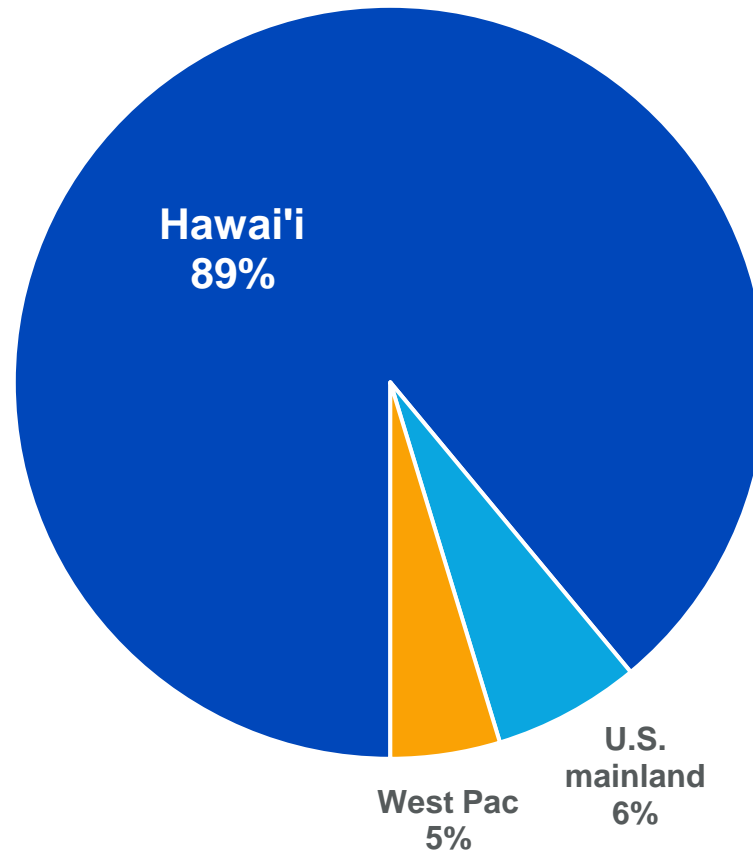


Moody's rating



# lending philosophy

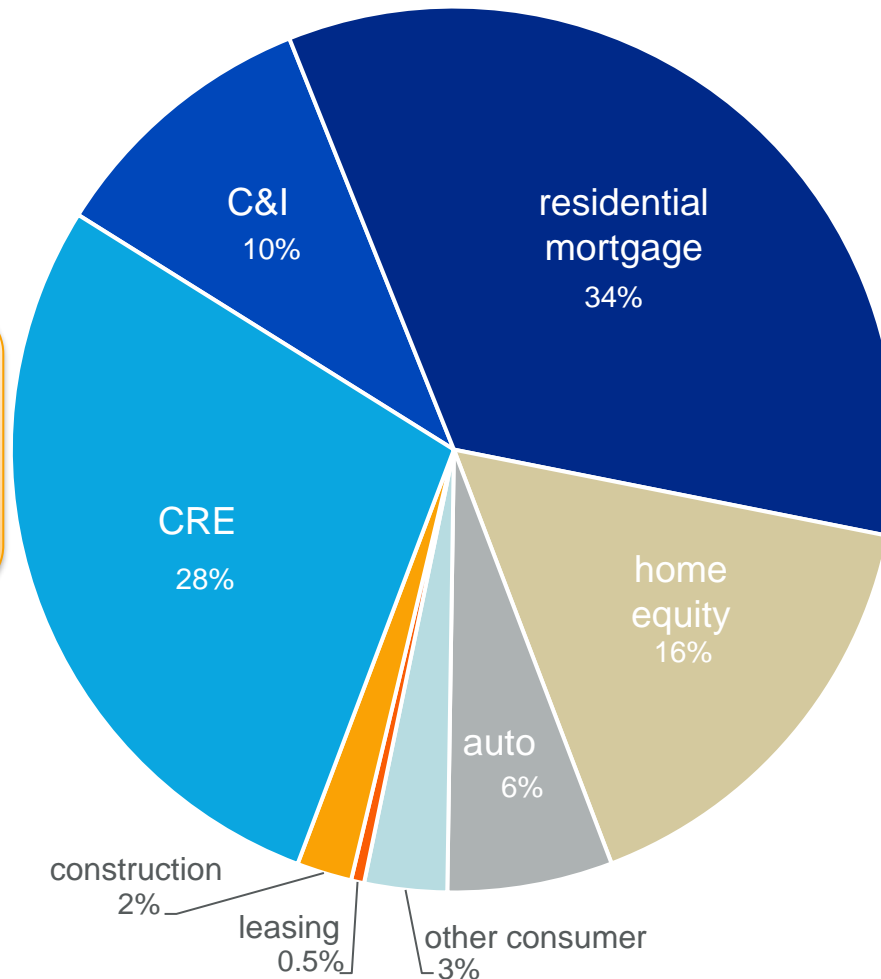
we lend in markets we know and to relationships we understand



# loan portfolio

\$13.8 B as of 1Q23, excluding PPP

**80% of portfolio secured with real estate  
with combined weighted average loan to value of 55%**

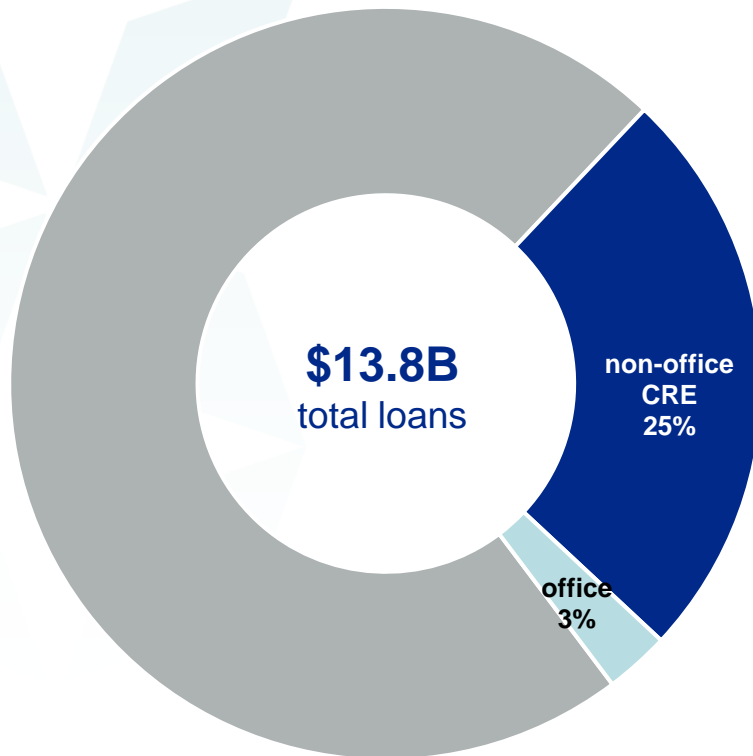


**40% commercial**  
73% real estate secured  
wtd avg LTV 56%  
56% w/ BOH ≥ 10 yrs  
avg bal \$2.95MM re sec  
avg bal \$0.23MM other

**60% consumer**  
84% real estate secured  
wtd avg LTV 54%  
57% w/ BOH ≥ 10 yrs  
avg bal \$0.24MM re sec  
avg bal \$0.01MM other

# commercial real estate

\$3.8B (28%) as of 1Q23, with \$383 million (3%) in office

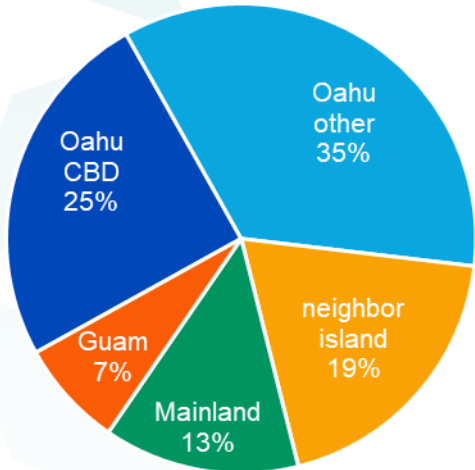


asset type	% total loans	wtd avg LTV
multi-family	6.6%	59%
industrial	5.5%	57%
retail	5.2%	55%
lodging	4.1%	55%
office	2.8%	56%
specialty	2.9%	53%
other	0.6%	46%
<b>total CRE</b>	<b>27.7%</b>	<b>56%</b>

# CRE office

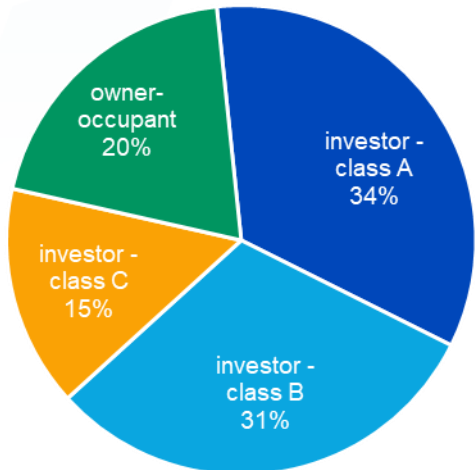
\$383.4 MM (3%) as of 1Q23

by geography

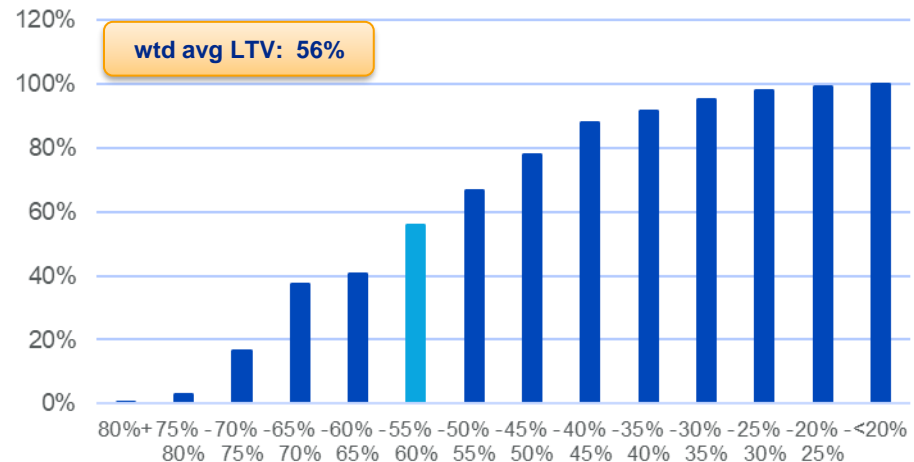


- 56% wtd avg LTV
- \$1.8MM average exposure
- 25% CBD (Downtown HNL) with 63% wtd avg LTV
  - 47% with repayment guaranties
- 3% maturing through 2024

by category

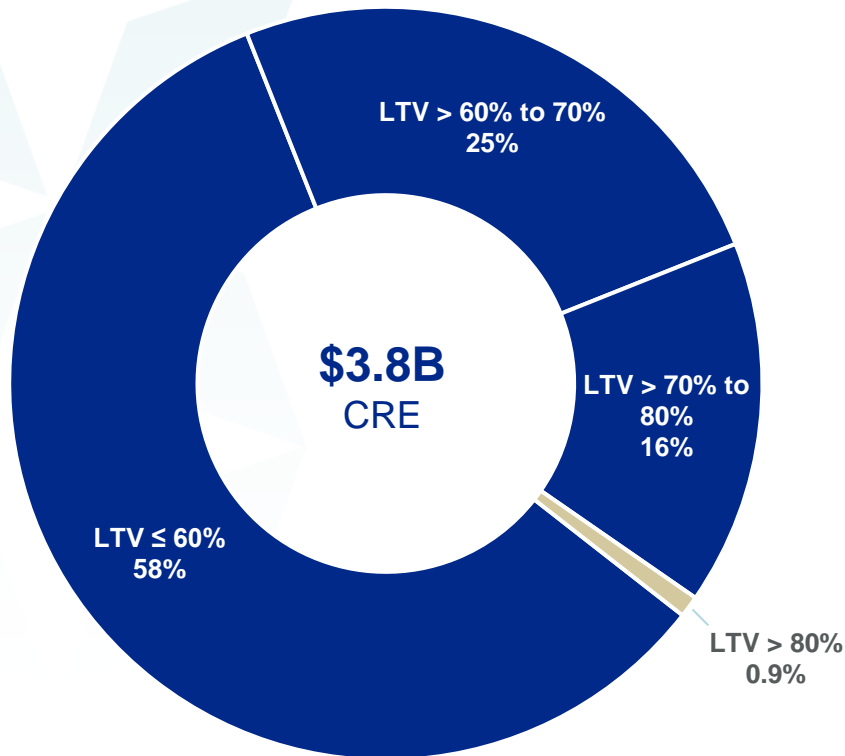


LTV distribution



# commercial real estate tail risk

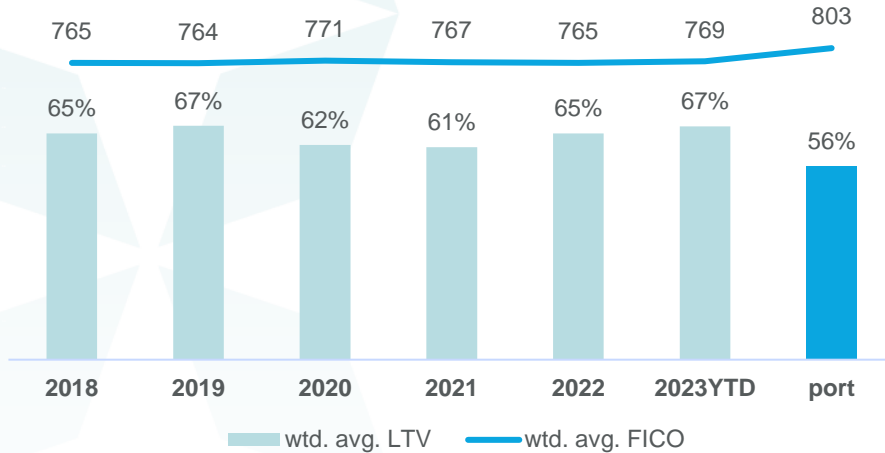
*\$35 million (0.9% of CRE) with LTV > 80%*



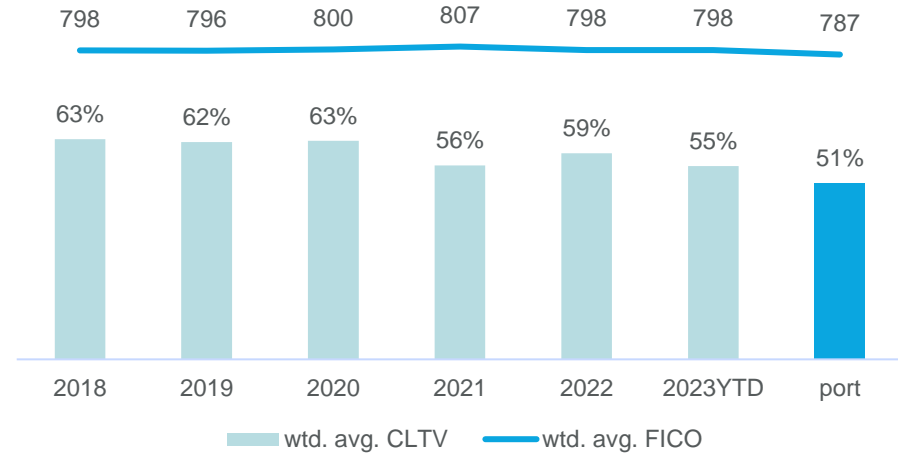
asset type	% CRE
multi-family	0.66%
industrial	0.16%
retail	0.07%
lodging	0.00%
office	0.03%
specialty	0.00%
other	0.00%
<b>total LTV &gt; 80%</b>	<b>0.92%</b>

# consumer production quality

## residential mortgage



## home equity



## indirect



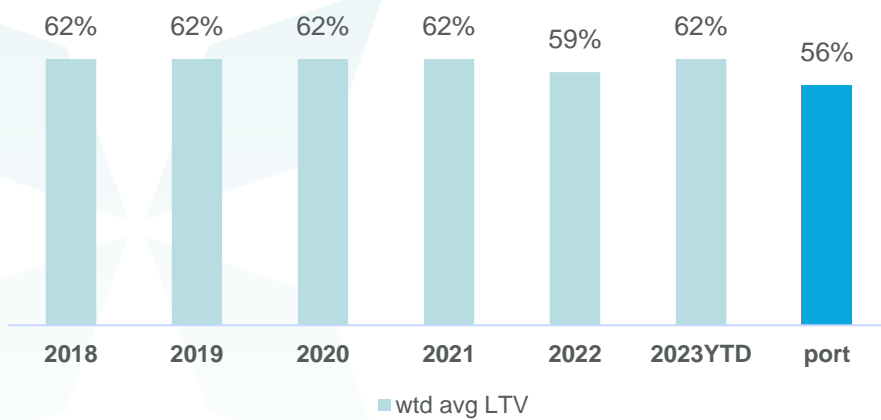
## installment



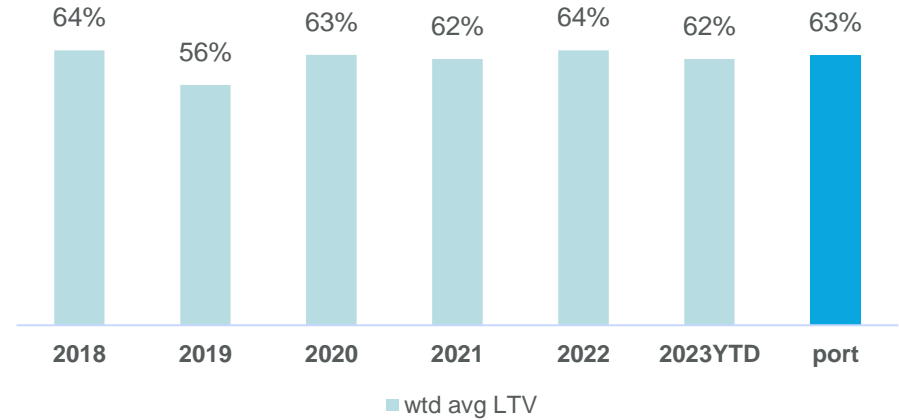


# commercial production quality

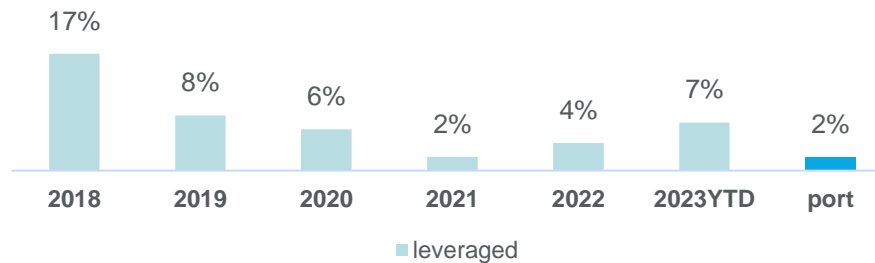
## commercial real estate



## construction

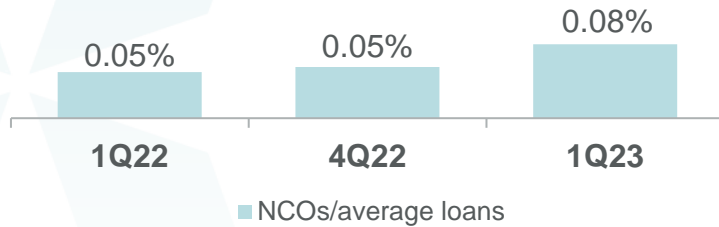


## C&I (excl PPP)

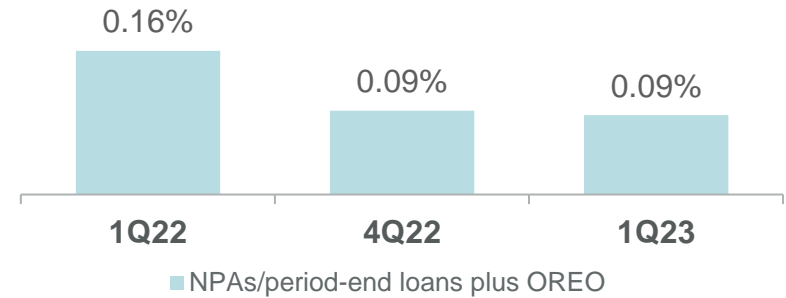


# credit quality

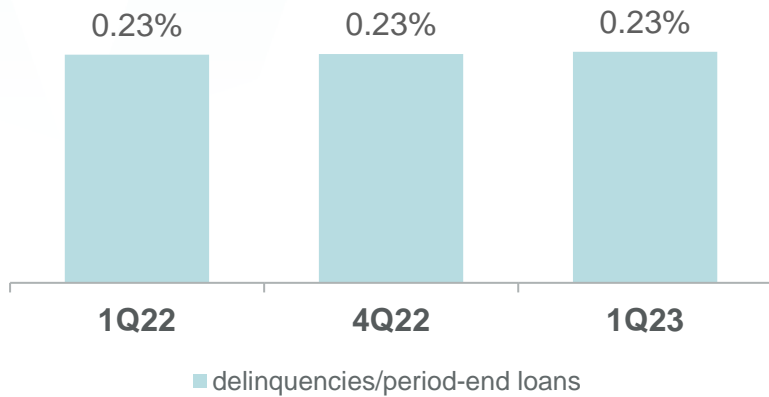
## net charge-offs



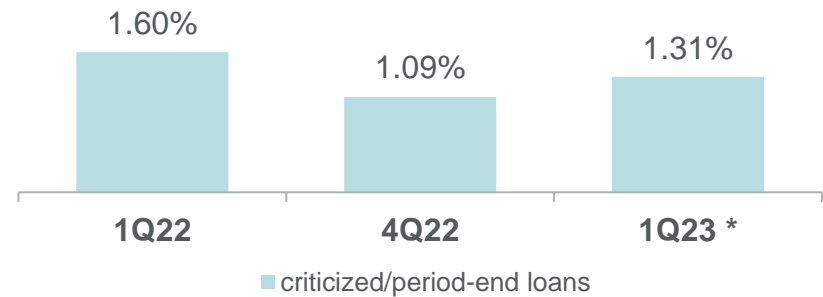
## non-performing assets



## delinquencies



## criticized

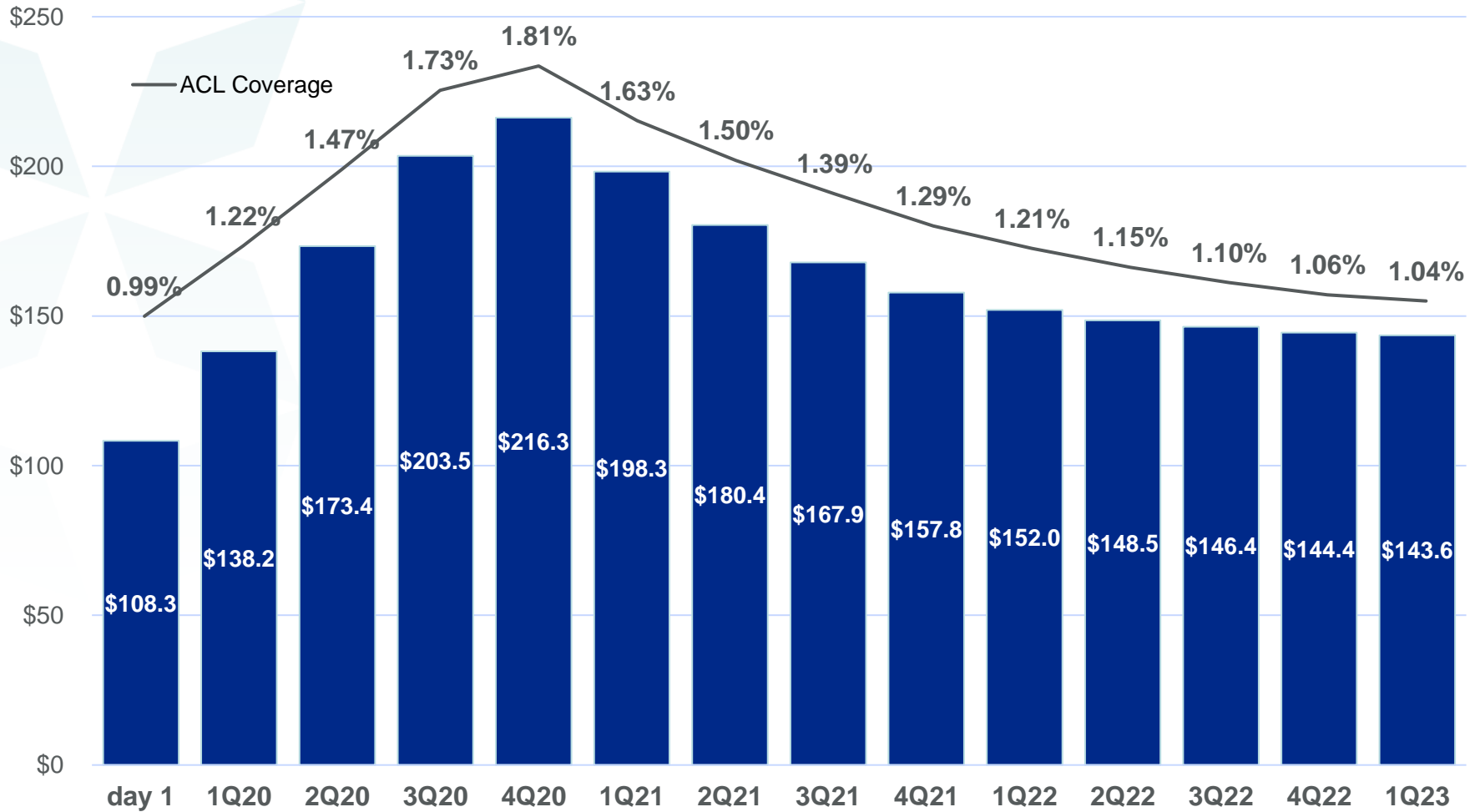


\* 80% of total criticized in CRE with 56% wtd avg LTV

# reserve trend

\$ in millions

## allowance for credit losses



note: balances and coverage ratio based on allowance for credit losses – loans and leases



# financial update

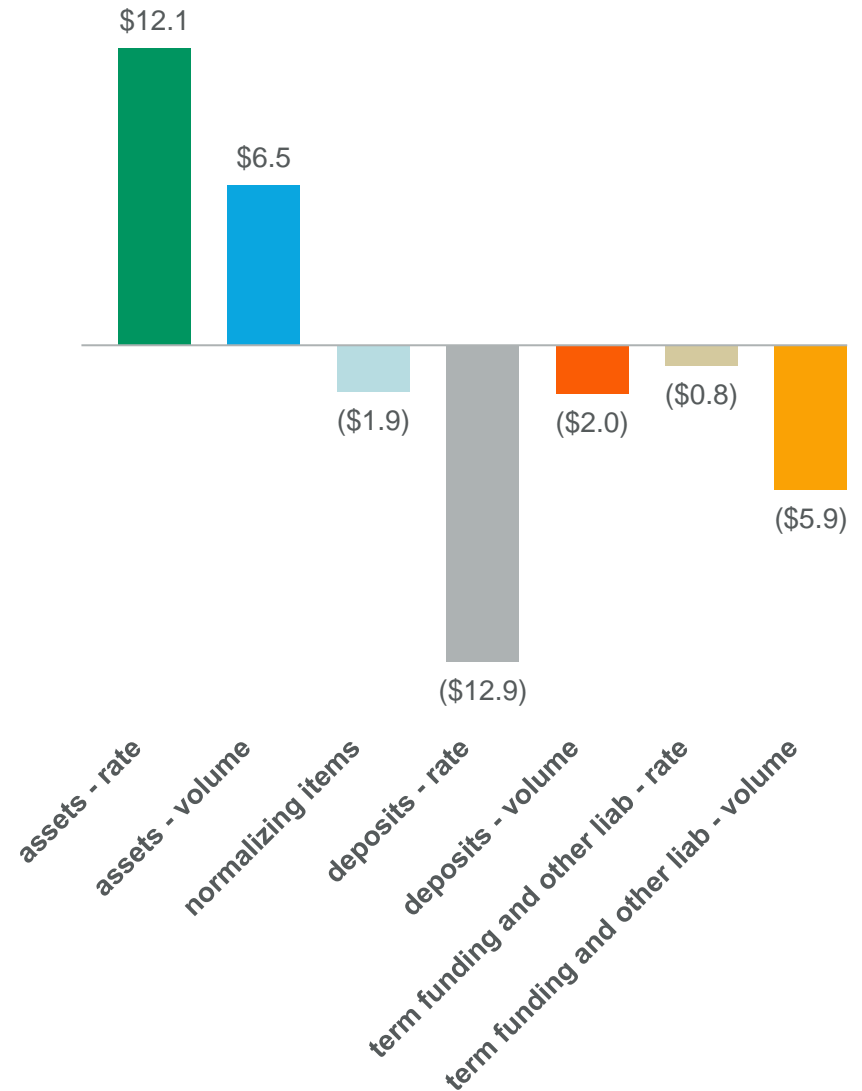
# net interest income

\$ in millions

	<u>1Q 2023</u>	<u>4Q 2022</u>	<u>1Q 2022</u>	<u>Δ 4Q 2022</u>	<u>Δ 1Q 2022</u>
<b><u>net interest income</u></b>					
reported	\$ 136.0	\$ 140.7	\$ 125.3	\$ (4.8)	\$ 10.7
normalized	137.8	140.6	125.0	(2.9)	12.7
<div style="border: 1px solid gray; border-radius: 10px; padding: 5px; display: inline-block;"> <i>normalizing items:</i>                      +\$1.6 day count                      +\$0.3 lease EBO                 </div>					
<b><u>net interest margin</u></b>					
reported	2.47 %	2.60 %	2.34 %	(0.13) %	0.13 %
normalized	2.47	2.60	2.31	(0.12)	0.17
<b><u>average balances</u></b>					
investment securities	\$ 8,201	\$ 8,038	\$ 9,006	\$ 163	\$ (805)
loans & leases	13,718	13,453	12,290	265	1,427
total deposits	20,431	20,341	20,426	90	5
repos & other debt	1,551	967	468	584	1,083
<b><u>yield/rate</u></b>					
investment securities	2.34 %	2.10 %	1.59 %	0.24 %	0.75 %
loans & leases	4.03	3.81	3.10	0.22	0.93
total deposits	0.75	0.46	0.05	0.29	0.70
ib liabilities	1.36	0.87	0.16	0.49	1.20

# NII

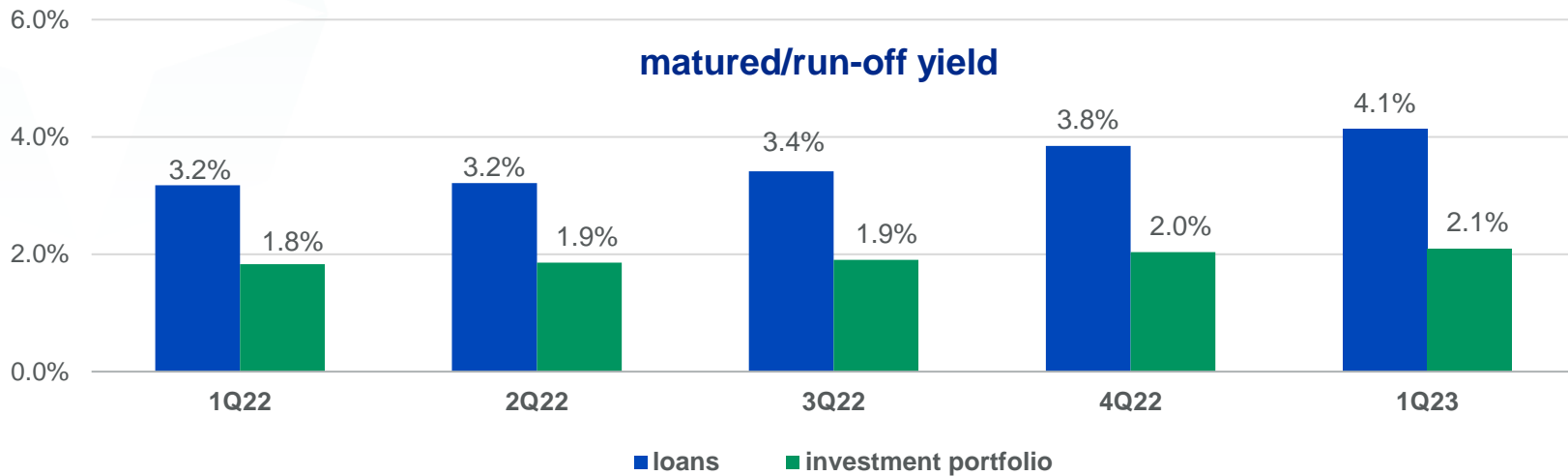
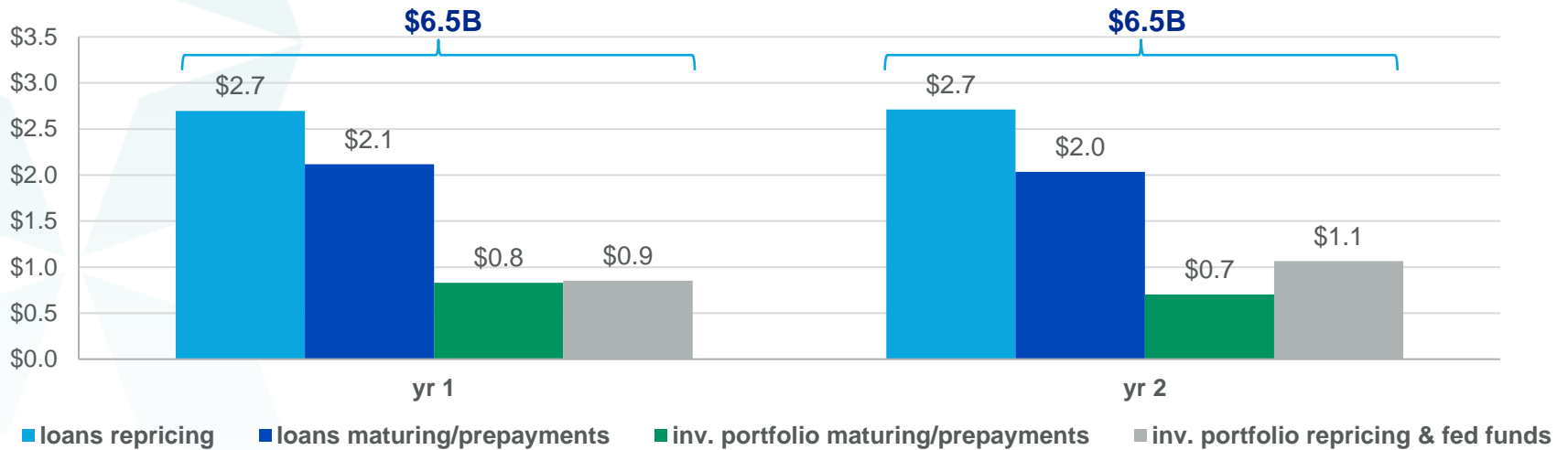
\$ in millions



note: numbers may not add up due to rounding; normalizing items include day count and lease EBO

# cashflow and repricing

## projected repricing, maturities & prepayments (\$ in billions)



note: numbers may not add up due to rounding

# noninterest income

*\$ in millions*

	<u>1Q 2023</u>	<u>4Q 2022</u>	<u>1Q 2022</u>	<u>Δ 4Q 2022</u>	<u>Δ 1Q 2022</u>
<b><u>noninterest income</u></b>					
reported	\$ 40.7	\$ 41.2	\$ 43.6	\$ (0.4)	\$ (2.8)
normalized	41.3	41.2	43.6	0.1	(2.2)
trust & asset management	10.7	10.7	11.3	0.0	(0.6)
mortgage banking	1.0	1.0	2.7	0.0	(1.7)
service charges on deposit accounts	7.7	7.5	7.3	0.2	0.5
fees, exchange, and other svc charges	13.8	13.9	13.0	(0.1)	0.9
investment securities losses, net	(1.8)	(1.1)	(1.5)	(0.7)	(0.2)
annuity & insurance	1.3	1.1	0.8	0.2	0.5
bank-owned life insurance	2.8	2.5	2.3	0.4	0.5
other	5.2	5.7	7.7	(0.5)	(2.5)

normalizing item:  
+\$0.6 Visa Class B  
conversion ratio adjustment



# noninterest expense

*\$ in millions*

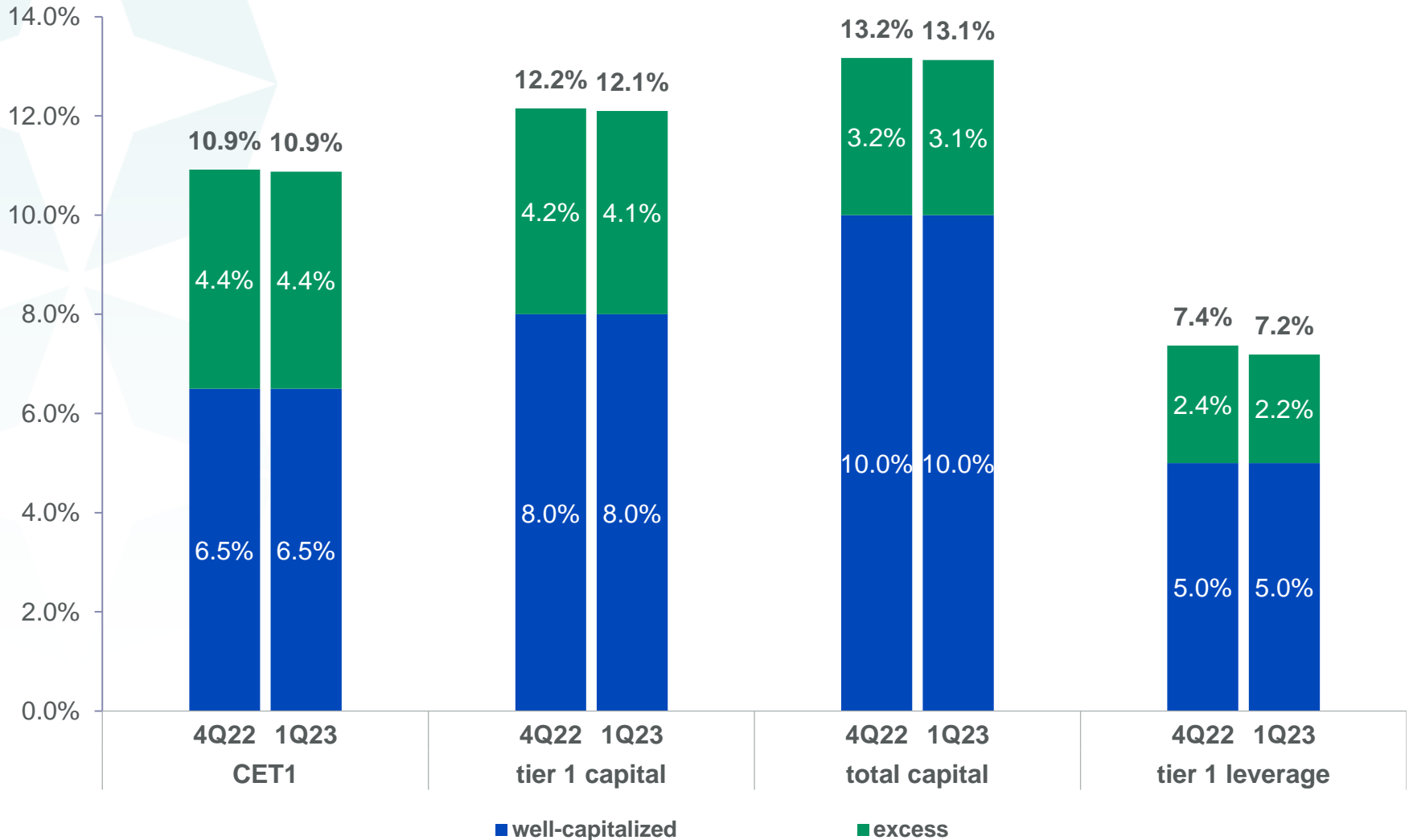
	<u>1Q 2023</u>	<u>4Q 2022</u>	<u>1Q 2022</u>	<u>Δ 4Q 2022</u>	<u>Δ 1Q 2022</u>
<b><u>noninterest expense</u></b>					
reported	\$ 111.9	\$ 102.7	\$ 103.9	\$ 9.2	\$ 8.0
normalized	104.9	102.7	100.2	2.1	4.7
<div style="border: 1px solid black; border-radius: 10px; padding: 5px; display: inline-block;">                     normalizing items:                      -\$4.0 seasonal payroll                      -\$3.1 separation                 </div>					
<b><u>efficiency ratio</u></b>					
reported	63.34 %	56.46 %	61.53 %	6.88 %	1.81 %
normalized	58.56	56.50	59.43	2.06	(0.87)
<b><u>other</u></b>					
FTE	2,025	2,076	2,084	(51)	(59)
branches	51	51	54	-	(3)

# financial summary

*\$ in millions, except per share amounts*

	<u>1Q 2023</u>	<u>4Q 2022</u>	<u>1Q 2022</u>	<u>Δ 4Q 2022</u>	<u>Δ 1Q 2022</u>
net interest income	\$ 136.0	\$ 140.7	\$ 125.3	\$ (4.8)	\$ 10.7
noninterest income	40.7	41.2	43.6	(0.4)	(2.8)
<b>total revenue</b>	<b>176.7</b>	<b>181.9</b>	<b>168.8</b>	<b>(5.2)</b>	<b>7.9</b>
noninterest expense	111.9	102.7	103.9	9.2	8.0
<b>operating income</b>	<b>64.8</b>	<b>79.2</b>	<b>64.9</b>	<b>(14.4)</b>	<b>(0.2)</b>
credit provision	2.0	0.2	(5.5)	1.8	7.5
income taxes	15.9	17.7	15.6	(1.8)	0.3
<b>net income</b>	<b>\$ 46.8</b>	<b>\$ 61.3</b>	<b>\$ 54.8</b>	<b>\$ (14.5)</b>	<b>\$ (8.0)</b>
<b>net income available to common</b>	<b>\$ 44.9</b>	<b>\$ 59.3</b>	<b>52.9</b>	<b>\$ (14.5)</b>	<b>\$ (8.0)</b>
<b>diluted EPS</b>	<b>\$ 1.14</b>	<b>\$ 1.50</b>	<b>\$ 1.32</b>	<b>\$ (0.36)</b>	<b>\$ (0.18)</b>
return on assets	0.80 %	1.05 %	0.97 %	(0.25) %	(0.17) %
return on common equity	15.79	21.28	15.44	(5.49)	0.35
net interest margin	2.47	2.60	2.34	(0.13)	0.13
efficiency ratio	63.34	56.46	61.53	6.88	1.81
<b>end of period balances</b>					
investment portfolio	\$ 8,128	\$ 8,259	\$ 8,748	(1.6) %	(7.1) %
loans and leases	13,825	13,646	12,544	1.3	10.2
loans and leases excl. PPP	13,809	13,627	12,487	1.3	10.6
total deposits	20,491	20,616	20,716	(0.6)	(1.1)
shareholders' equity	1,354	1,317	1,449	2.8	(6.5)

# capital



note: 1Q23 regulatory capital ratios are preliminary, numbers may not add due to rounding

# takeaways

- ✓ unique and competitively advantageous deposit market
- ✓ exceptional deposit base
- ✓ substantial liquidity back up
- ✓ high quality assets
- ✓ solid regulatory capital

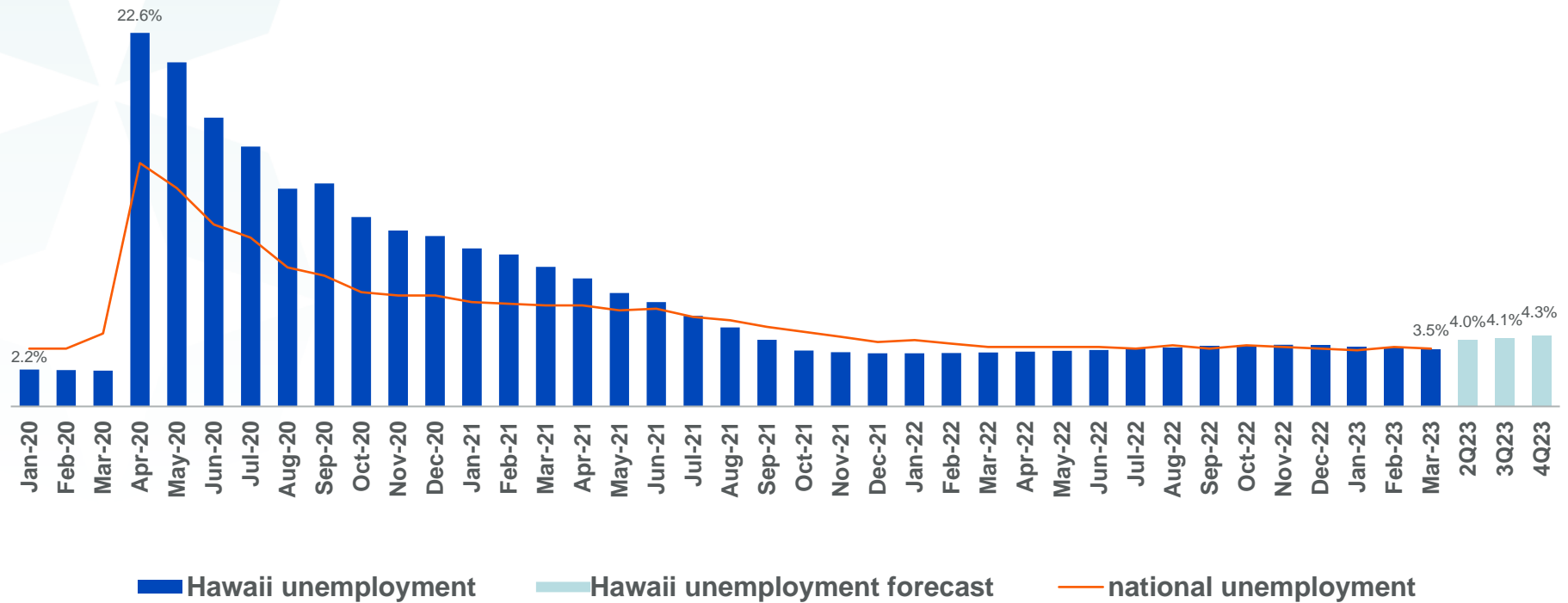
# Q & A



# appendix

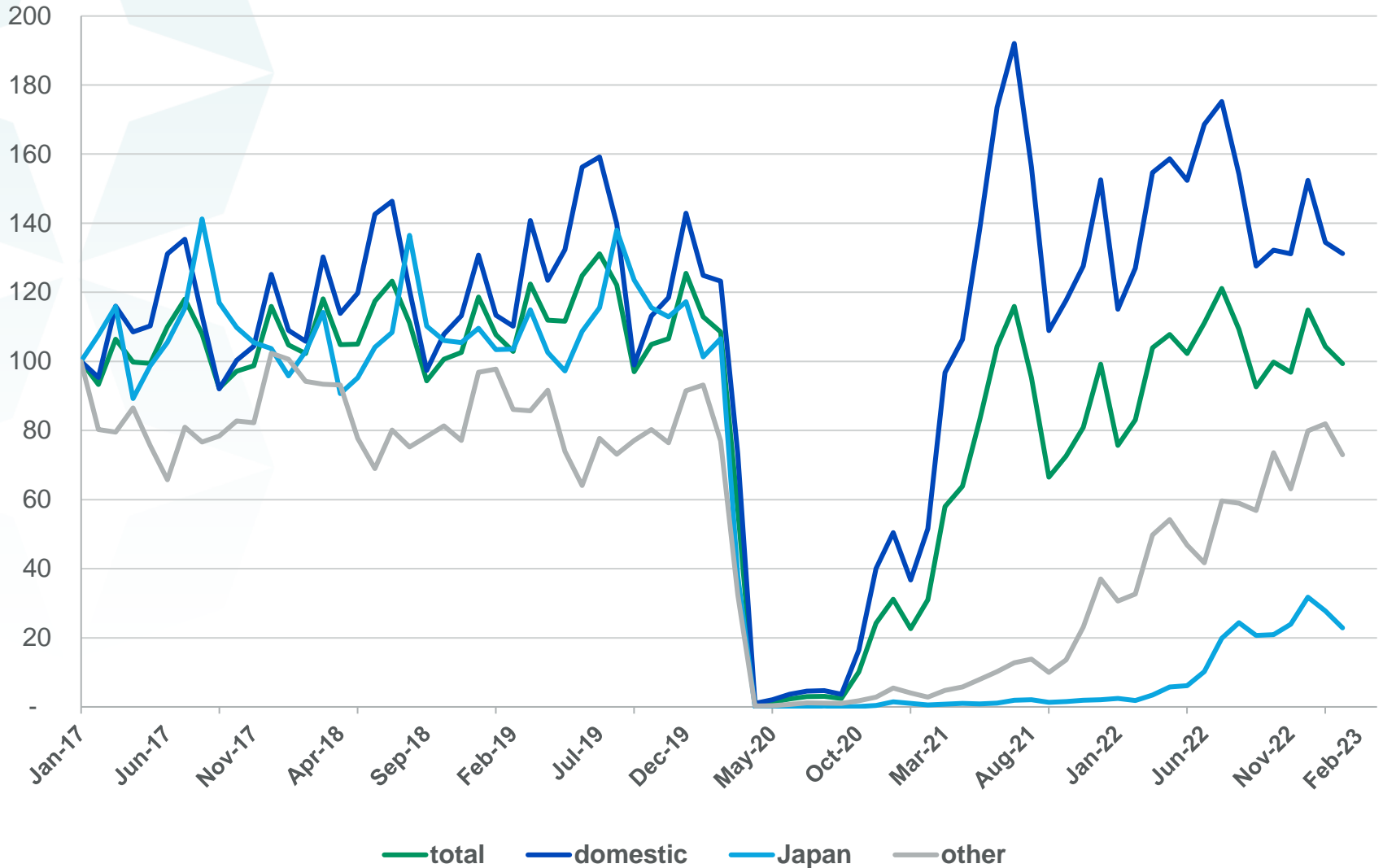
# unemployment

experience & forecast



# visitor arrivals

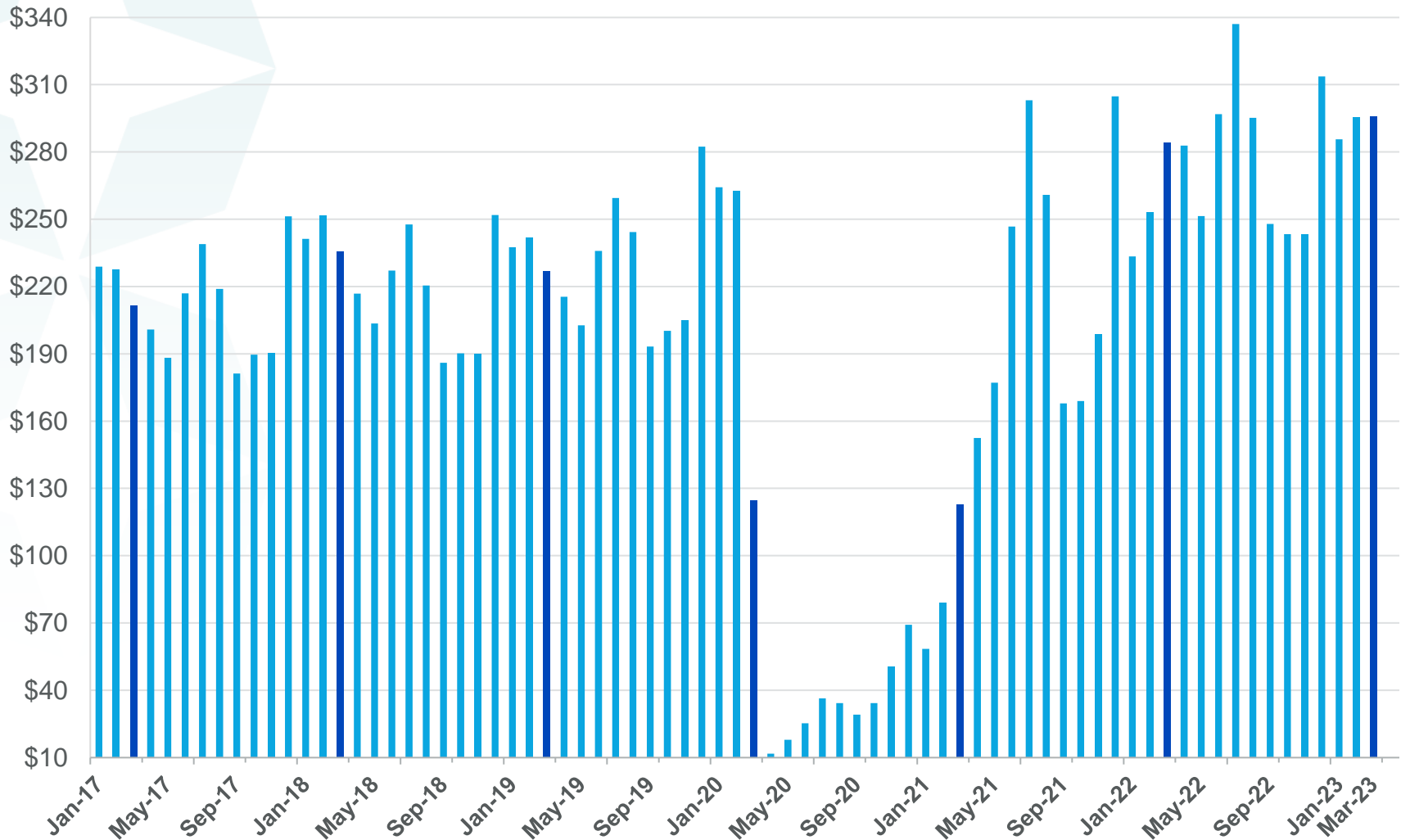
monthly by market, indexed to January 2017





# revenue per available room

revenue per available room (RevPAR)



# stable real estate prices

Oahu market indicators – Mar 2023

## single family homes

## condominiums

	<u>Mar 2023</u>	<u>Mar 2022</u>	<u>Mar 2019</u>	<u>Δ Mar 2022</u>	<u>Δ Mar 2019</u>	<u>Mar 2023</u>	<u>Mar 2022</u>	<u>Mar 2019</u>	<u>Δ Mar 2022</u>	<u>Δ Mar 2019</u>
median sales price (000s)	\$1,084	\$1,150	\$783	-5.8%	38.5%	\$536	\$516	\$429	4.0%	24.9%
months of inventory	2.1	1.0	3.6	1.1 months	-1.5 months	2.4	1.5	3.9	0.9 months	-1.5 months
closed sales	236	321	276	-26.5%	-14.5%	444	672	467	-33.9%	-4.9%
median days on market	36	9	24	27 days	12 days	24	9	22	15 days	2 days