

Bank of Hawai'i Corporation
first quarter 2024
financial report

April 22, 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

strong credit

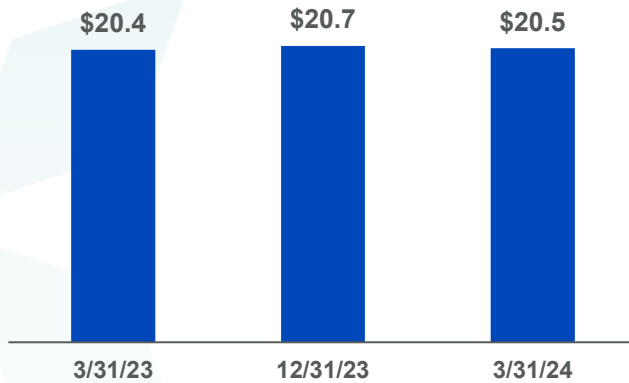
stable balance sheet performance

- **\$0.87 diluted earnings per common share**
 - **1.74% average cost of total deposits**
 - **11.20% return on average common equity**
-
- **0.07% net charge-off rate**
 - **0.09% non-performing assets level**
 - **79% of loan portfolio real-estate secured with combined wtd avg LTV of 52%**
 - **CRE portfolio comprises 27% of total loans**
 - **wtd avg LTV of 55%;**
 - **only 5% maturing in 2024;**
 - **CRE office exposure only 3% of total loans**
-
- **average total deposits decreased 0.8%**
 - **average total loans and leases decreased 0.3%**
 - **\$10.3 billion in readily available liquidity**

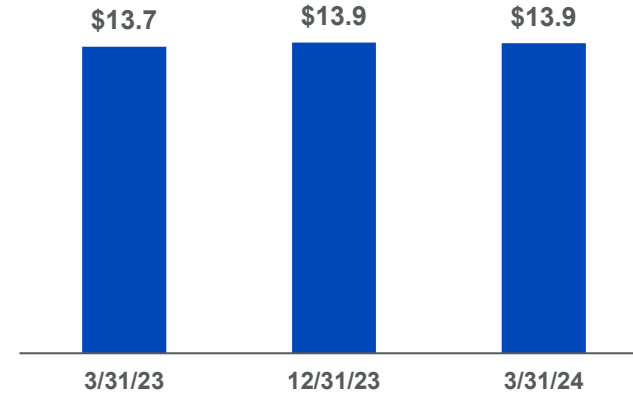
highlights – balance sheet

\$ in billions

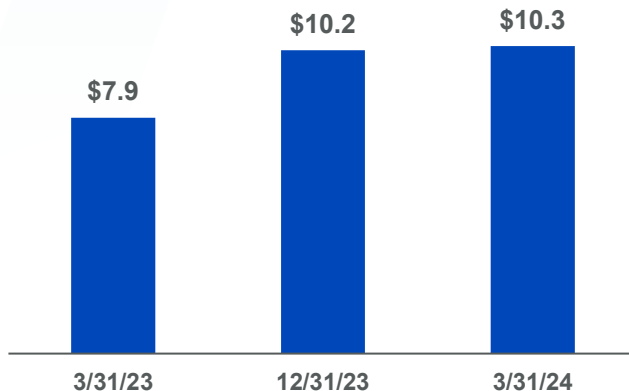
stable average total deposits



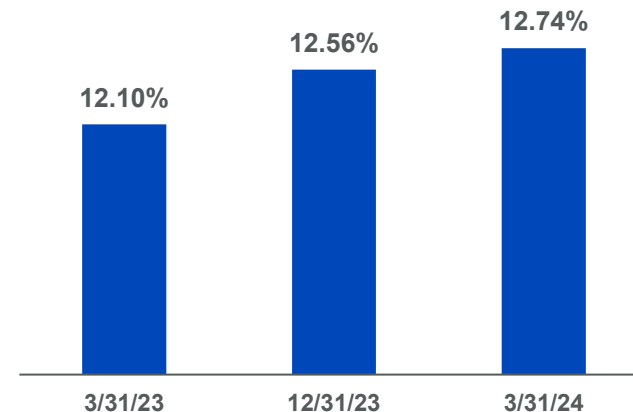
stable average total loans and leases



increased readily available liquidity



organic capital growth



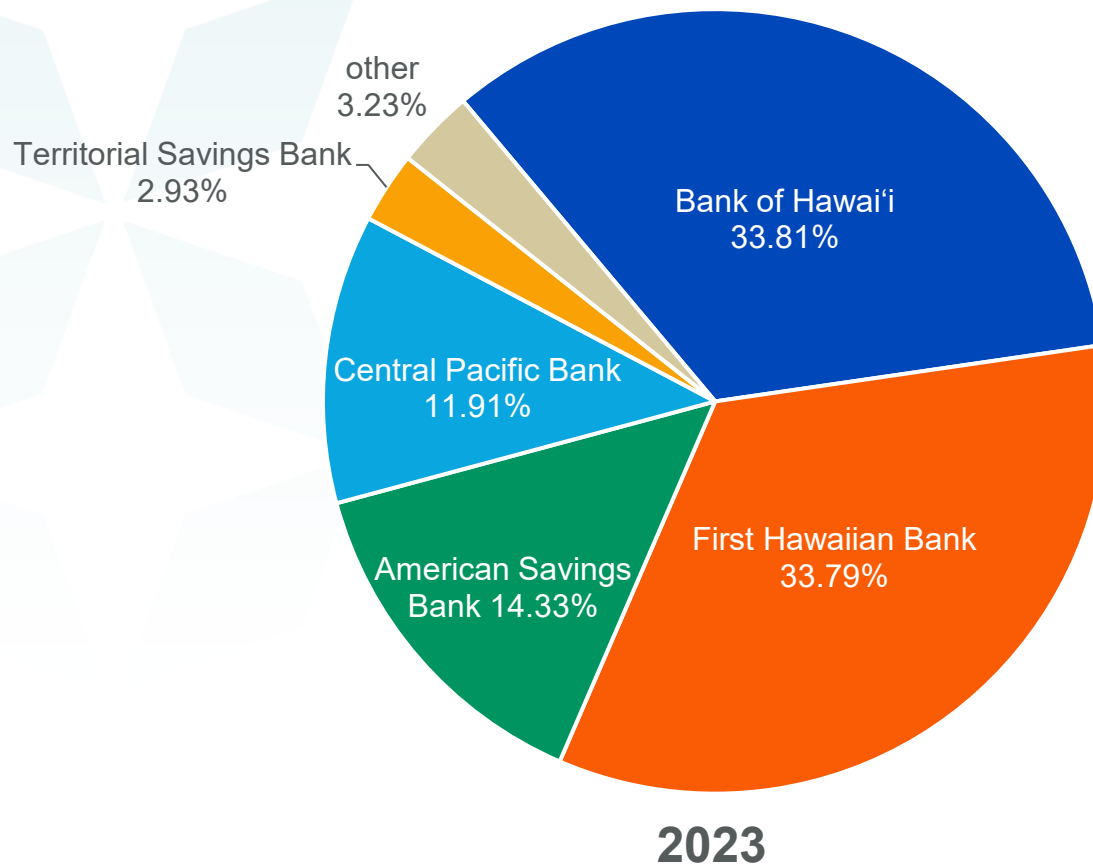
tier 1 capital ratio

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

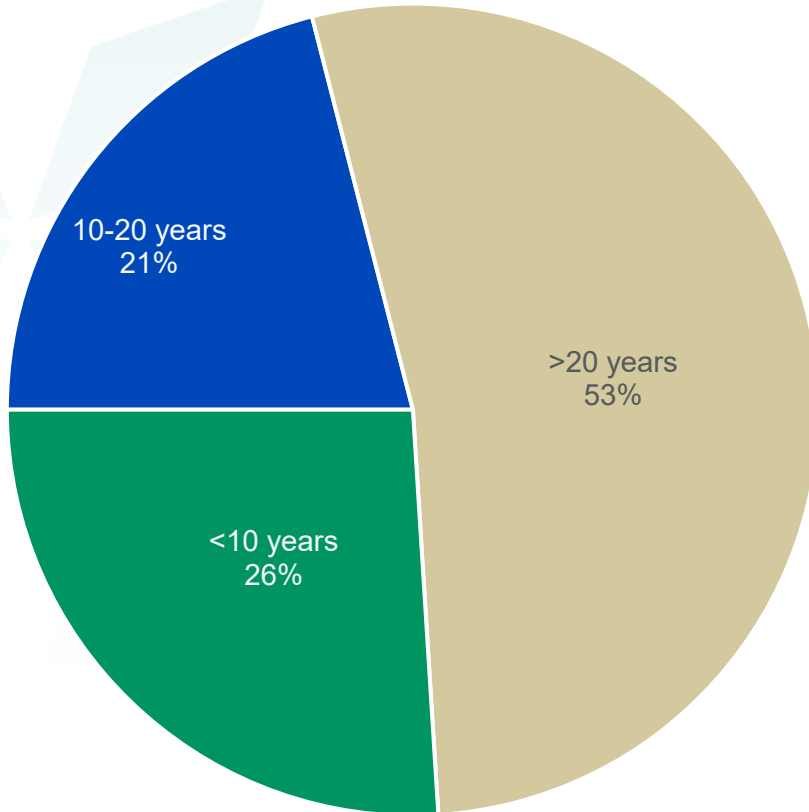
- ✓ unique marketplace
- ✓ diversified
- ✓ long tenured

unique deposit market



the leader in a unique deposit market with five local competitors holding 97% of the bank deposit market

long tenured deposit base



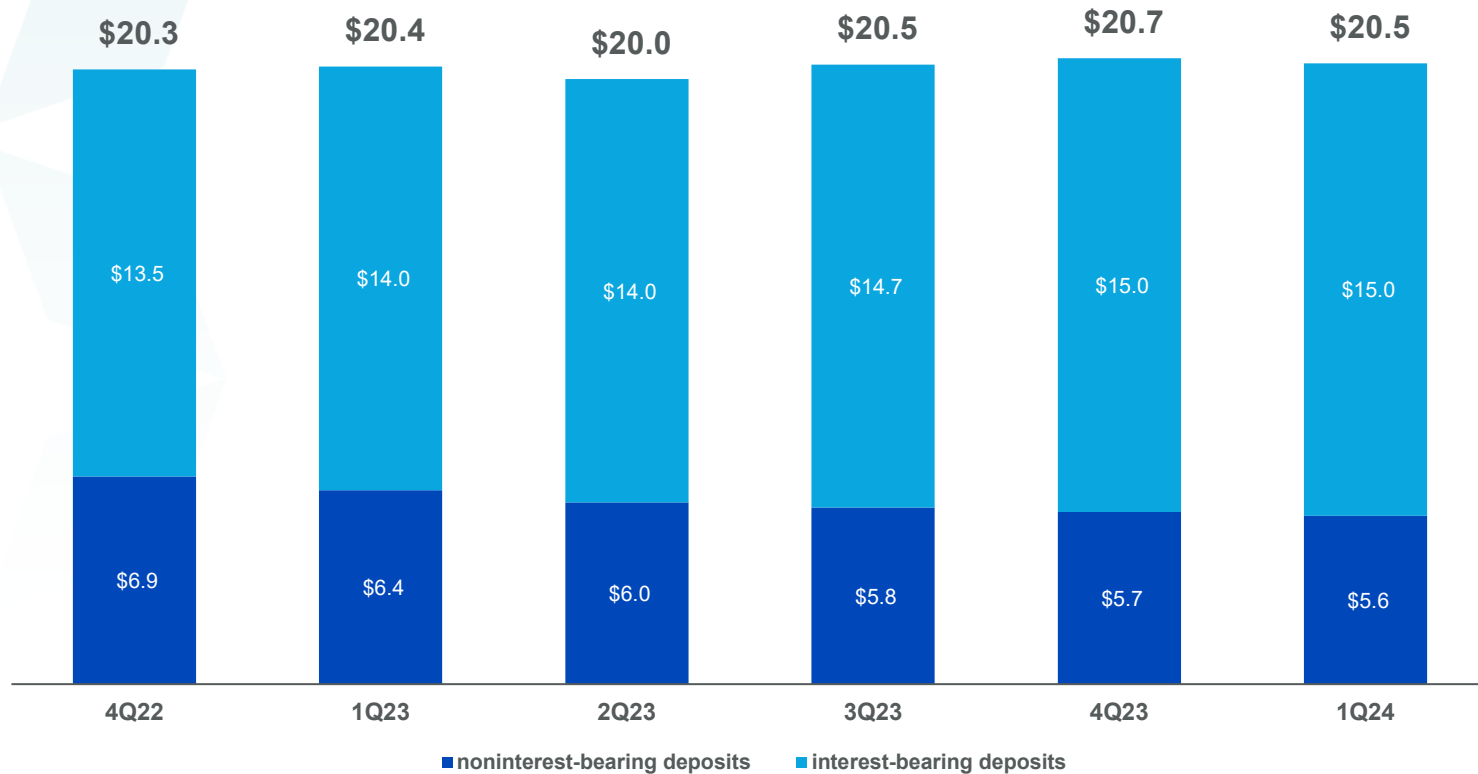
segment ⁽¹⁾	avg tenure (yrs)
Commercial Core	28.9
The Private Bank	18.3
Small Business	17.0
Community	22.2
total	23.5

note: as of March 31, 2024
(1): excludes public products and Bank of Hawai'i accounts

stable deposit balances

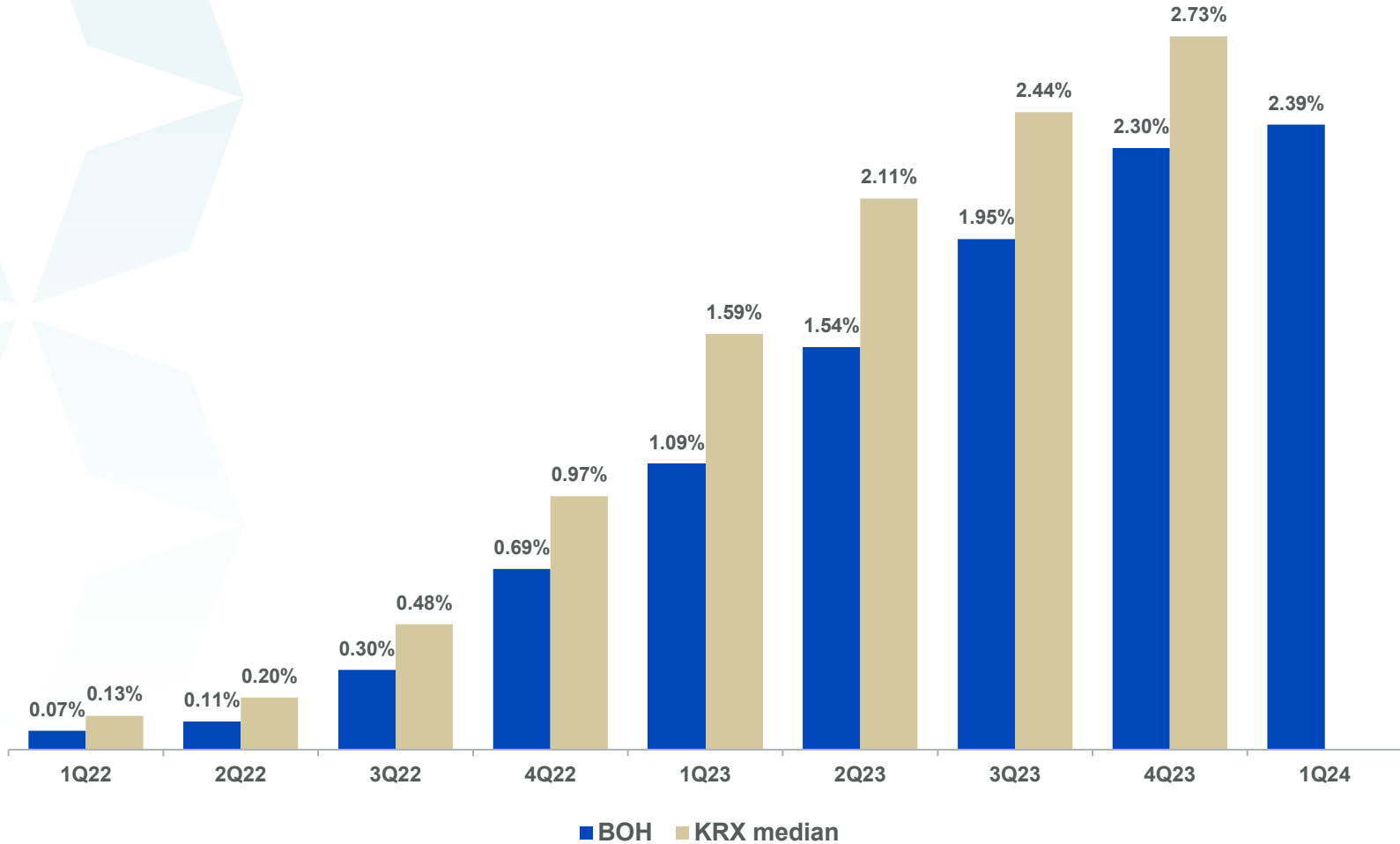
\$ in billions

average balances



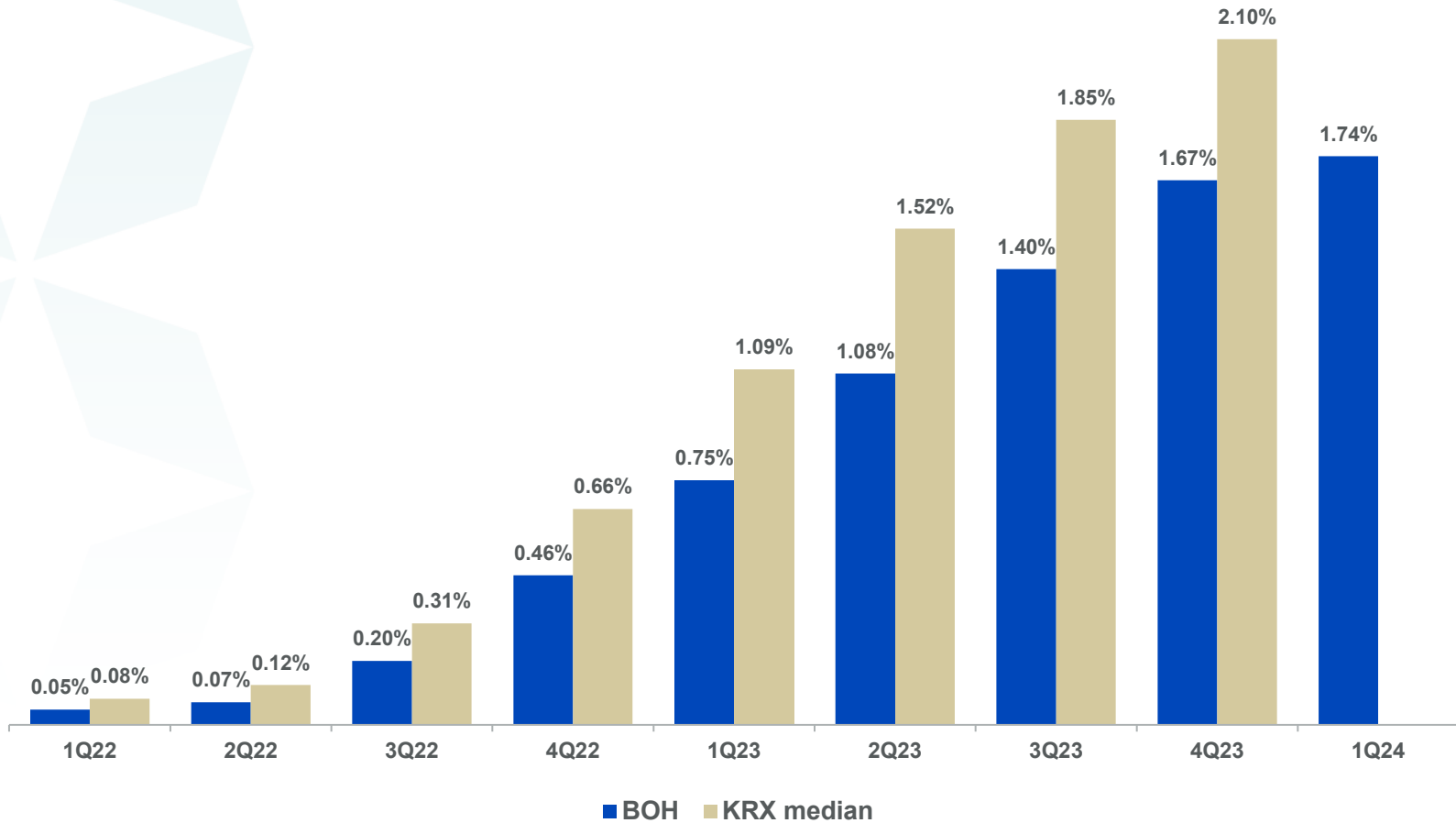
note: numbers may not add up due to rounding

cost of funds interest-bearing deposits



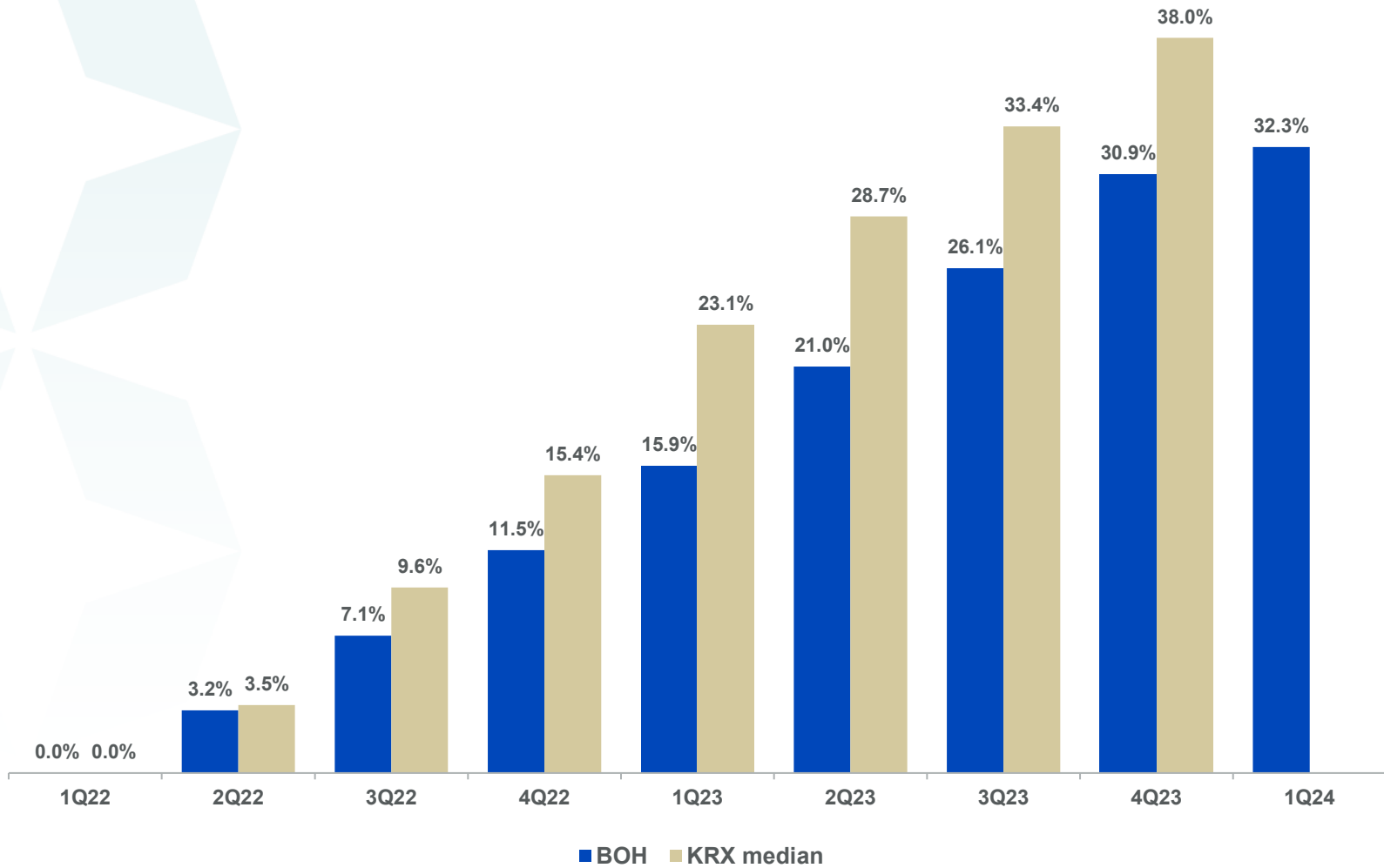
source: S&P Capital IQ; KBW Regional Banking Index (KRX) as of 1/2/24

cost of funds total deposits



source: S&P Capital IQ; KBW Regional Banking Index (KRX) as of 1/2/24

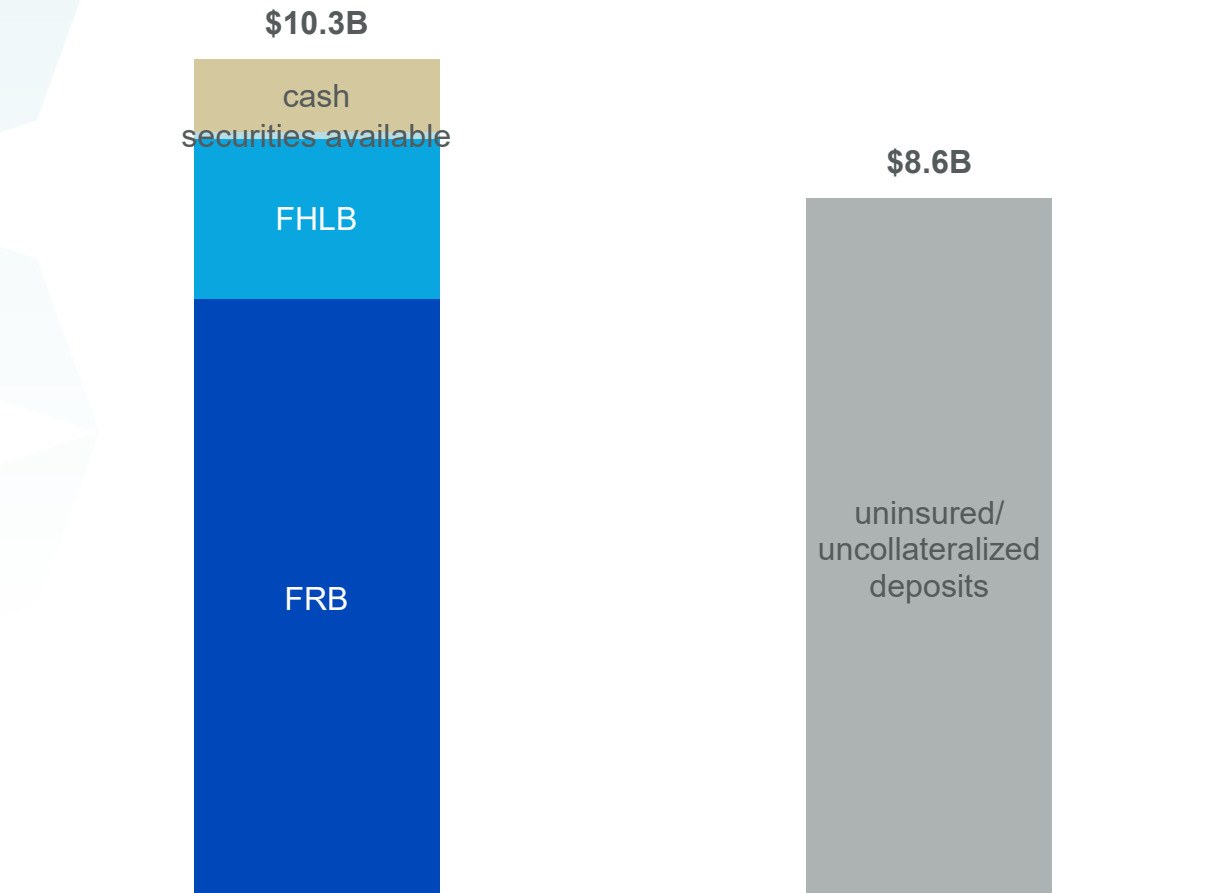
deposit beta performance



source: S&P Capital IQ; KBW Regional Banking Index (KRX) as of 1/2/24

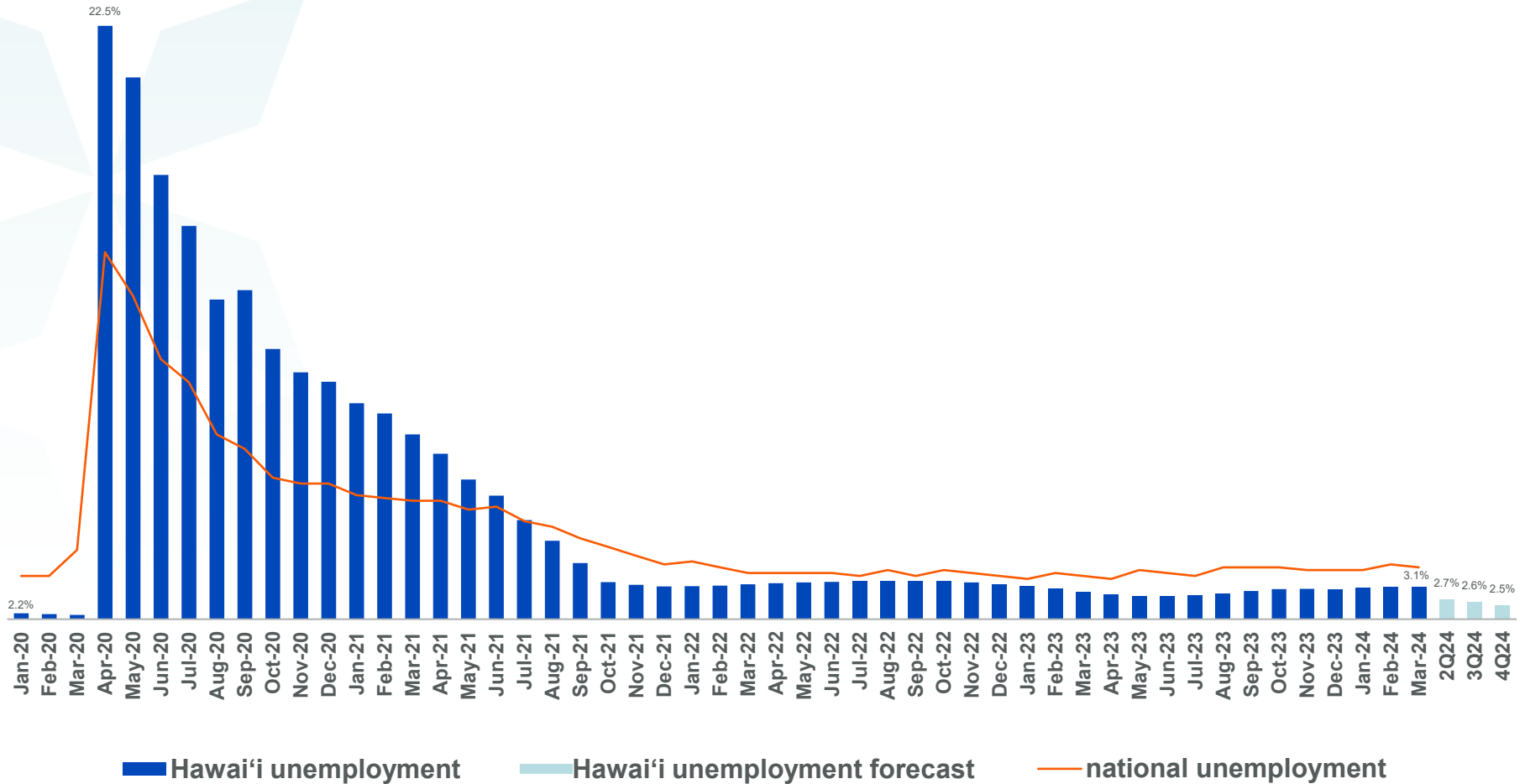
readily available liquidity

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



unemployment

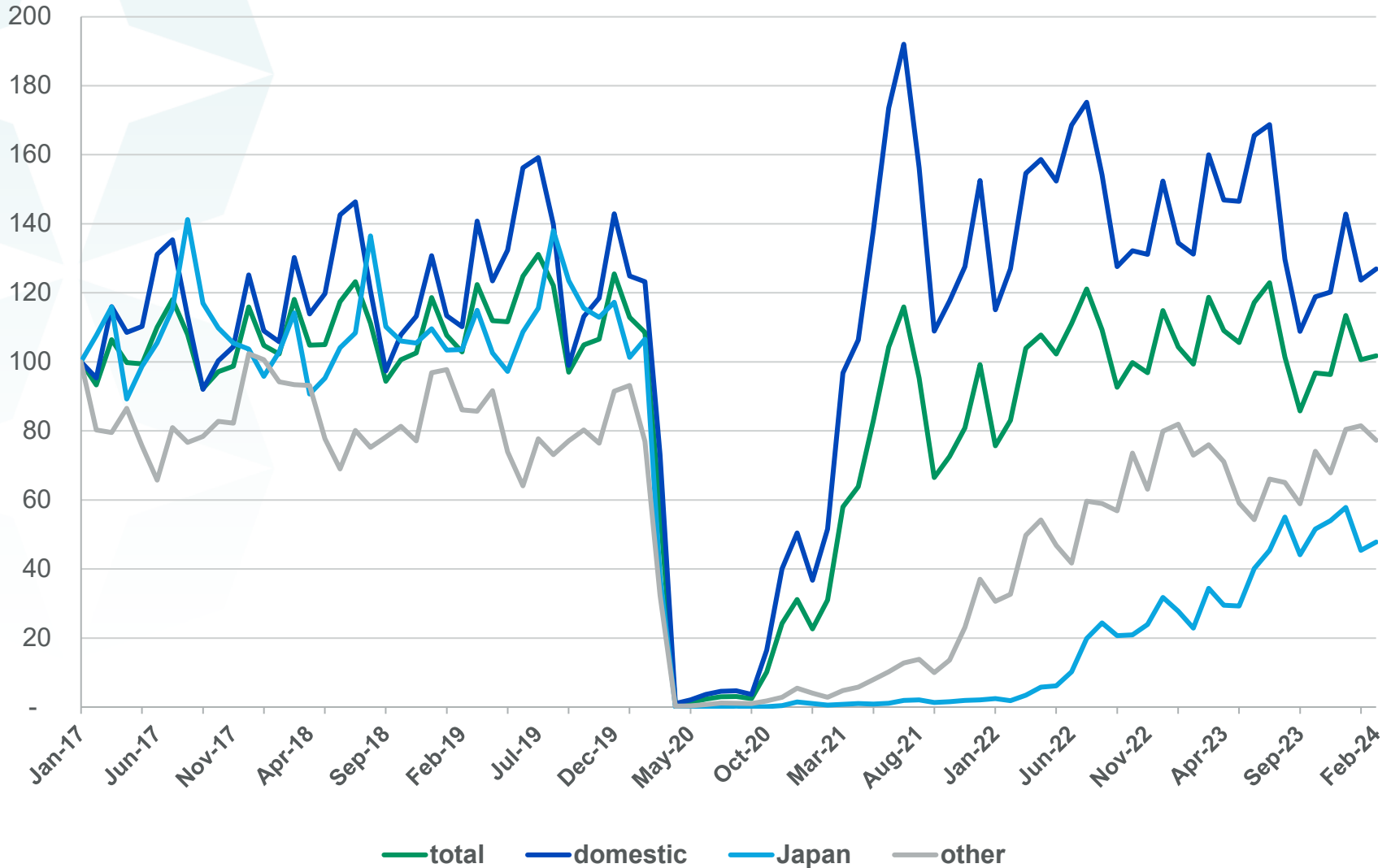
experience & forecast



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

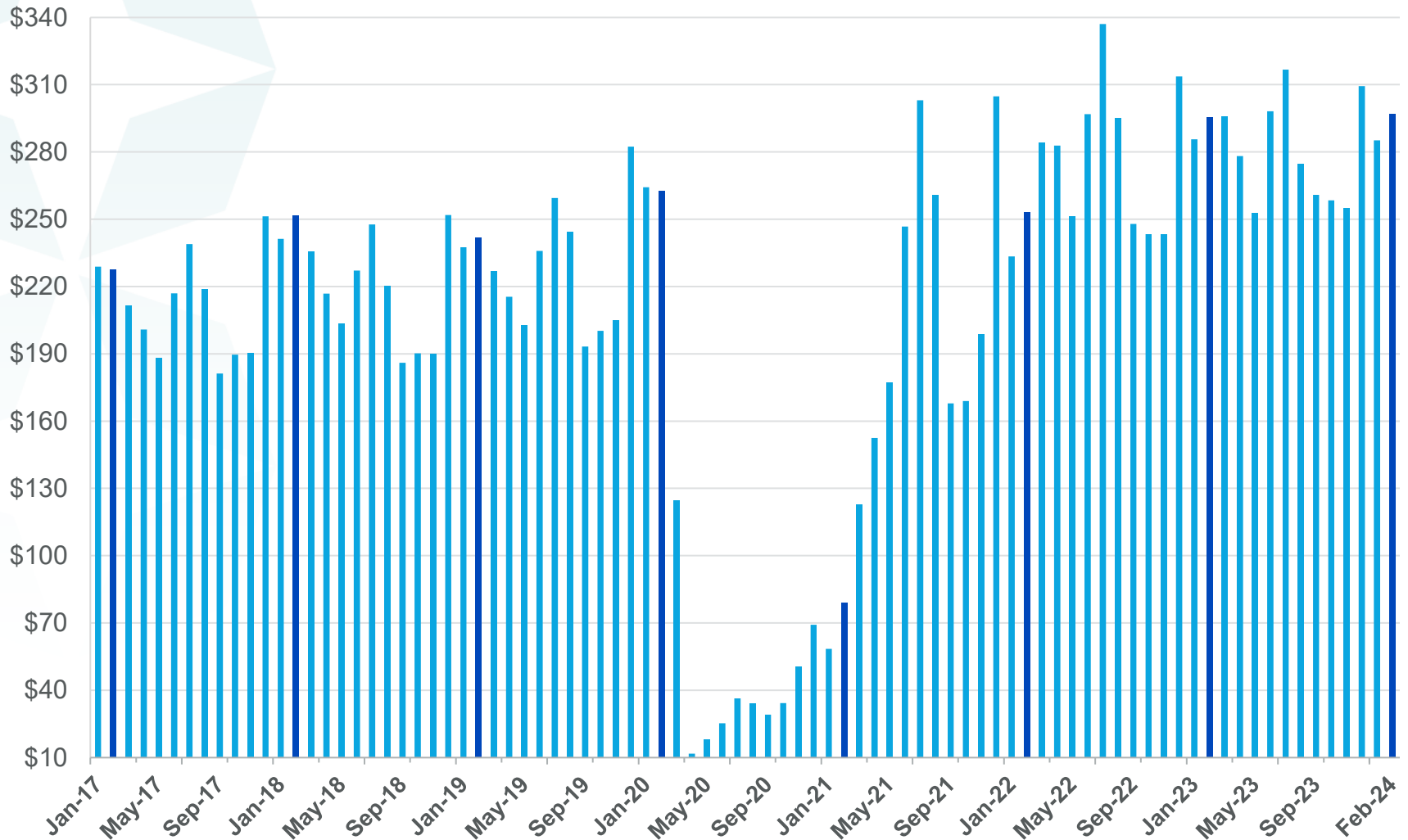
visitor arrivals

monthly by market, indexed to January 2017









revenue per available room

revenue per available room (RevPAR)



stable real estate prices

Oahu market indicators – 1Q 2024

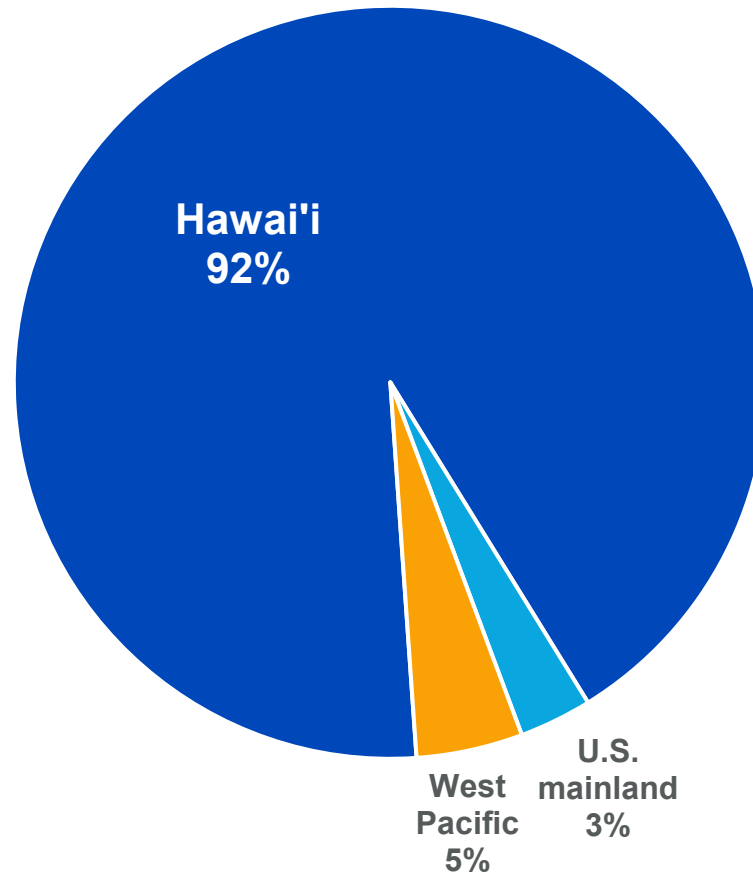
	single family homes			condominiums		
	<u>1Q 2024</u>	<u>1Q 2023</u>	<u>Δ 1Q 2023</u>	<u>1Q 2024</u>	<u>1Q 2023</u>	<u>Δ 1Q 2023</u>
median sales price (000s)	\$1,070	\$1,025	4.4% 	\$505	\$500	1.0% 
closed sales	593	559	6.1% 	970	1044	-7.1% 
median days on market	29	36	7 days 	32	25	7 days 



credit performance

lending philosophy

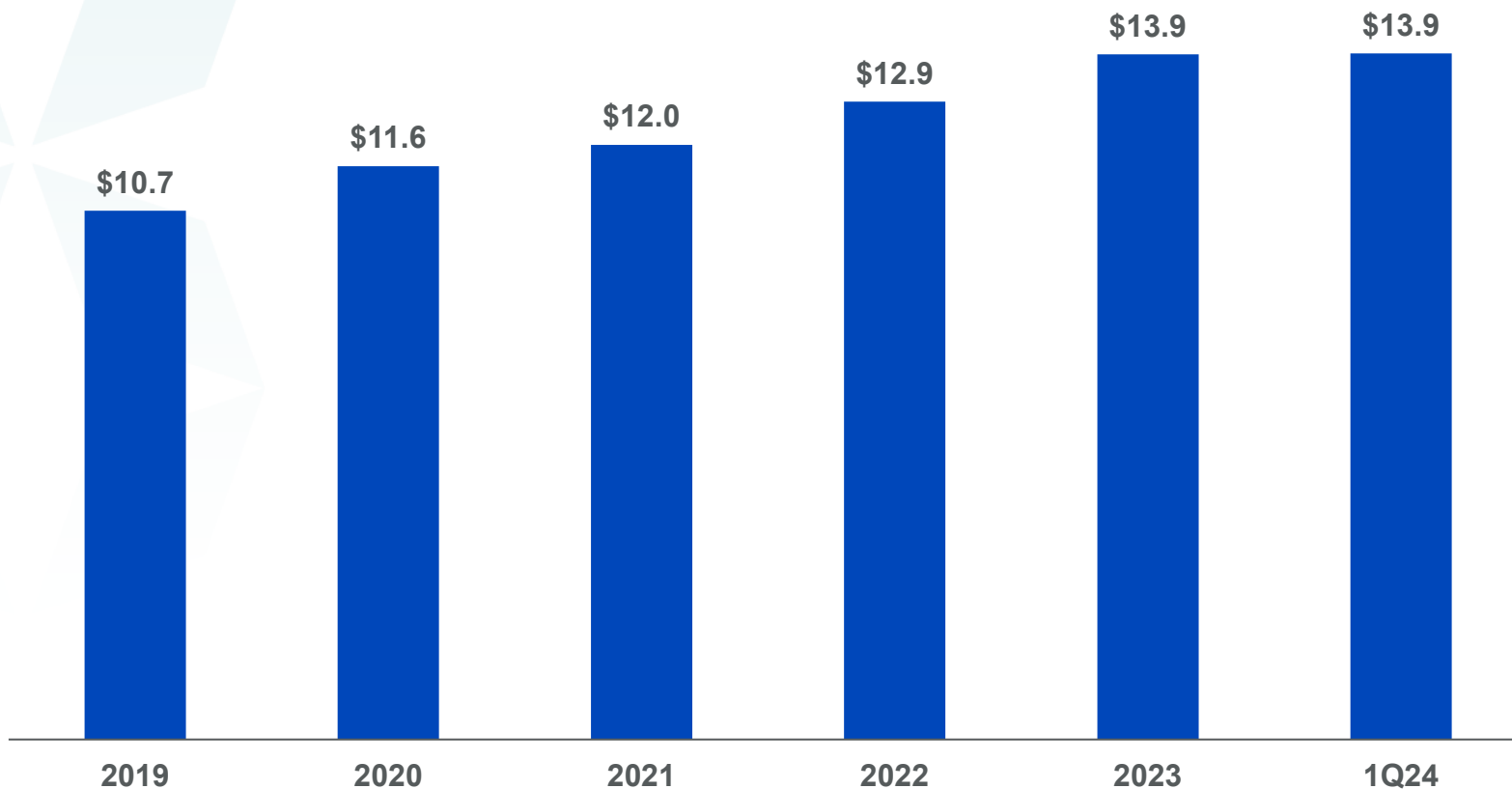
we lend in our core markets
to long-standing relationships



steady organic loan growth

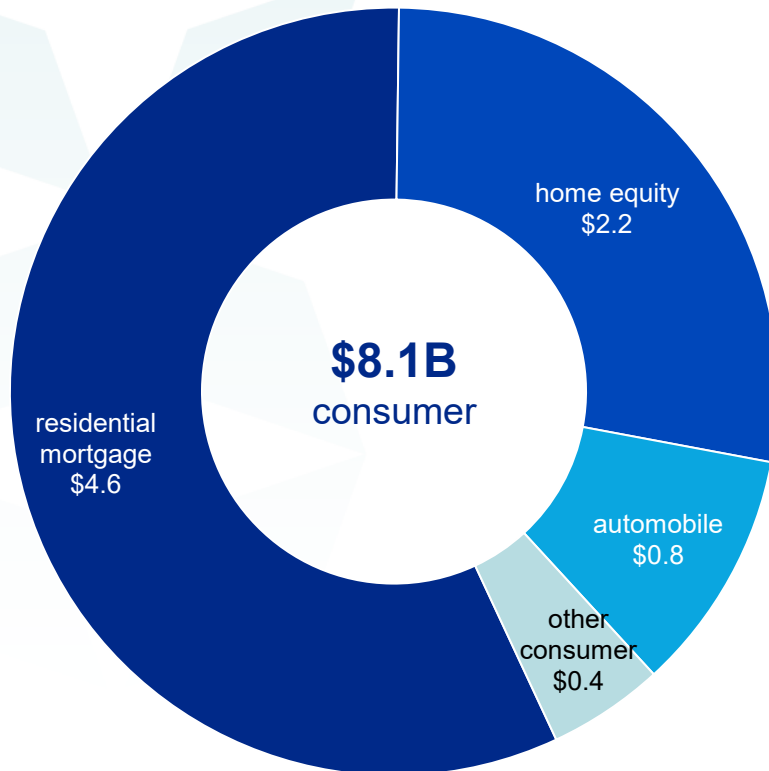
\$ in billions

average total loans and leases



consumer portfolio

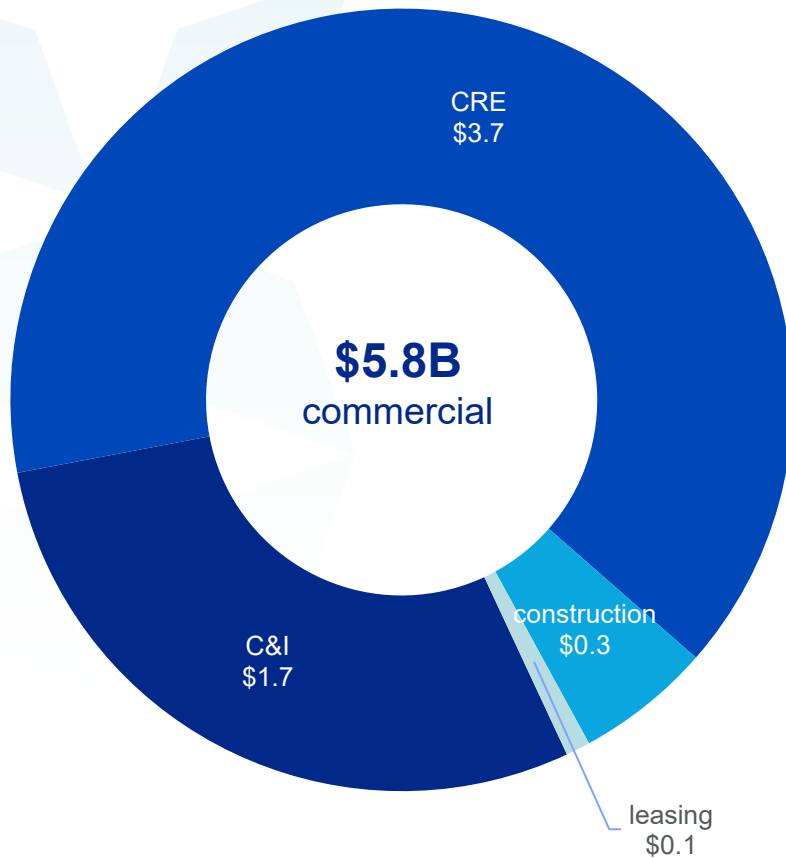
58% of total loans



asset type	% total consumer	% total loans	WALTV	wtd avg FICO
residential mortgage	57%	33%	52%	806
home equity	28%	16%	48%	789
automobile	10%	6%	n/a	732
other consumer	5%	3%	n/a	758
total consumer	100%	58%	51%	791

commercial portfolio

42% of total loans



asset type	% total comml	% total loans	WALTV
commercial real estate	64%	27%	55%
commercial & industrial	29%	12%	n/a
construction	6%	2%	57%
leasing	1%	0.4%	n/a
total commercial	100%	42%	56%

note: excludes \$10MM in PPP loan balances including deferred costs and fees

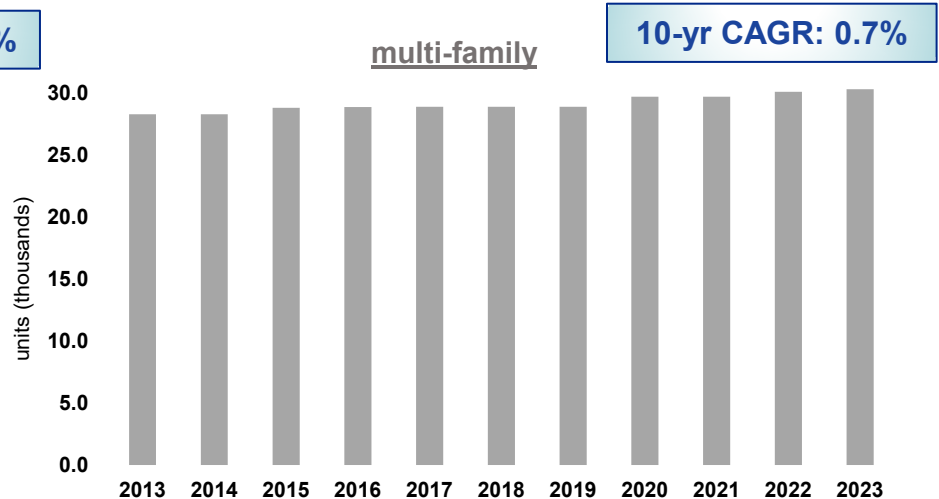
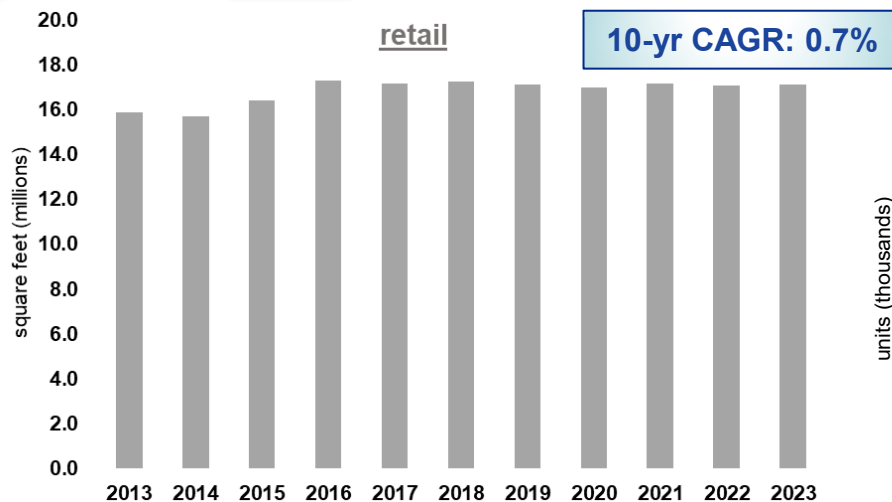
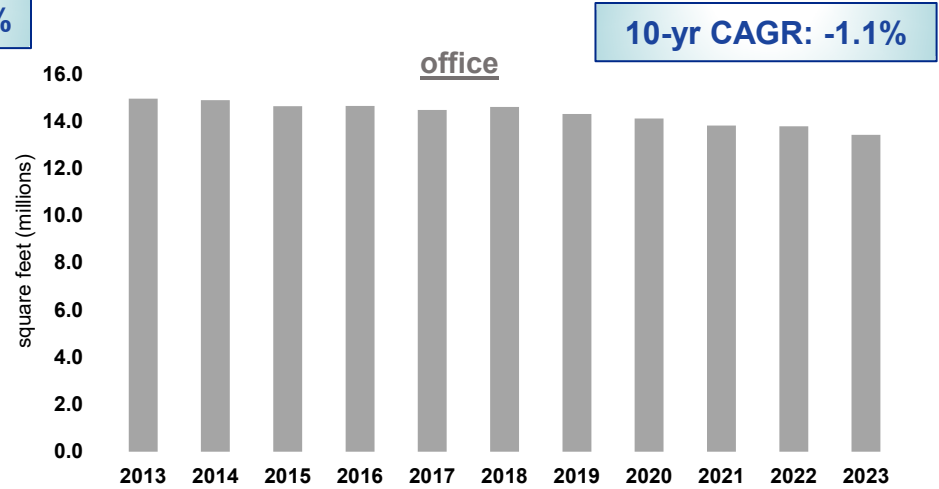
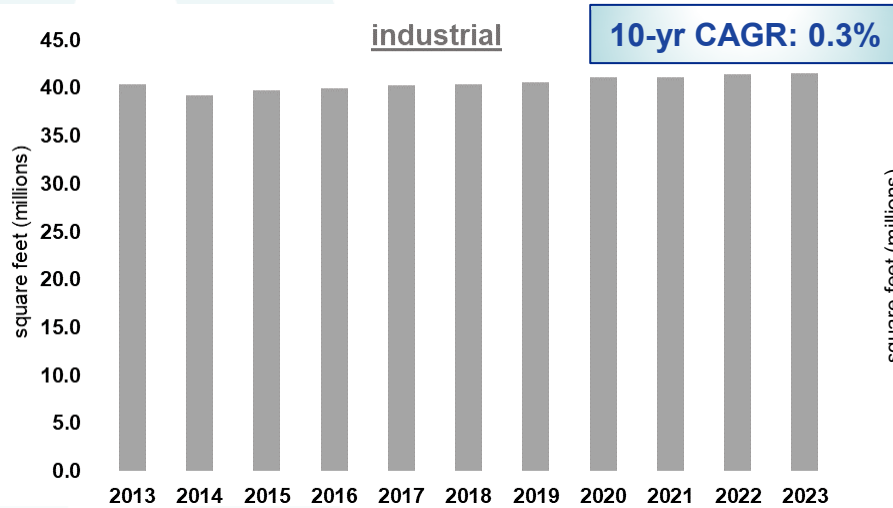
stable real estate market

Oahu market vacancies

	vacancy trend	vacancy		
		<u>Oahu – 4Q23</u>	<u>Oahu – 4Q22</u>	<u>Oahu – 10 yr avg</u>
industrial	lower	0.64%	0.81%	1.75%
office	stable	13.45%	12.90%	12.46%
retail	stable	6.02%	5.54%	5.91%
multi-family	stable	4.50%	4.30%	4.67%

CRE supply constraints

Oahu market inventory

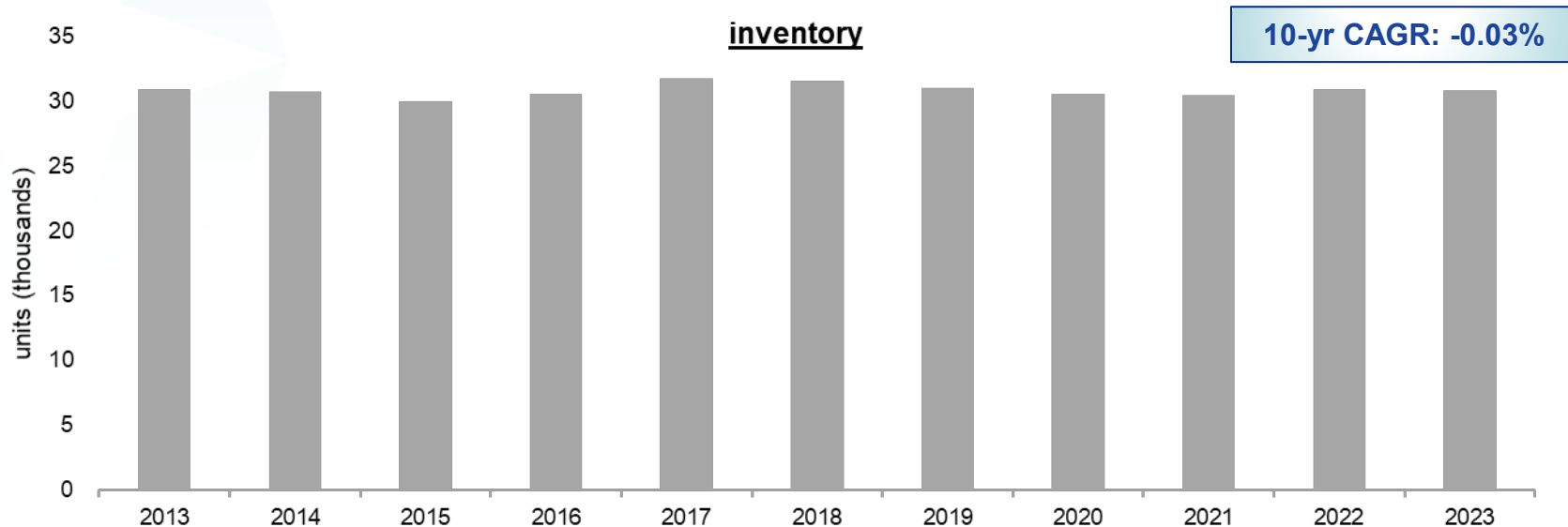


Oahu lodging market

RevPar and occupancy up, inventory remains flat

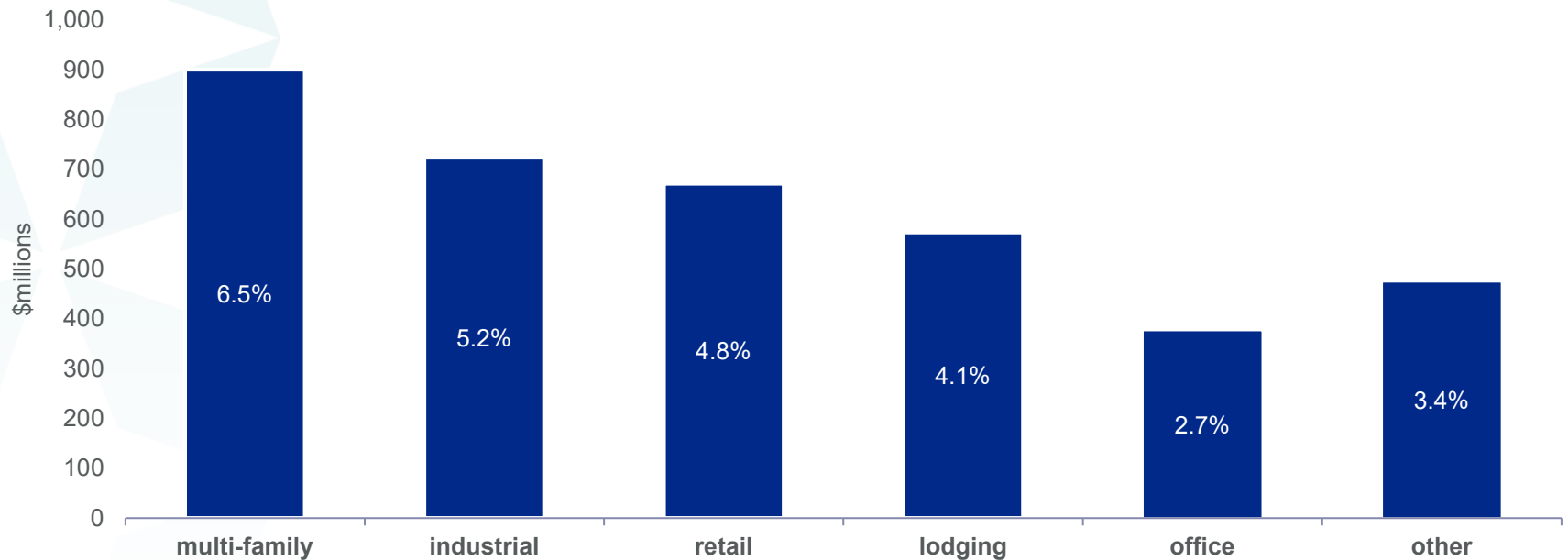
RevPar trend		RevPar		
	<u>Oahu – 4Q23</u>	<u>Oahu – 4Q22</u>	<u>Oahu – 10 yr avg</u>	
	\$224	\$202	\$179	

occupancy trend		occupancy		
	<u>Oahu – 4Q23</u>	<u>Oahu – 4Q22</u>	<u>Oahu – 10 yr avg</u>	
	79.6%	75.4%	75.5%	



commercial real estate (CRE)

27% of total loans

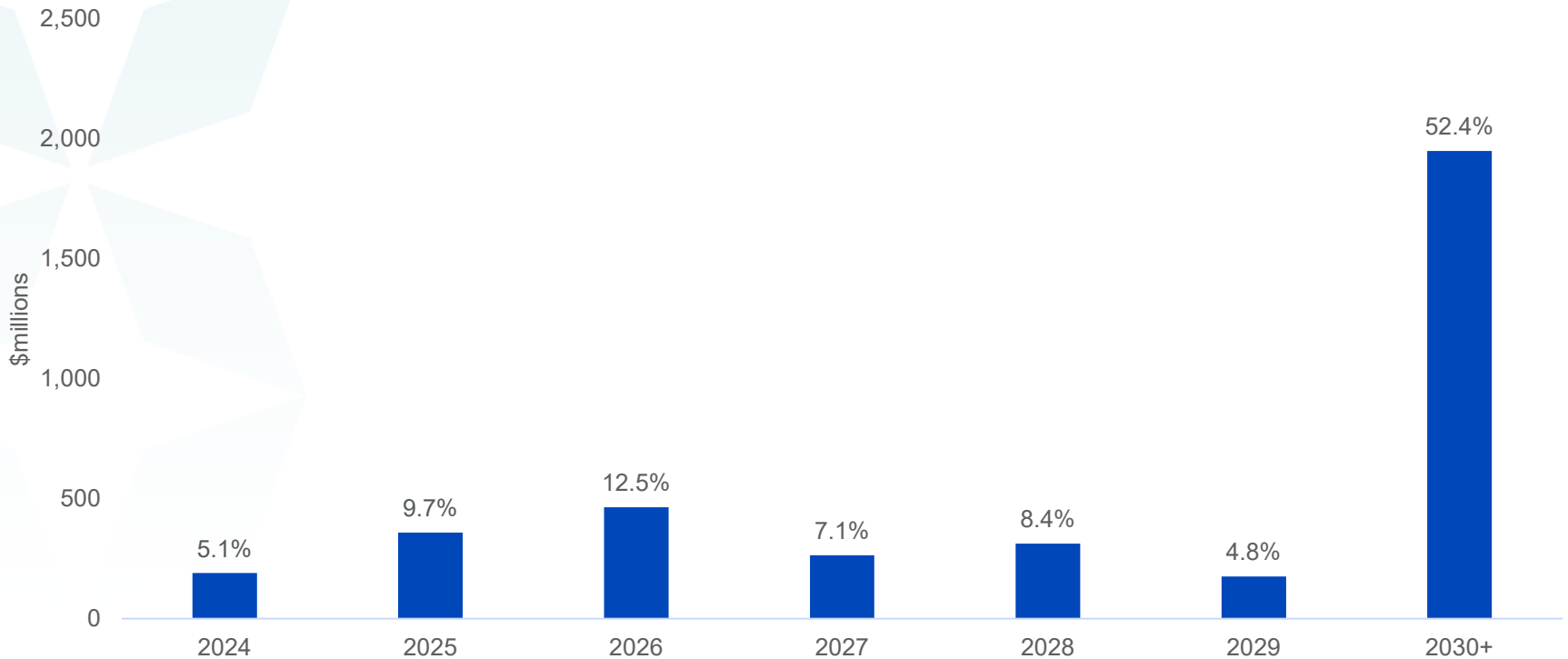


wtd avg LTV	58%	56%	55%	53%	57%	52%
% owner	n/a	41%	4%	n/a	21%	29%
avg exposure (\$millions)	3.0	2.5	4.2	12.8	1.8	3.3

CRE scheduled maturities

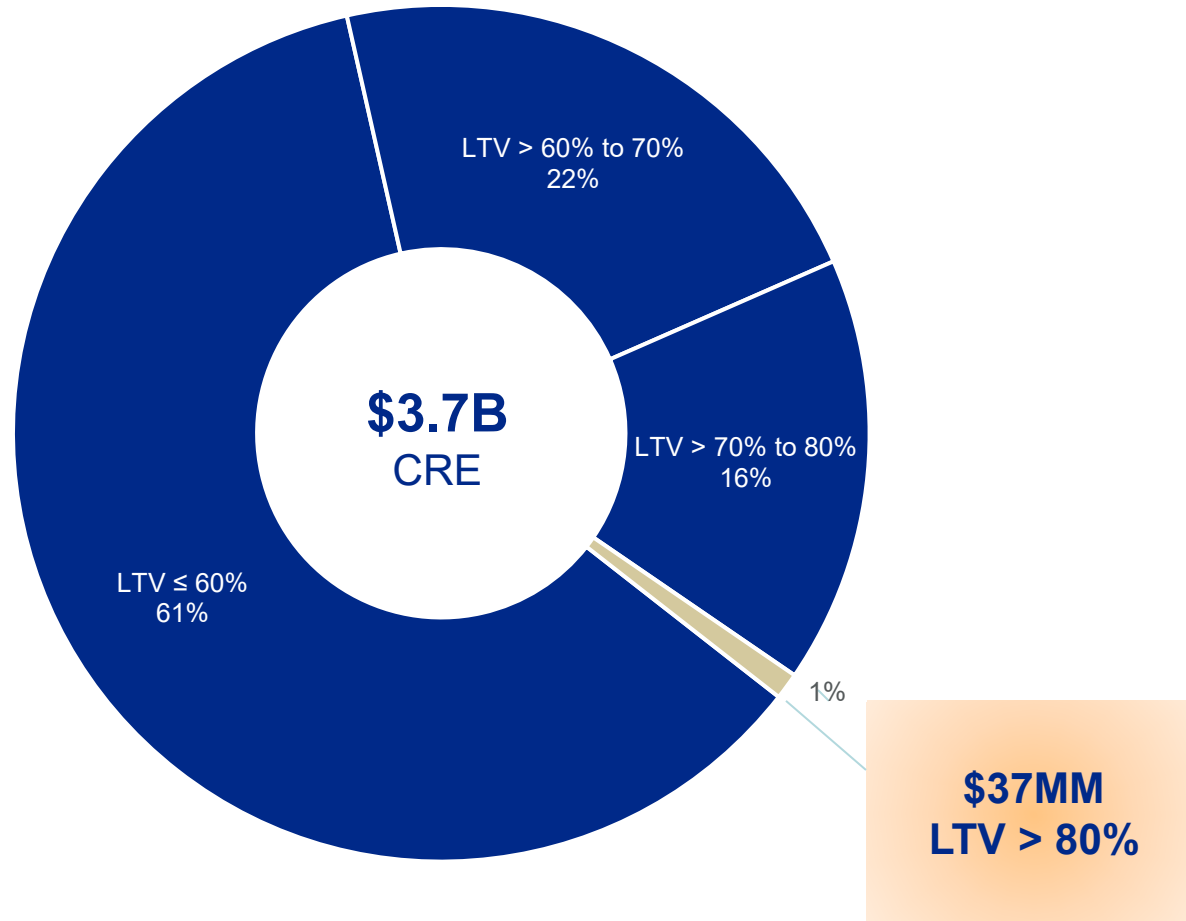
5% maturing in 2024

scheduled maturities



CRE tail risk

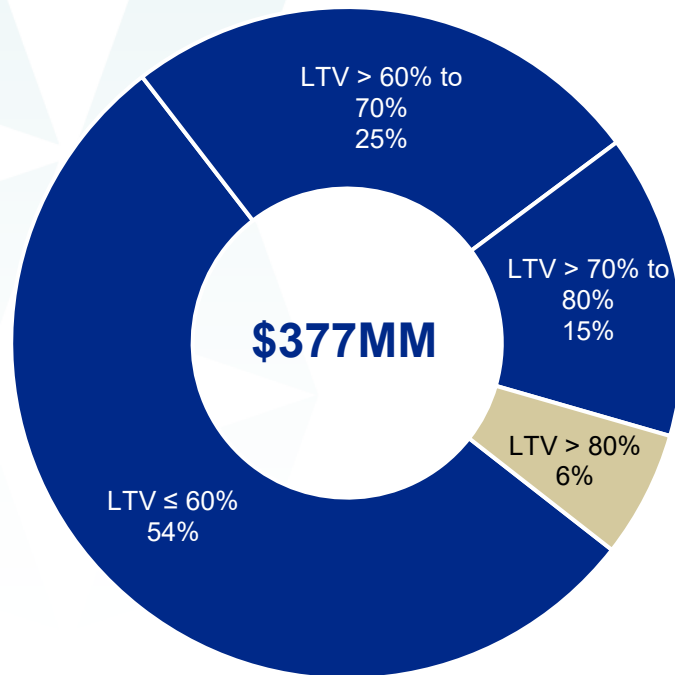
LTV > 80% - \$37MM, 1.0% of CRE



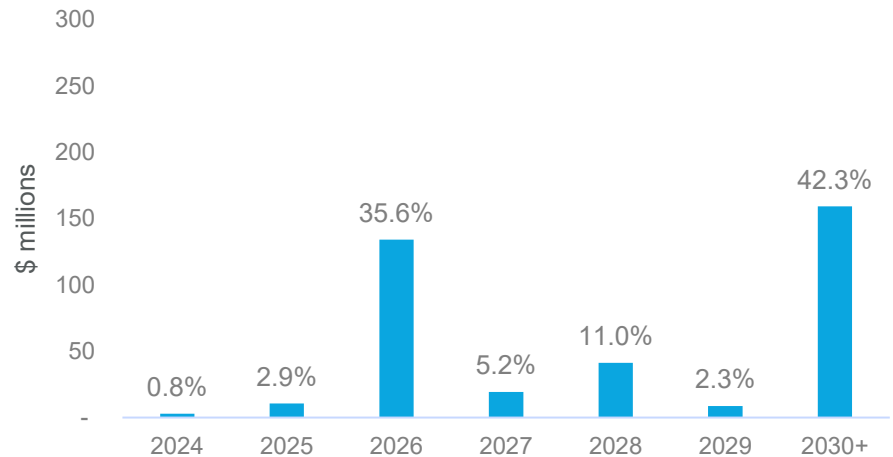
CRE office

3% of total loans

LTV distribution



scheduled maturity



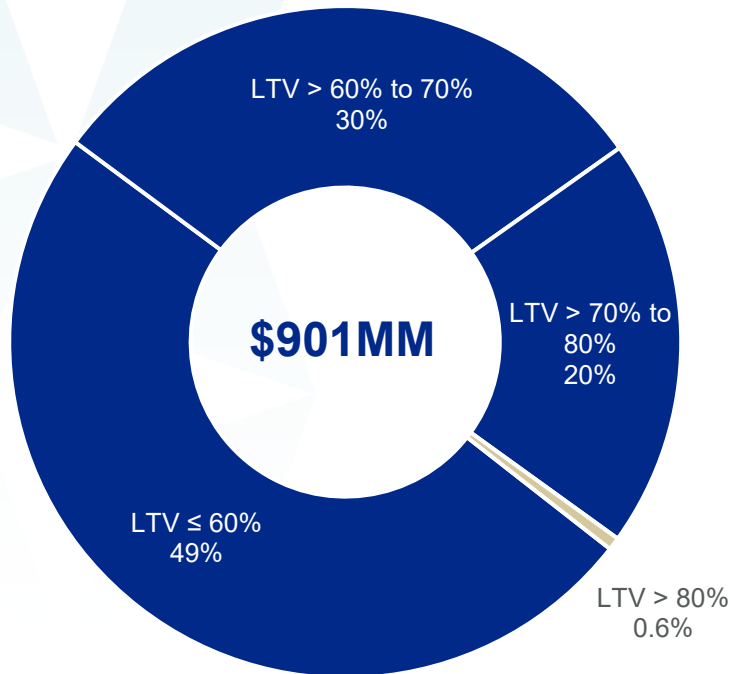
highlights

- 57% wtd avg LTV
- \$1.8MM average exposure
- 23% CBD (Downtown Honolulu)
 - 60% wtd avg LTV
 - 44% with repayment guaranties
- 4% maturing prior to 2026
- 1.1% criticized

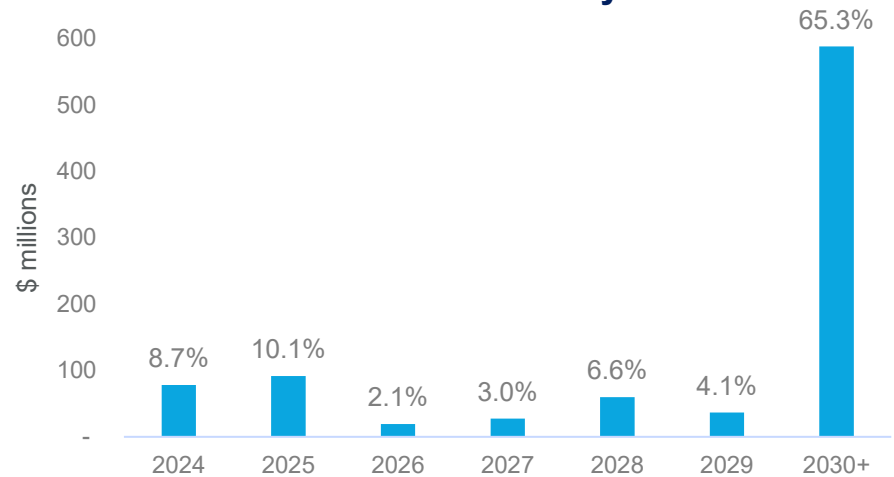
CRE multi-family

7% of total loans

LTV distribution



scheduled maturity

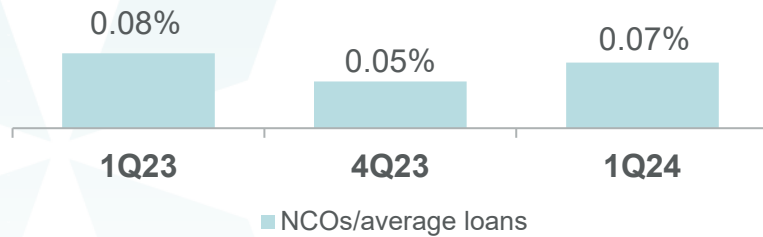


highlights

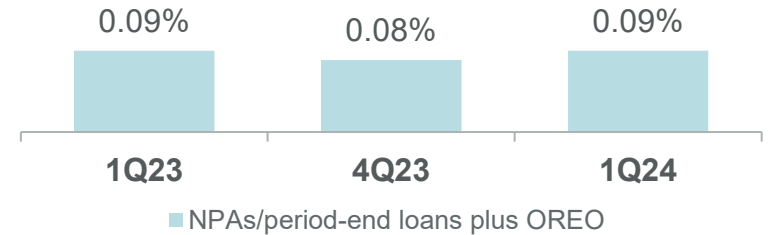
- 58% wtd avg LTV
- \$3.0MM average exposure
- 99.8% LIHTC, affordable or market
- 19% maturing prior to 2026
- 1.7% criticized

credit quality

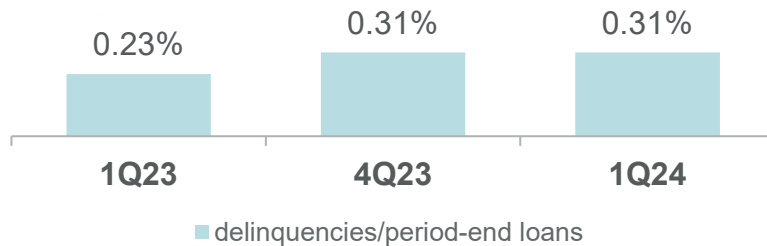
net charge-offs



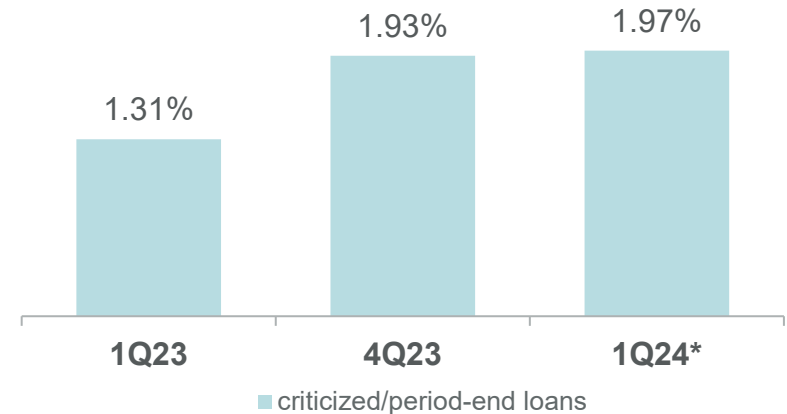
non-performing assets



delinquencies



criticized



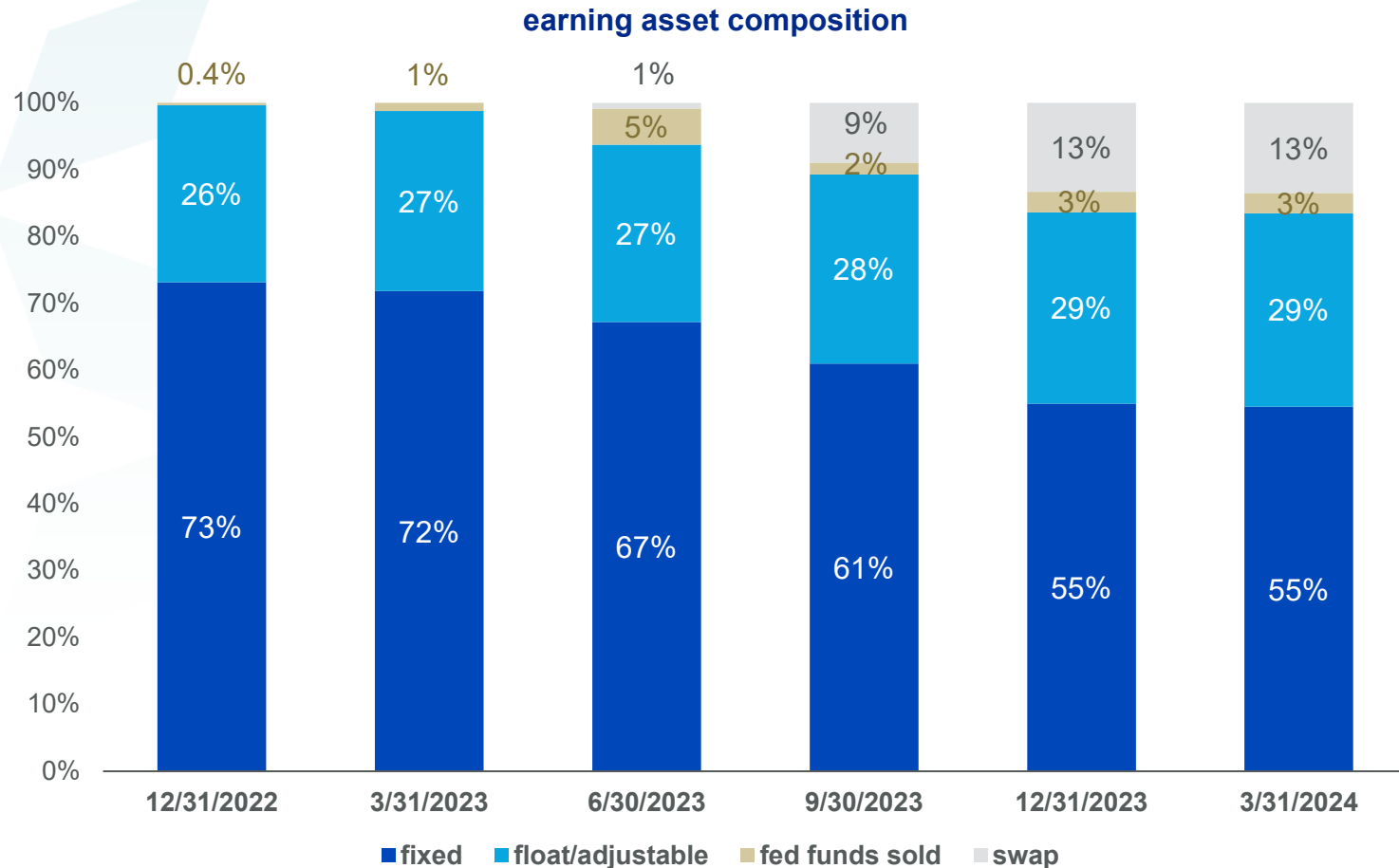
* 71% of total criticized is secured with 59% wtd avg LTV



financial update

hedging program

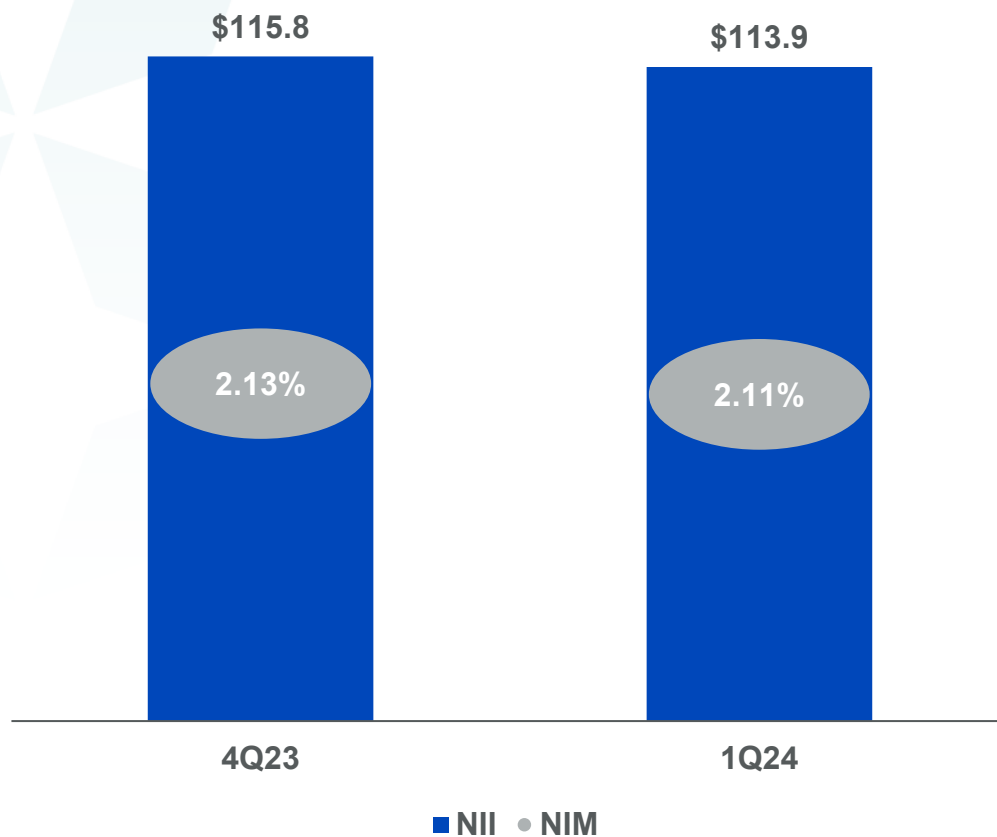
\$3.0 billion total notional of pay-fixed/receive-float swaps as of 3/31/24
positions us well for a range of rate outcomes



note: fixed excludes \$3.0 billion of fixed-rate assets swapped to floating through the hedging program, fixed/float breakdown includes loans, investment portfolio (using par value), and fed funds sold, numbers may not add up due to rounding

NII and NIM

\$ in millions



positive

- repricing from cashflows and other: +\$4.7

negative

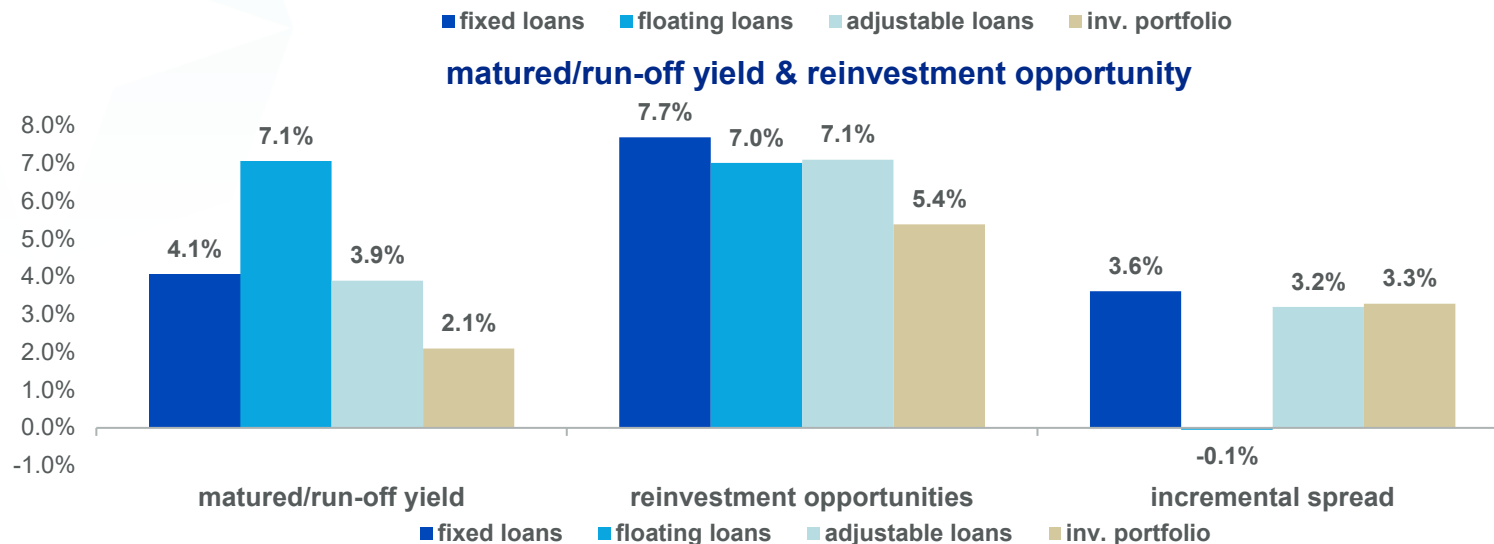
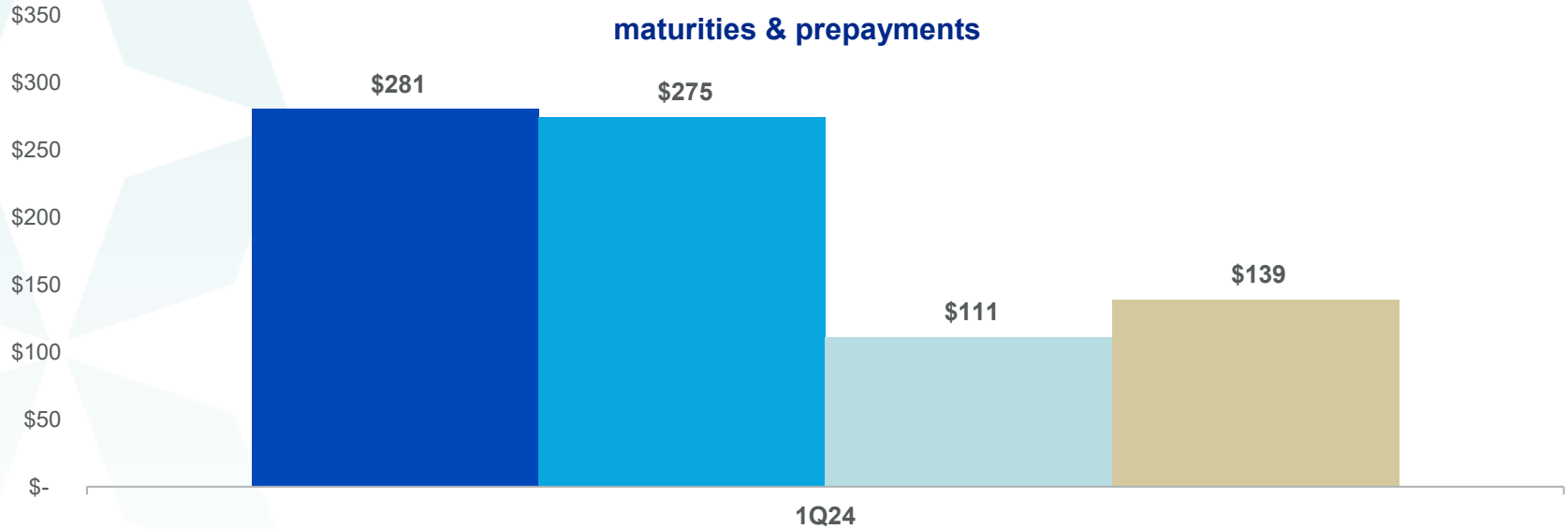
- deposit mix shift and repricing: \$(3.3)
- earning assets from deposits: \$(2.2)

non-recurring

- rate reset on fixed to float investment securities: \$(0.7)
- one less calendar day: \$(0.3)

cashflows repricing

\$ in millions

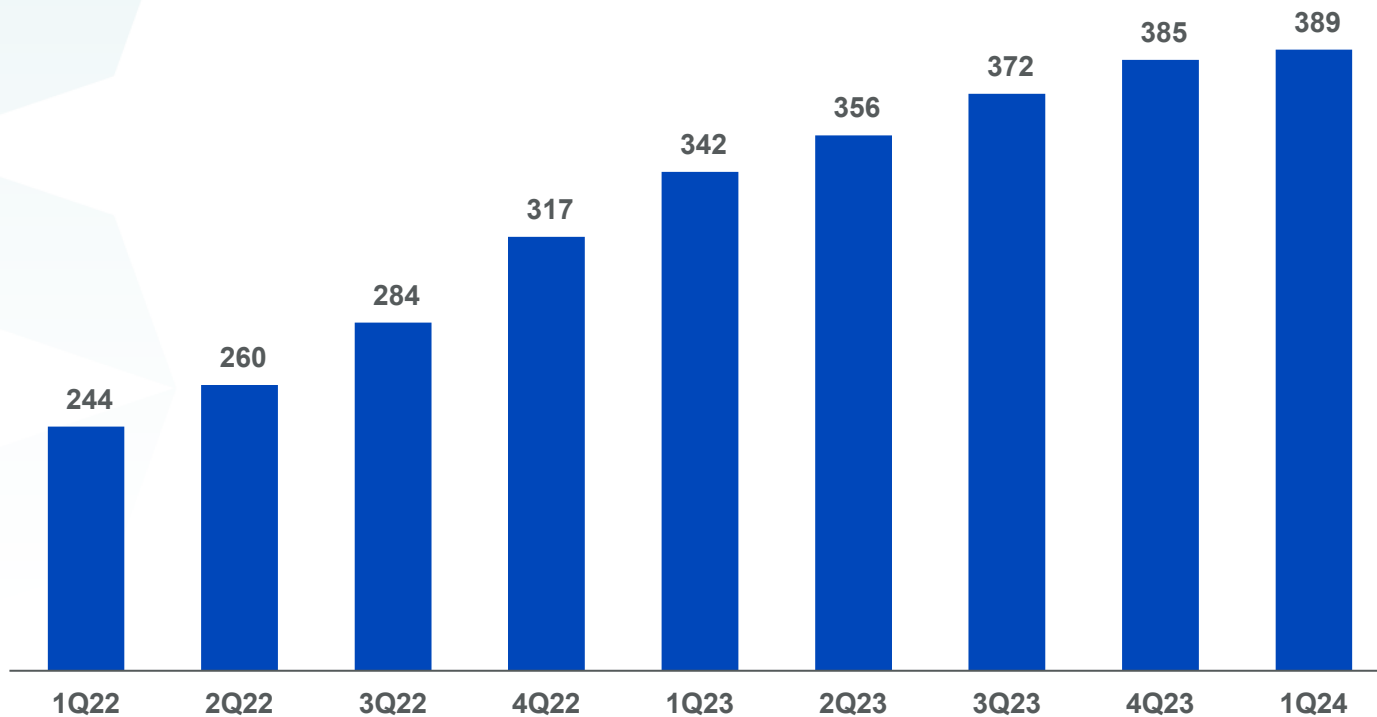


note: numbers may not add up due to rounding, assumes money matured/run-off from investment portfolio to be reinvested into Fed Funds at 5.4%

avg total earning assets yield

in basis points

earning assets continue to reprice higher

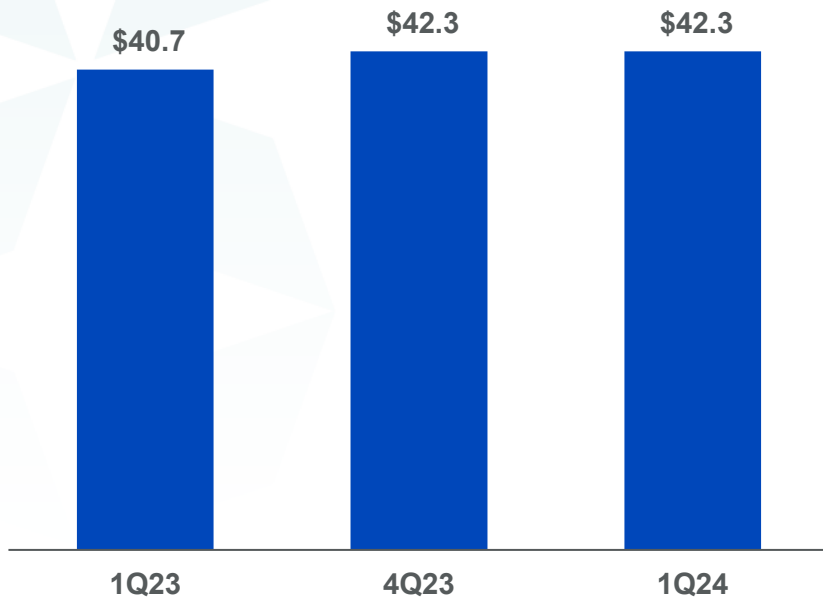


noninterest income

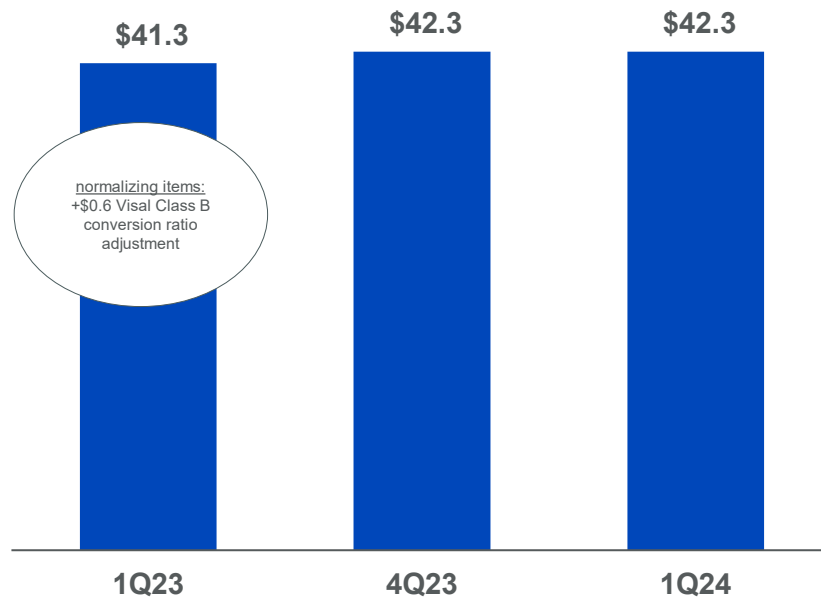
\$ in millions

steady core noninterest income

reported noninterest income



core noninterest income



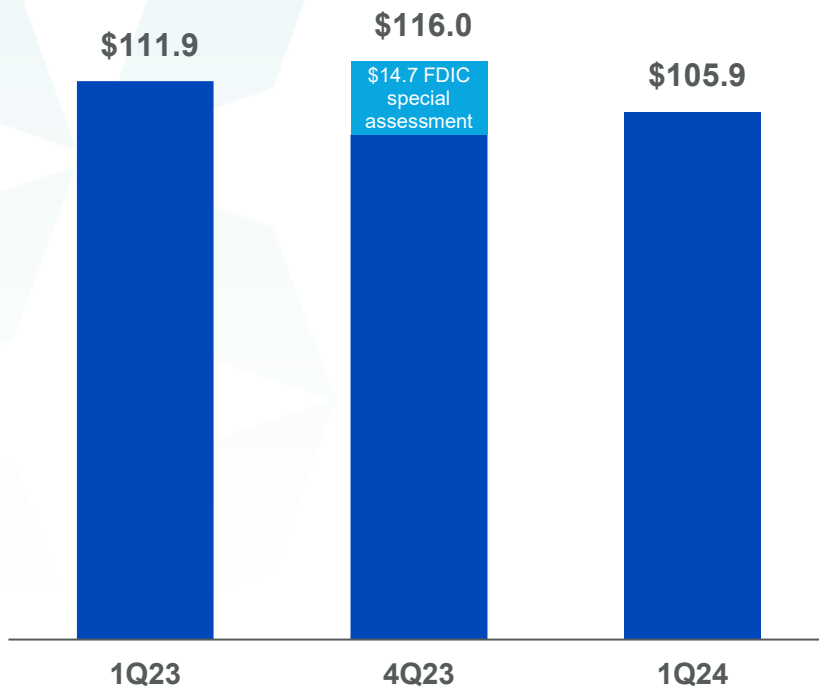
note: numbers may not add up due to rounding

noninterest expense

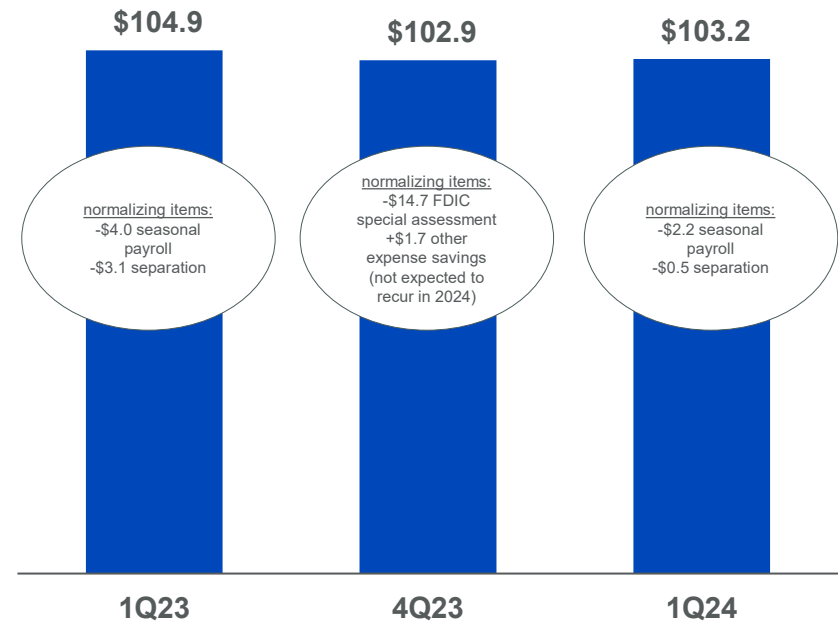
\$ in millions

continued discipline in expense management

reported noninterest expense



core noninterest expense



note: numbers may not add up due to rounding

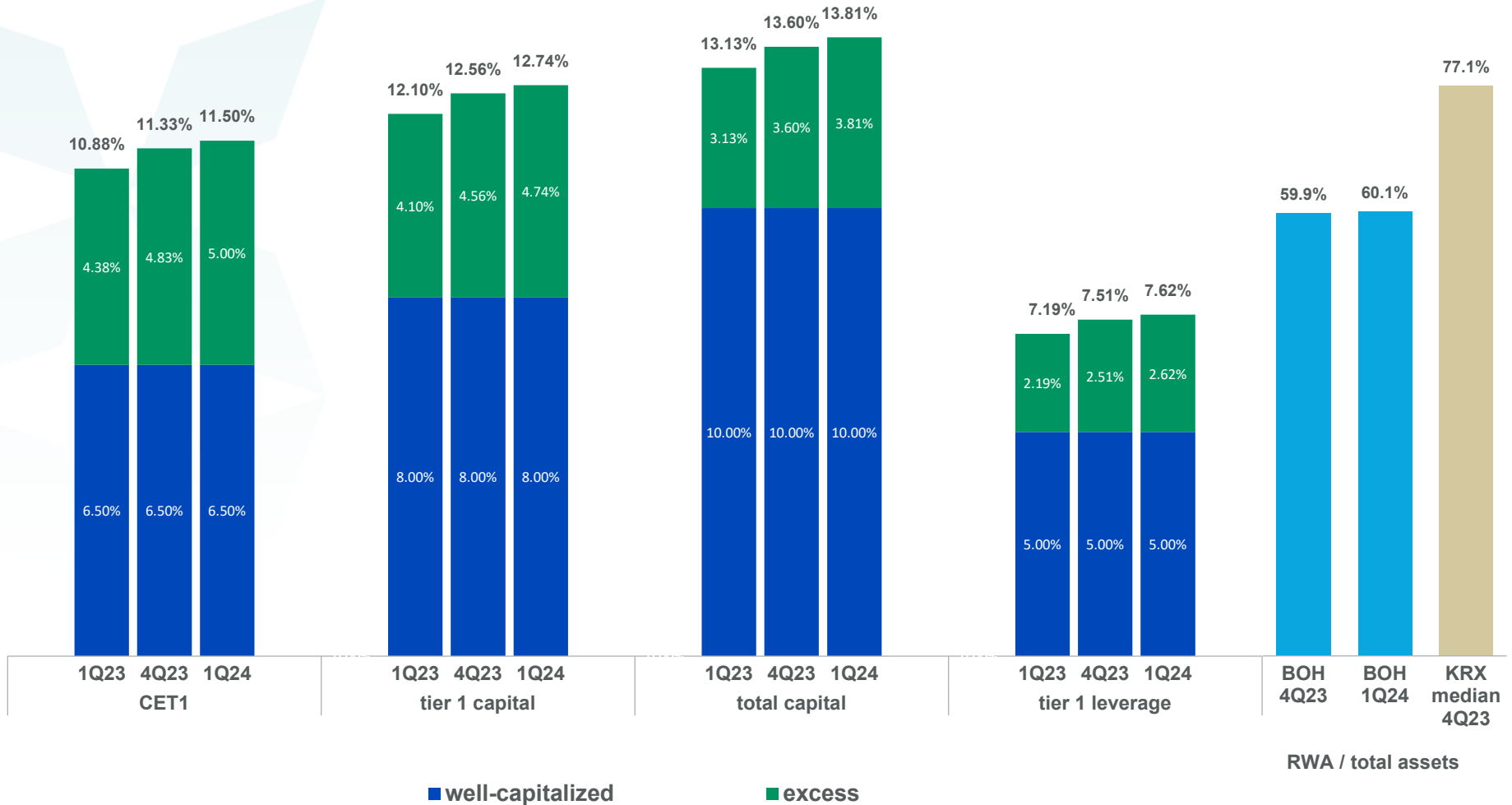
financial summary

\$ in millions, except per share amounts

	<u>1Q 2024</u>	<u>4Q 2023</u>	<u>1Q 2023</u>	<u>Δ 4Q 2023</u>	<u>Δ 1Q 2023</u>
net interest income	\$ 113.9	\$ 115.8	\$ 136.0	\$ (1.8)	\$ (22.0)
noninterest income	42.3	42.3	40.7	0.0	1.5
total revenue	156.2	158.1	176.7	(1.8)	(20.5)
noninterest expense	105.9	116.0	111.9	(10.1)	(6.1)
operating income	50.4	42.1	64.8	8.3	(14.4)
credit provision	2.0	2.5	2.0	(0.5)	-
income taxes	12.0	9.2	15.9	2.8	(4.0)
net income	\$ 36.4	\$ 30.4	\$ 46.8	\$ 6.0	\$ (10.5)
net income available to common	\$ 34.4	\$ 28.4	\$ 44.9	\$ 6.0	\$ (10.5)
diluted EPS	\$ 0.87	\$ 0.72	\$ 1.14	\$ 0.15	\$ (0.27)
return on assets	0.63 %	0.51 %	0.80 %	0.12 %	(0.17) %
return on common equity	11.20	9.55	15.79	1.65	(4.59)
net interest margin	2.11	2.13	2.47	(0.02)	(0.36)
efficiency ratio	67.76	73.36	63.34	(5.60)	4.42
<u>end of period balances</u>					
investment portfolio	\$ 7,266	\$ 7,406	\$ 8,128	(1.9) %	(10.6) %
loans and leases	13,854	13,965	13,825	(0.8)	0.2
total deposits	20,677	21,055	20,491	(1.8)	0.9
shareholders' equity	1,436	1,414	1,354	1.5	6.0

note: numbers may not add up due to rounding

continued organic capital growth



note: 1Q24 regulatory capital ratios are preliminary

takeaways

- ✓ high quality deposit base in unique and competitively advantageous deposit market
- ✓ flattening deposit cost and continuing cashflow repricing
- ✓ exceptional credit quality
- ✓ strong liquidity

Q & A

appendix

insured/collateralized deposits

