

Bank of Hawai'i Corporation
third quarter 2024
financial report

October 28, 2024

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

earnings highlights

- **\$0.93 diluted earnings per common share**
 - **\$40.4 million net income**
 - **net interest margin expanded to 2.18%**
 - **1.87% average cost of total deposits**
 - **11.50% return on average common equity**
-

strong credit

- **0.11% net charge-off rate**
 - **0.14% non-performing assets level**
 - **79% of loan portfolio real-estate secured with combined wtd avg LTV of 51%**
 - **CRE portfolio comprises 28% of total loans, office 3%**
-

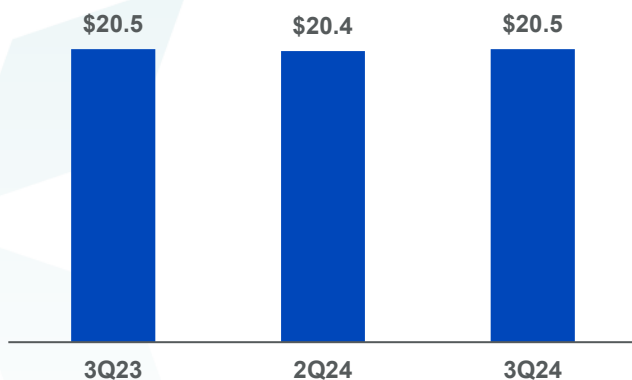
stable balance sheet performance

- **stable loan and deposit performance**
- **tier 1 capital ratio of 14.05% and total capital ratio of 15.11%**
- **\$10.6 billion in readily available liquidity compared to \$8.8 billion in uninsured/uncollateralized deposits**

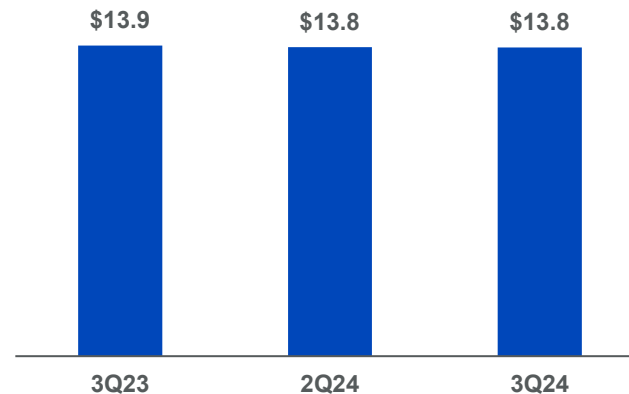
highlights – balance sheet

\$ in billions

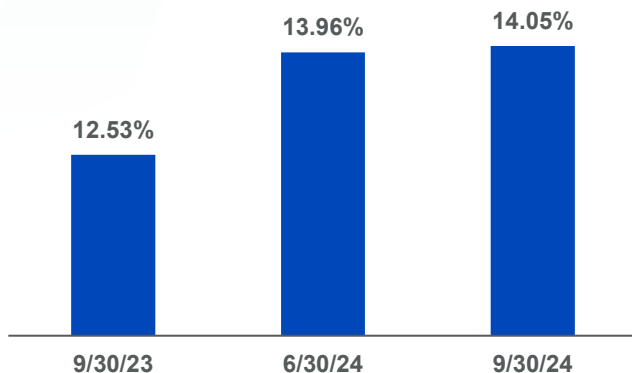
stable average total deposits



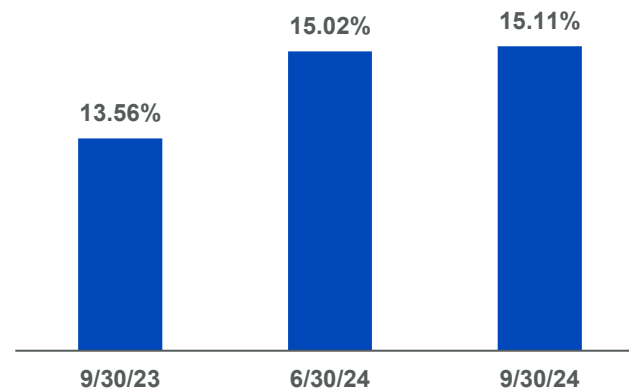
stable average total loans and leases



tier 1 capital ratio



total capital ratio

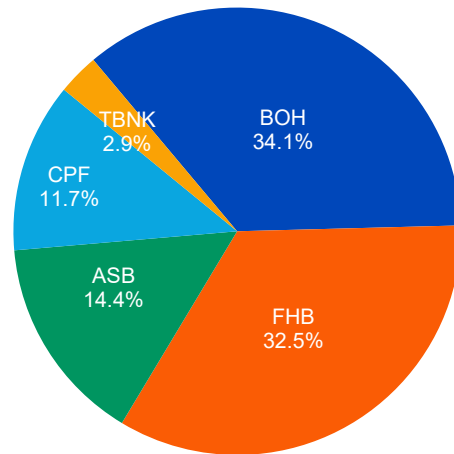


our deposits

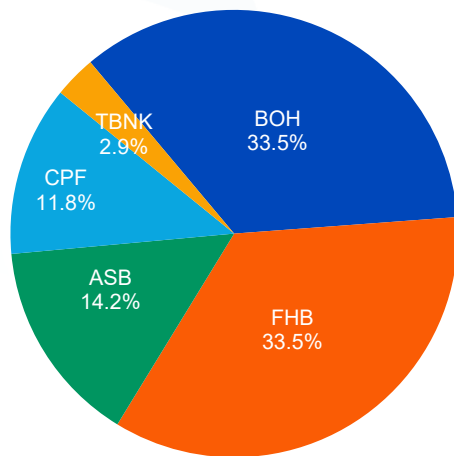
through our 127 year history in the islands, Bank of Hawai'i has developed an exceptionally seasoned deposit base, built one relationship at a time, over many years, and in neighborhoods and communities we understand

- ✓ unique marketplace
- ✓ diversified
- ✓ long tenured

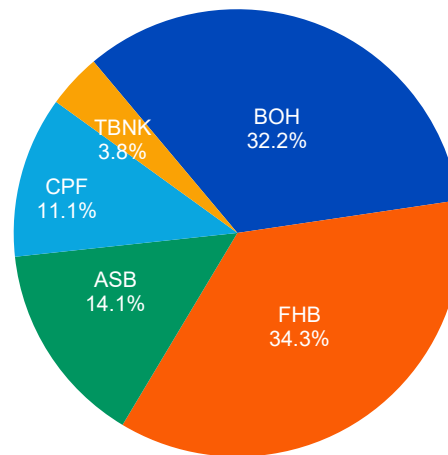
leader in a unique deposit market



2024



2023



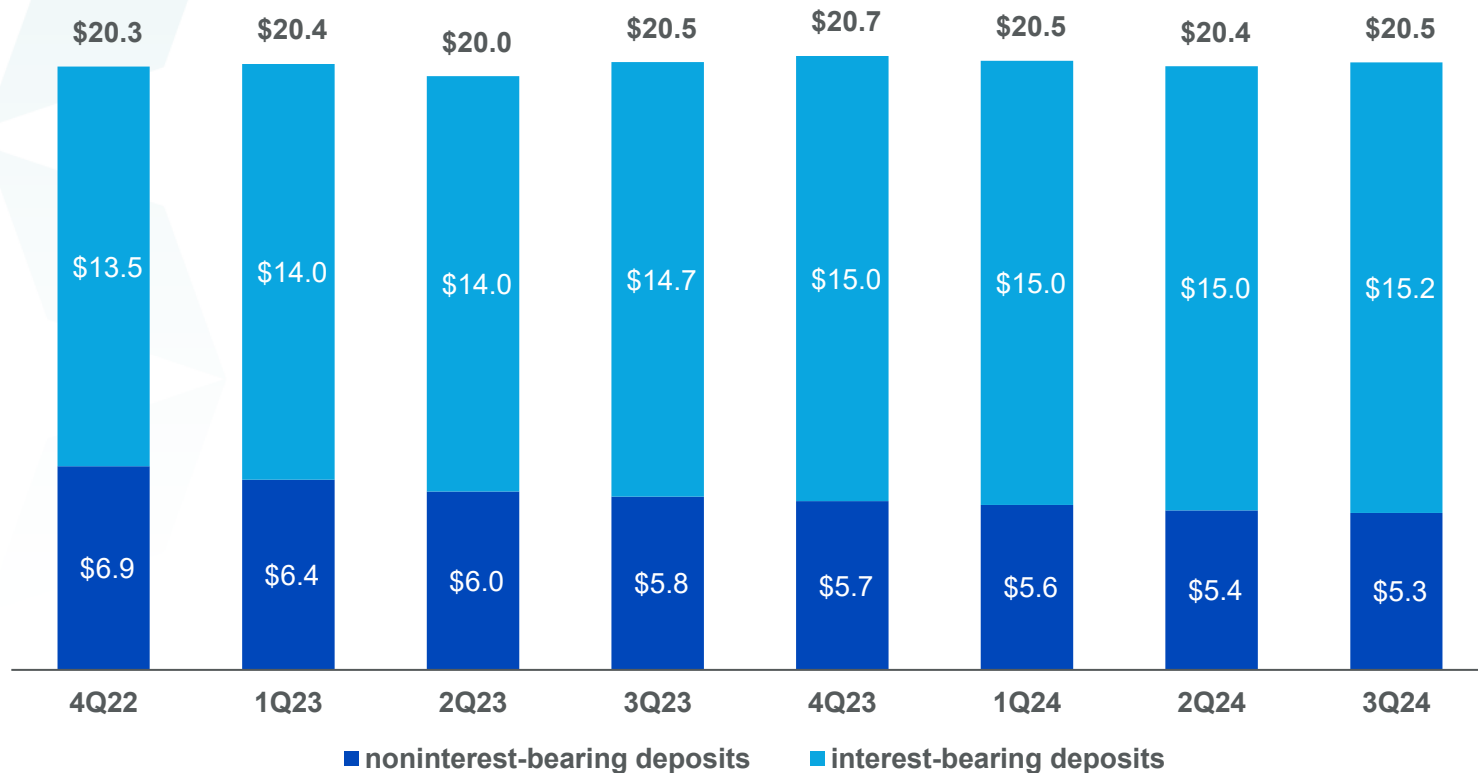
2019

the leader in a unique deposit market with five local competitors holding 96% of the bank deposit market

stable deposit balances

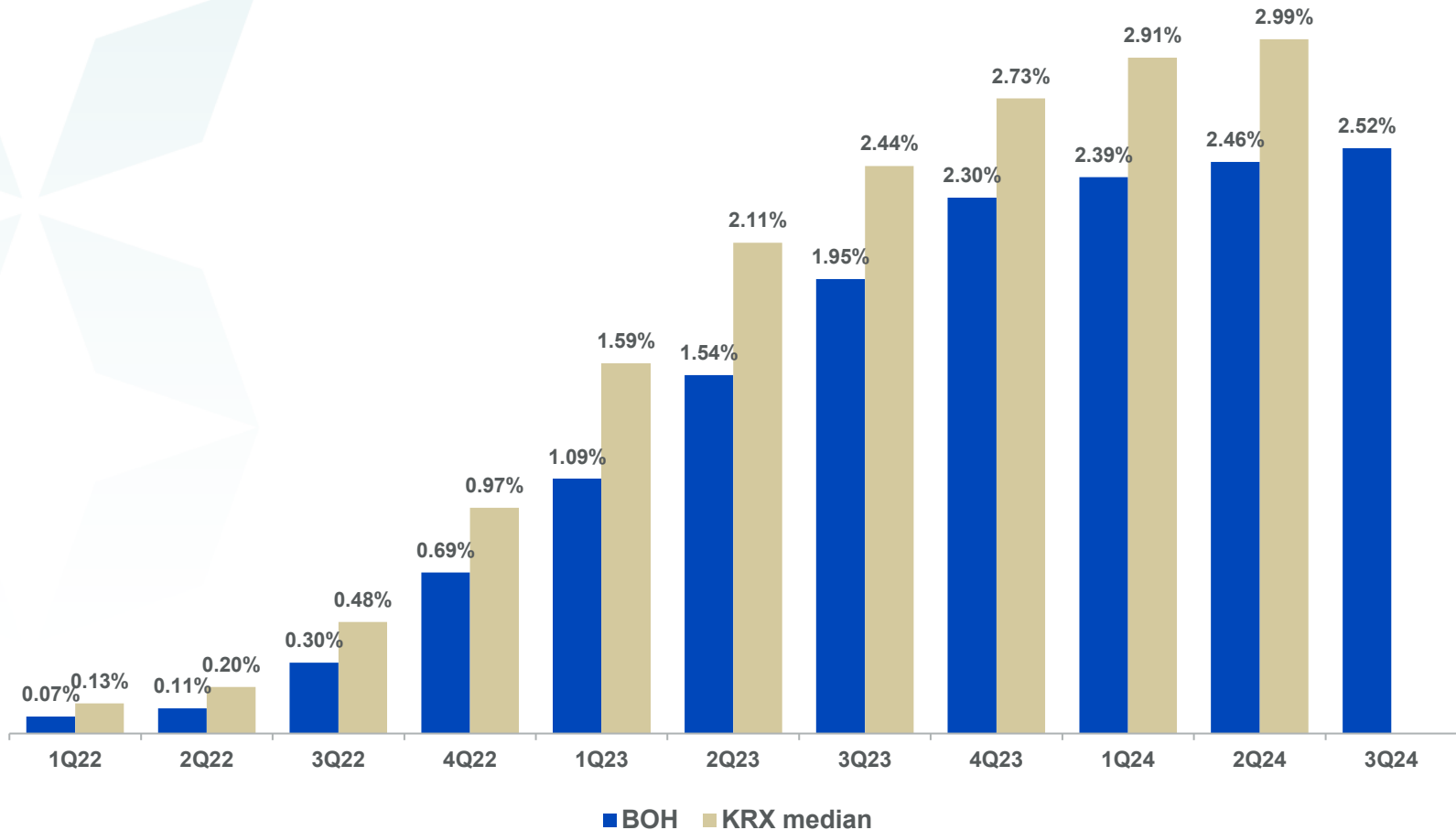
\$ in billions

average balances

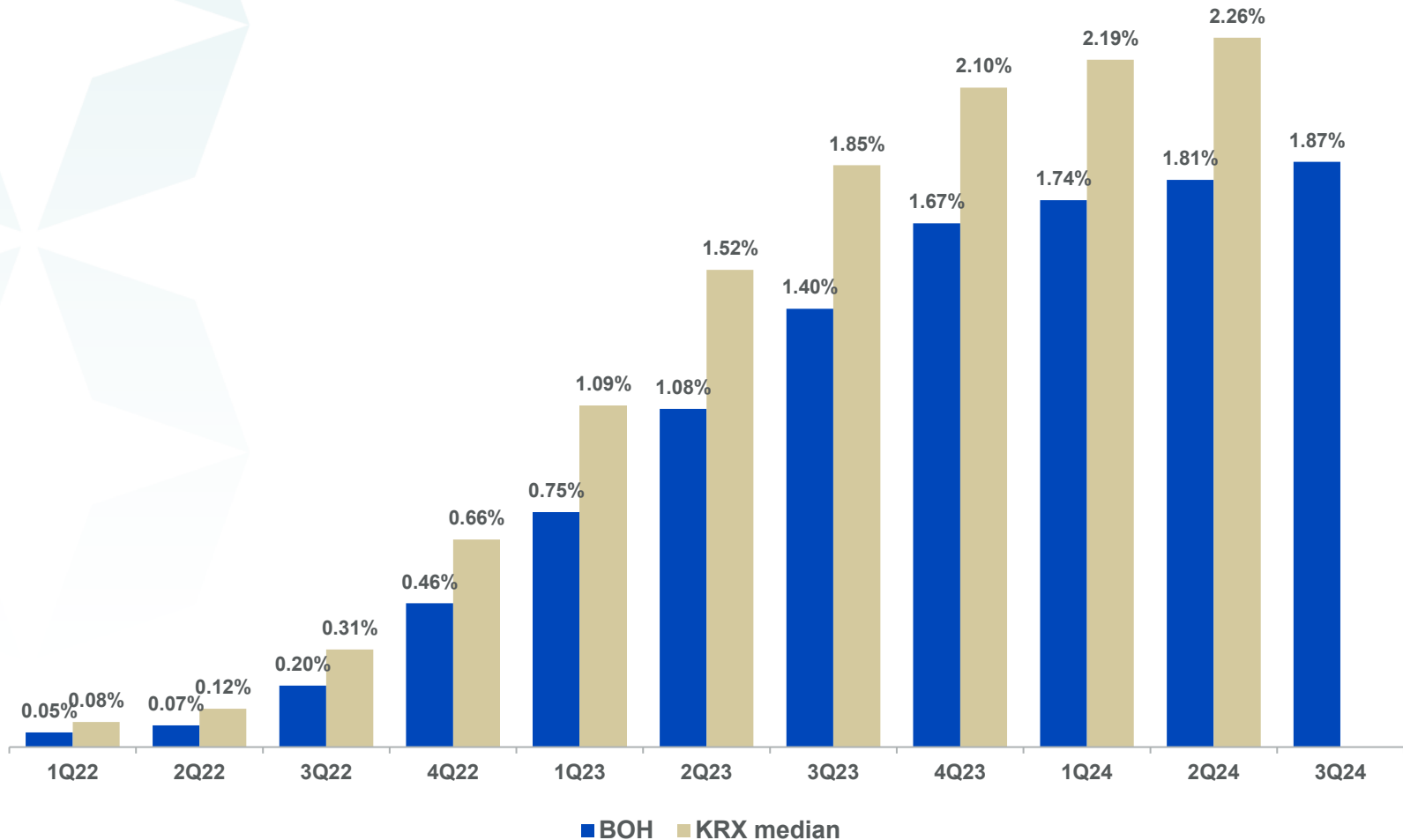


note: numbers may not add up due to rounding

cost of funds interest-bearing deposits

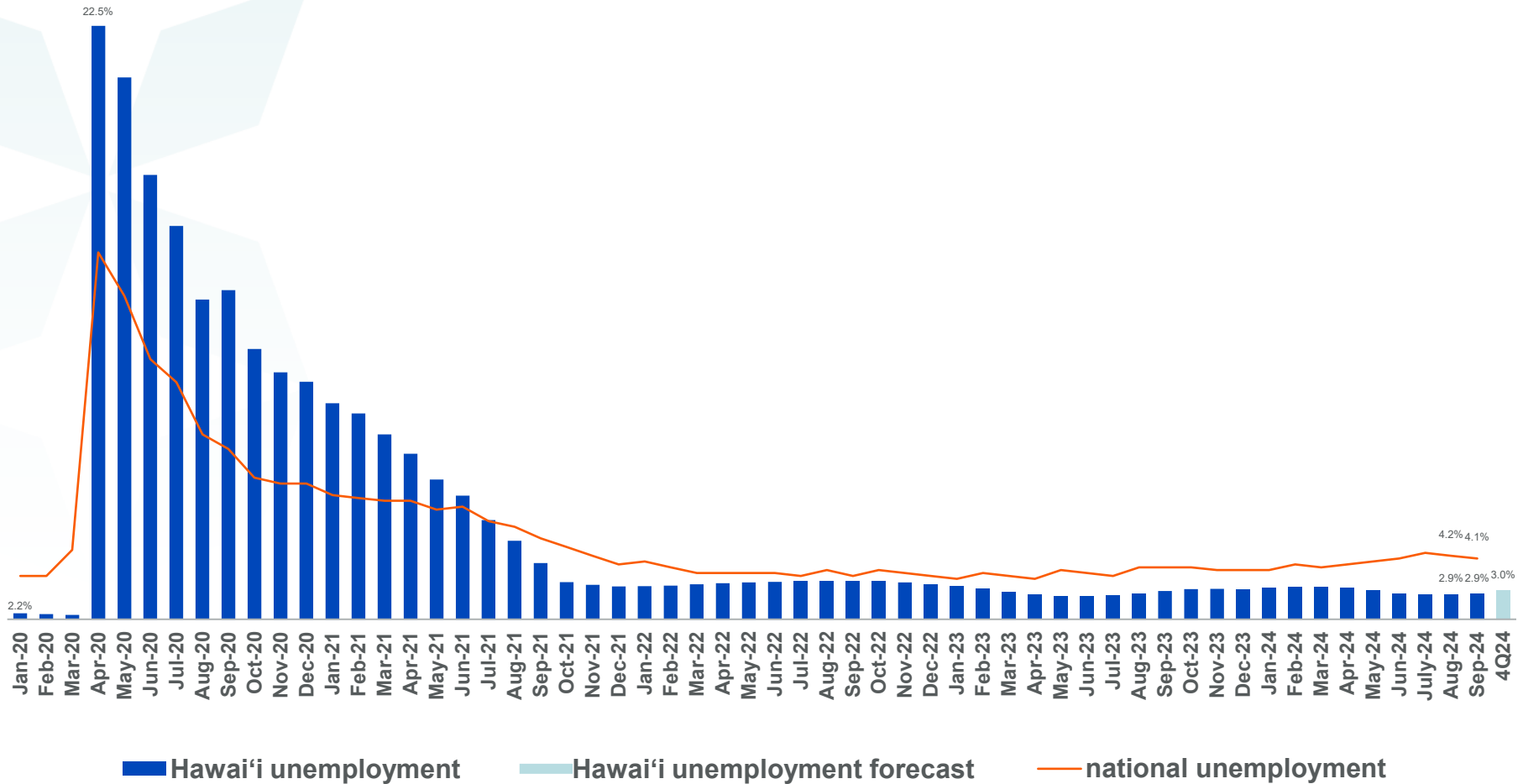


cost of funds total deposits



unemployment

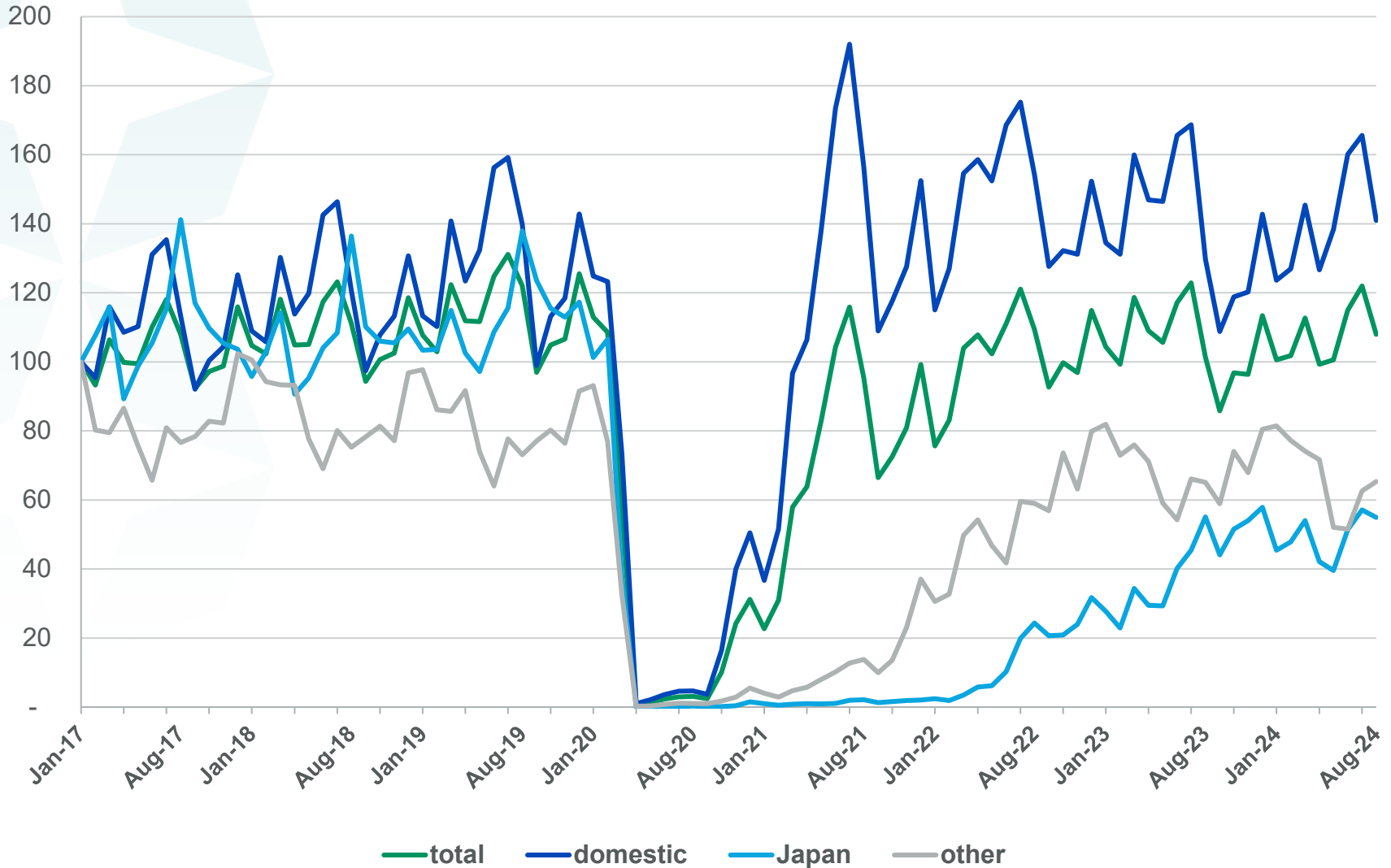
experience & forecast



source for Hawai'i unemployment: University of Hawaii Economic Research Organization (UHERO), seasonally adjusted
 source for national unemployment: Bureau of Labor Statistics, seasonally adjusted

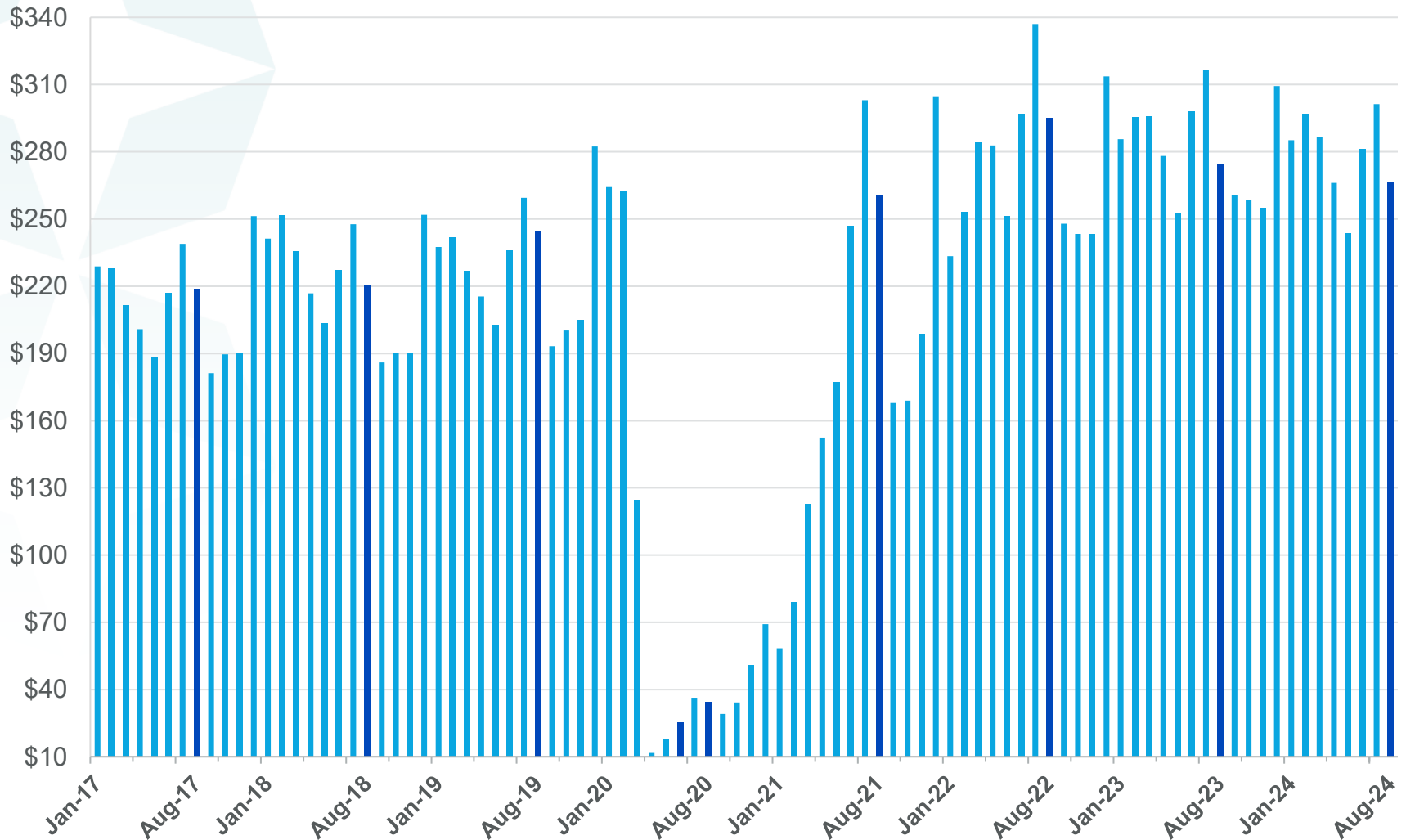
visitor arrivals

monthly by market, indexed to January 2017









revenue per available room

revenue per available room (RevPAR)



stable real estate prices

Oahu market indicators – YTD 2024 as of September

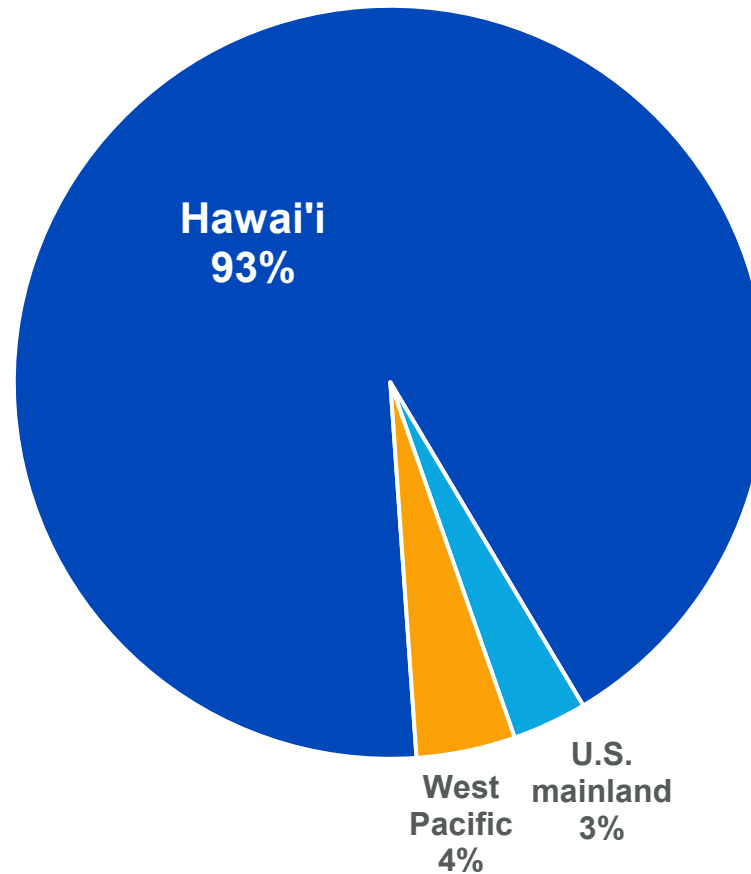
	single family homes			condominiums		
	<u>YTD-24</u>	<u>YTD-23</u>	<u>Δ YTD-23</u>	<u>YTD-24</u>	<u>YTD-23</u>	<u>Δ YTD-23</u>
median sales price (000s)	\$1,100	\$1,050	4.8% 	\$510	\$505	1.0% 
closed sales	2,101	1,985	5.8% 	3,390	3,592	-5.6% 
median days on market	18	22	4 days 	29	20	9 days 



credit performance

lending philosophy

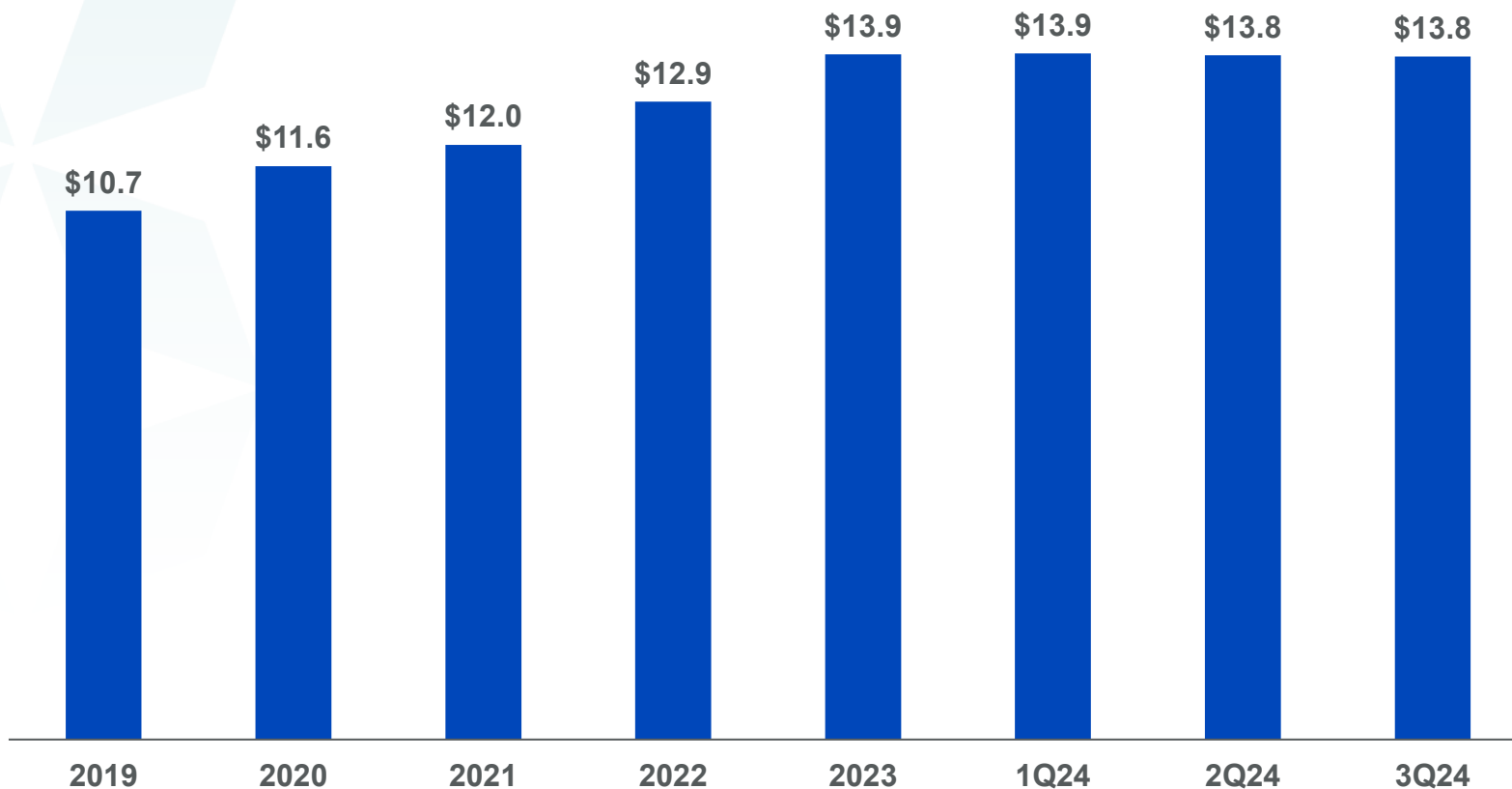
we lend in our core markets
to long-standing relationships



steady organic loan growth

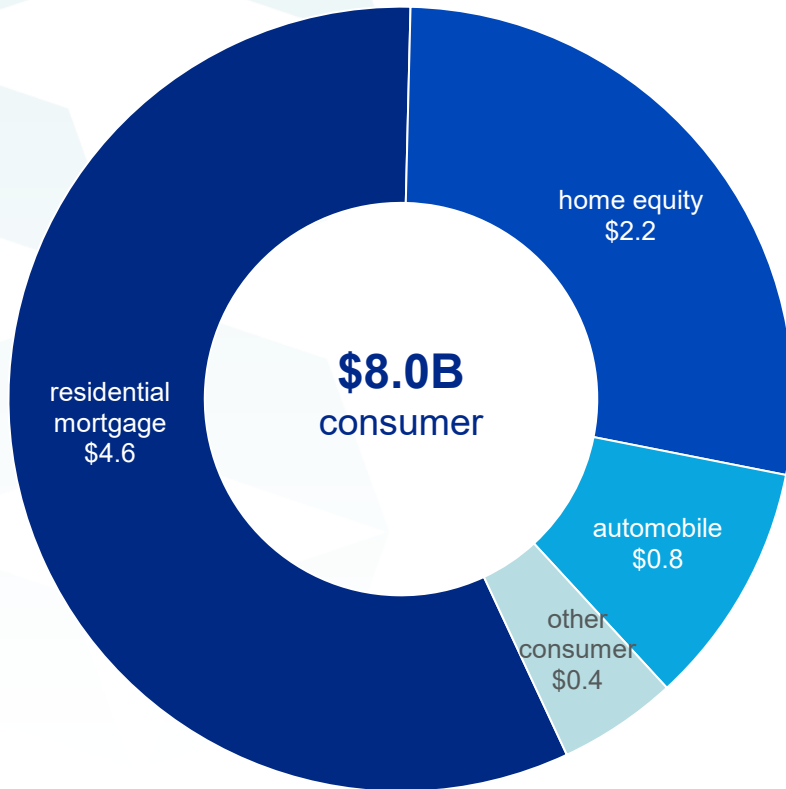
\$ in billions

average total loans and leases



consumer portfolio

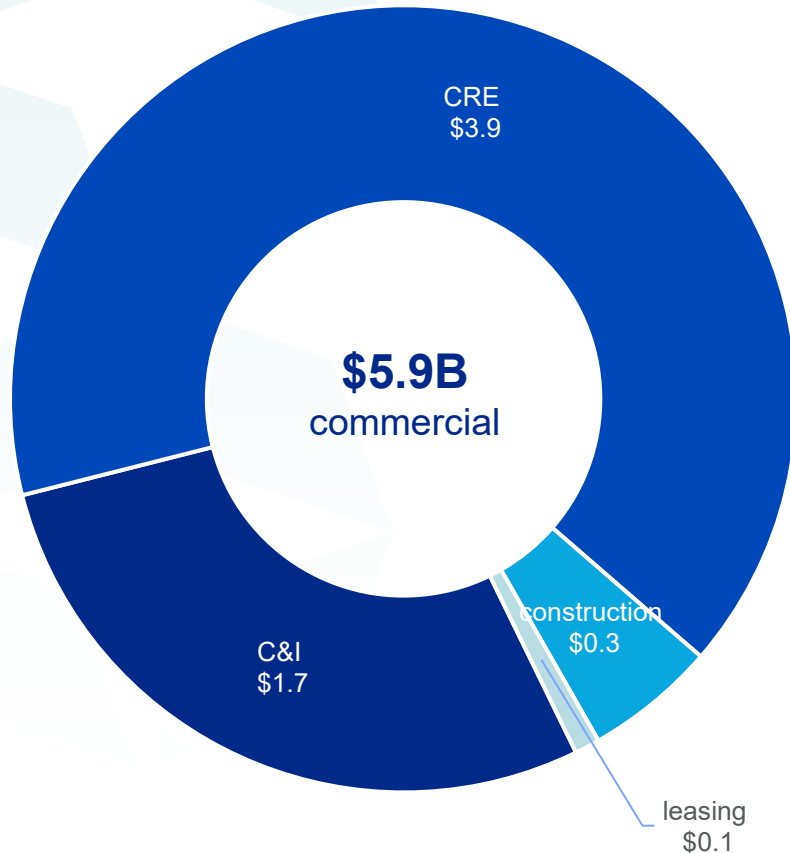
57% of total loans



asset type	% total consumer	% total loans	WALTV	wtd avg FICO
residential mortgage	58%	33%	49%	805
home equity	27%	16%	46%	790
real estate secured	85%	49%	48%	800
automobile	10%	6%	n/a	733
other consumer	5%	3%	n/a	759
total consumer	100%	57%	n/a	792

commercial portfolio

43% of total loans



asset type	% total comml	% total loans	WALTV
commercial real estate	65%	28%	56%
construction	5%	2%	56%
real estate secured	71%	30%	56%
commercial & industrial	28%	12%	n/a
leasing	1%	0.4%	n/a
total commercial	100%	43%	n/a

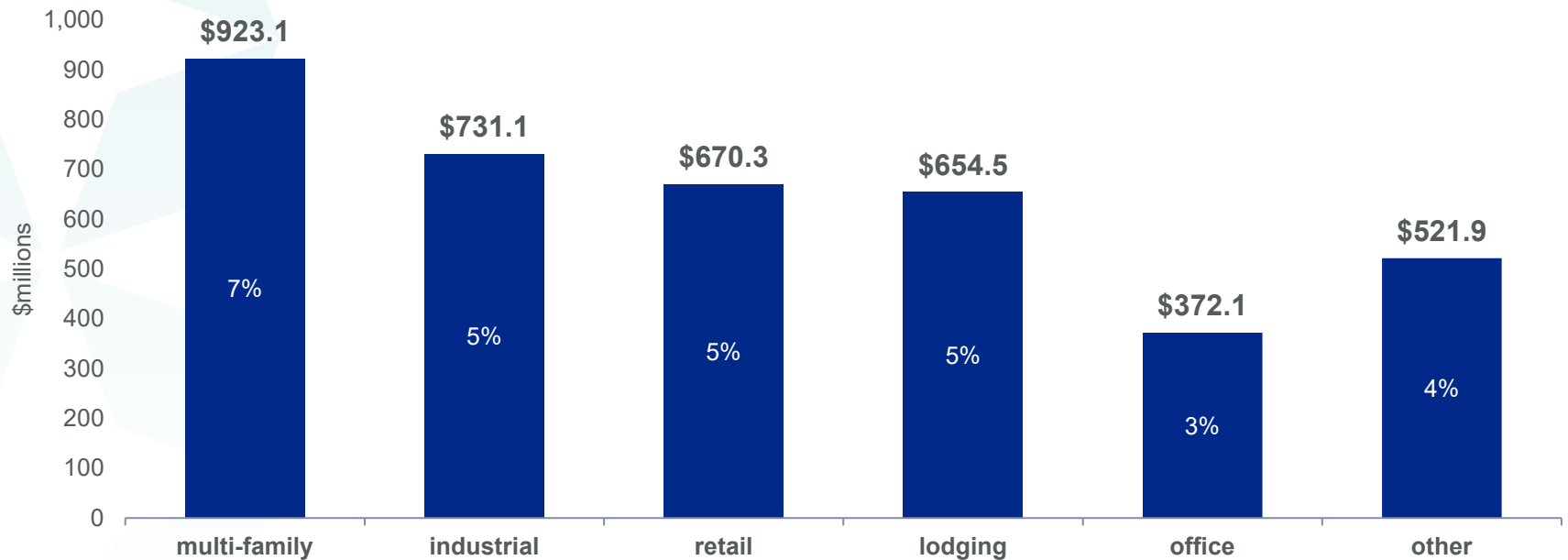
stable real estate market

Oahu market vacancies and inventory

	vacancy			inventory (sq ft)
	<u>2Q24</u>	<u>2Q23</u>	<u>10 yr avg</u>	<u>10 yr CAGR</u>
industrial	1.05%	0.76%	1.75%	0.28%
office	13.57%	12.71%	12.46%	- 1.08%
retail	6.09%	5.92%	5.91%	0.74%
multi-family	4.10%	4.40%	4.67%	0.70%

commercial real estate (CRE)

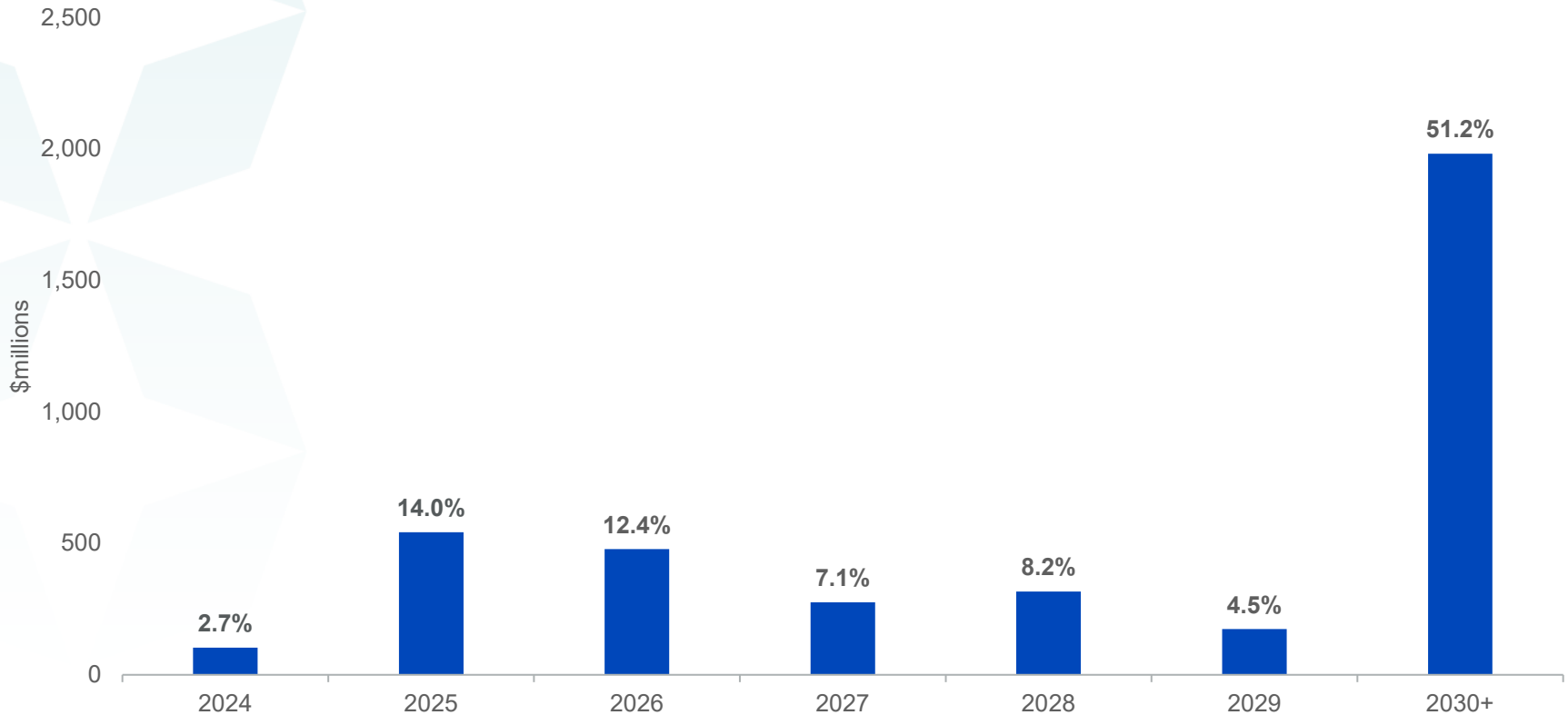
28% of total loans



wtd avg LTV	58%	56%	54%	53%	57%	54%
% owner	n/a	42%	4%	n/a	20%	26%
avg exposure (\$millions)	\$3.1	\$2.5	\$4.1	\$13.6	\$1.8	\$3.8

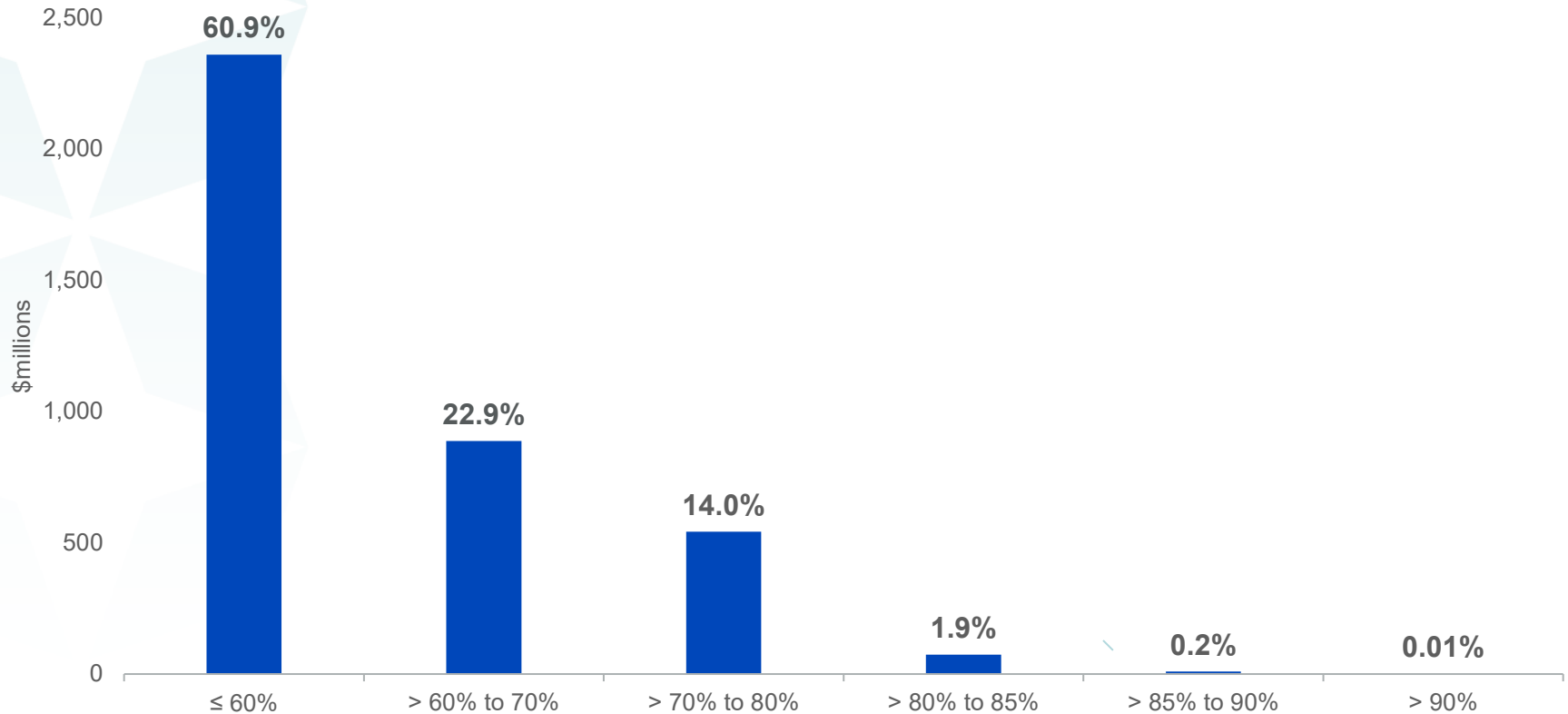
CRE scheduled maturities

modest near-term maturities



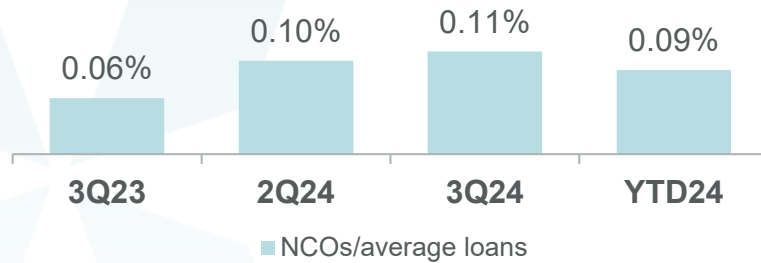
CRE loan balances by LTV

LTV > 80% - \$84MM, 2.2% of CRE

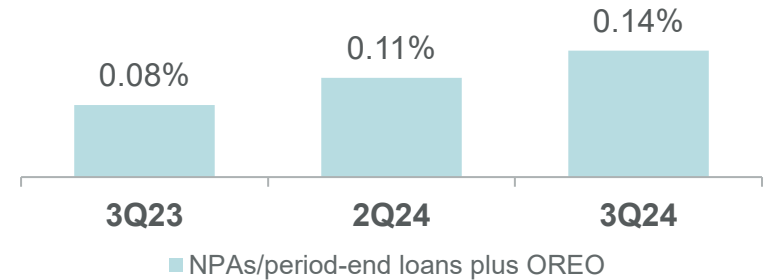


credit quality

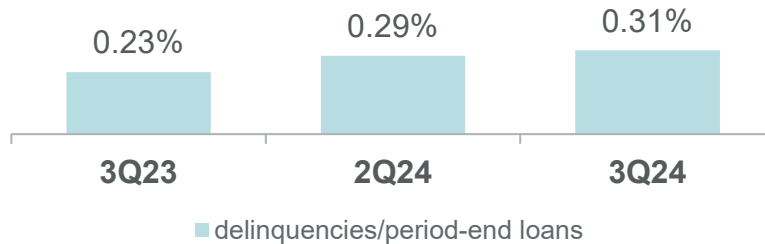
net charge-offs



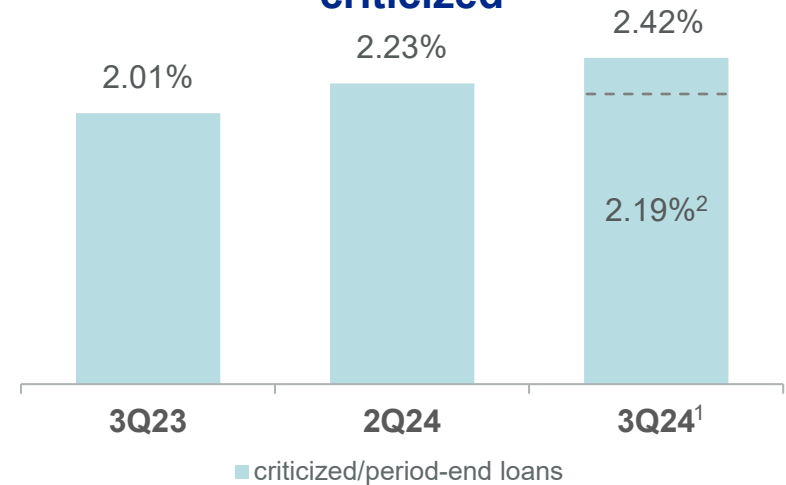
non-performing assets



delinquencies



criticized



¹ 77% of total criticized is secured with 57% wtd avg LTV

² adjusted to exclude loan fully paid off in October

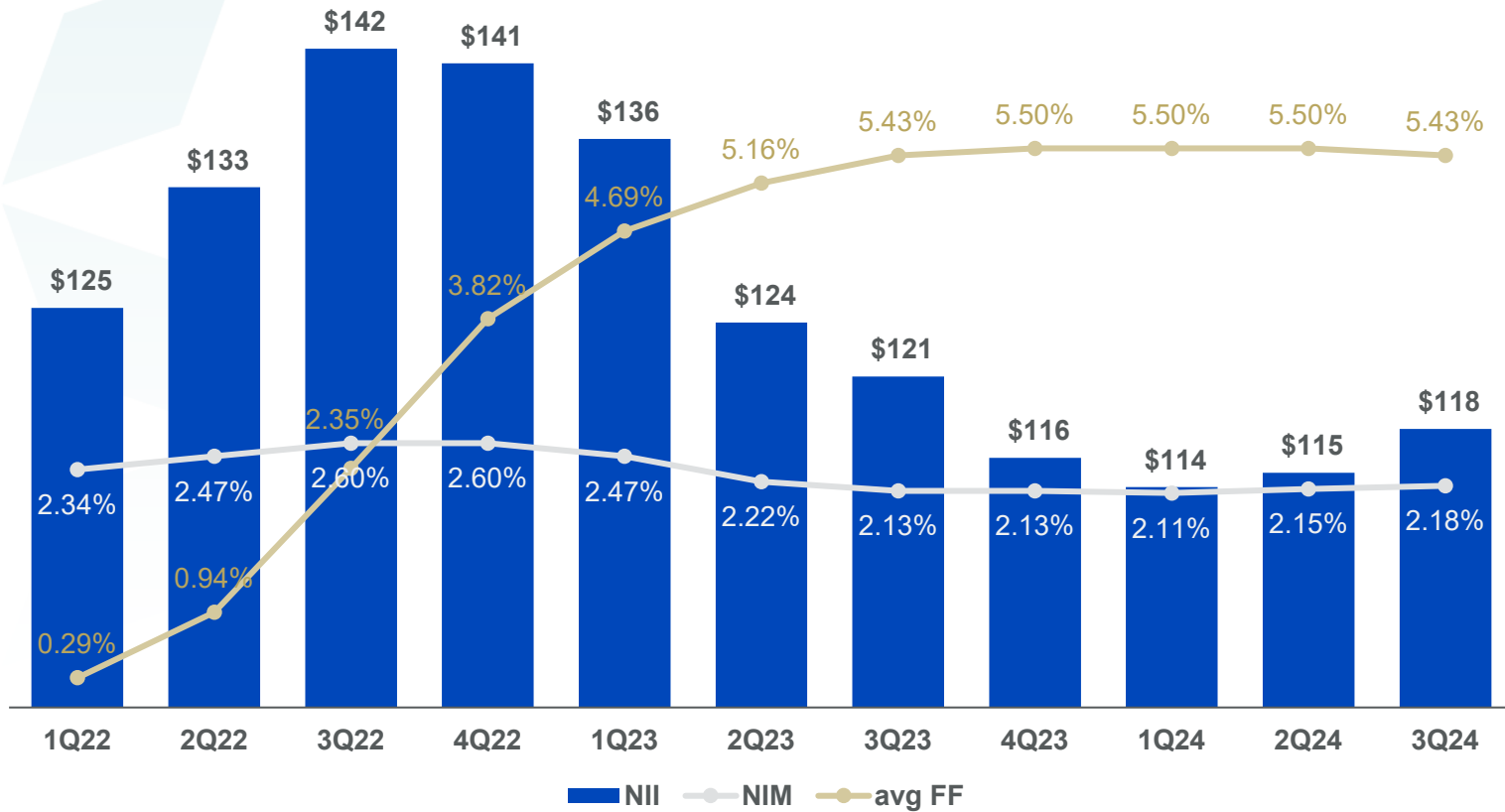


financial update

NII and NIM trends

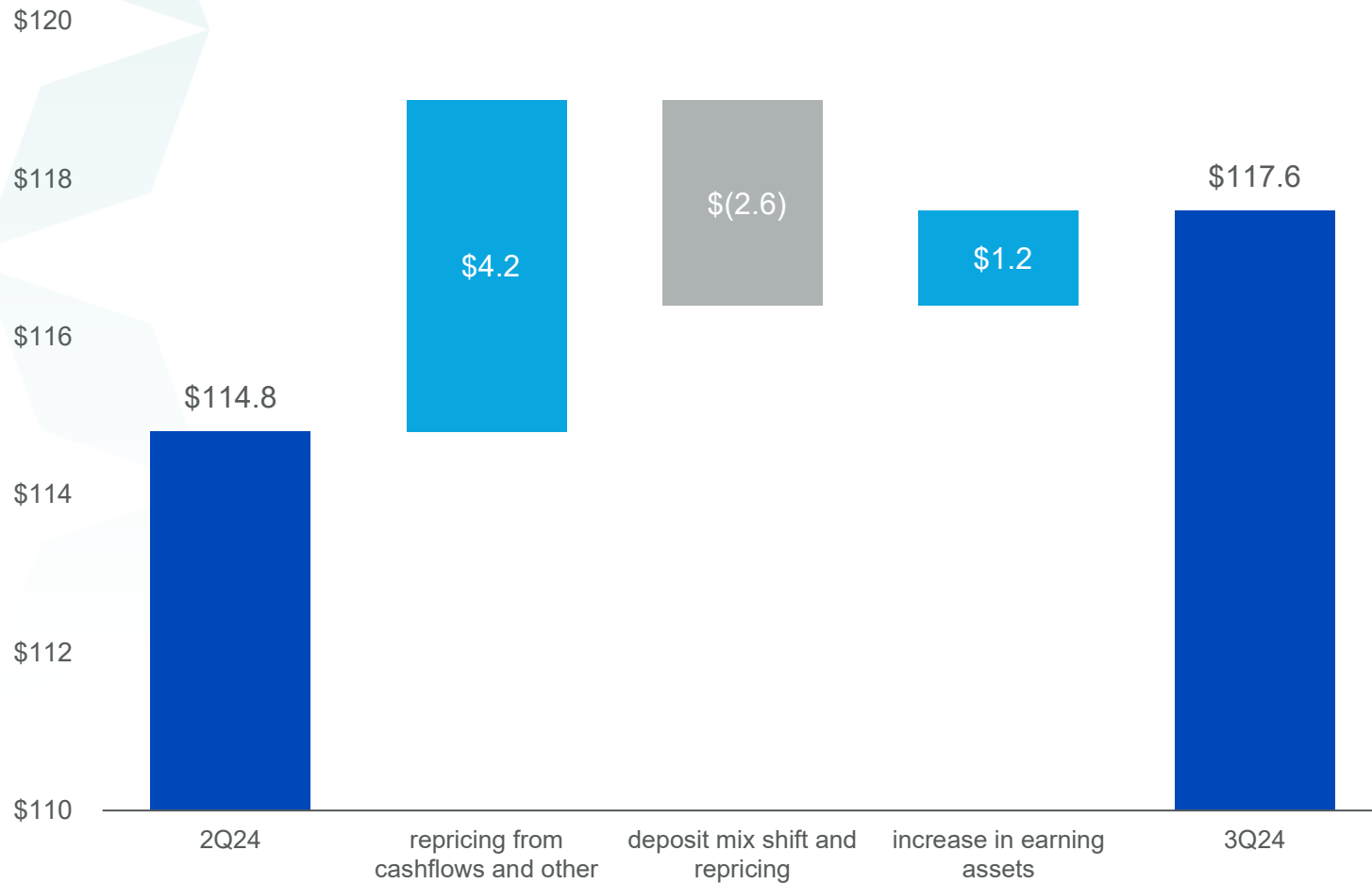
\$ in millions

increasing NII and NIM



NII breakdown

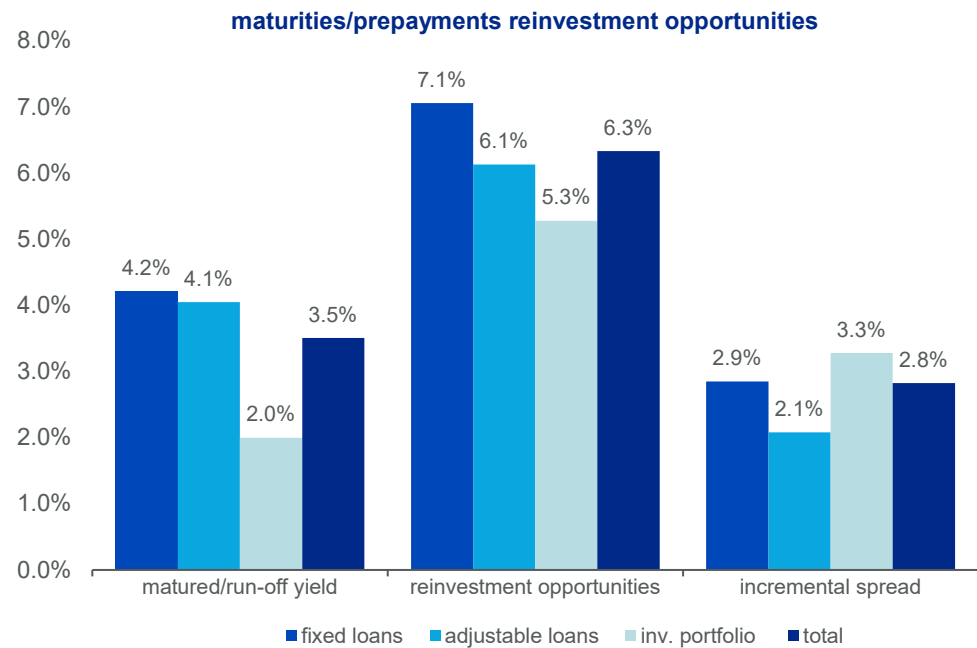
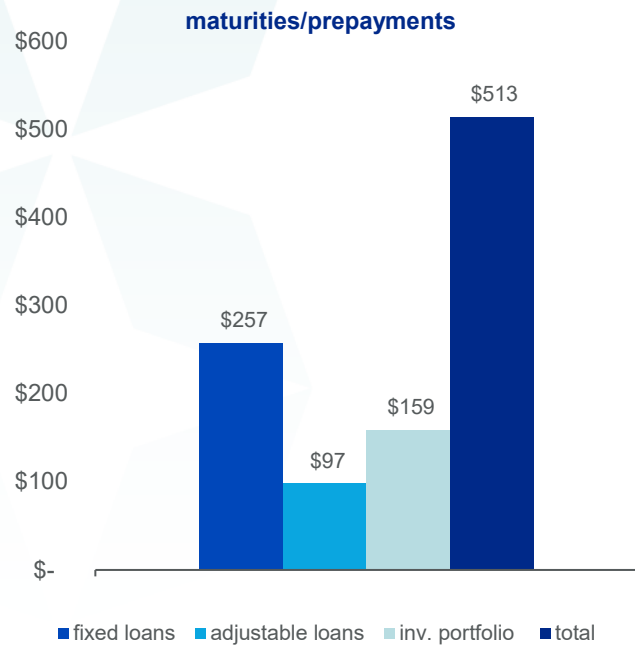
\$ in millions



cashflow repricing

\$ in millions

quarterly impact from cashflows repricing: **+\$3.6 million**



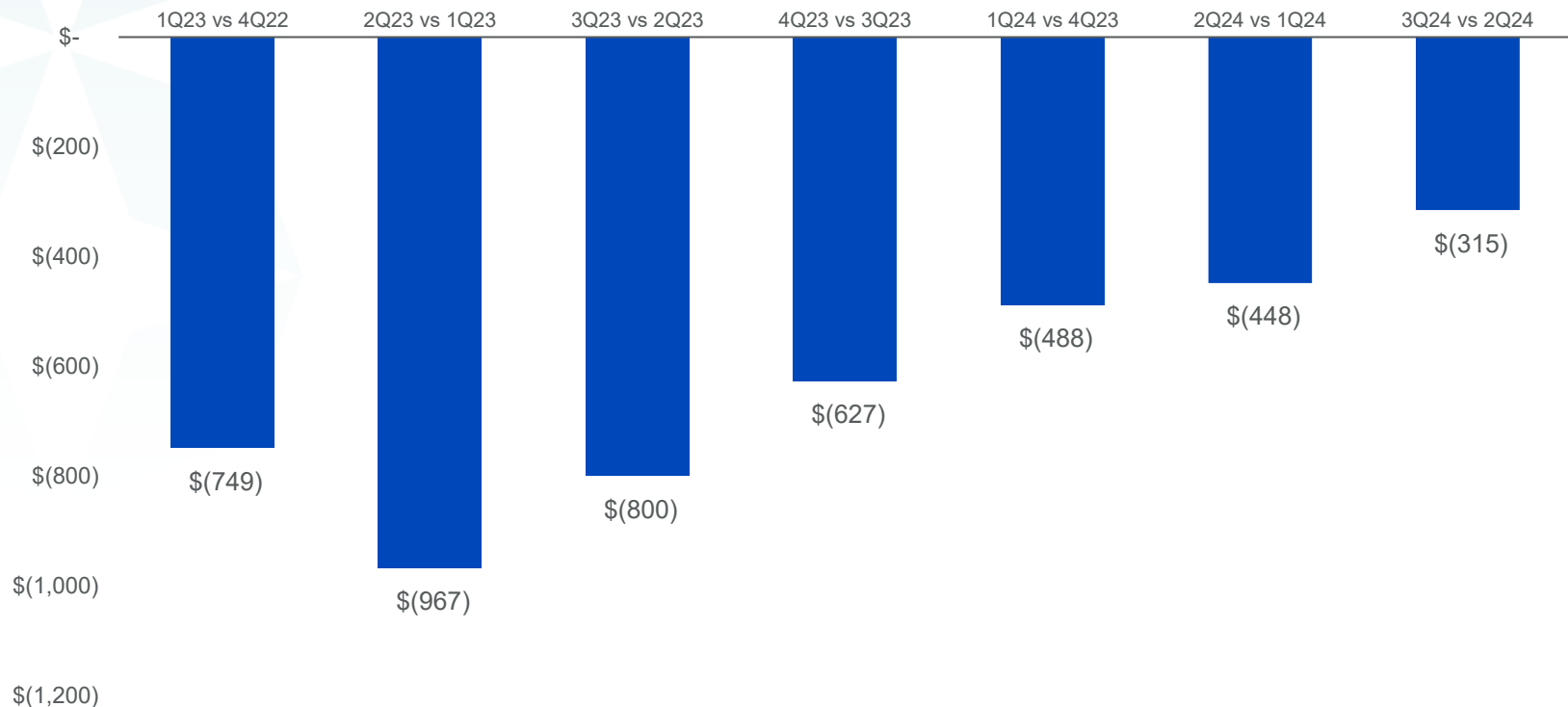
note: quarterly impact from cashflows repricing assumes that the cashflows from maturities/prepayments from loans are reinvested into the same products; assumes cashflows from maturities/prepayments from investment portfolio are reinvested into Fed Funds at 5.3%

deposit mix shift and repricing

\$ in millions

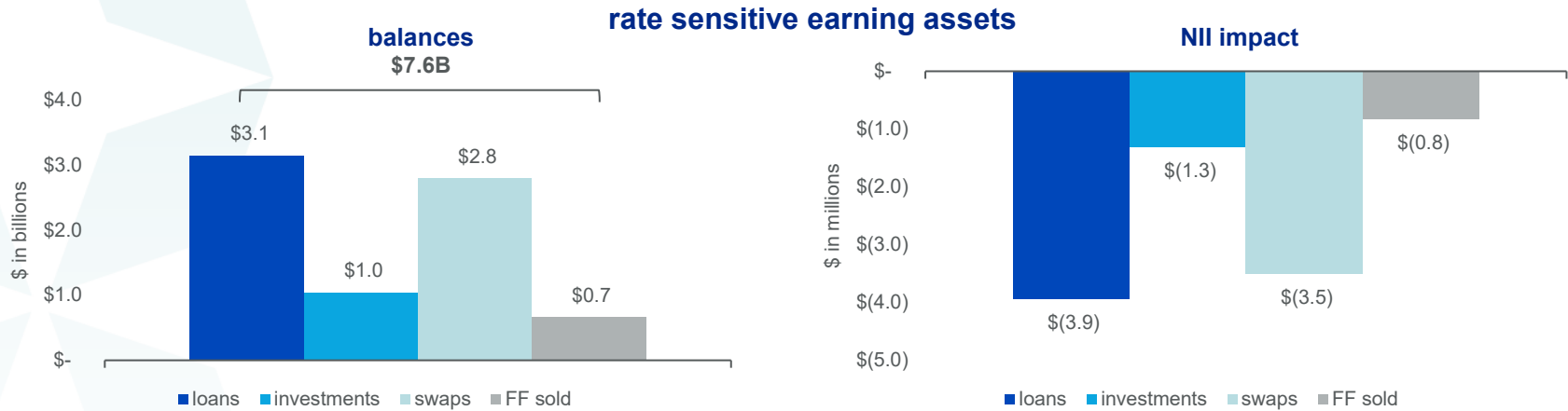
quarterly NII impact from deposit mix shift and repricing in 3Q24: **\$(2.6) million**

QoQ change in average NIBD and low yield interest-bearing deposit balances

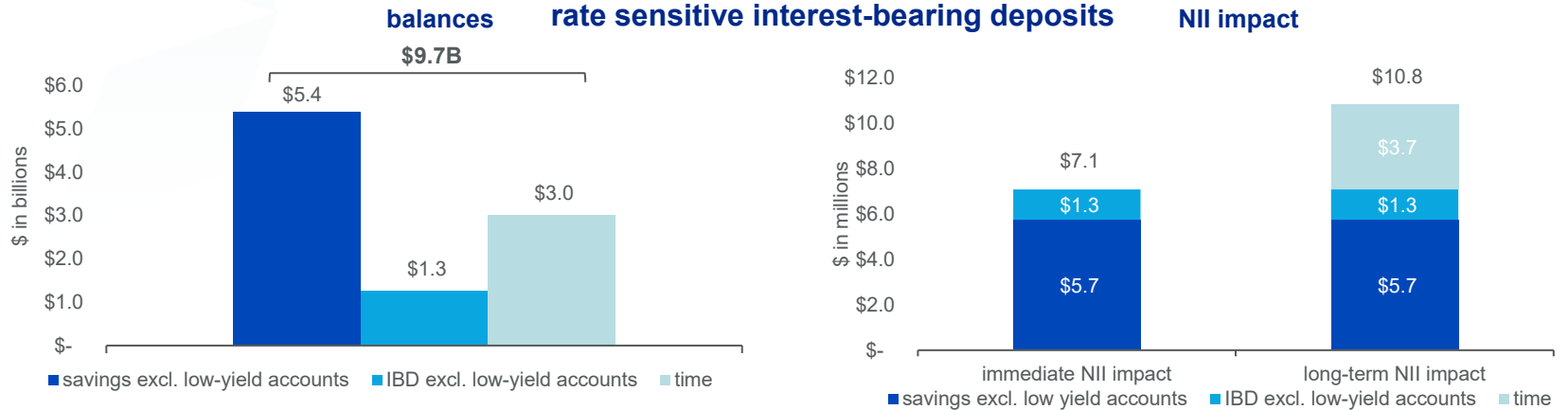


rate sensitive earning assets and interest-bearing deposits

net NII impact per quarter for 50 bps FF decrease from rate sensitive earning assets: **\$(9.6) million**



short-term net NII impact per quarter for 50 bps FF decrease from rate sensitive deposits: **+\$7.1 million**
long-term net NII impact per quarter for 50 bps FF decrease from rate sensitive deposits: **+\$10.8 million**

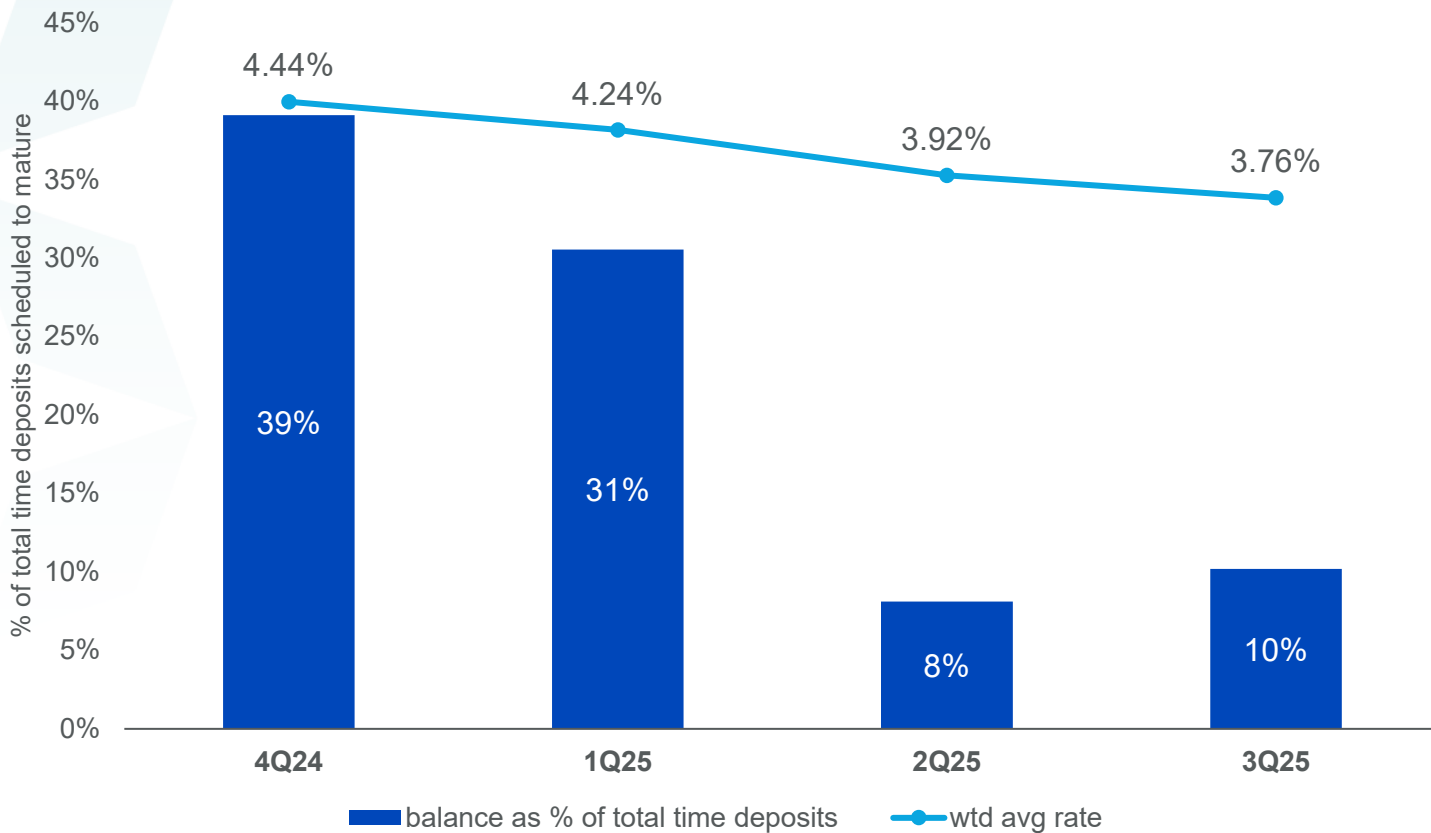


short-term net NII impact: **-\$ (2.5) million** & long-term net NII impact: **+\$1.2 million**

note: loans, investments and swap balances are as of September 30; FF sold balance is 3Q24 quarterly average balance; rate sensitive deposit balances are 3Q24 average balances; low-yield accounts are accounts yielding interest of 10 bps or less; all of qualified business money management checking accounts are included in 'IBD excl. low-yield accounts'; long-term NII impact per quarter for 50 bps FF decrease from rate sensitive deposits assumes 85% beta on savings excl. low-yield accounts & IBD excl. low-yield accounts and 100% beta on time deposits; short-term NII impact assumes 0% beta on time deposits

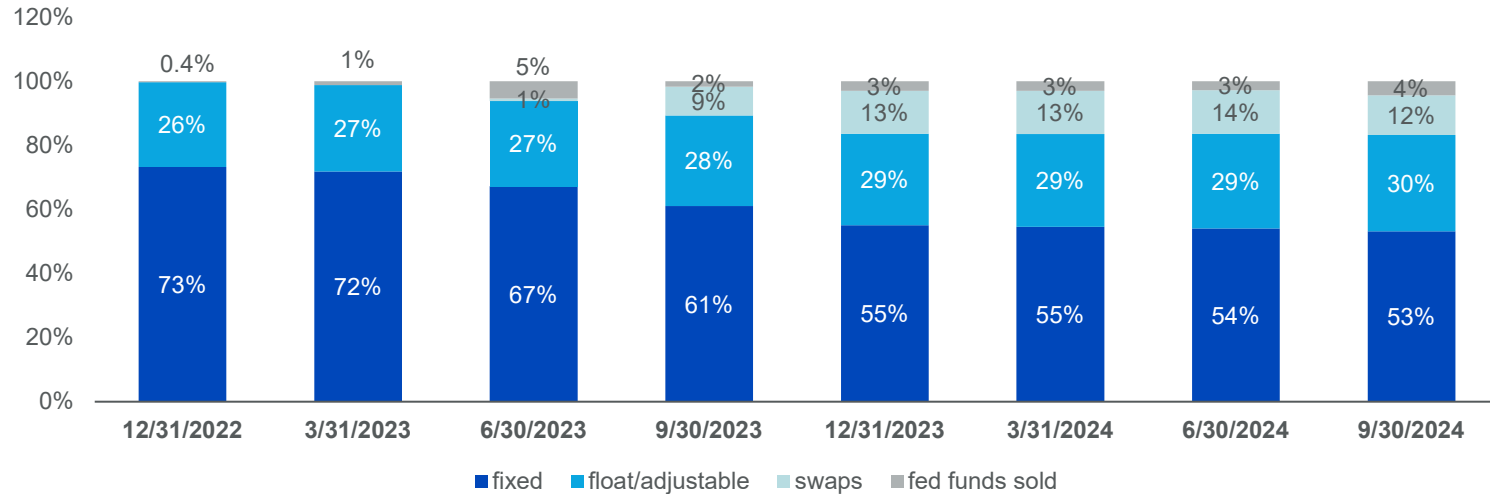
time deposit maturity schedule

39% of time deposits set to reprice in 3 months and 70% in 6 months

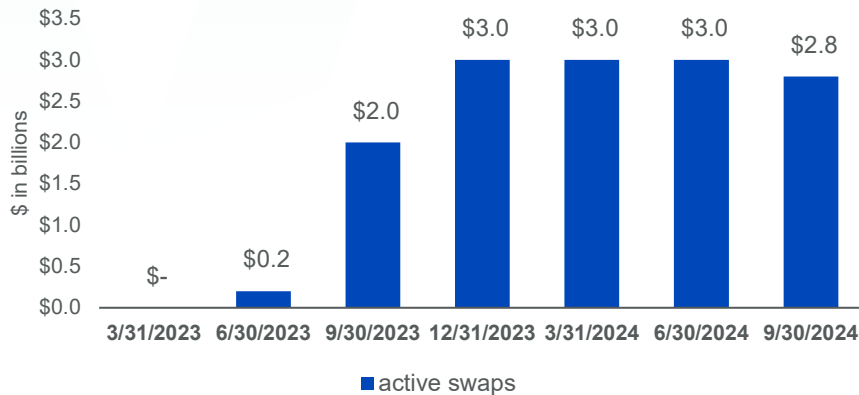


optimizing balance sheet

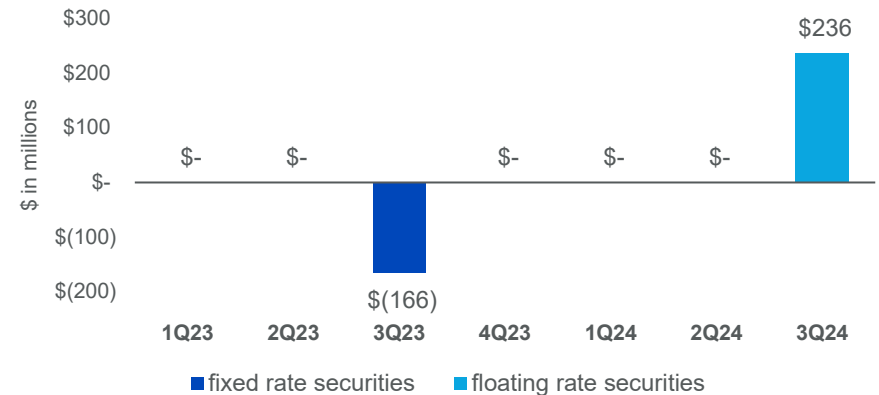
earning asset composition



swap composition



securities purchases / sales

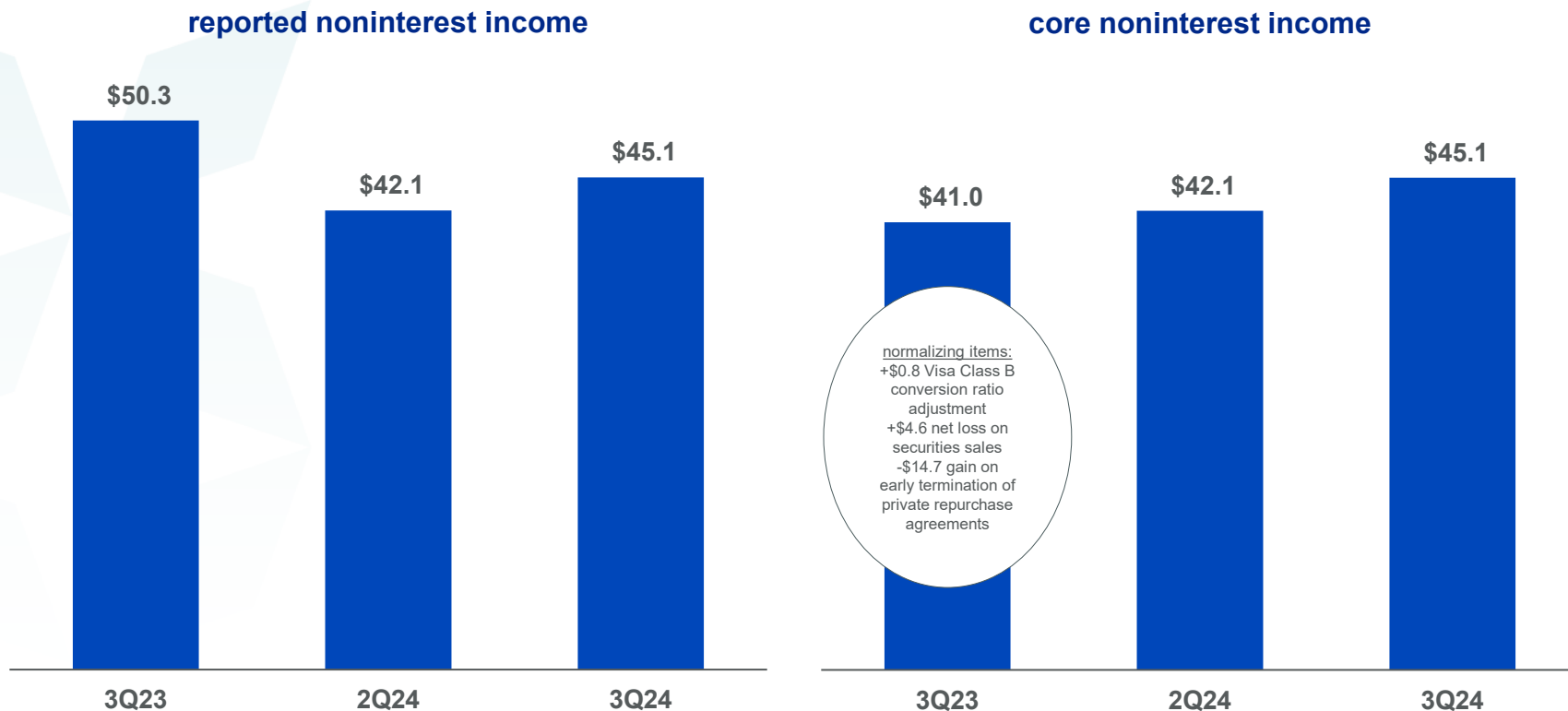


note: swaps in 'earning asset composition' and 'swap composition' does not include \$300 million of forward swaps; 'securities purchases / sales' do not include stock and PCLI purchases

noninterest income

\$ in millions

increasing core noninterest income

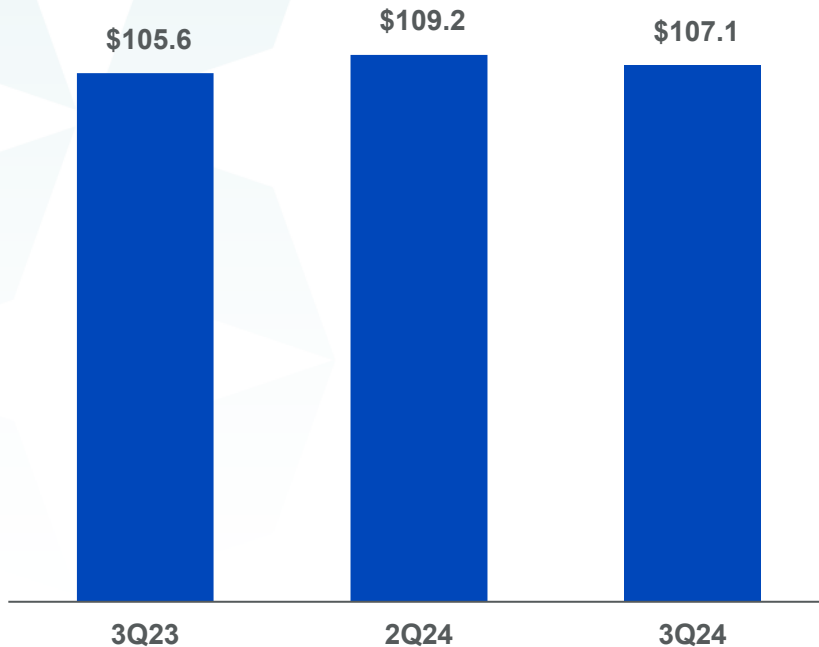


noninterest expense

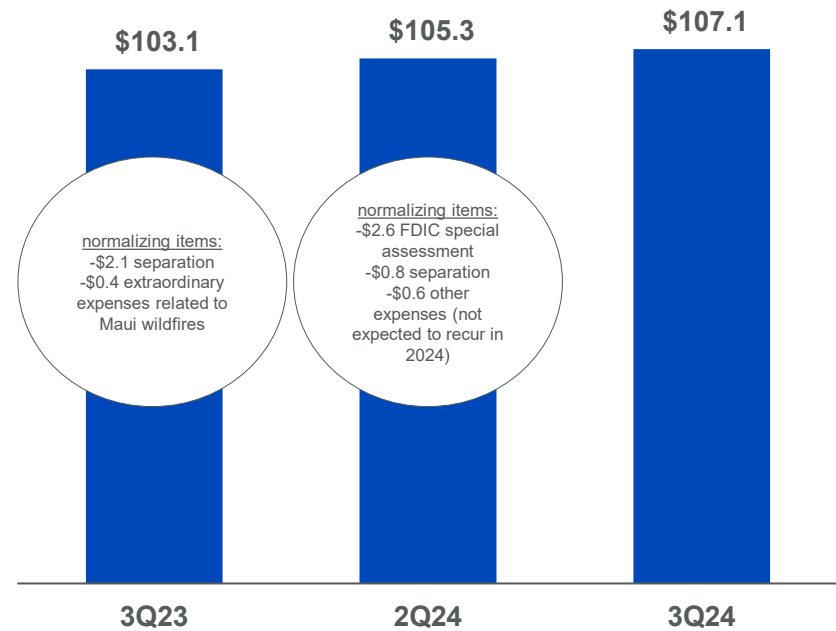
\$ in millions

continued discipline in expense management

reported noninterest expense



core noninterest expense



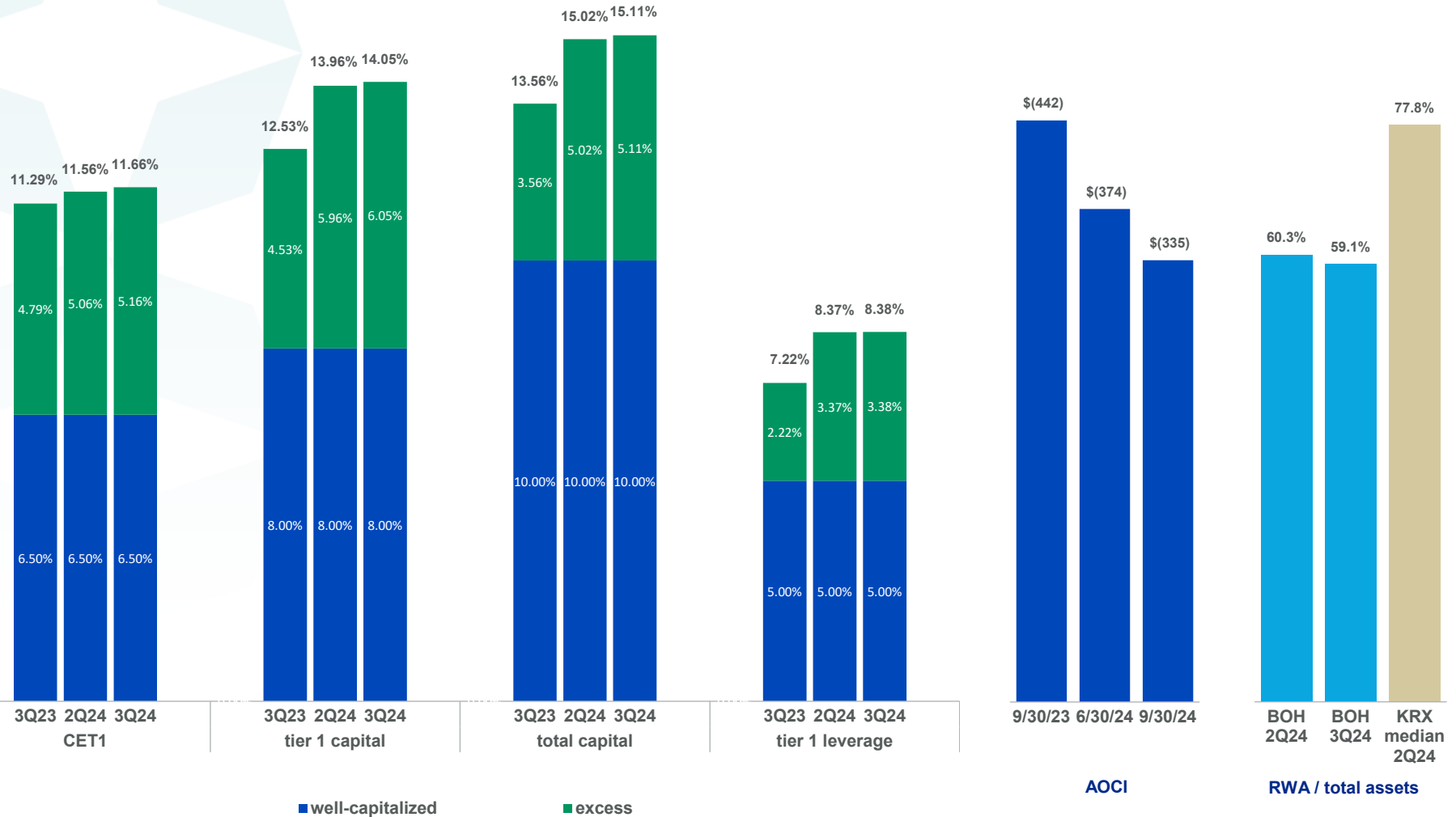
financial summary

\$ in millions, except per share amounts

	<u>3Q 2024</u>	<u>2Q 2024</u>	<u>3Q 2023</u>	<u>Δ 2Q 2024</u>	<u>Δ 3Q 2023</u>
net interest income	\$ 117.6	\$ 114.8	\$ 120.9	\$ 2.8	\$ (3.3)
noninterest income	45.1	42.1	50.3	3.0	(5.2)
total revenue	162.7	156.9	171.3	5.8	(8.5)
noninterest expense	107.1	109.2	105.6	(2.1)	1.5
operating income	55.6	47.7	65.7	7.9	(10.0)
credit provision	3.0	2.4	2.0	0.6	1.0
income taxes	12.3	11.2	15.8	1.1	(3.5)
net income	\$ 40.4	\$ 34.1	\$ 47.9	\$ 6.3	\$ (7.5)
net income available to common	\$ 36.9	\$ 32.1	\$ 45.9	\$ 4.8	\$ (9.0)
diluted EPS	\$ 0.93	\$ 0.81	\$ 1.17	\$ 0.12	\$ (0.24)
return on assets	0.69 %	0.59 %	0.78 %	0.10 %	(0.09) %
return on average common equity	11.50	10.41	15.38	1.09	(3.88)
net interest margin	2.18	2.15	2.13	0.03	0.05
end of period balances					
investment portfolio	\$ 7,261	\$ 7,111	\$ 7,475	2.1 %	(2.9) %
loans and leases	13,919	13,831	13,919	0.6	(0.0)
total deposits	20,978	20,409	20,802	2.8	0.8
shareholders' equity	1,665	1,613	1,364	3.3	22.1

capital

strong capital



note: 3Q24 regulatory capital ratios are preliminary; AOCI \$ in millions

takeaways

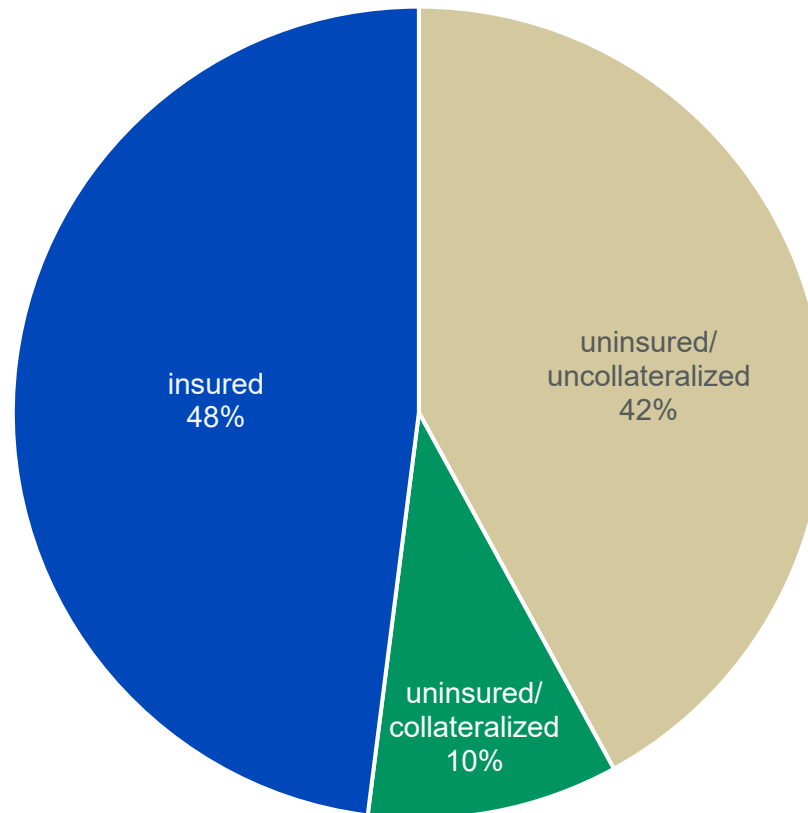
- ✓ high quality and low cost deposit base in unique and competitively advantageous deposit market
- ✓ continuing trend of increase in NII and NIM
- ✓ exceptional credit quality
- ✓ strong liquidity and risk-based capital

Q & A



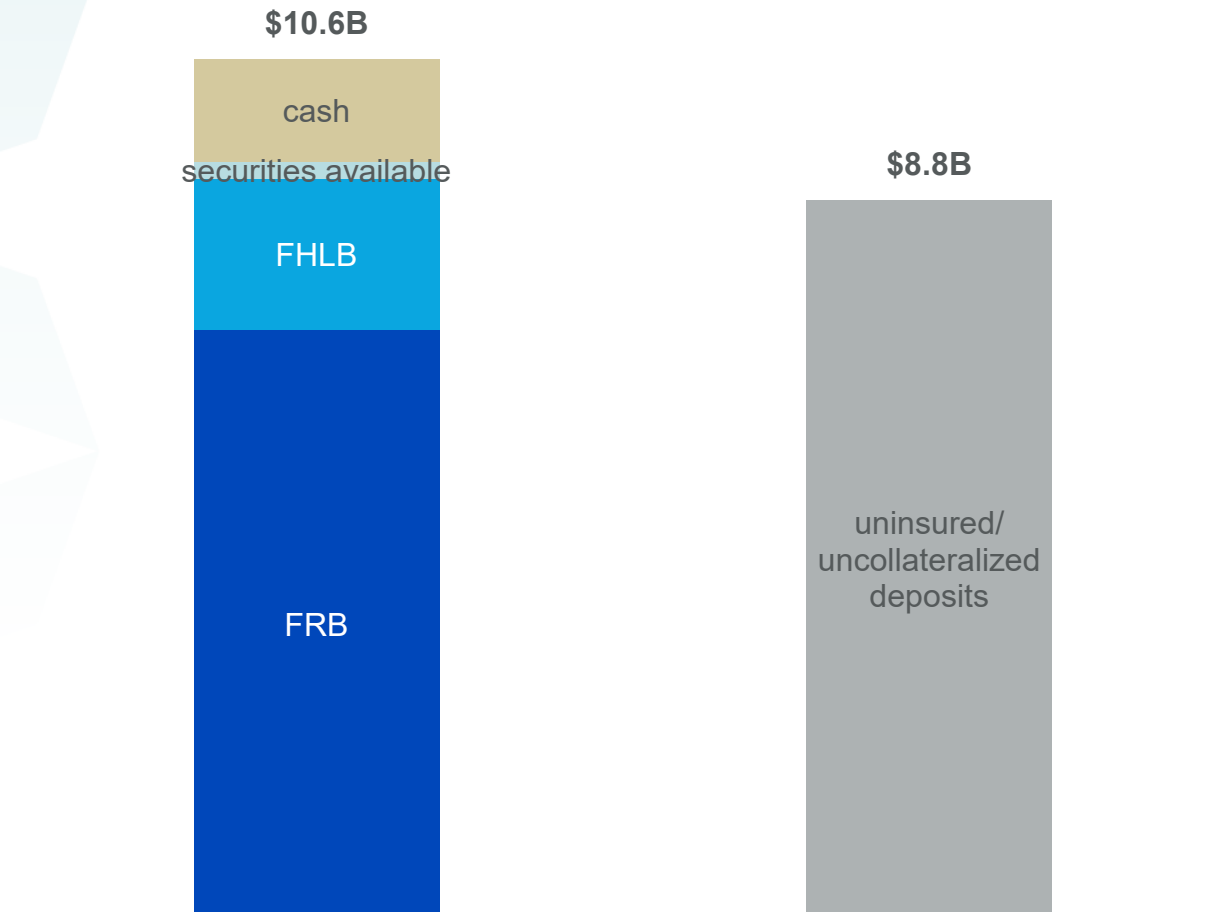
appendix

insured/collateralized deposits



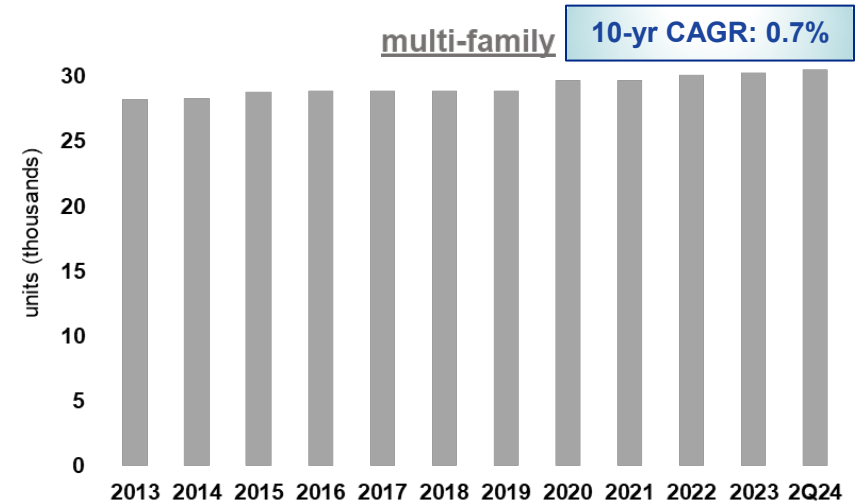
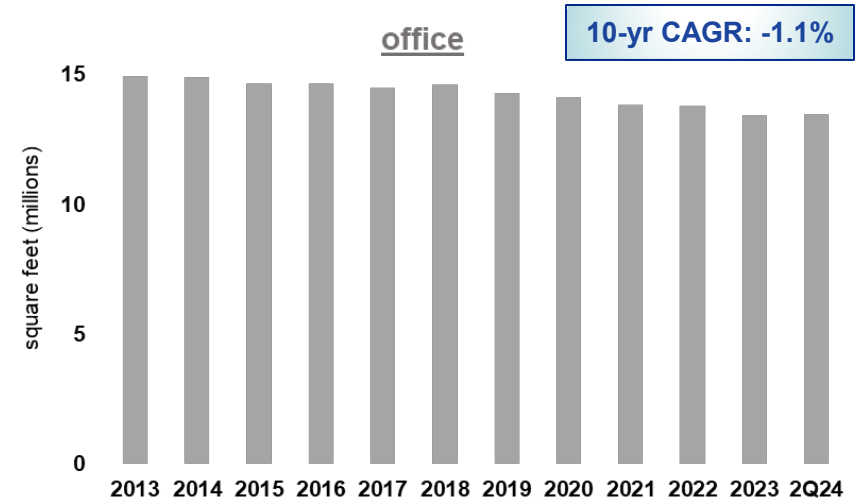
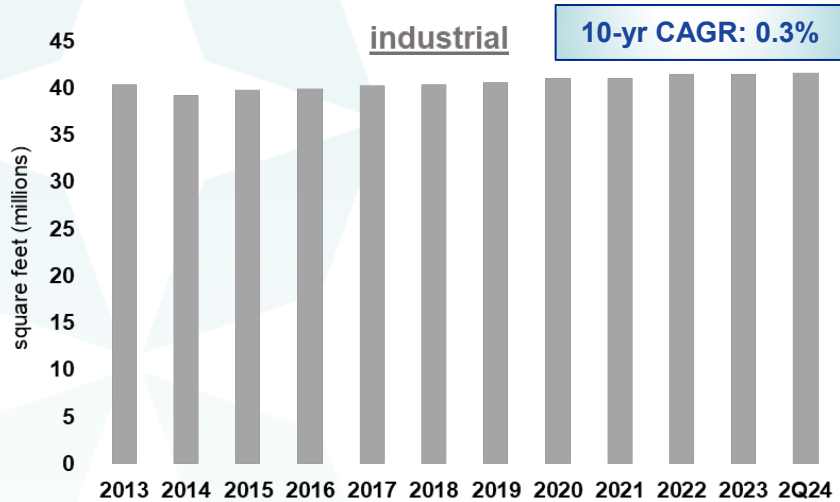
readily available liquidity

Bank of Hawai'i carries substantial liquidity lines and equivalents for both day-to-day operational and liquidity backstop purposes



CRE supply constraints

Oahu market inventory

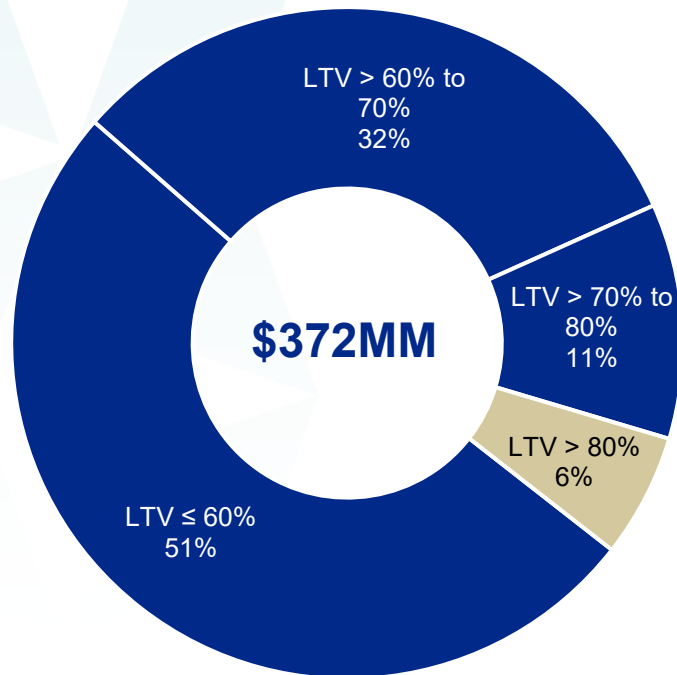


note: 10-yr CAGR for inventory are based on year-end 2013 through 2023
source: Colliers (industrial, office, retail) and CoStar (multi-family)

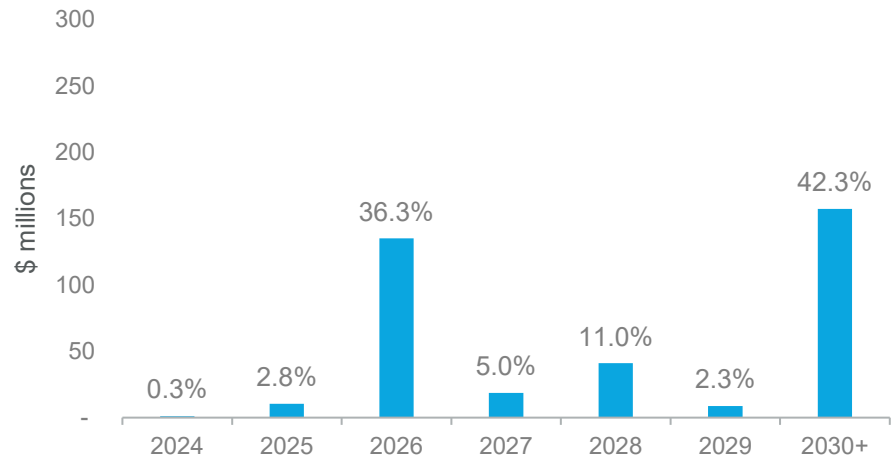
CRE office

3% of total loans

LTV distribution



scheduled maturity



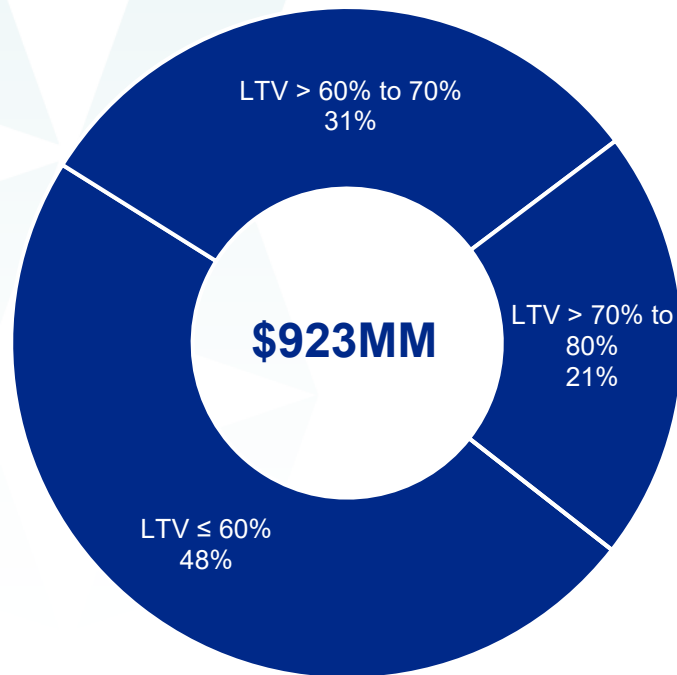
highlights

- 57% wtd avg LTV
- \$1.8MM average exposure
- 24% CBD (Downtown Honolulu)
 - 63% wtd avg LTV
 - 46% with repayment guaranties
- 3% maturing prior to 2026
- 2.4% criticized

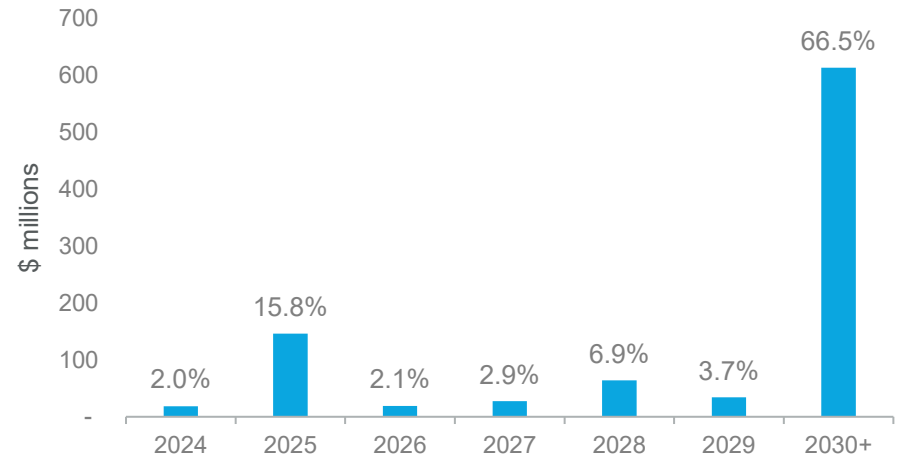
CRE multi-family

7% of total loans

LTV distribution



scheduled maturity



highlights

- 58% wtd avg LTV
- \$3.1MM average exposure
- 99.2% LIHTC, affordable or market
- 18% maturing prior to 2026
- 5.8% criticized