

Bank of Hawaii Corporation  
**second quarter 2022**  
**financial report**

July 25, 2022

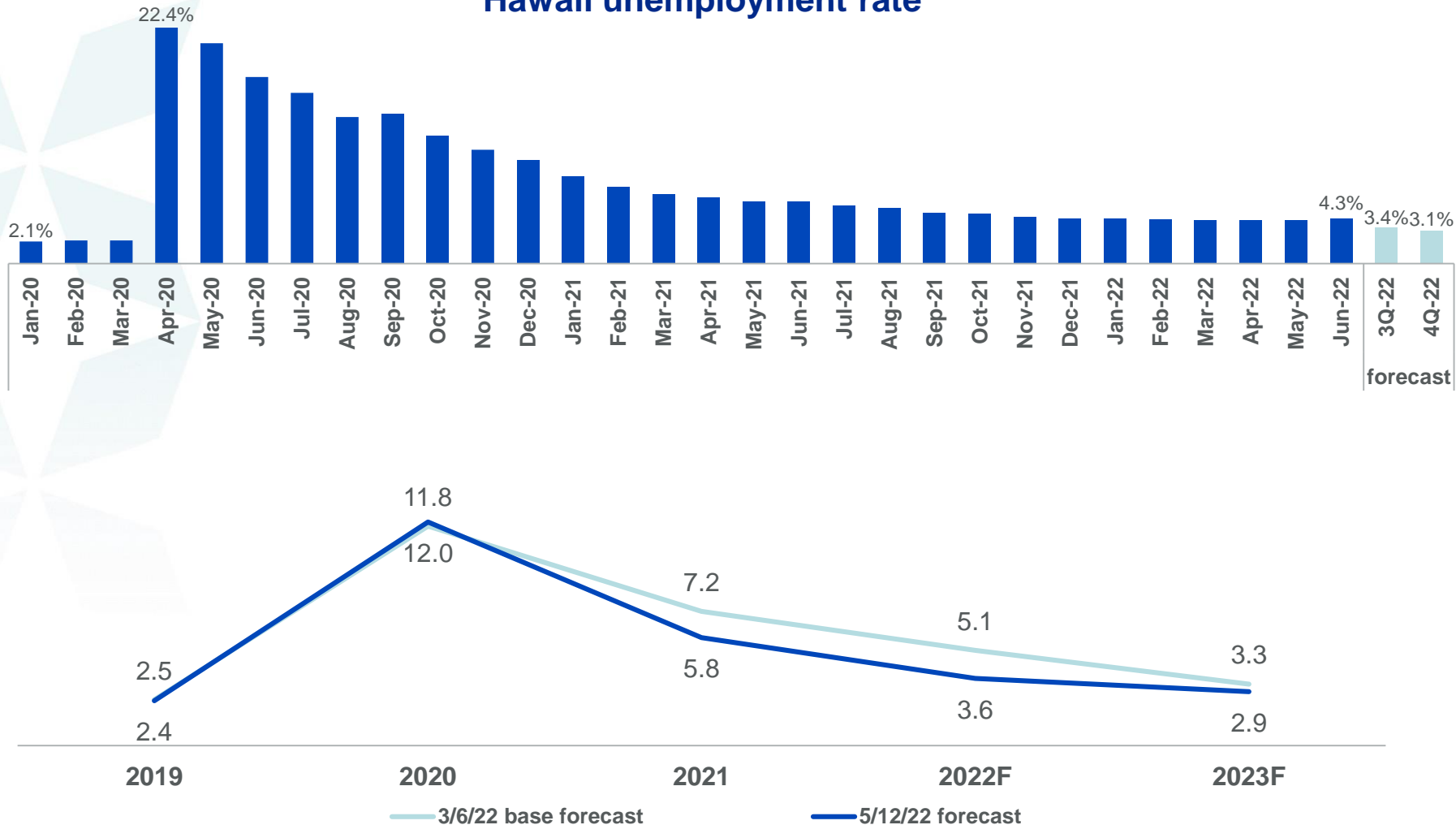
## forward-looking statements

*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.*

# unemployment

experience & forecast













## Hawaii unemployment rate



# strong real estate market

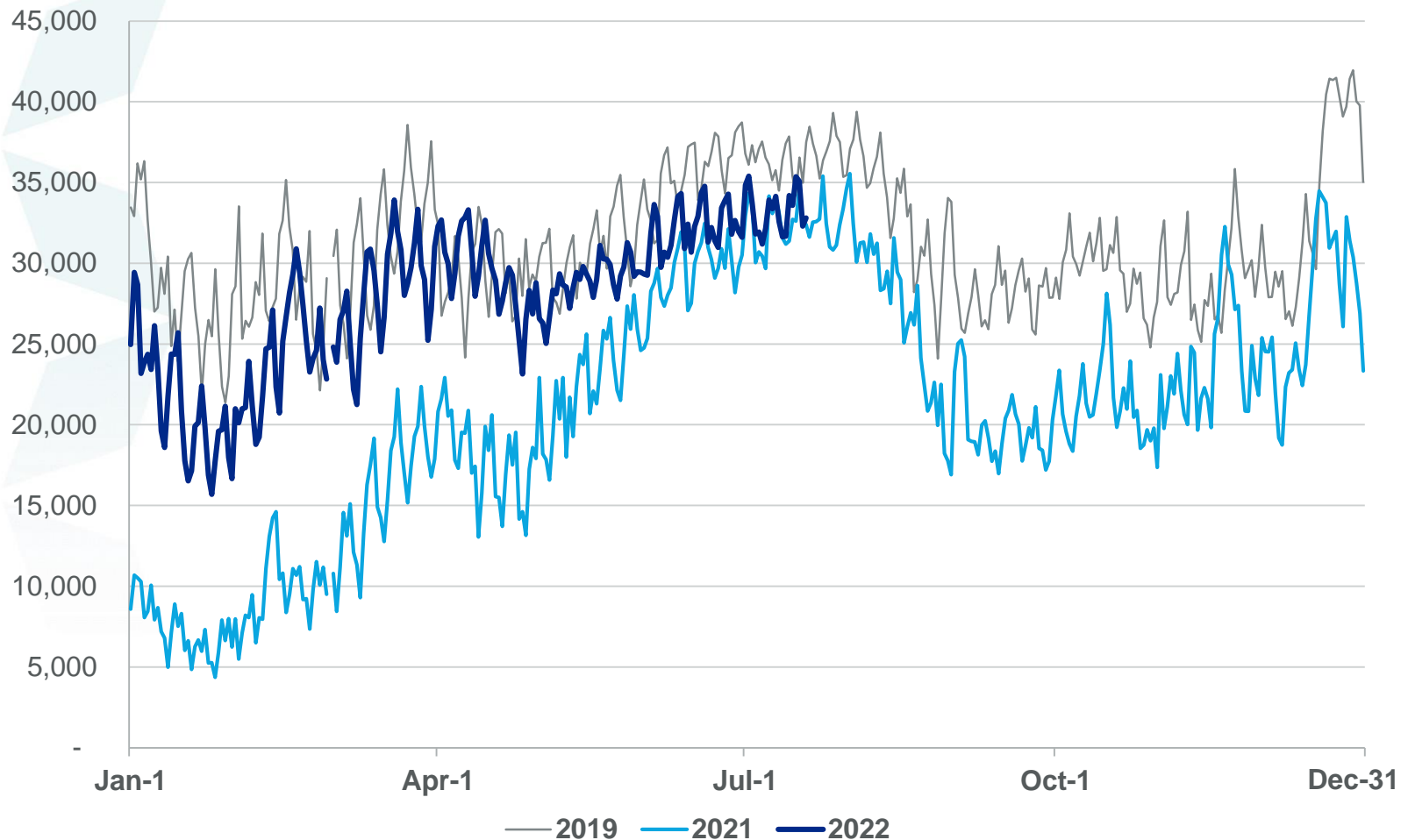
Oahu market indicators – 2022 vs 2021

## continued strength in Oahu real estate

	single family homes				condominiums			
	<u>2022 YTD</u>		<u>Jun 2022</u>		<u>2022 YTD</u>		<u>Jun 2022</u>	
closed sales	1,954		357		3,696		626	
		-8.8%		-20.8%		7.5%		-14.2%
median sales price (000s)	\$1,111		\$1,100		\$515		\$534	
		17.0%		12.4%		13.2%		16.1%
median days on market	10		10		11		11	
		1 Day		2 Days		-2 Days		0 Days

# daily arrivals

*total passenger count\**



# revenue per available room

*revenue per available room (RevPAR)\**



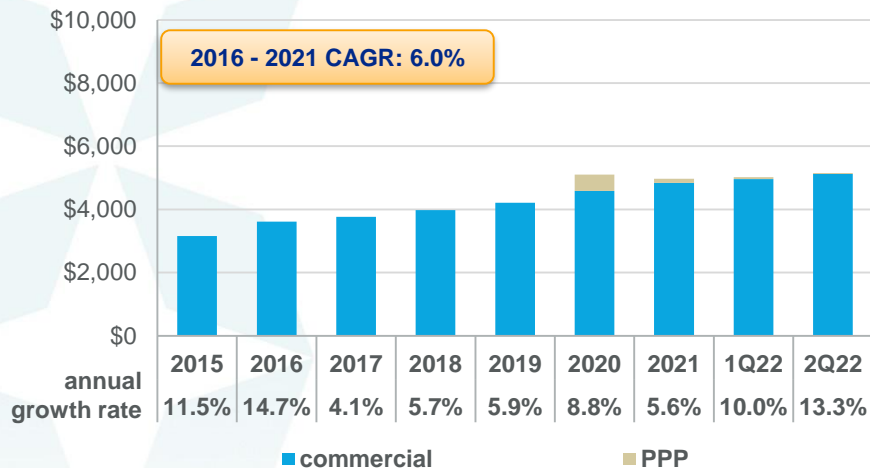


# 2Q financial update

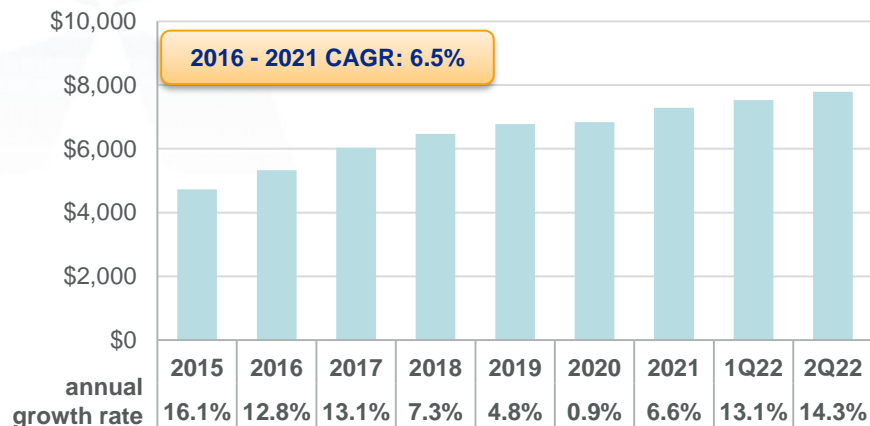
# balanced core loan growth

\$ in millions

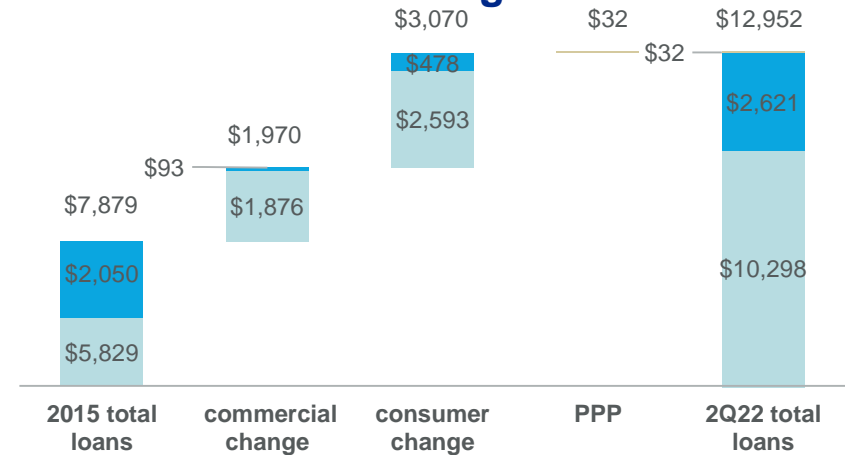
## commercial loans



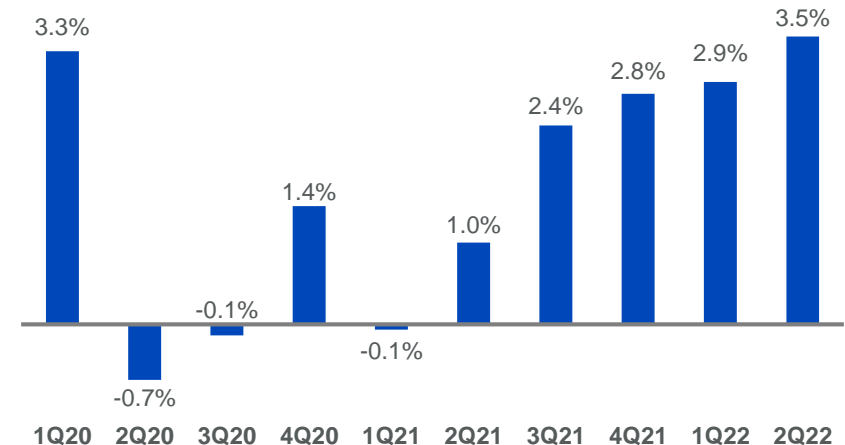
## consumer loans



## cumulative growth



## q-o-q core loan growth (%)



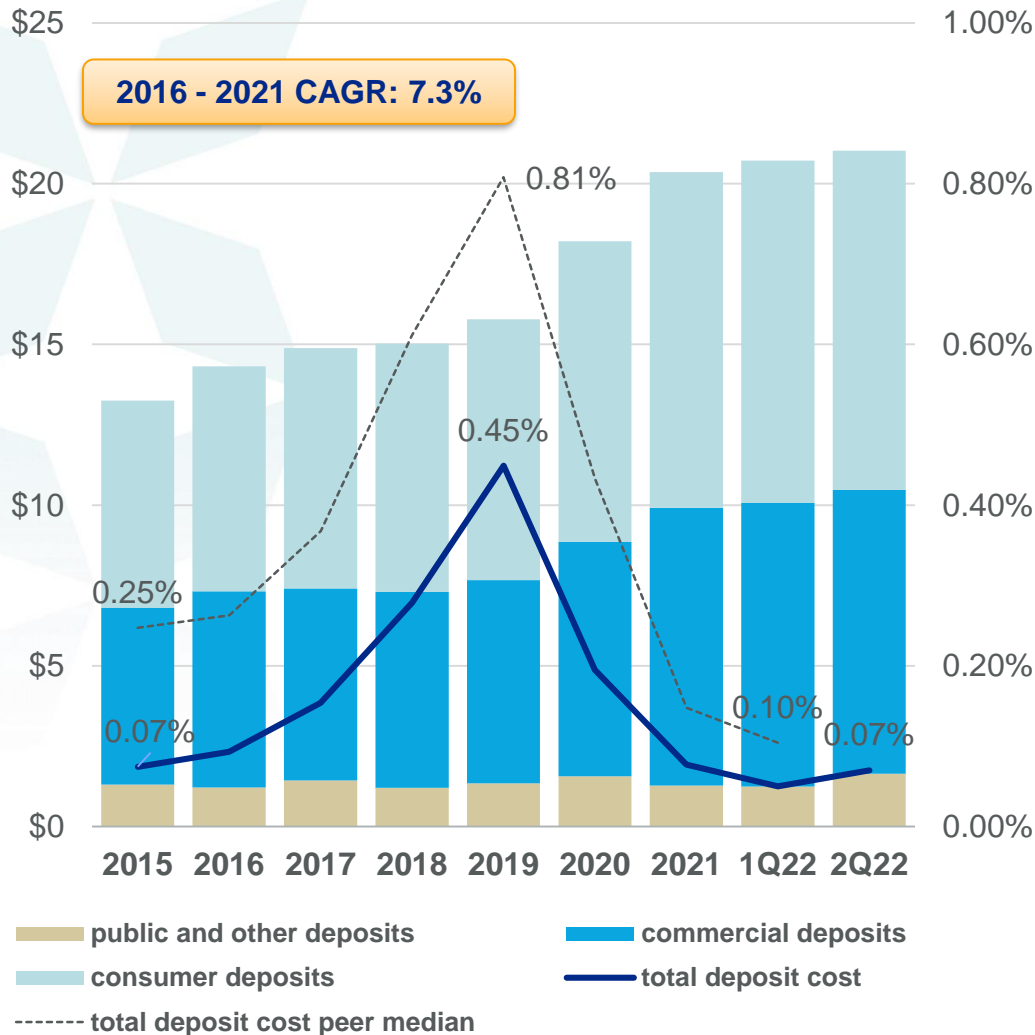
note: numbers may not add up due to rounding, CAGR and annual growth rate exclude PPP



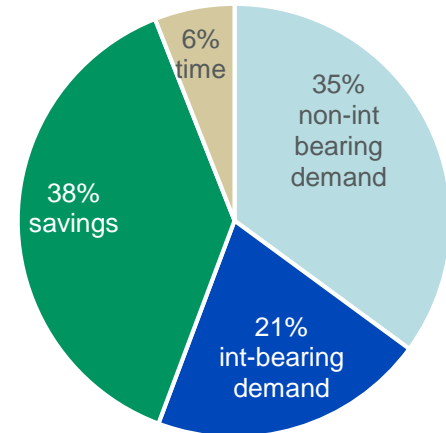
# low cost, long duration deposits

Bank of Hawaii  
Corporation

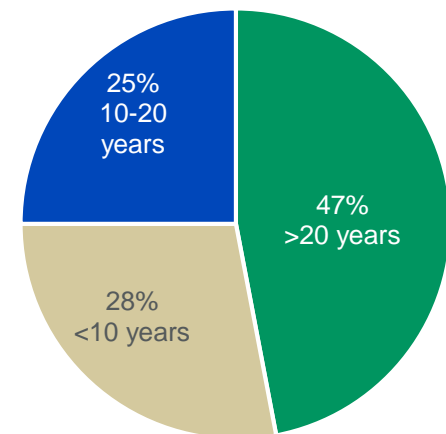
\$ in billions



## by product



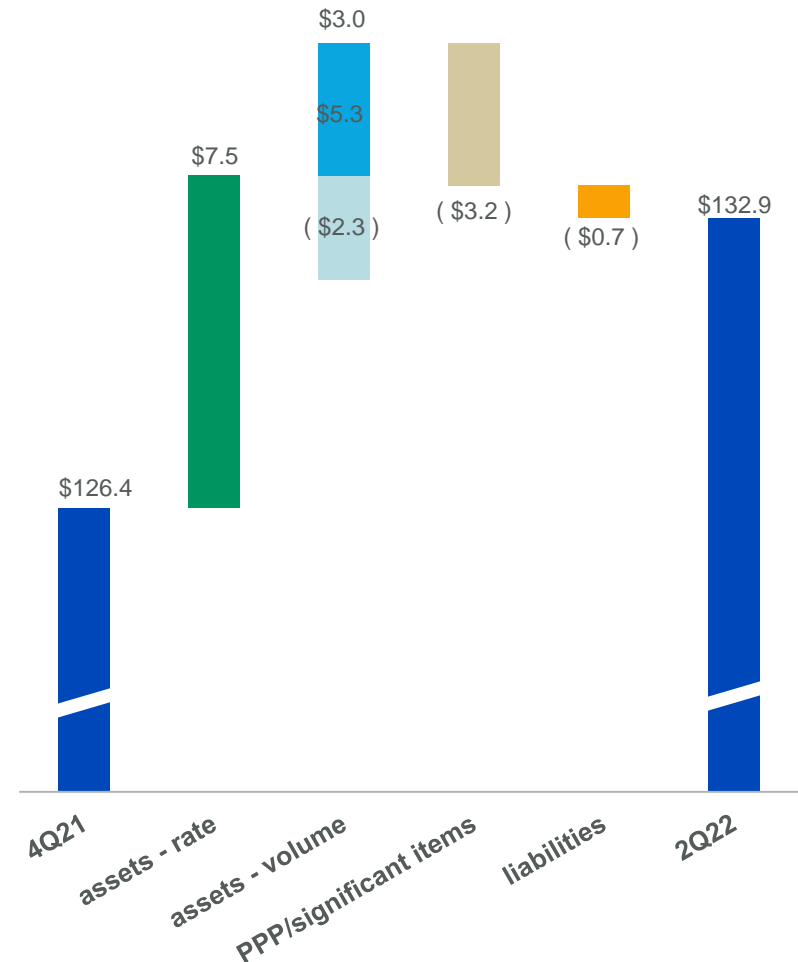
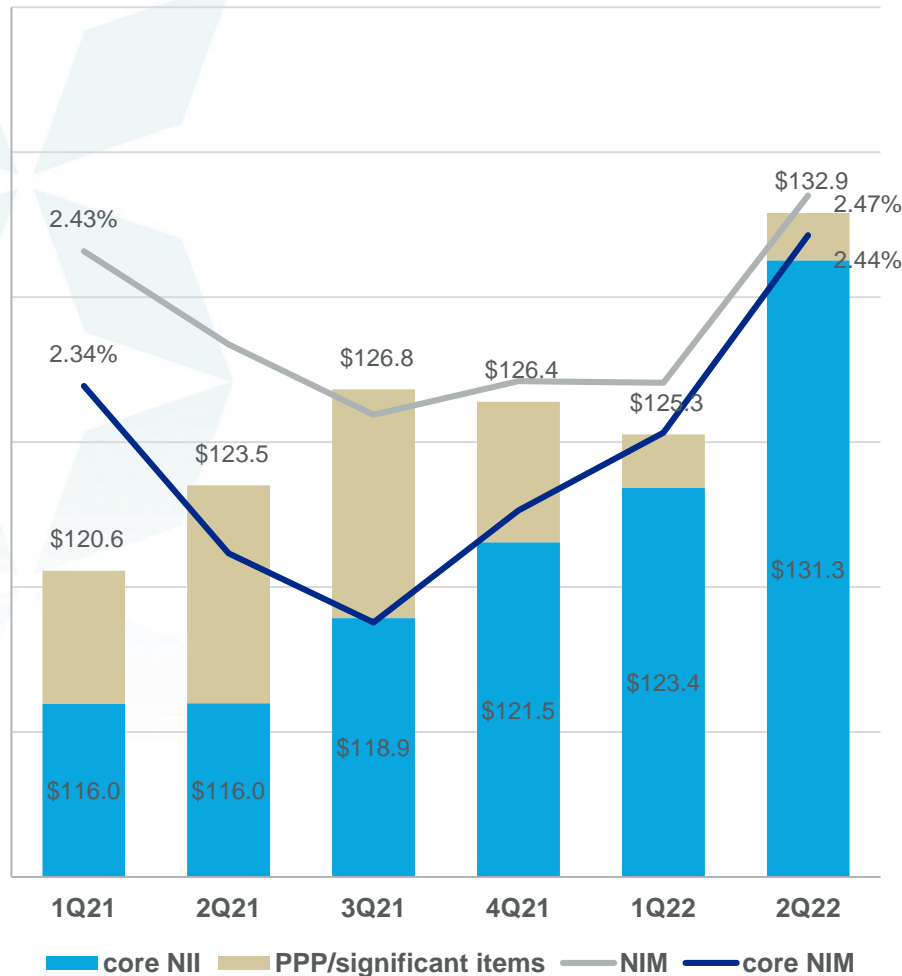
## by tenure



source: S&P Capital IQ, S&P Regional Banking Index excluding banks greater than \$50bn as of 1/4/22

# sustainable NII growth

\$ in millions

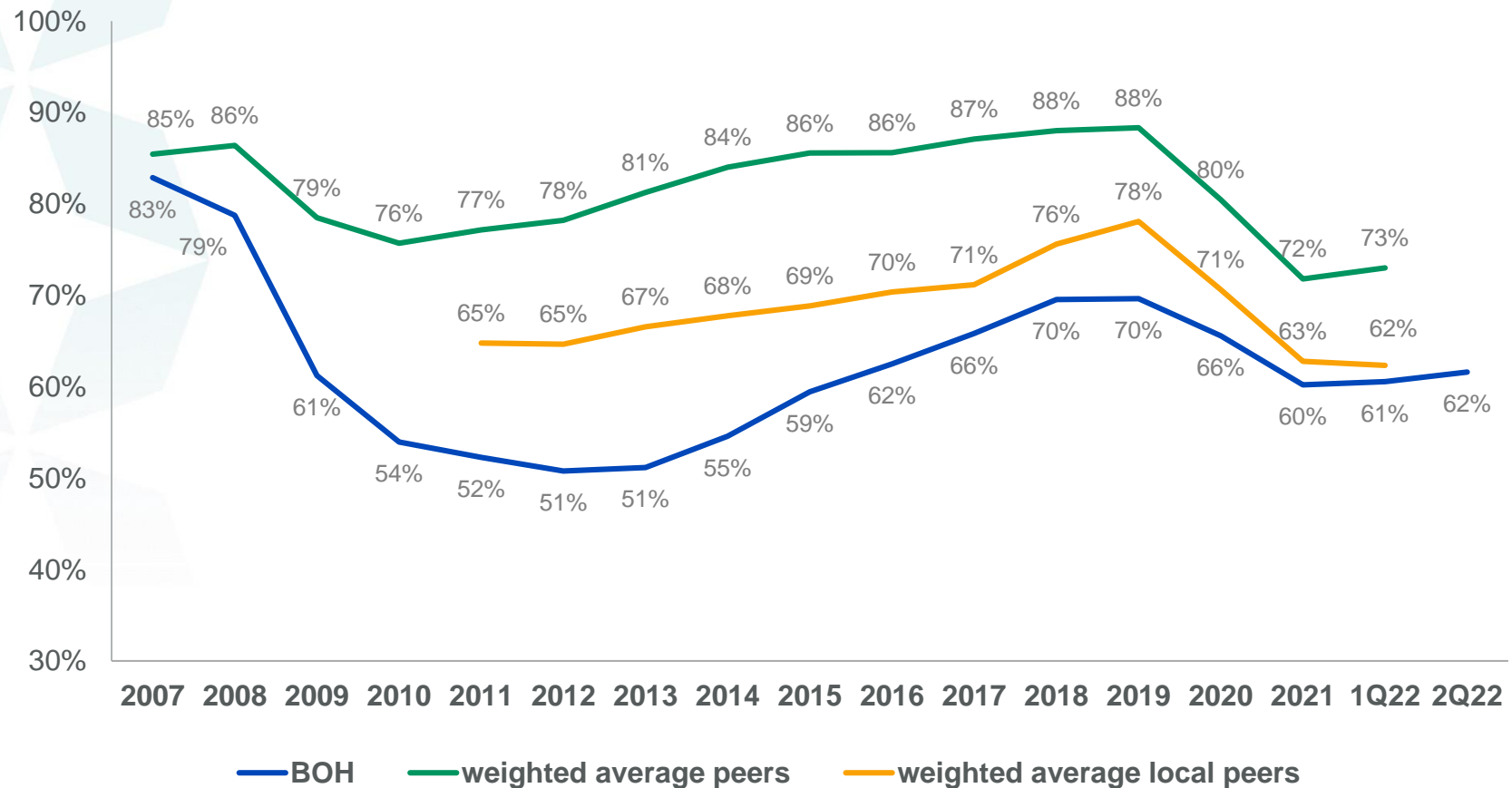


note: core NII excludes PPP and significant items; numbers may not add up due to rounding

# ample liquidity

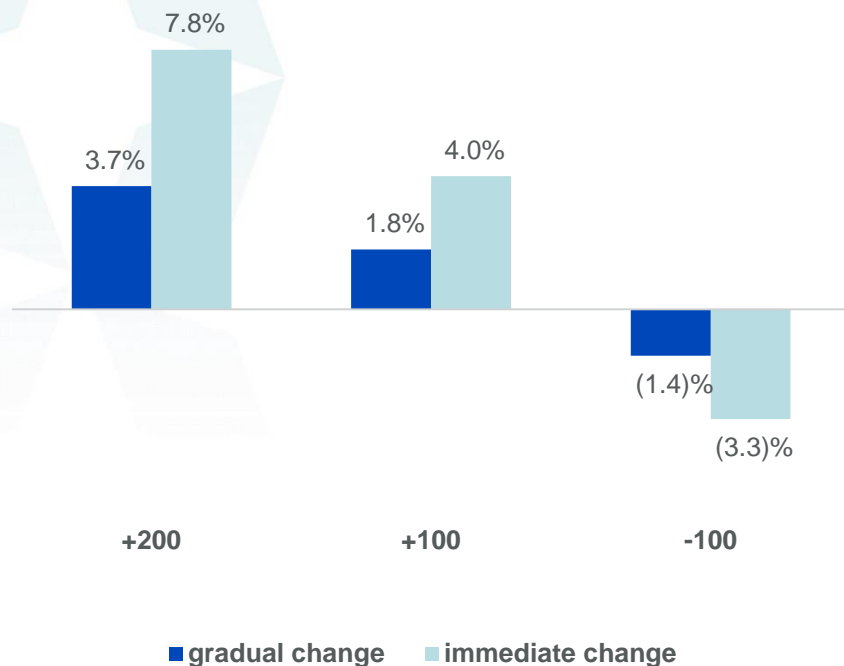
*loan to deposit ratio compared with peers*

## strong liquidity to fund continued growth

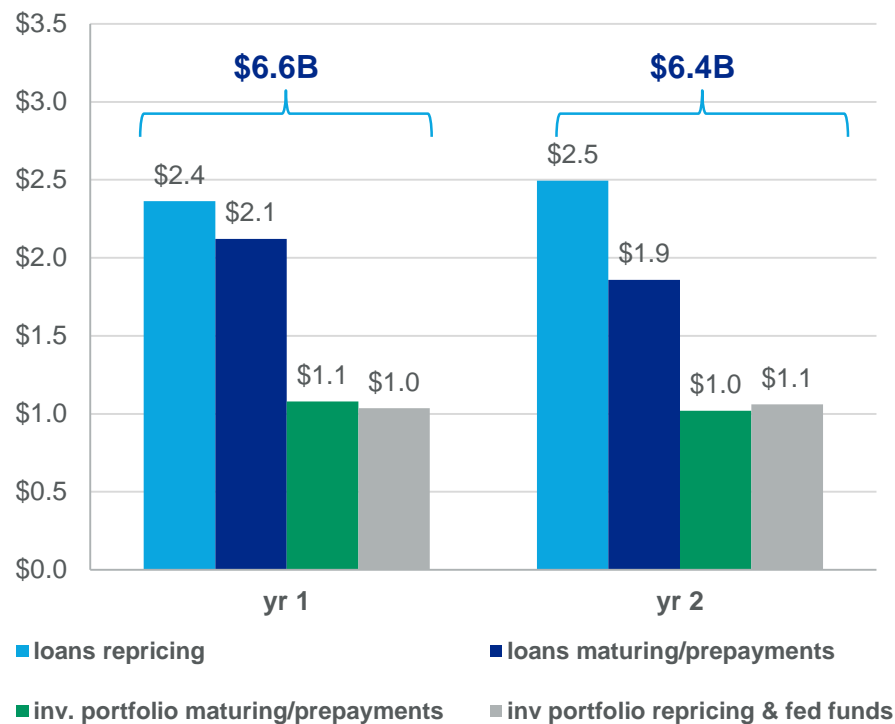


# asset sensitive

## estimated impact on future annual NII



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



# financial summary

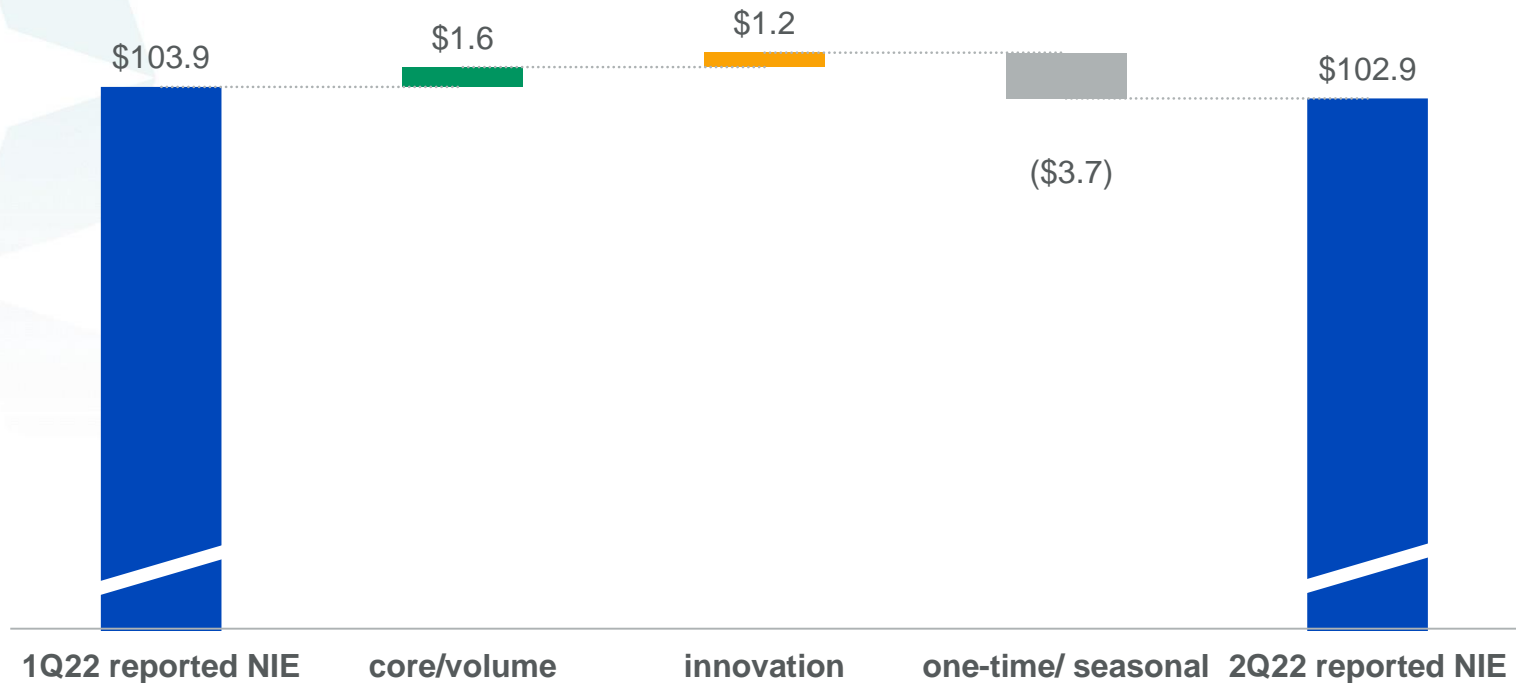
*\$ in millions, except per share amounts*

	<u>2Q 2022</u>	<u>1Q 2022</u>	<u>2Q 2021</u>	<u>Δ 1Q 2022</u>	<u>Δ 2Q 2021</u>
net interest income	\$ 132.9	\$ 125.3	\$ 123.5	\$ 7.6	\$ 9.4
noninterest income	42.2	43.6	44.4	(1.4)	(2.3)
<b>total revenue</b>	<b>175.1</b>	<b>168.8</b>	<b>167.9</b>	<b>6.2</b>	<b>7.1</b>
noninterest expense	102.9	103.9	96.5	(0.9)	6.4
<b>operating income</b>	<b>72.1</b>	<b>64.9</b>	<b>71.4</b>	<b>7.2</b>	<b>0.7</b>
credit provision	(2.5)	(5.5)	(16.1)	3.0	13.6
income taxes	17.8	15.6	20.0	2.2	(2.2)
<b>net income</b>	<b>\$ 56.9</b>	<b>\$ 54.8</b>	<b>\$ 67.5</b>	<b>\$ 2.0</b>	<b>\$ (10.7)</b>
<b>net income available to common</b>	<b>\$ 54.9</b>	<b>\$ 52.9</b>	<b>\$ 67.5</b>	<b>\$ 2.0</b>	<b>\$ (12.6)</b>
<b>diluted EPS</b>	<b>\$ 1.38</b>	<b>\$ 1.32</b>	<b>\$ 1.68</b>	<b>\$ 0.06</b>	<b>\$ (0.30)</b>
<b><u>end of period balances</u></b>					
investment portfolio	\$ 8,277	\$ 8,748	\$ 8,471	(5.4) %	(2.3) %
loans and leases	12,952	12,544	12,041	3.2	7.6
loans and leases excl. PPP	12,920	12,487	11,528	3.5	12.1
total deposits	21,026	20,716	20,170	1.5	4.2
shareholders' equity	1,349	1,449	1,584	(6.9)	(14.8)

# disciplined expenses

*\$ in millions*

**modest increase in core expenses and steady investment in innovation**

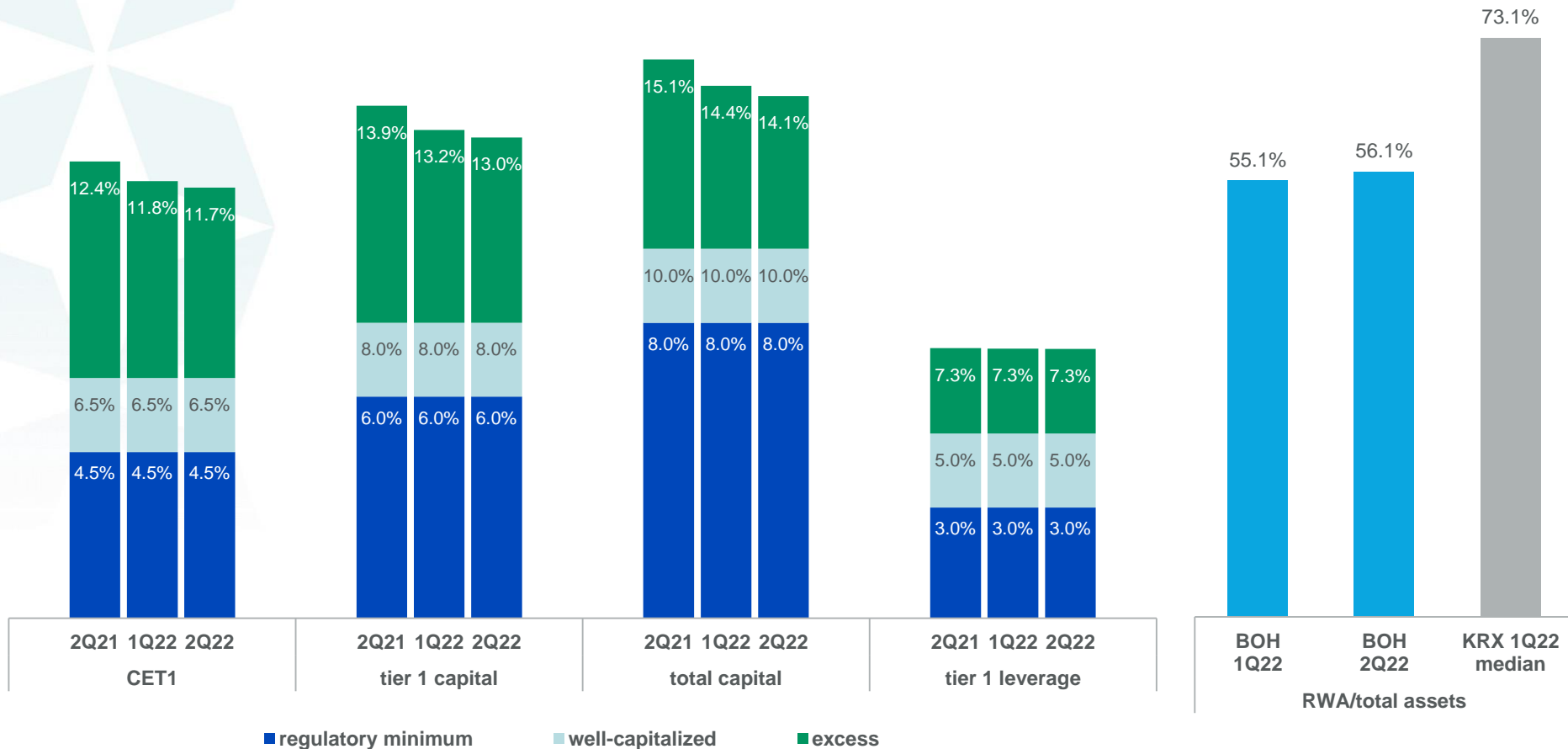


# performance metrics

	<u>2Q 2022</u>	<u>1Q 2022</u>	<u>2Q 2021</u>	<u>Δ 1Q 2022</u>	<u>Δ 2Q 2021</u>
<b>return on assets</b>	1.00 %	0.97 %	1.23 %	0.03 %	(0.23)%
<b>return on common equity</b>	18.19	15.44	19.61	2.75	(1.42)
<b>net interest margin</b>	2.47	2.34	2.37	0.13	0.10
<b>efficiency ratio</b>	58.80	61.53	57.47	(2.73)	1.33
<b>CET1 capital ratio</b>	11.66 %	11.83 %	12.36 %	(0.17)%	(0.70)%
<b>tier 1 capital ratio</b>	13.01	13.22	13.87	(0.21)	(0.86)
<b>tier 1 leverage ratio</b>	7.29	7.30	7.31	(0.01)	(0.02)

# fortress capital position

## strong risk-based capital



note: 2Q22 regulatory capital ratios are preliminary; KBW Regional Banking Index (KRX) as of 1/4/22

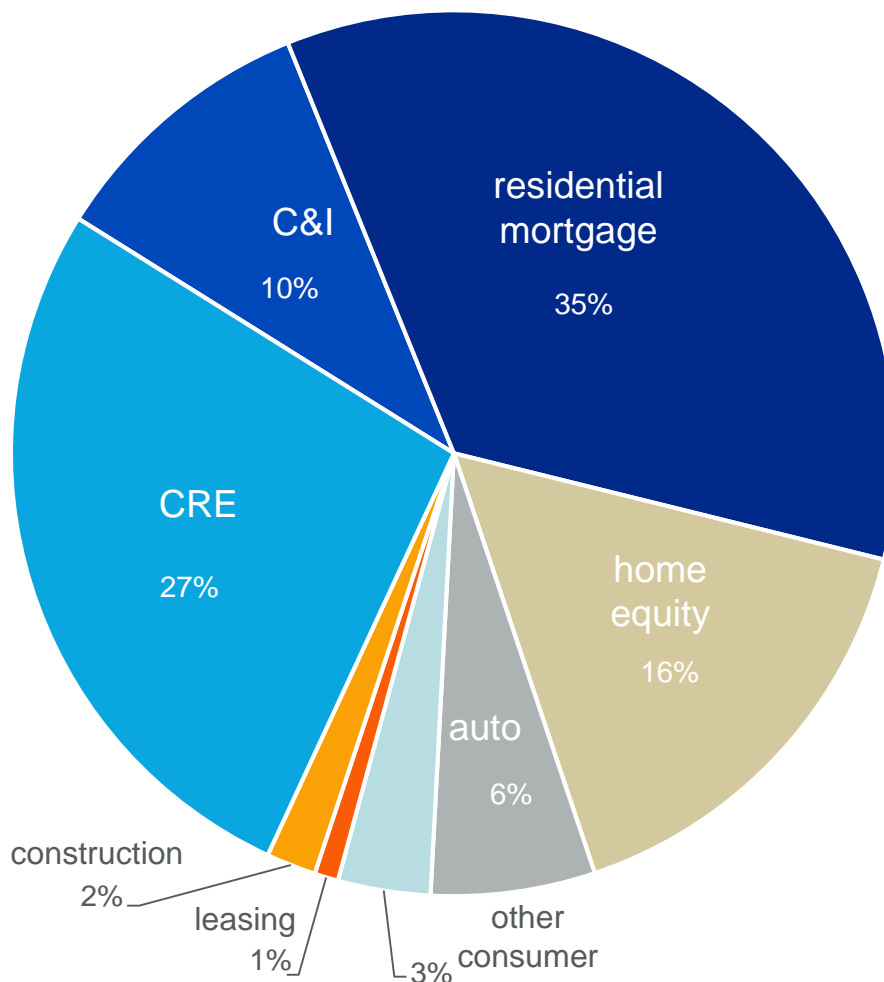


# 2Q credit update

# loan portfolio

*excluding PPP*

**80% of portfolio secured with quality real estate  
with combined weighted average loan to value of 56%**

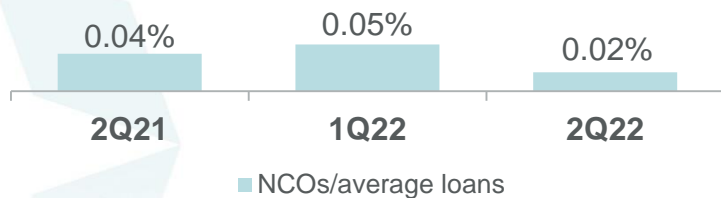


40% commercial  
72% real estate secured  
wtd avg LTV 57%  
57% w/ BOH  $\geq$  10 yrs  
avg balance \$0.6MM

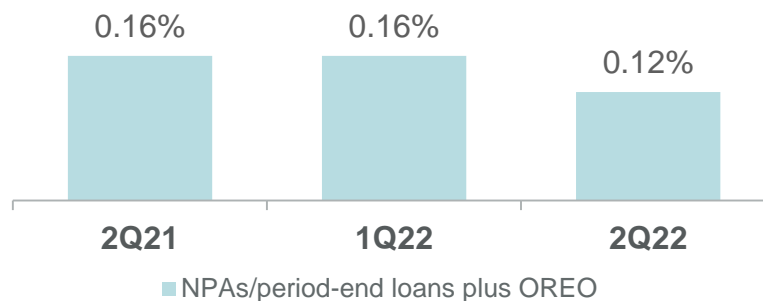
60% consumer  
85% real estate secured  
wtd avg LTV 55%  
58% w/ BOH  $\geq$  10 yrs

# credit quality

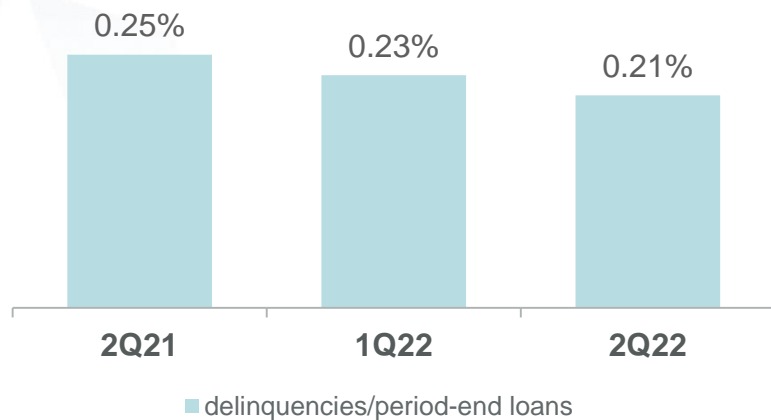
## net charge-offs



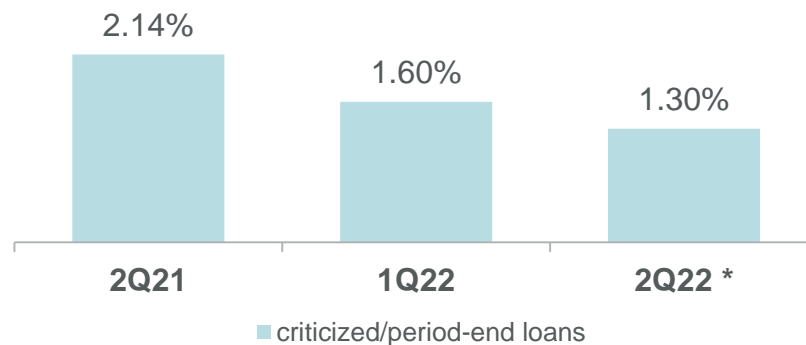
## non-performing assets



## delinquencies



## criticized



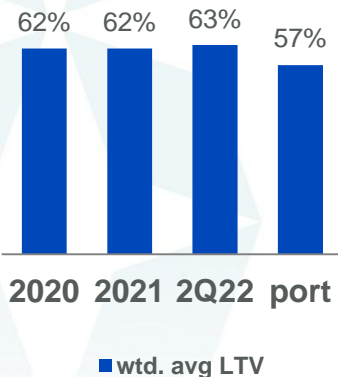
\* 73% of total criticized in CRE with 61% wtd avg LTV

# 2Q22 - production quality

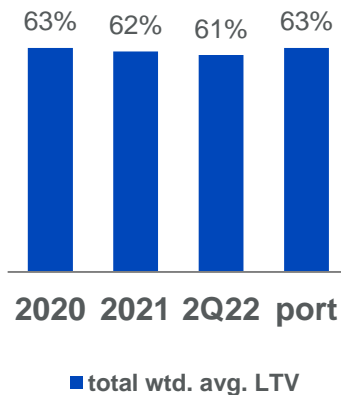
## commercial

## consumer

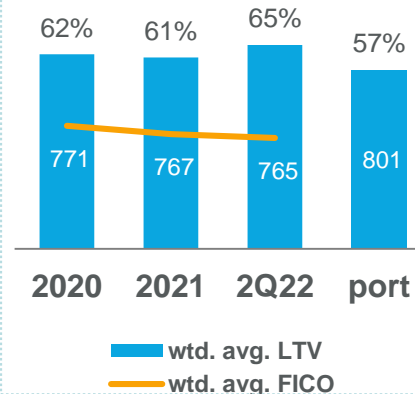
### comm. mortg.



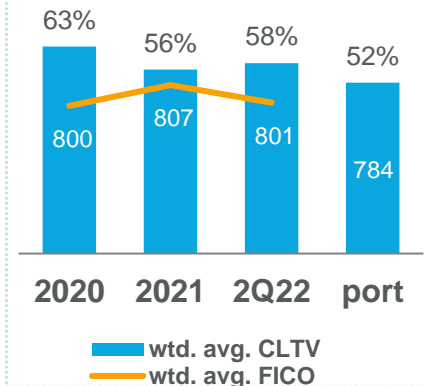
### construction



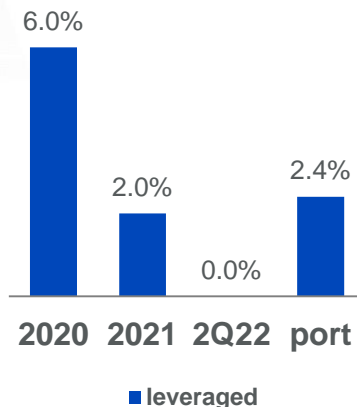
### resi. mortgage



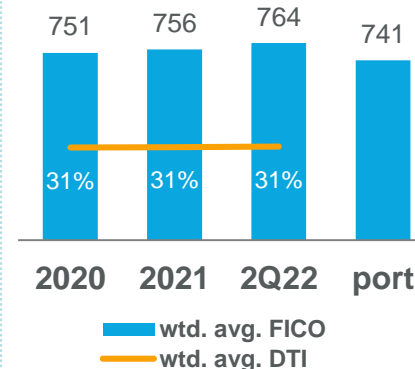
### home equity



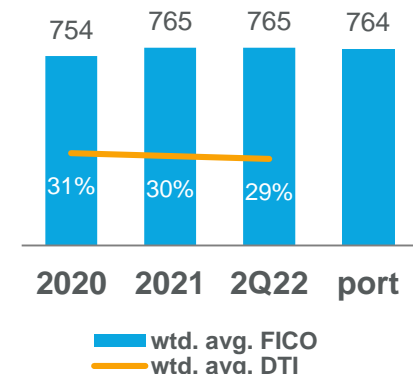
### C&I (excl. PPP)



### indirect



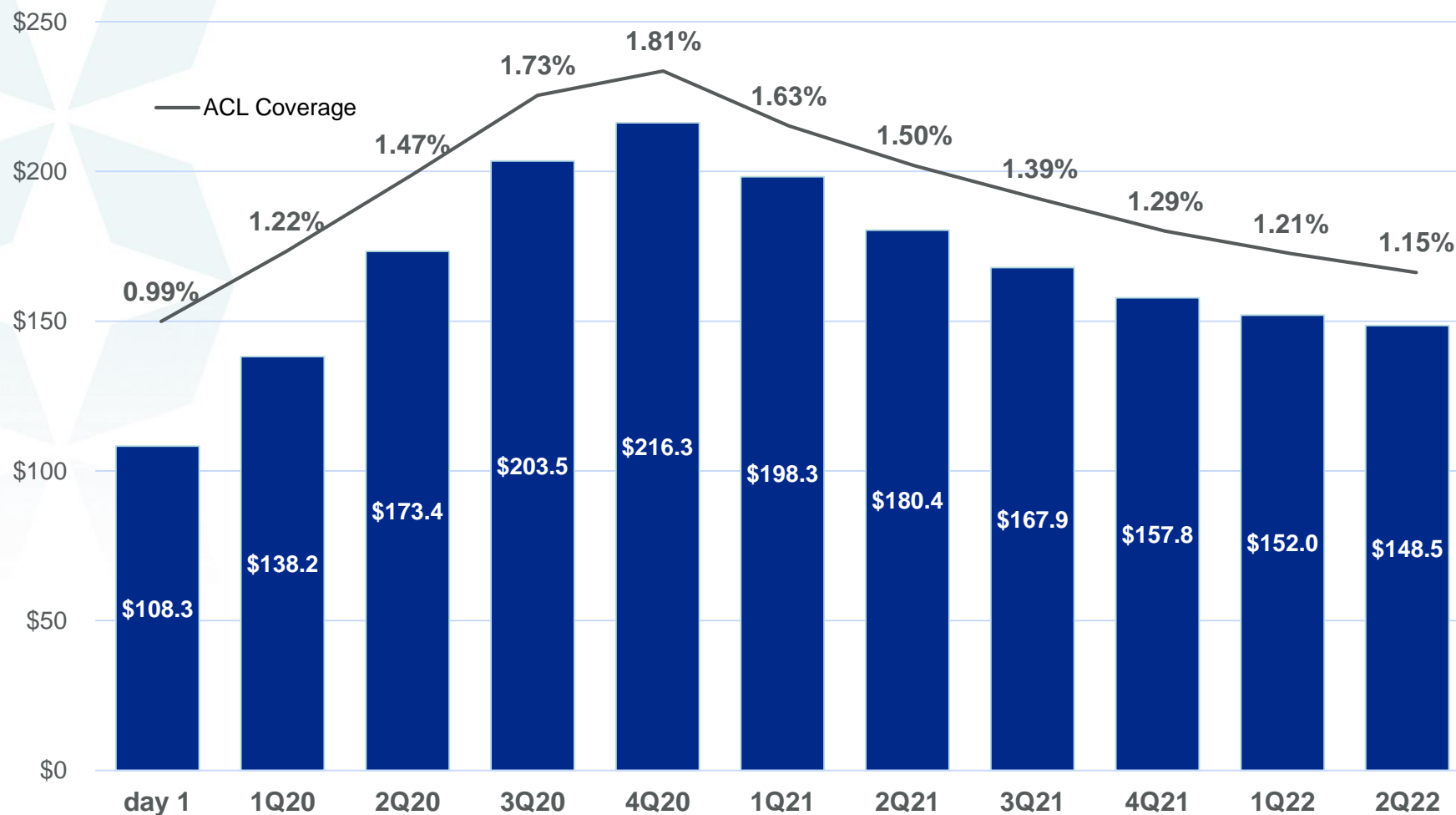
### installment



# reserve trend

\$ in millions

## allowance for credit losses



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



# other highlights

# superior returns

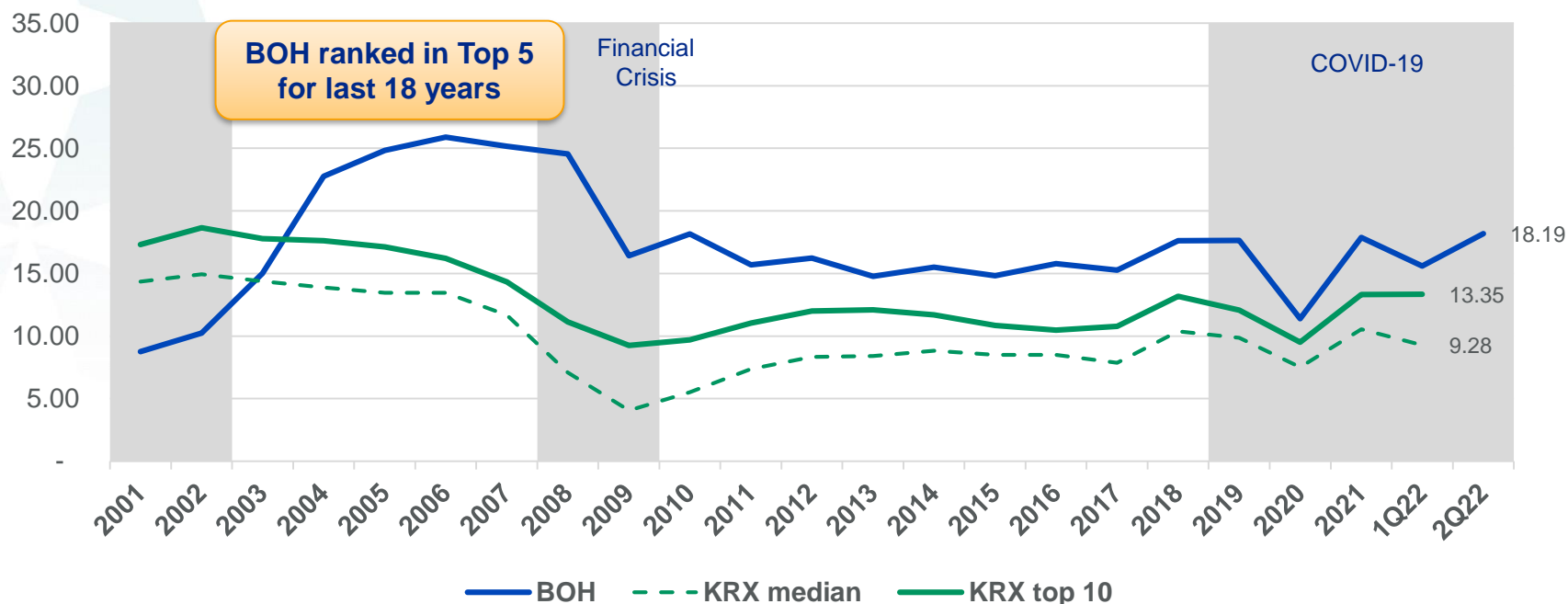
*market leading  
brand*

*robust and  
sustainable  
growth*

*focused  
execution*

*strong asset  
quality, liquidity,  
and capital*

## return on common equity (%)



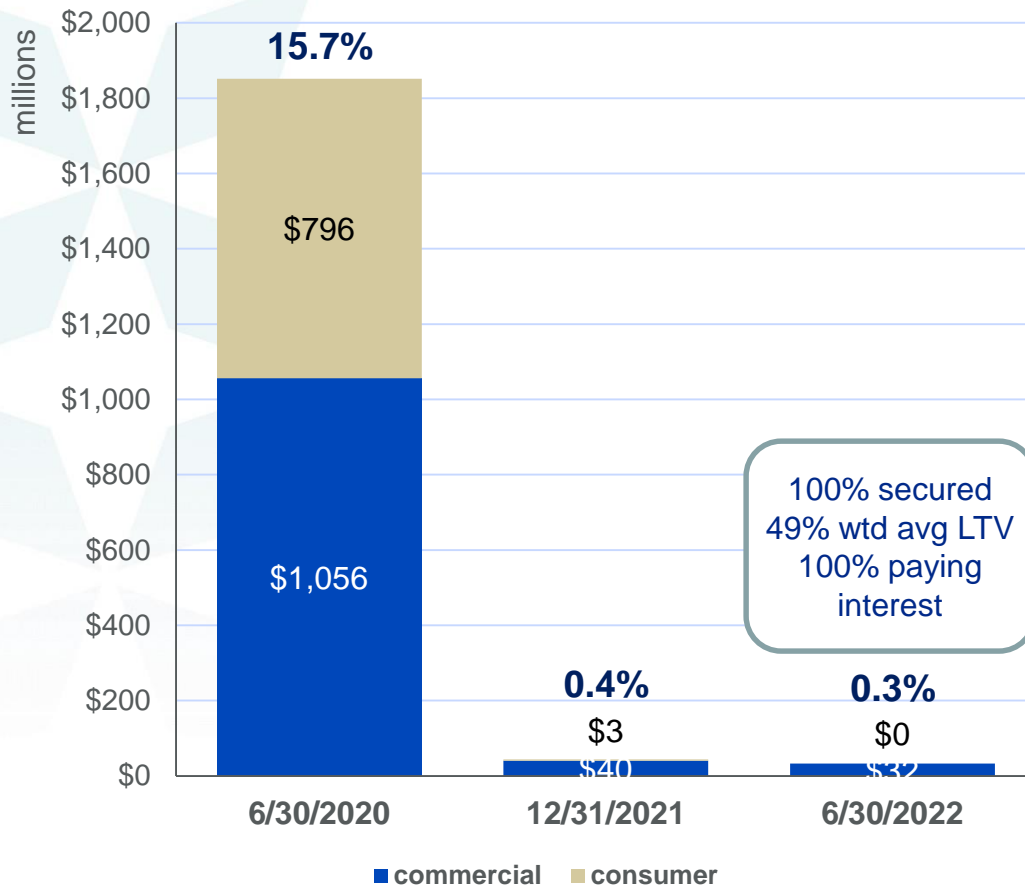
# Q & A



# appendix

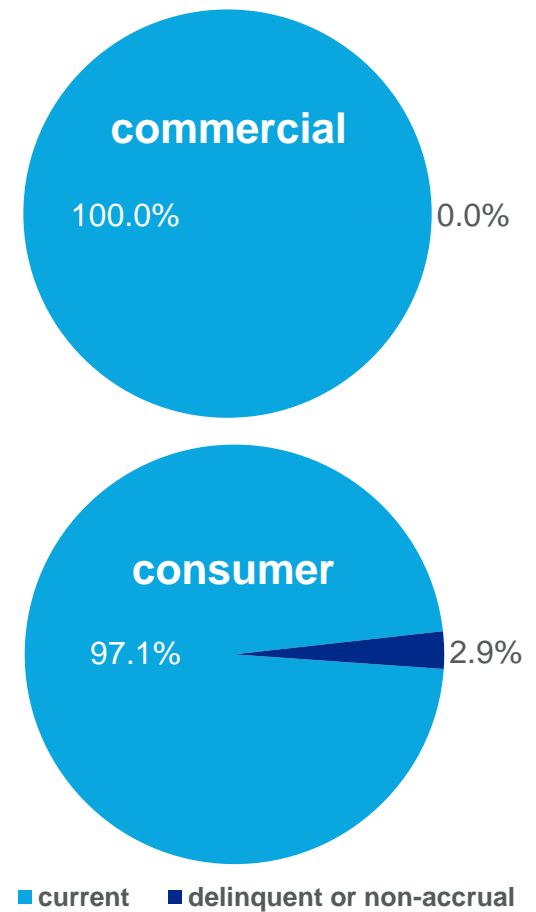
# customer relief update

## outstanding deferrals



98.2% decline in deferrals since June 30, 2020

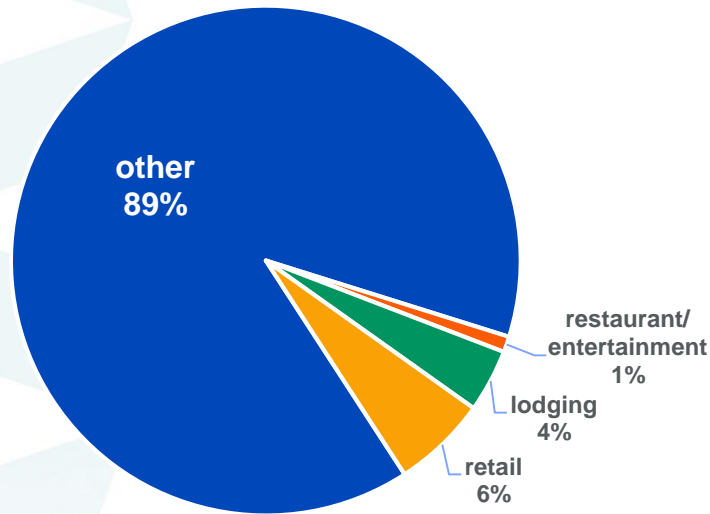
## returned to payment



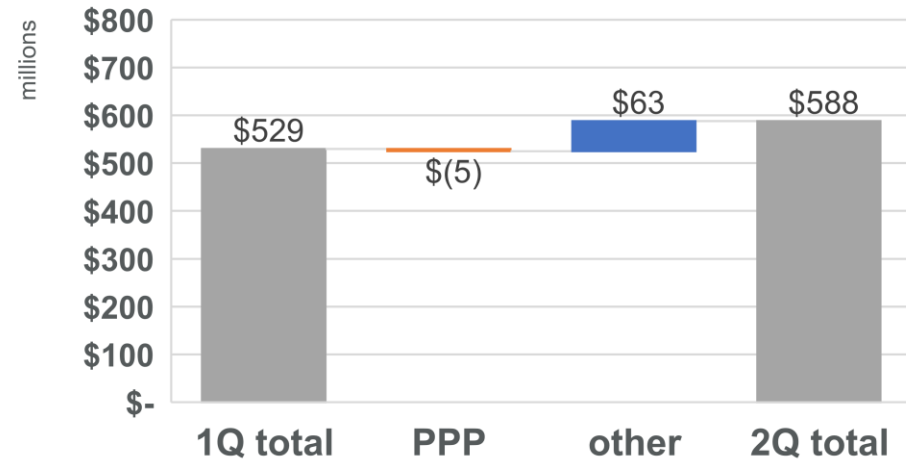
99.0% of former deferrals are current

# high risk industries

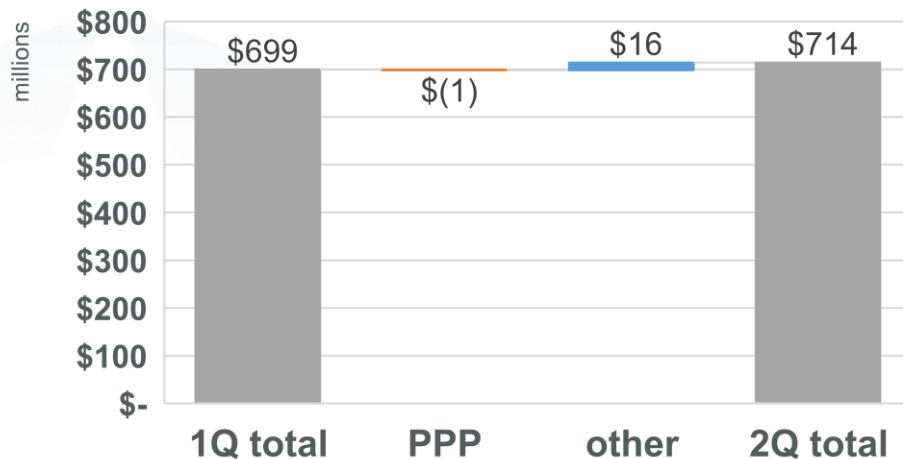
*\$1,461 million (11%) / \$1,440 million (11%) excluding PPP*



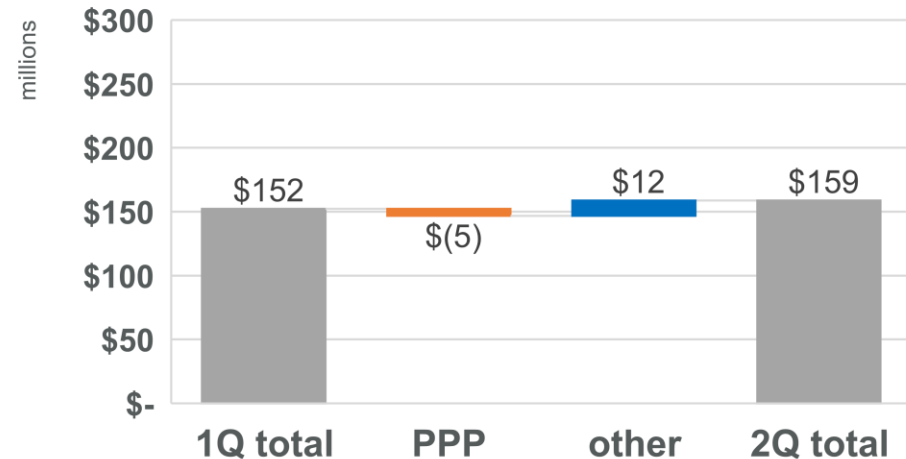
**lodging balance increase (2Q v 1Q)**



**retail balance increase (2Q v 1Q)**



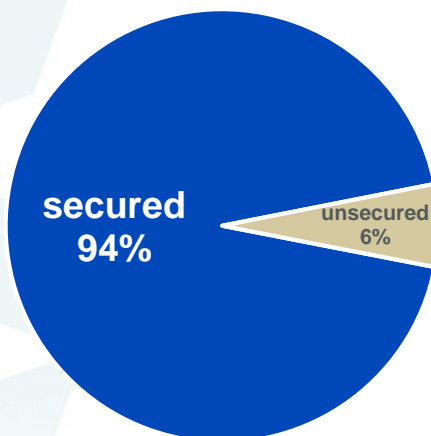
**restaurant/entertainment balance increase (2Q v 1Q)**



# retail

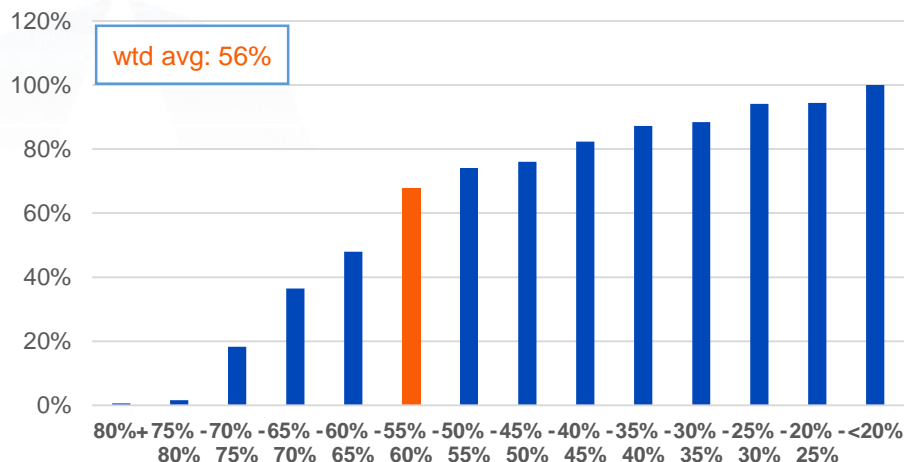
\$714 million (6%) – excluding PPP

## real estate secured



- 94% real estate secured
  - 56% wtd avg LTV
  - average exposure \$3.6MM
  - largest exposure \$38MM
  - 64% of portfolio has an LTV  $\leq$  65%
- 99% is secured or has essential anchor
- 0% deferred

## secured LTV distribution

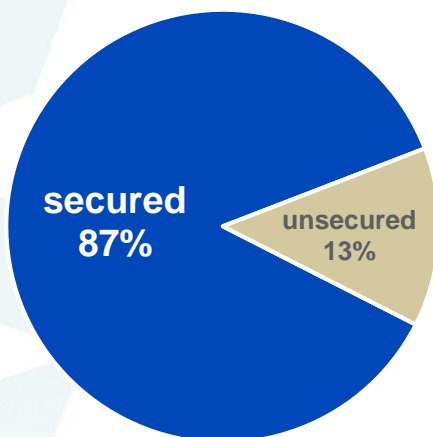


		deferred		
		yes	no	total
secured	yes	0.0%	93.9%	93.9%
	no	0.0%	6.1%	6.1%
	total	0.0%	100.0%	100.0%

# lodging

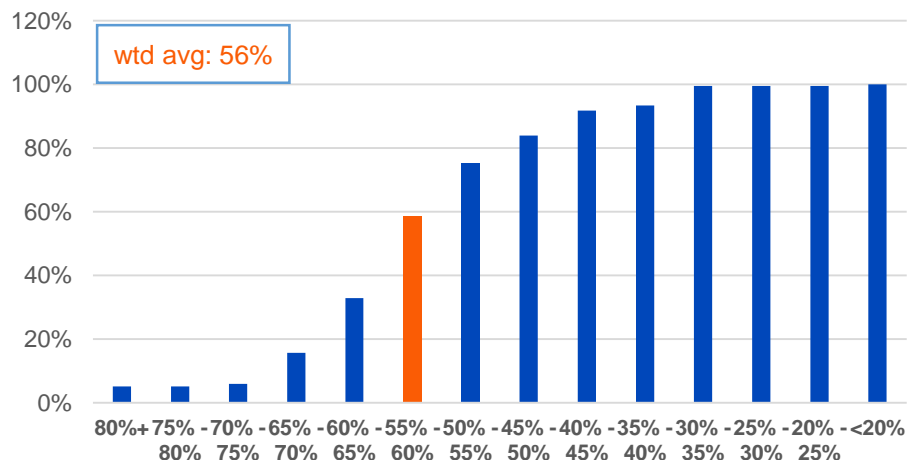
\$577 million (4%) – excluding PPP

real estate secured



- 87% real estate secured
  - 56% wtd avg LTV
  - average exposure \$11.1MM
  - largest exposure \$57MM
  - 84% of portfolio has an LTV  $\leq$  65%
- 94% of unsecured outstandings to global hotel and timeshare brands
- 100% of deferred is secured and paying interest

secured LTV distribution

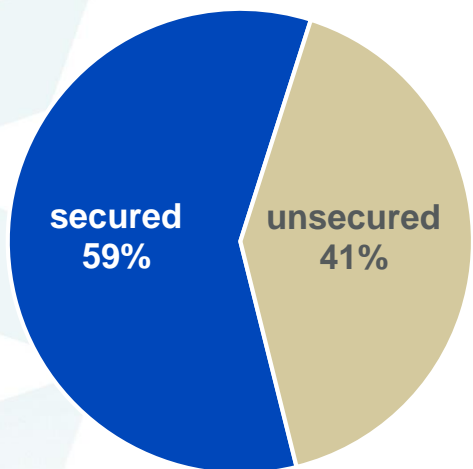


		deferred		
		yes	no	total
secured	yes	5.2%	81.5%	86.6%
	no	0.0%	13.4%	13.4%
	total	5.2%	94.8%	100.0%

# restaurant / entertainment

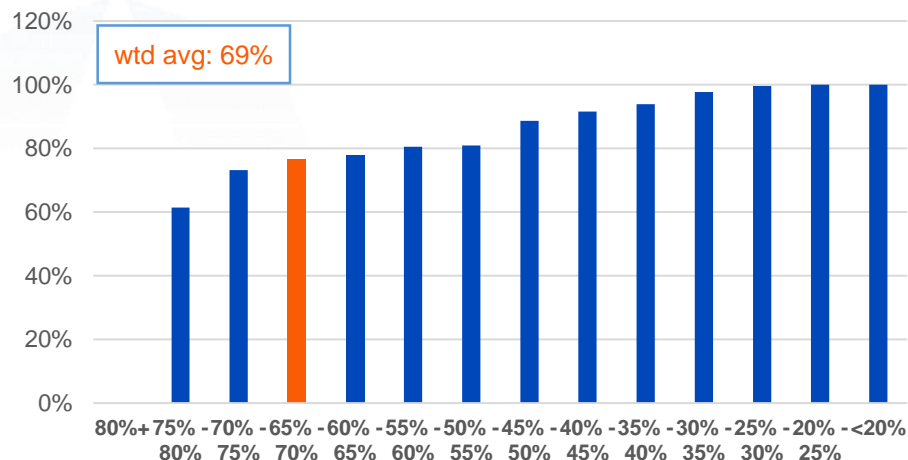
\$149 million (1%) – excluding PPP

real estate secured



- 59% real estate secured
  - 69% wtd avg LTV
  - average exposure \$2.6MM
  - largest exposure \$28MM
  - 24% of portfolio has an LTV  $\leq$  65%
- 0% deferred

secured LTV distribution



		deferred		
		yes	no	total
secured	yes	0.0%	58.8%	58.8%
	no	0.0%	41.2%	41.2%
	total	0.0%	100.0%	100.0%