

Bank of Hawai'i Corporation
fourth quarter 2024
financial report

January 27, 2025

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

fourth quarter 2024 highlights

earnings highlights

strong credit
*credit remained
pristine*

**stable balance sheet
performance**

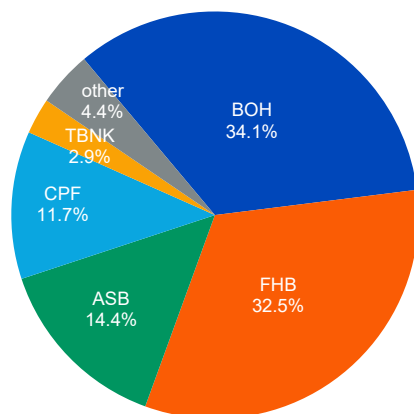
- \$0.85 diluted earnings per common share
 - \$39.2 million net income
 - net interest margin expanded for the third consecutive quarter to 2.19% and December net interest margin expanded to 2.26%
 - average cost of total deposits decreased to 1.77% from 1.87%
 - 10.30% return on average common equity
-

- 0.10% 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 29% of total loans, office 3%
-

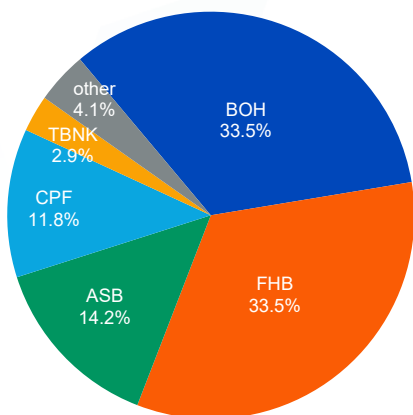
- modest increase in average loan and average deposit balances
- stable average noninterest-bearing demand deposit and low yield interest-bearing deposit balances
- tier 1 capital ratio of 13.95% and total capital ratio of 15.00%

leader in a unique deposit market **Bank of Hawai'i** Corporation

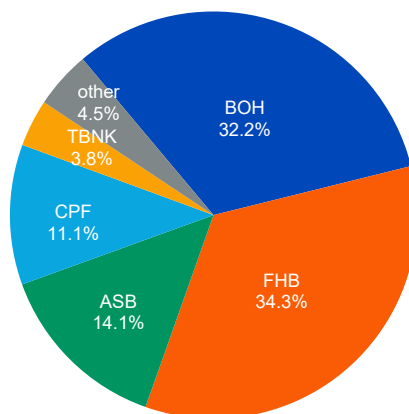
the leader in a unique deposit market with five local competitors holding 96% of the bank deposit market



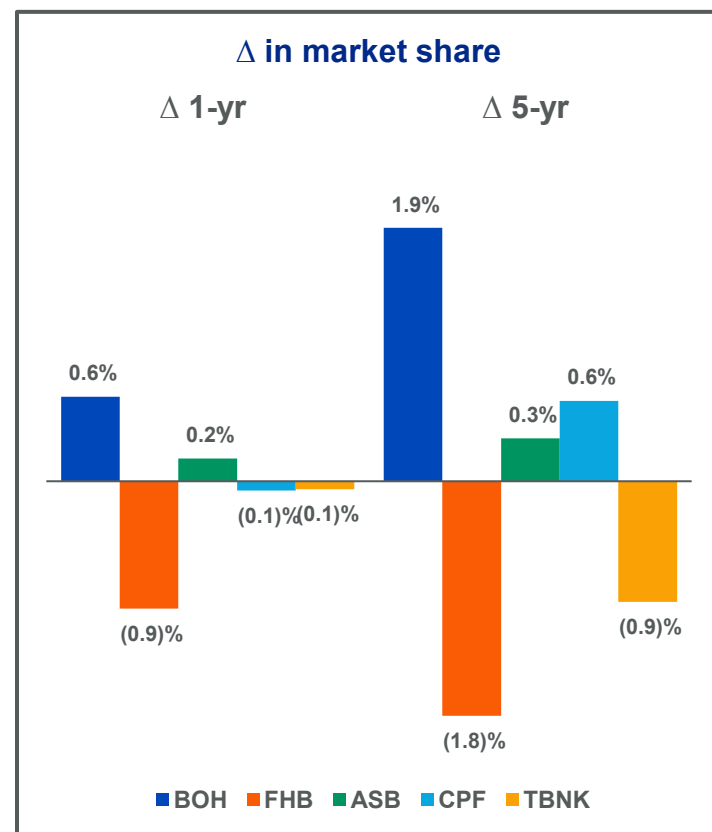
2024



2023



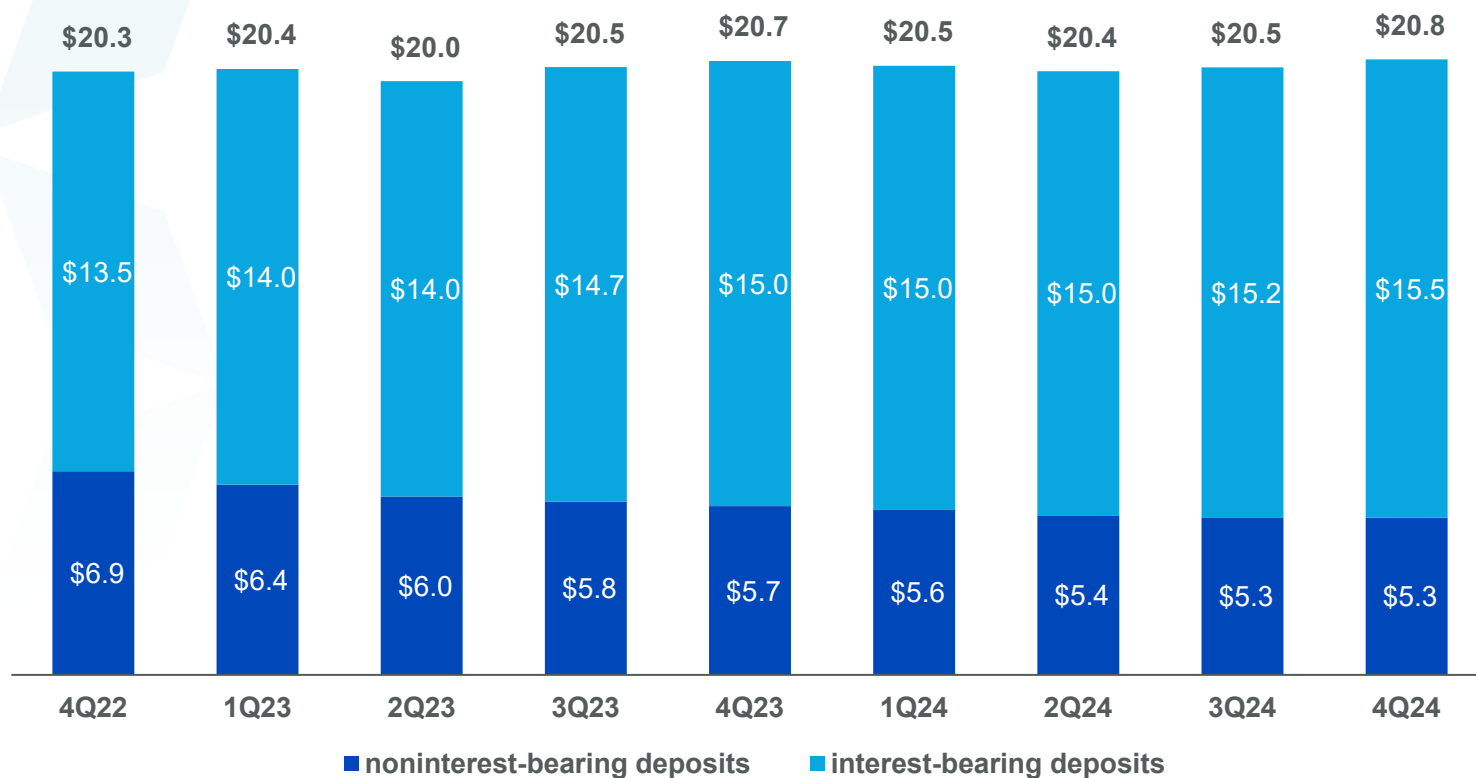
2019



stable deposit balances

\$ in billions

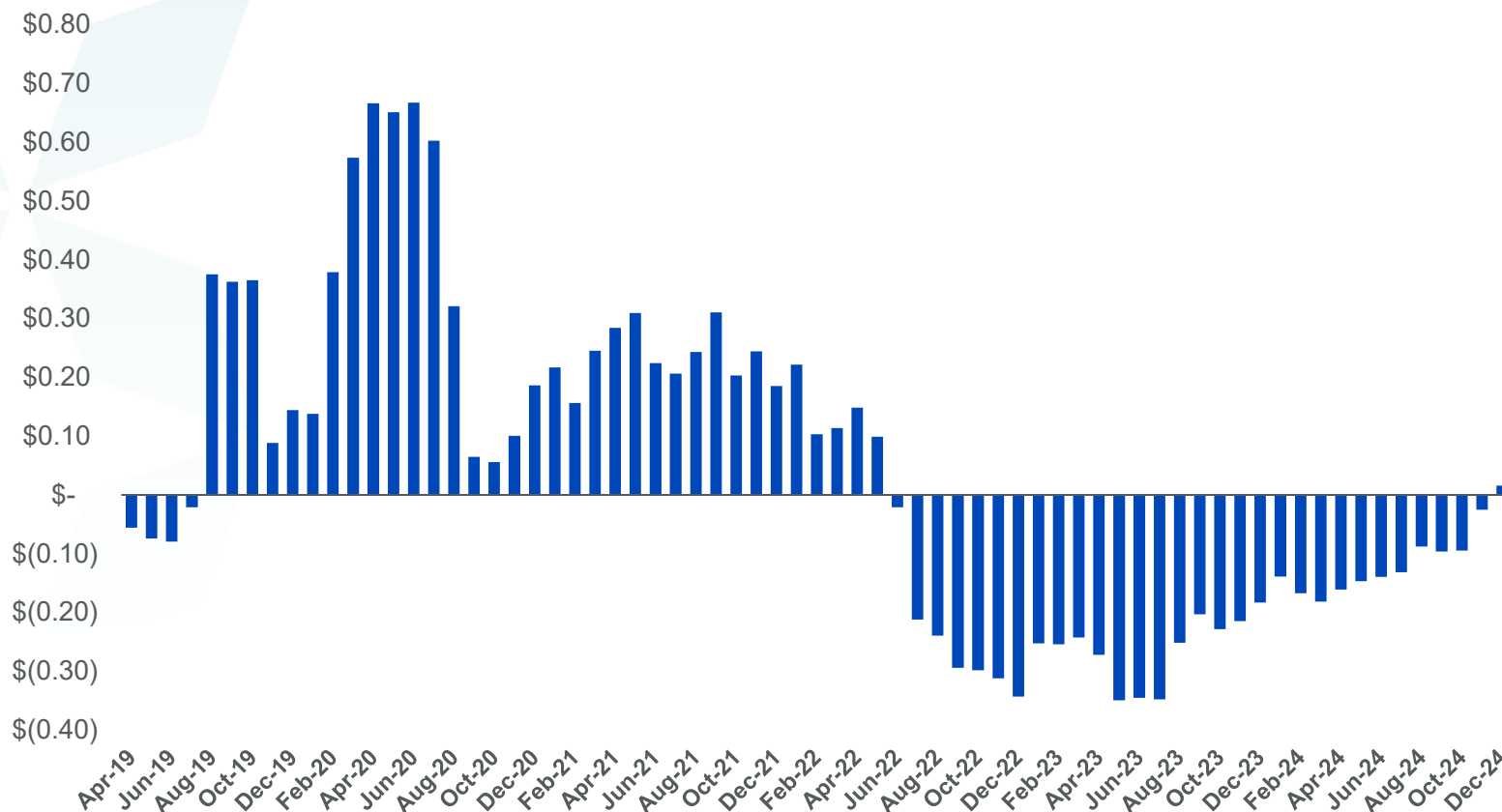
average balances



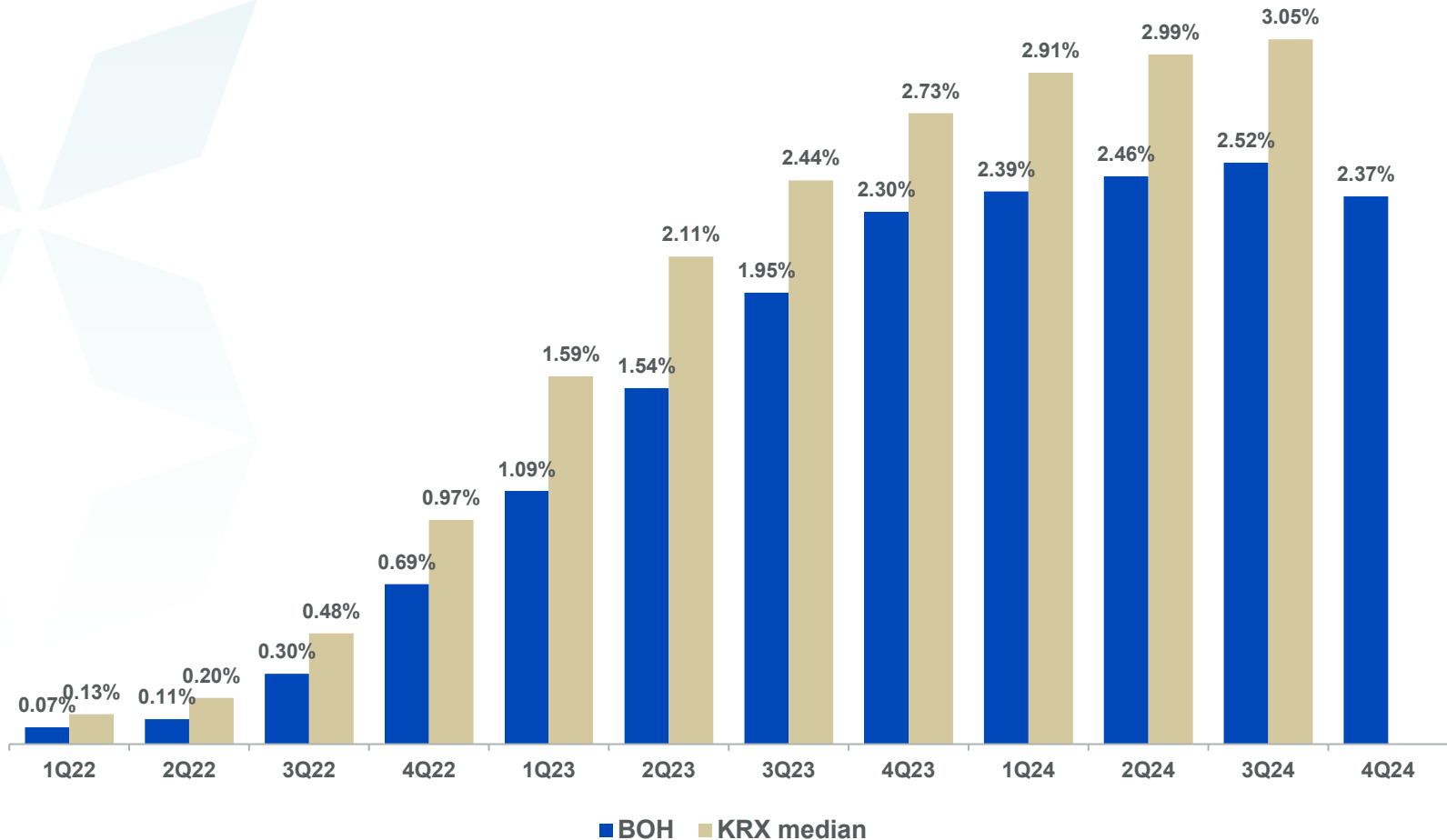
△ NIBD and low yield interest-bearing deposits

\$ in billions

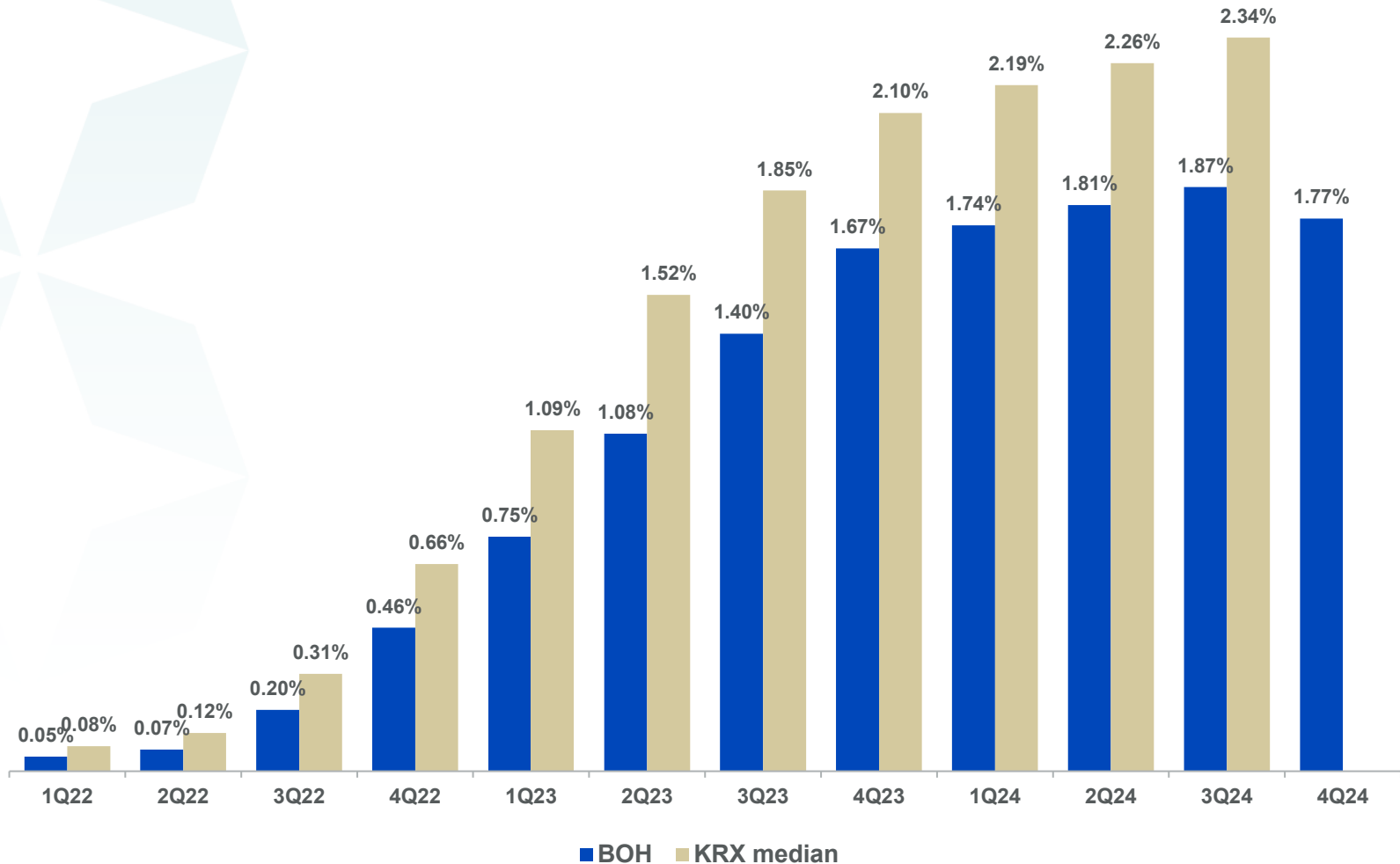
△ 3-month rolling average balance of NIBD and low yield interest-bearing deposits



cost of funds interest-bearing deposits

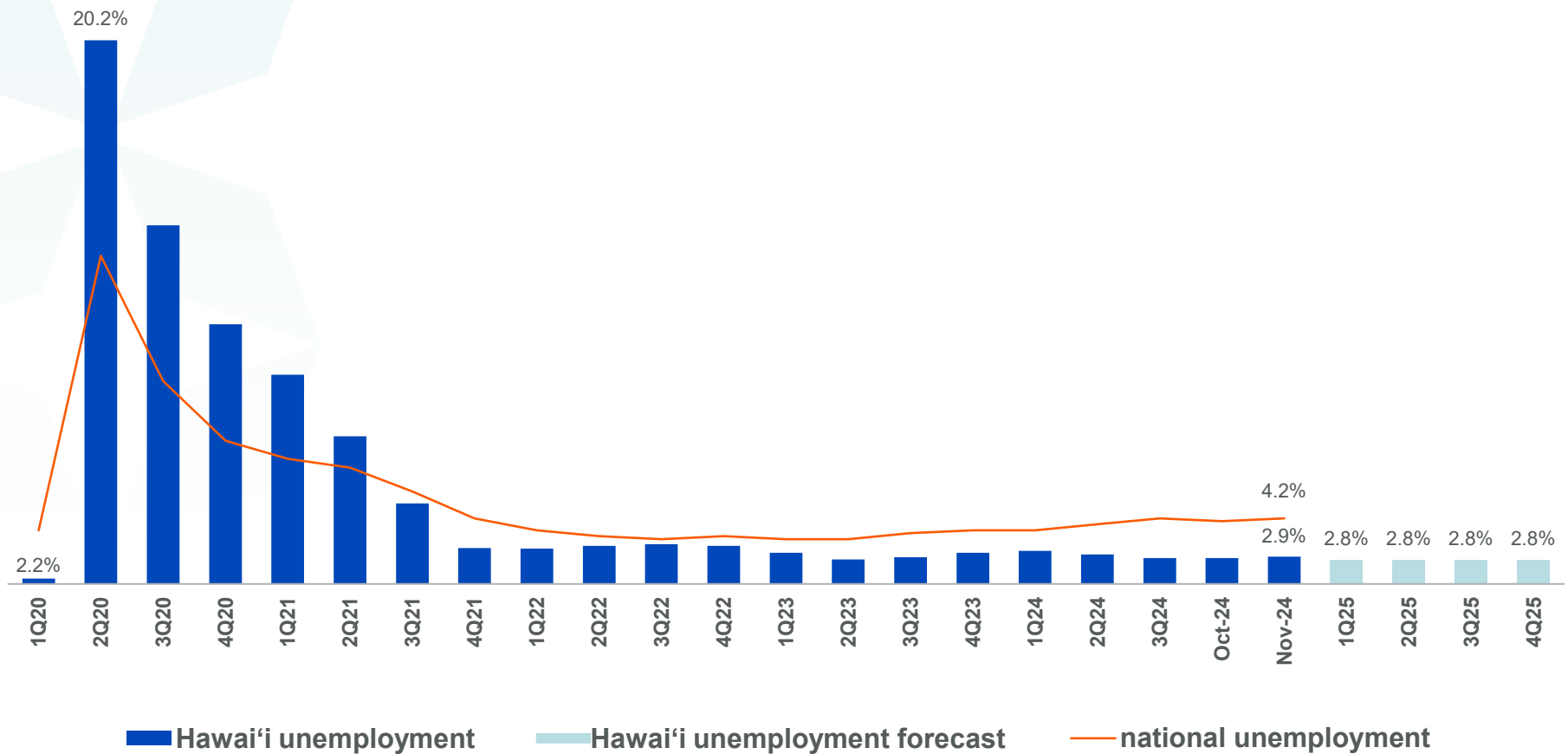


cost of funds total deposits



unemployment

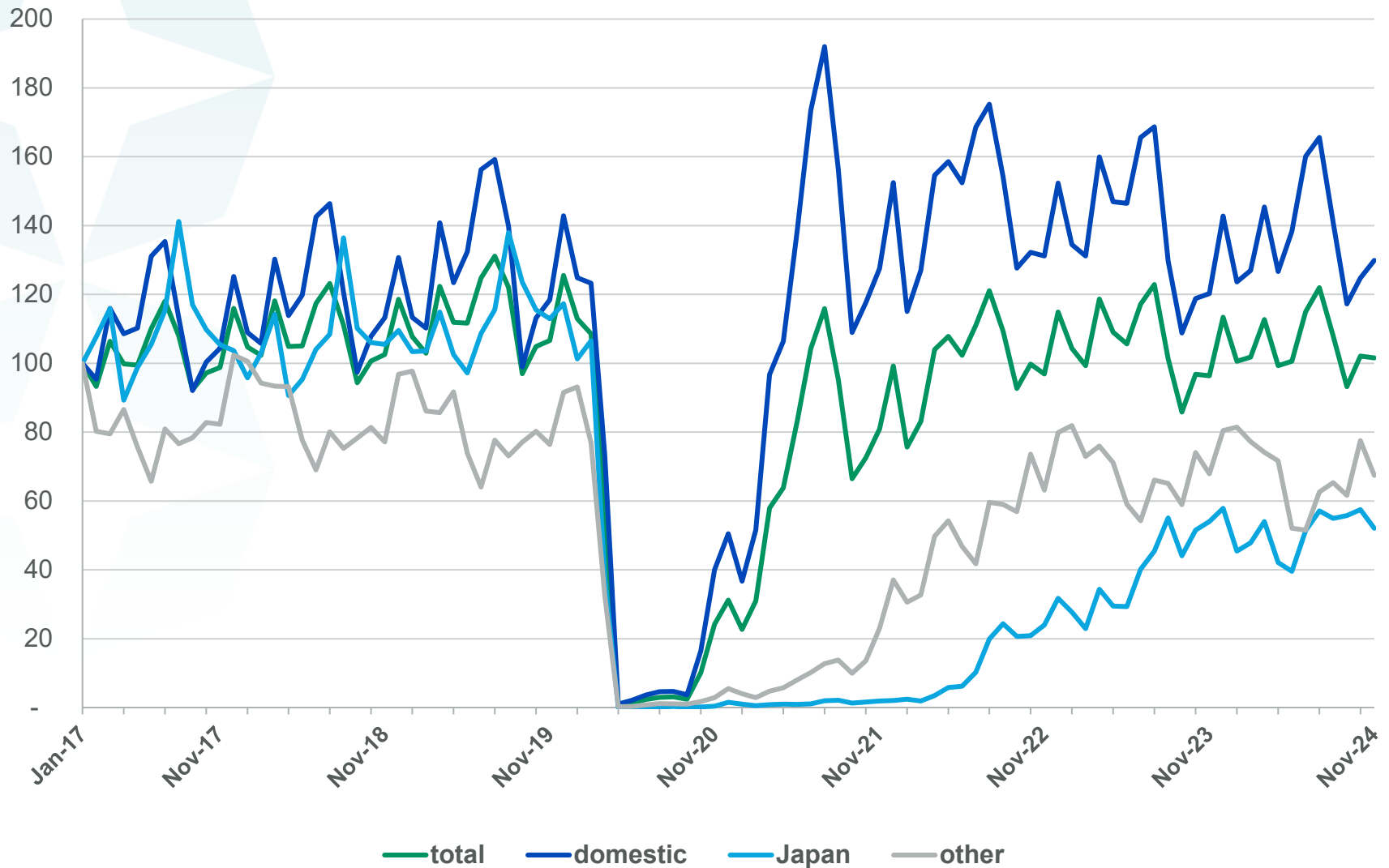
experience & forecast



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

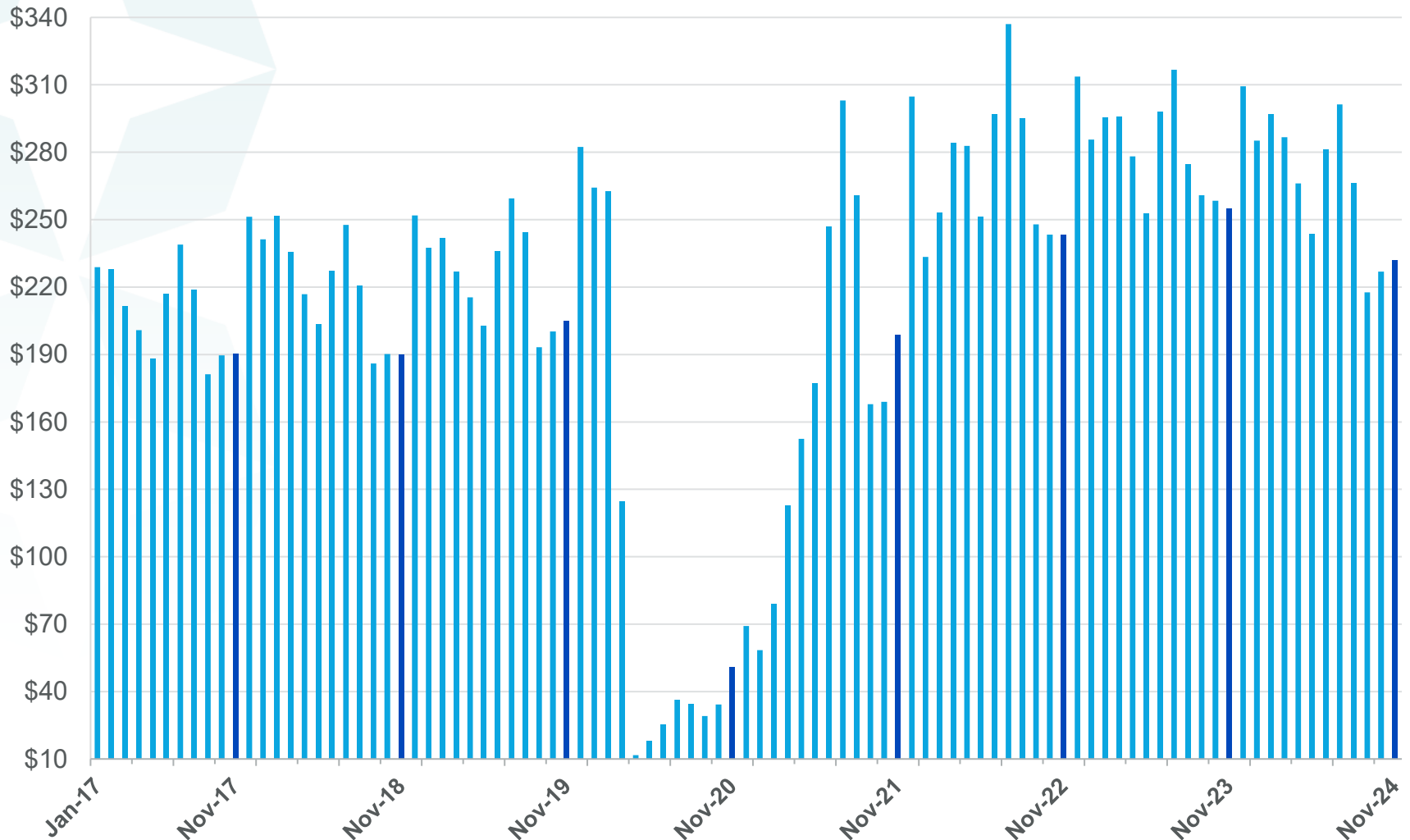
visitor arrivals

monthly by market, indexed to January 2017



revenue per available room

revenue per available room (RevPAR)



stable real estate prices

Oahu market indicators

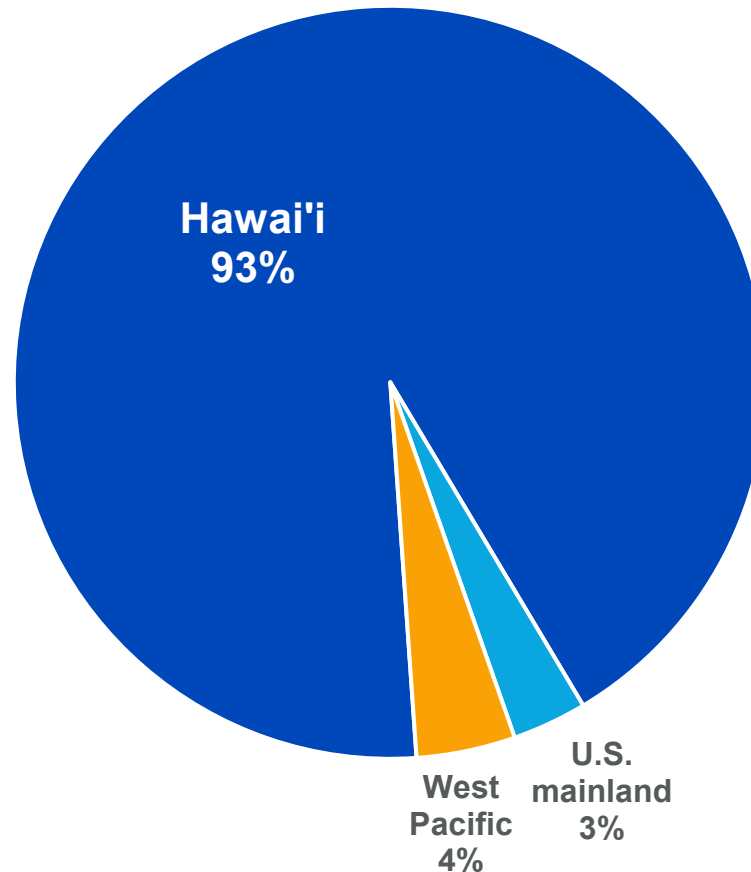
	single family homes						condominiums					
	<u>Dec 24</u>	<u>Dec 23</u>	<u>Δ Dec 23</u>	<u>2024</u>	<u>2023</u>	<u>Δ 2023</u>	<u>Dec 24</u>	<u>Dec 23</u>	<u>Δ Dec 23</u>	<u>2024</u>	<u>2023</u>	<u>Δ 2023</u>
median sales price (000s)	\$1,055	\$997	5.8% 	\$1,100	\$1,050	4.8% 	\$540	\$510	5.9% 	\$515	\$509	1.3% 
closed sales	228	182	25.3% 	2,793	2,560	9.1% 	323	272	18.8% 	4,459	4,573	-2.5% 
median days on market	20	18	2 days 	19	22	3 days 	36	26	10 days 	30	21	9 days 



credit performance

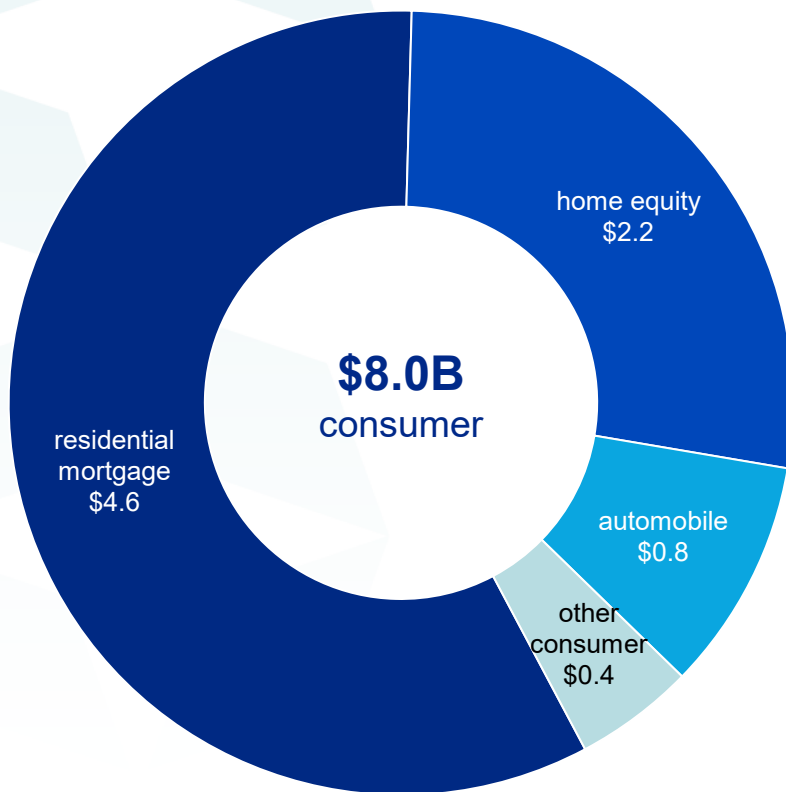
lending philosophy

**we lend in our core markets
to long-standing relationships**



consumer portfolio

56% of total loans



asset type	% total consumer	% total loans	WALTV	wtd avg FICO
residential mortgage	58%	33%	49%	805
home equity	27%	15%	46%	790
real estate secured	85%	48%	48%	800
automobile	10%	5%	n/a	733
other consumer	5%	3%	n/a	760
total consumer	100%	56%	n/a	791

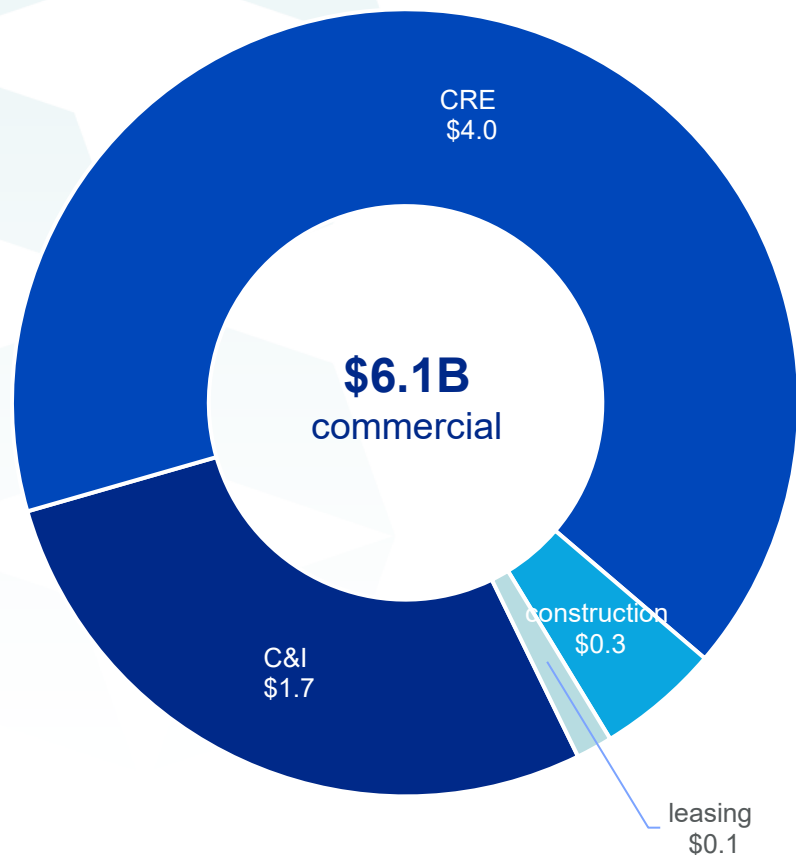
note: \$ in billions

other consumer comprises of consumer revolving credit, installment, and consumer lease financing.

wtd avg monitoring FICO for other consumer utilizes origination FICO for consumer lease financing

commercial portfolio

44% of total loans



asset type	% total comml	% total loans	WALTV
commercial real estate	66%	29%	55%
construction	5%	2%	57%
real estate secured	71%	31%	55%
commercial & industrial	28%	12%	n/a
leasing	1%	1%	n/a
total commercial	100%	44%	n/a

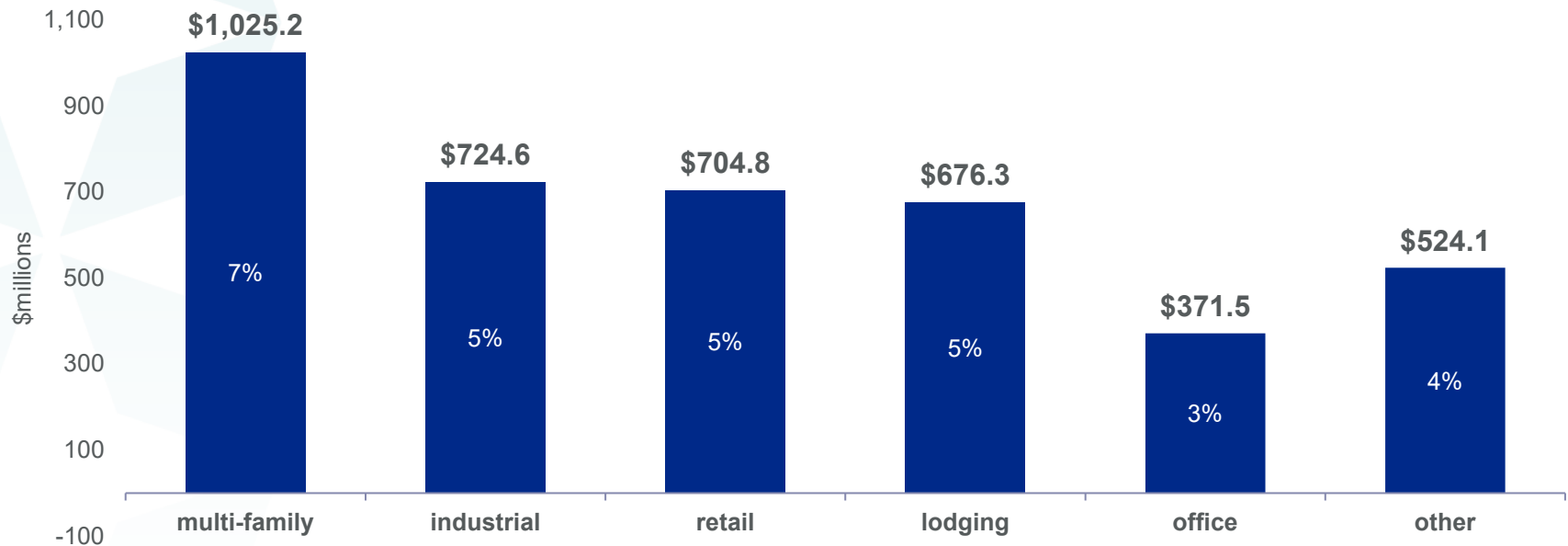
stable real estate market

Oahu market vacancies and inventory

	vacancy			inventory (sq ft)
	<u>3Q24</u>	<u>3Q23</u>	<u>10 yr avg</u>	<u>10 yr CAGR</u>
industrial	1.10%	0.64%	1.75%	0.28%
office	13.13%	13.52%	12.46%	- 1.08%
retail	5.82%	5.79%	5.91%	0.74%
multi-family	3.96%	3.83%	4.80%	0.73%

commercial real estate (CRE)

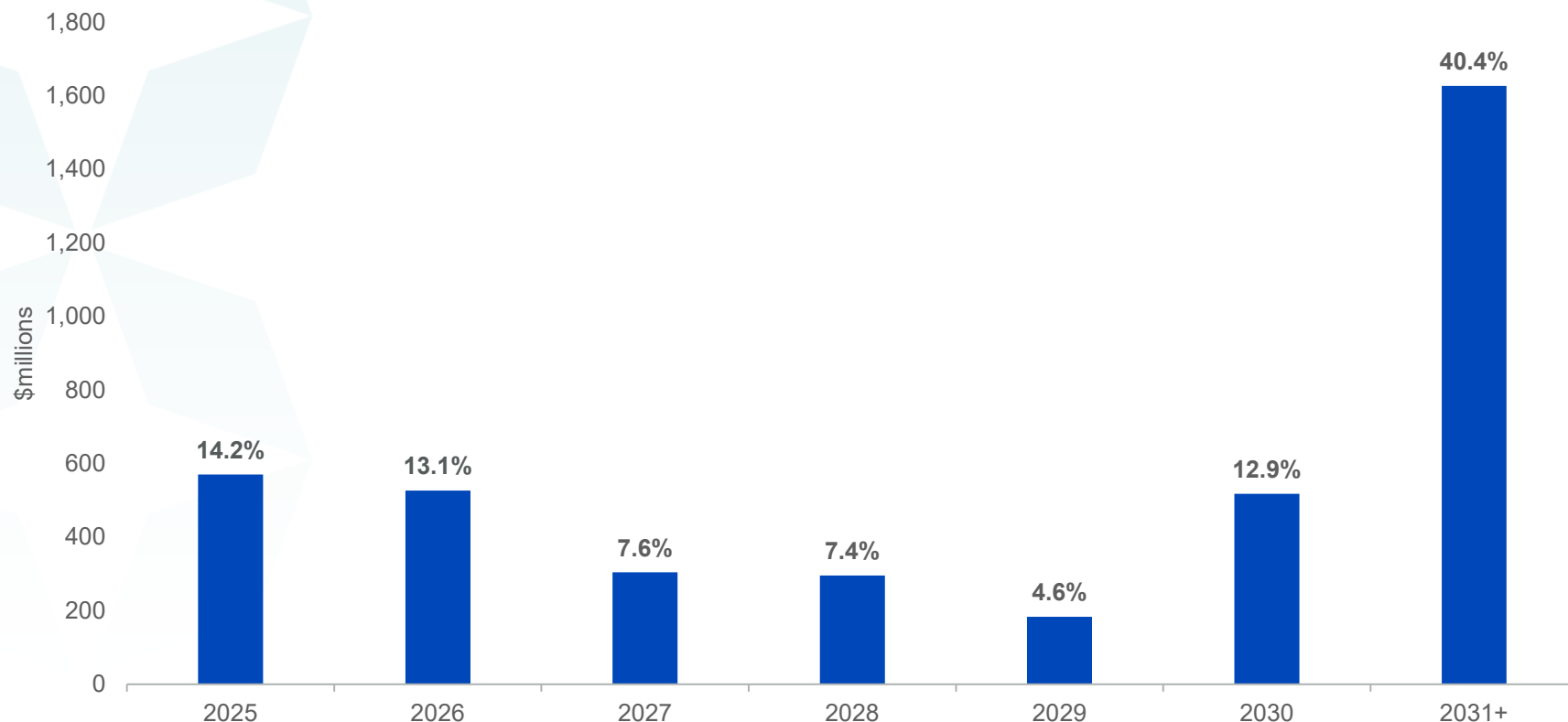
29% of total loans



wtd avg LTV	57%	55%	54%	53%	57%	54%
% owner	n/a	42%	3%	n/a	20%	26%
avg exposure (\$millions)	\$3.3	\$2.5	\$4.4	\$14.2	\$1.8	\$3.7

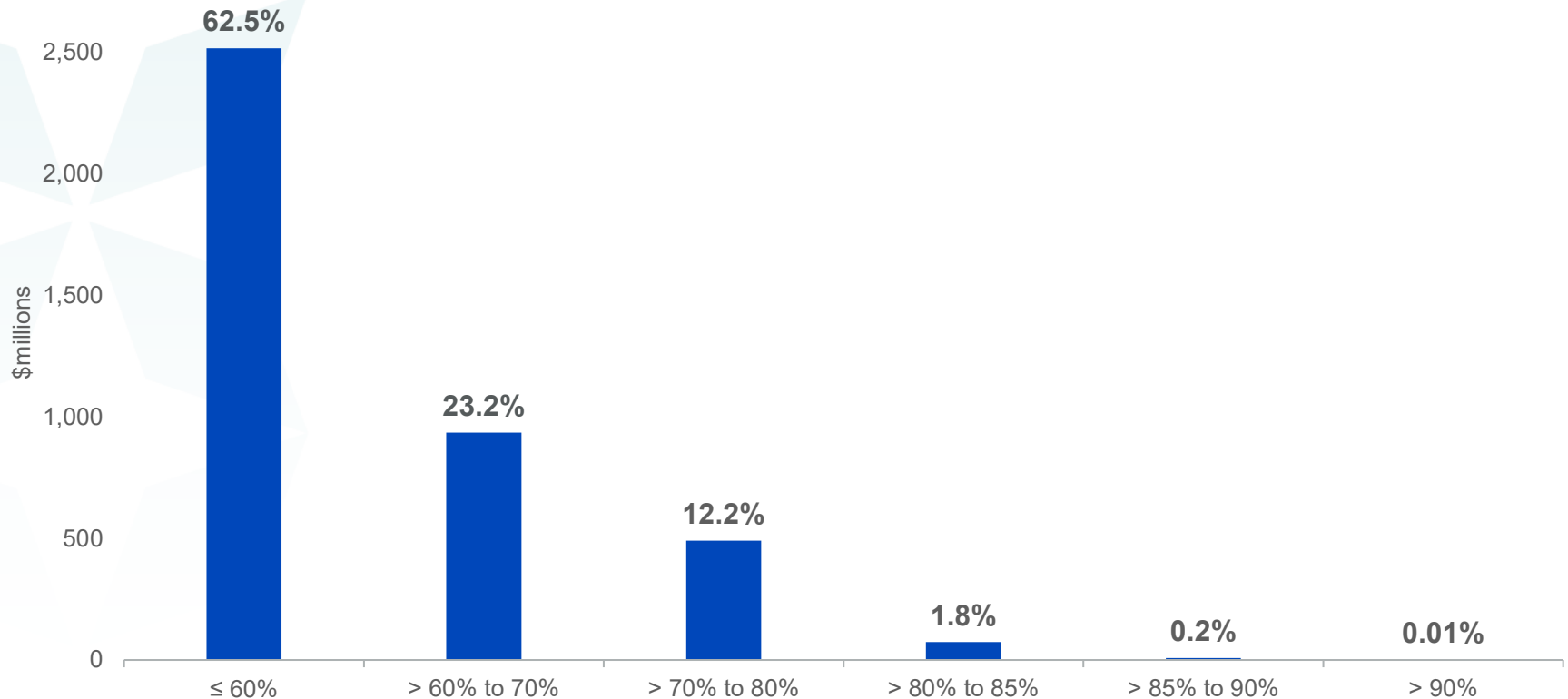
CRE scheduled maturities

modest near-term maturities



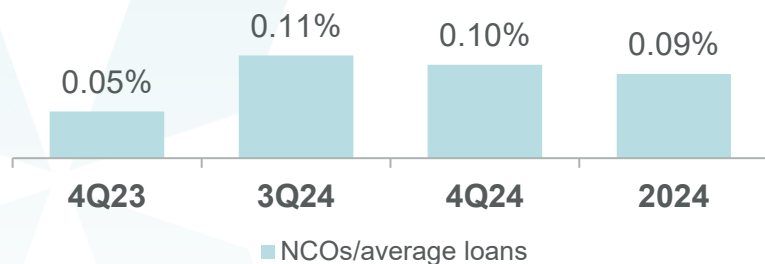
CRE loan balances by LTV

LTV > 80% - \$81MM, 2.0% of CRE

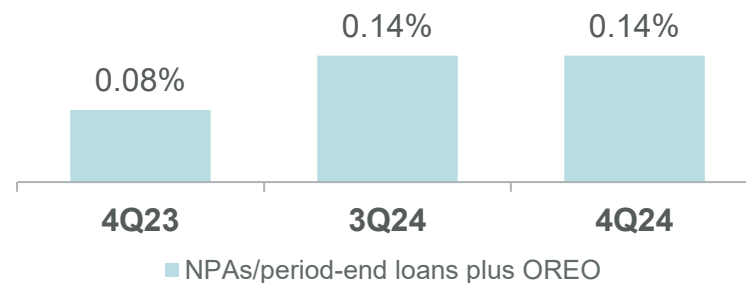


credit quality

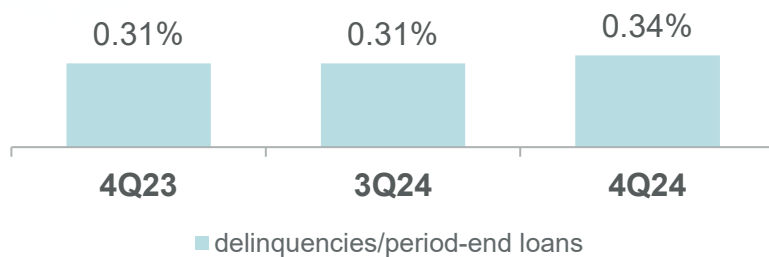
net charge-offs



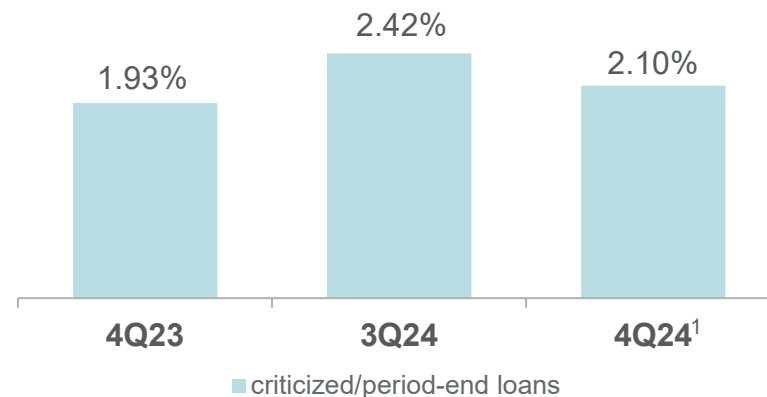
non-performing assets



delinquencies



criticized



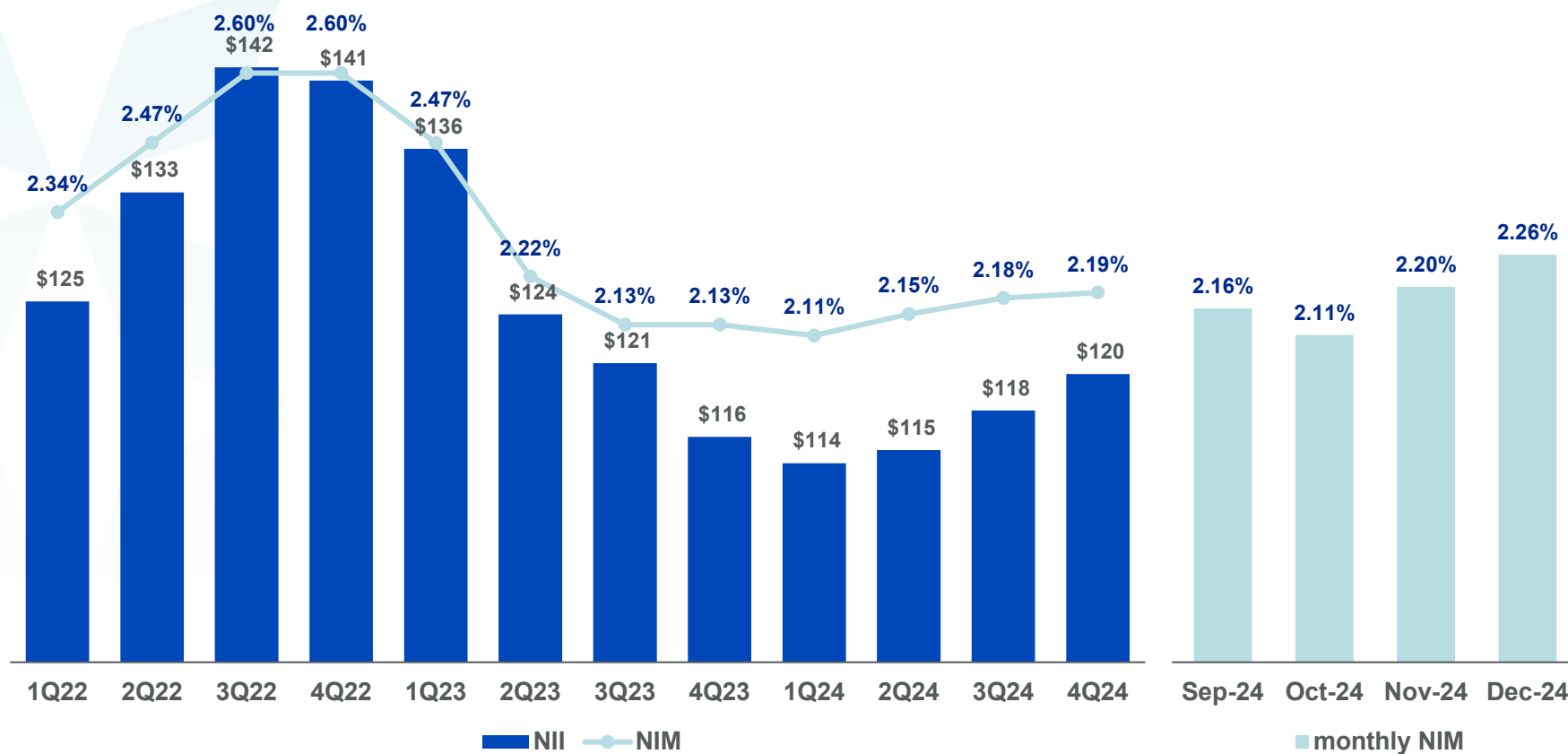
¹ 76% of total criticized is secured with 56% wtd avg LTV

financial update

NII and NIM trends

\$ in millions

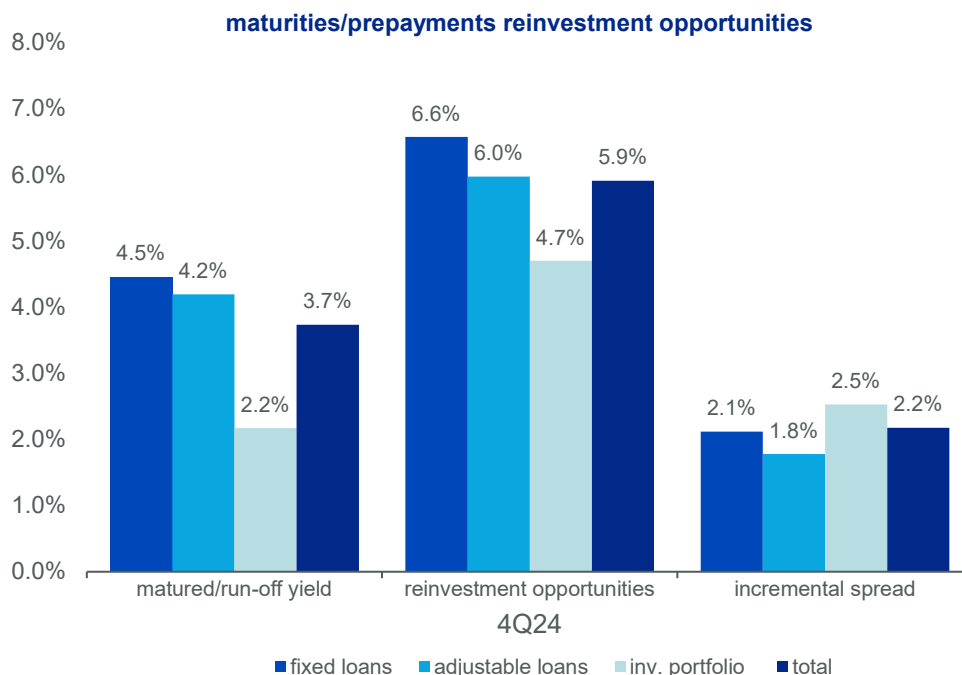
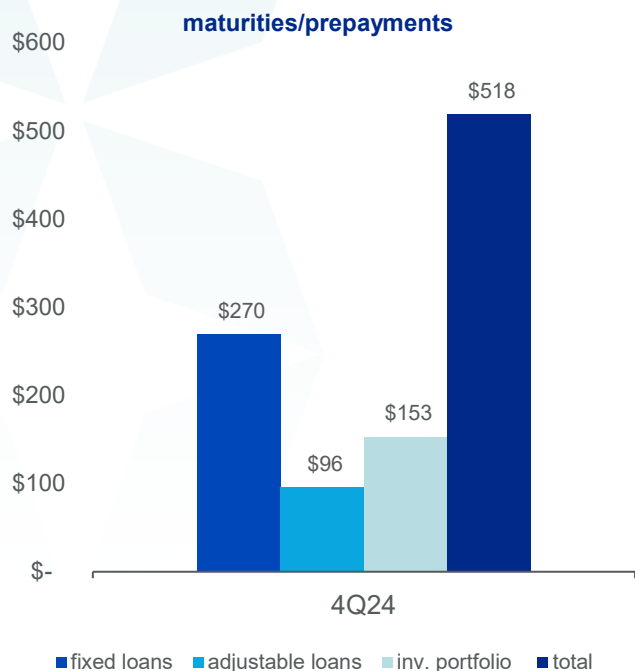
increasing NII and NIM



cashflow repricing

\$ in millions

quarterly impact from cashflows repricing: **+\$2.8 million**



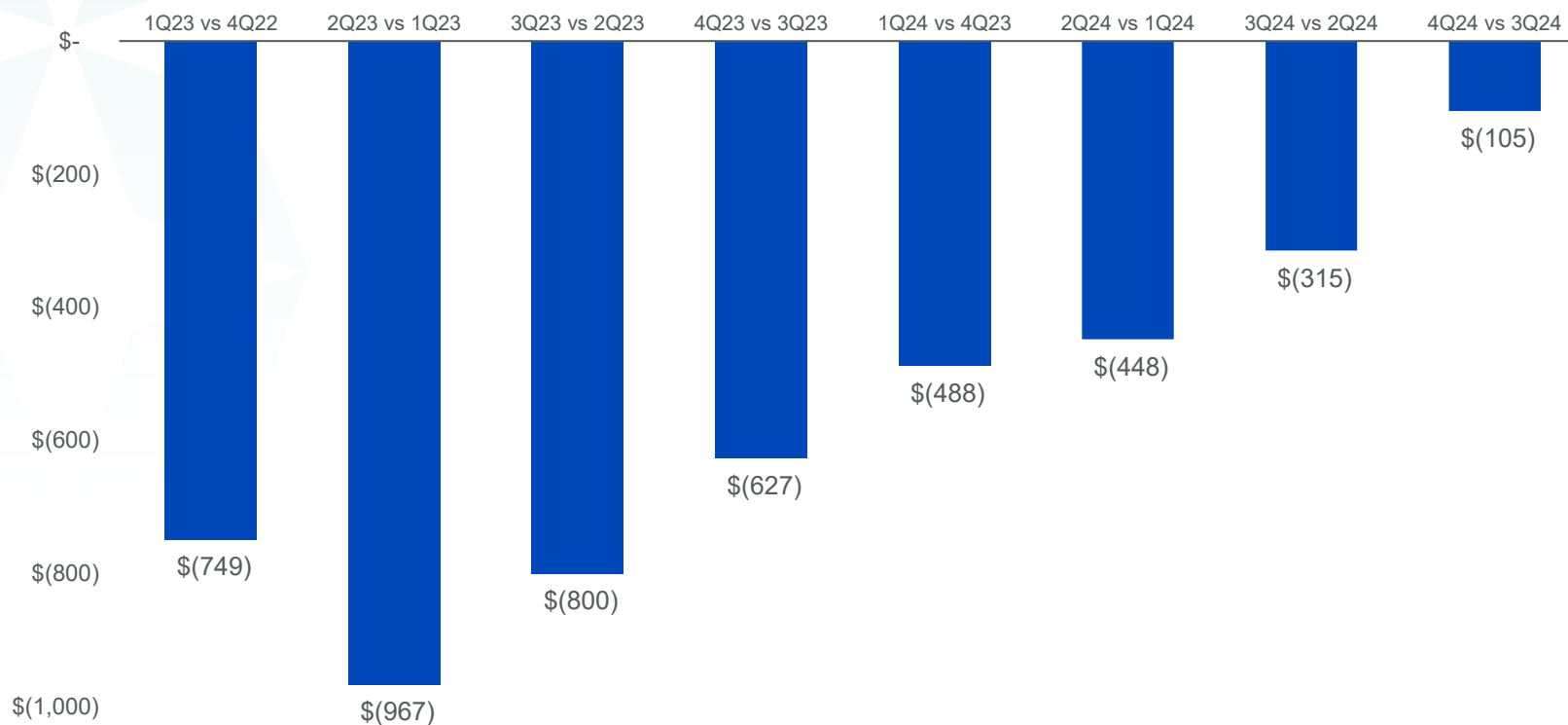
note: +\$2.8 million in quarterly impact from cashflows repricing assumes that the cashflows from maturities/prepayments from loans were reinvested into the same products and the cashflows from maturities/prepayments from investment portfolio were reinvested into cash and cash equivalents at fourth quarter average rate of 4.70%

deposit mix shift and repricing

\$ in millions

quarterly NII impact from deposit mix shift and repricing in 4Q24: **\$(0.9) million**

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

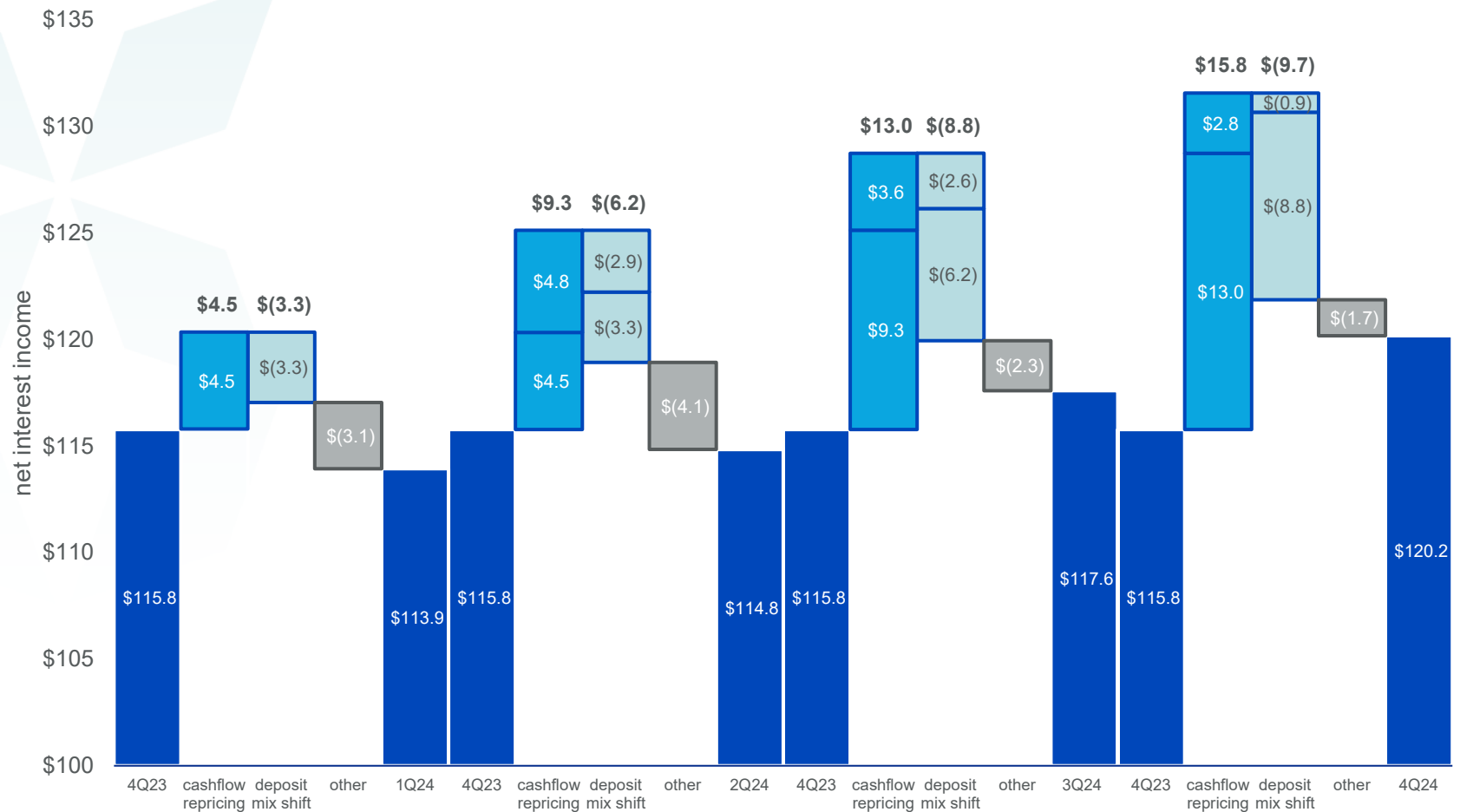


note: low yield interest-bearing deposits include accounts yielding interest of 10 bps or less

NII impact from cashflow repricing in 2024

\$ in millions

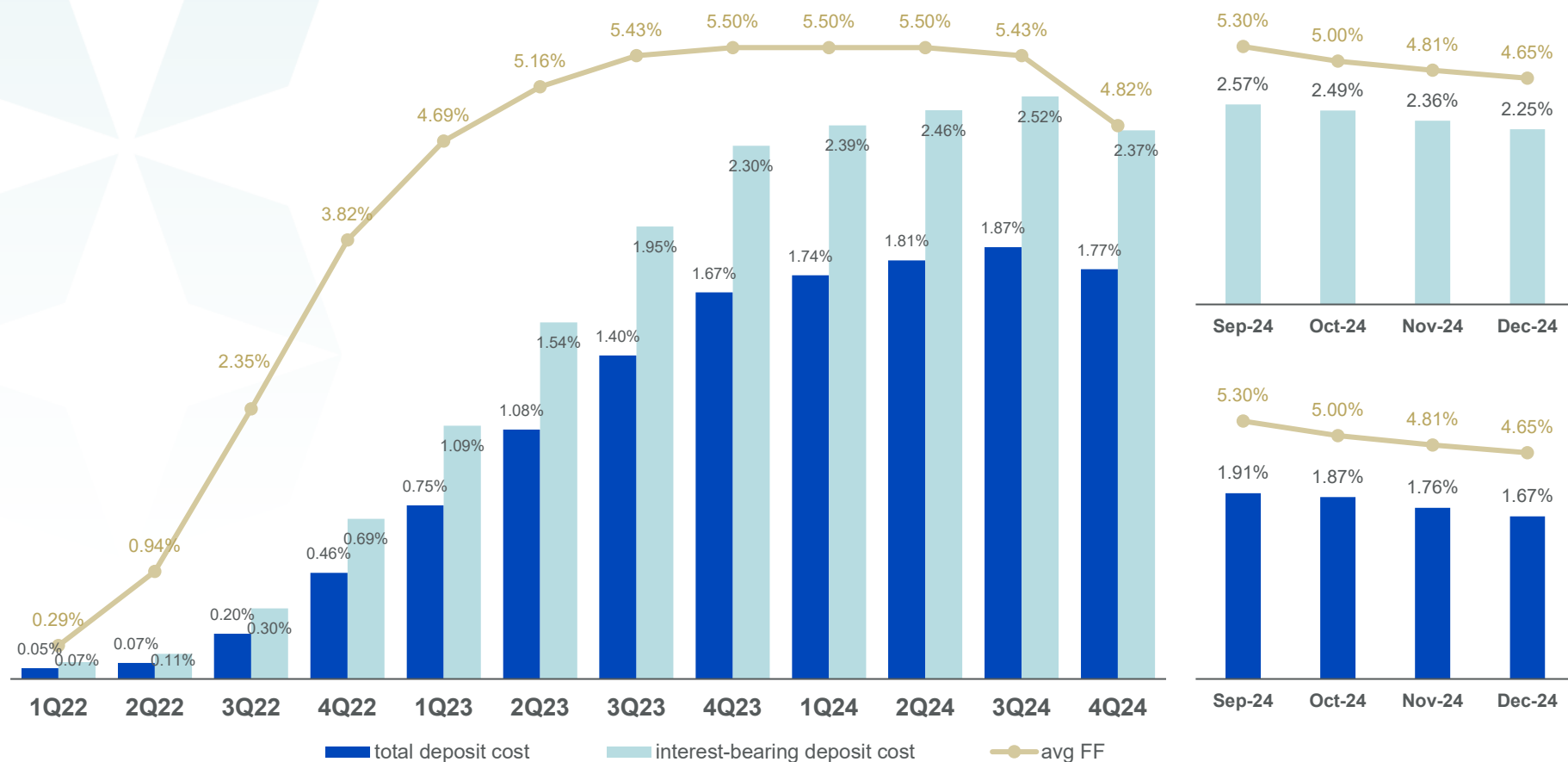
+ \$15.8 million in cumulative NII from 4Q23 to 4Q24 from cashflow repricing



note: quarterly impact from cashflows repricing assumes that the cashflows from maturities/prepayments from loans were reinvested into the same products and the cashflows from maturities/prepayments from investment portfolio were reinvested into fed funds sold; numbers may not add up due to rounding

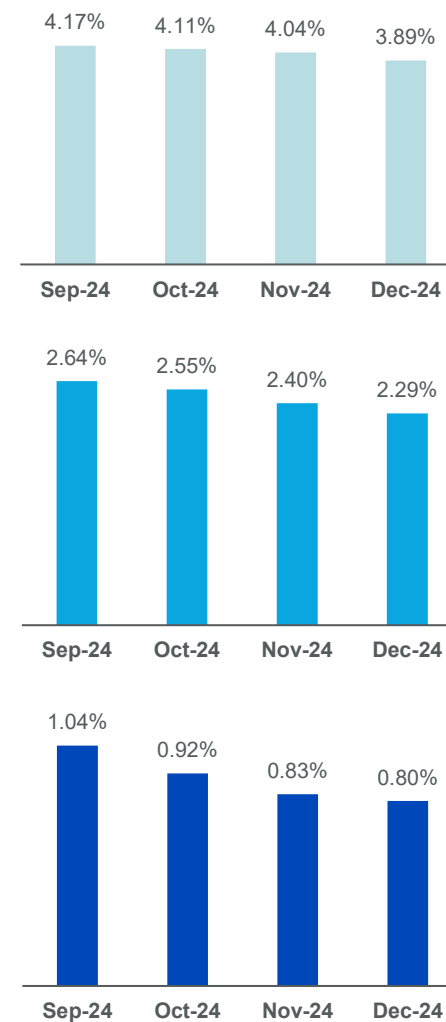
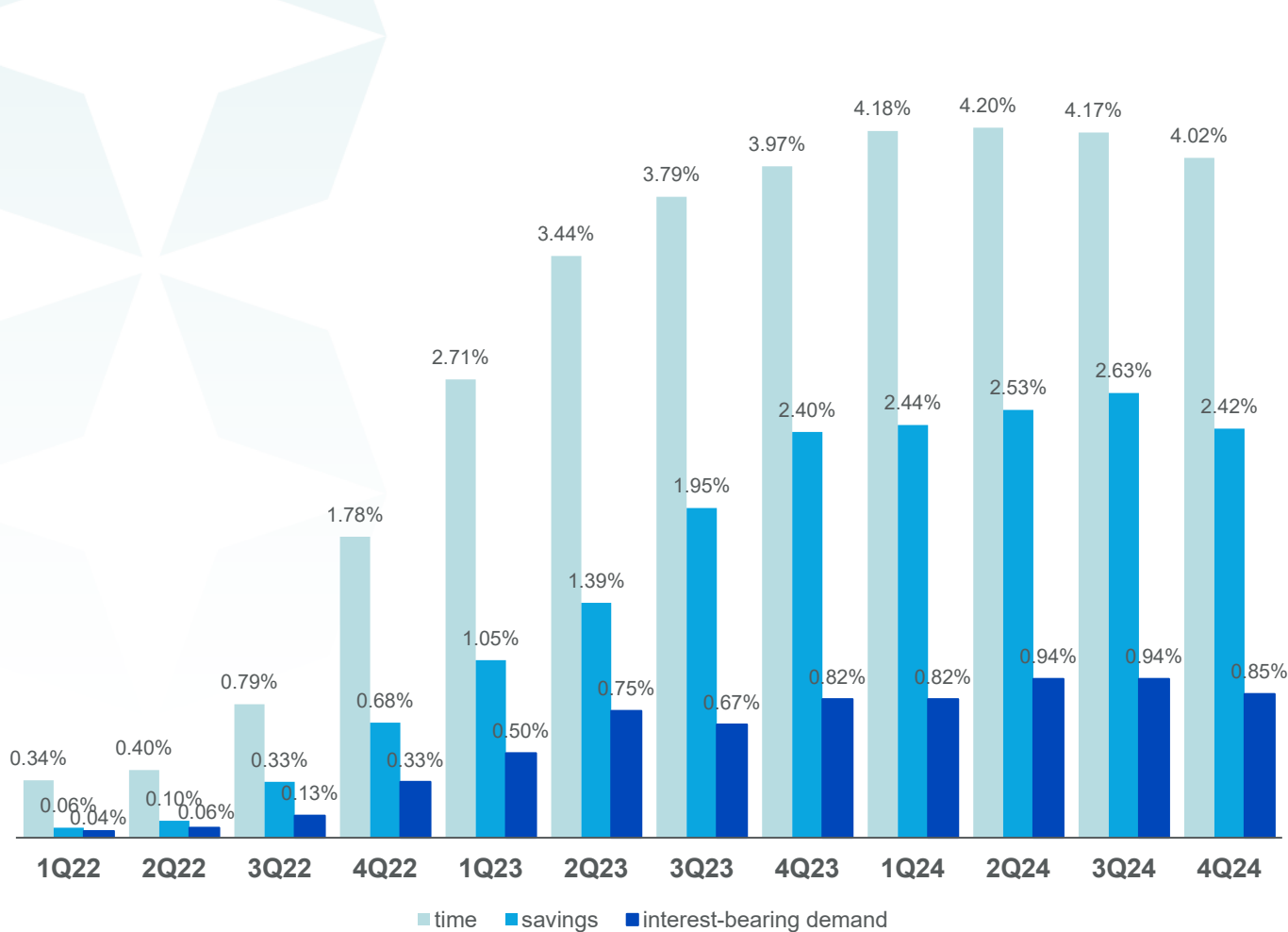
decrease in cost of deposits

decrease in total deposit and interest-bearing deposit costs



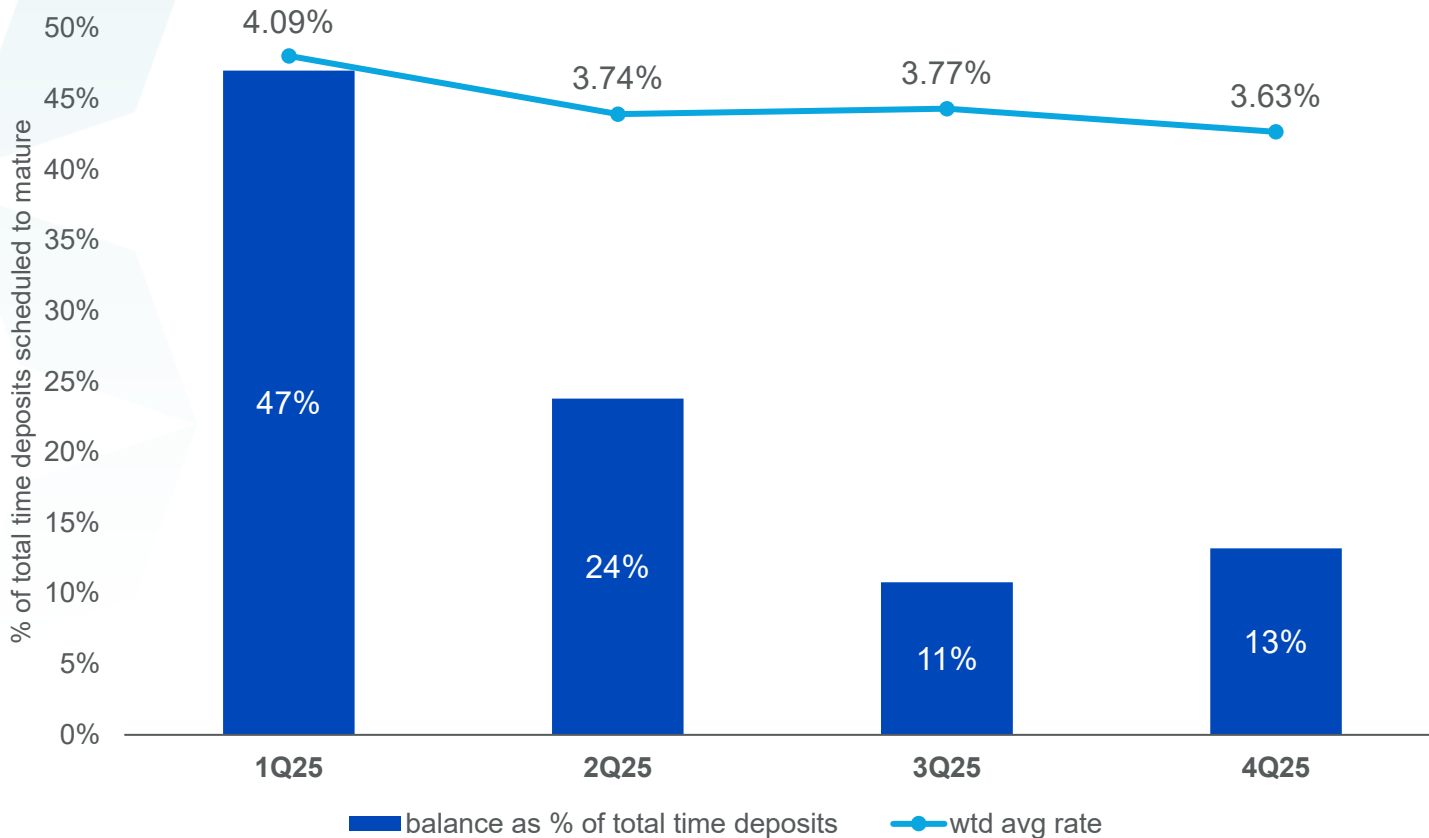
cost of deposits by product

lower costs across all deposit products



time deposit maturity schedule

47% of time deposits set to reprice in 3 months and 71% in 6 months

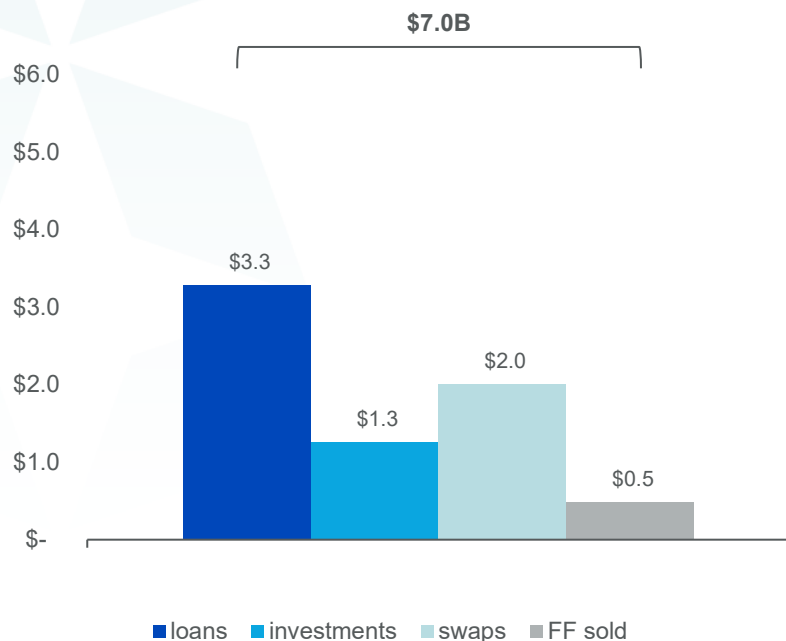


rate sensitive earning assets and interest-bearing deposits

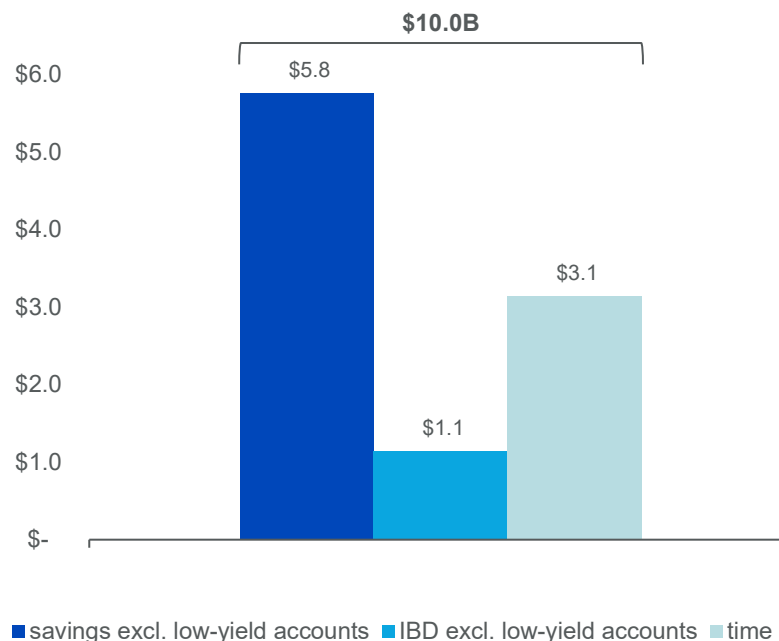
\$ in billions

balance sheet well-positioned for a range of rate outcomes

rate sensitive earning assets

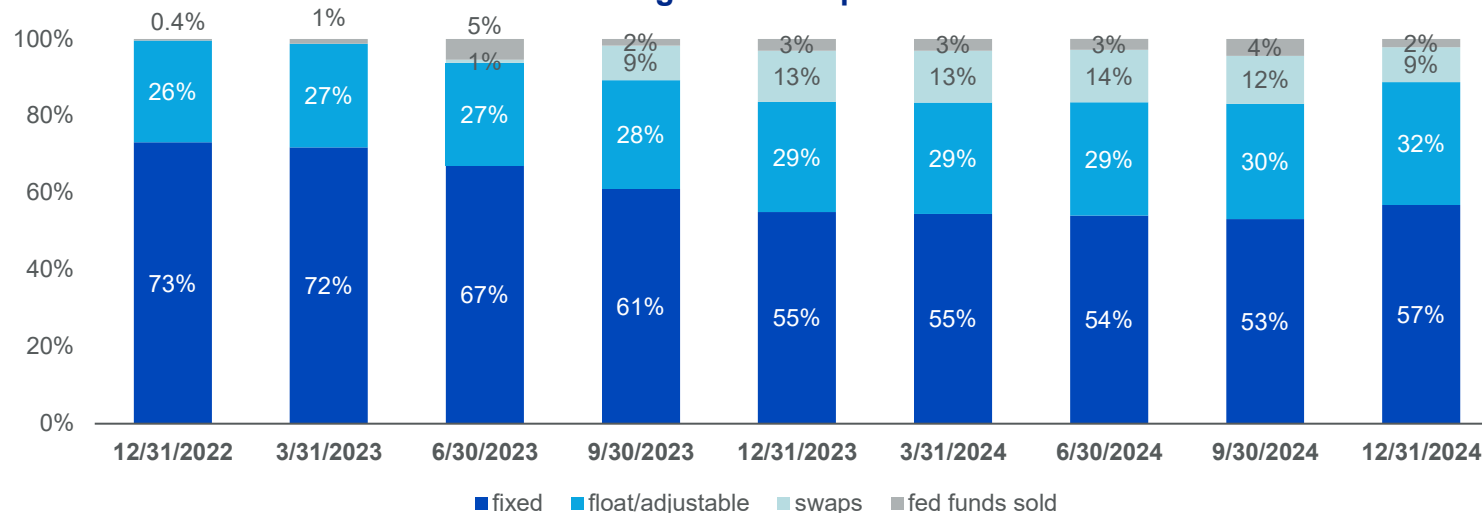


rate sensitive interest-bearing deposits

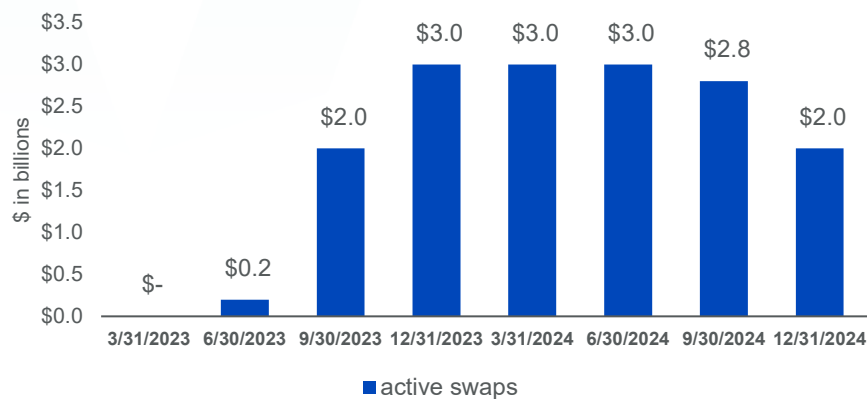


optimizing balance sheet

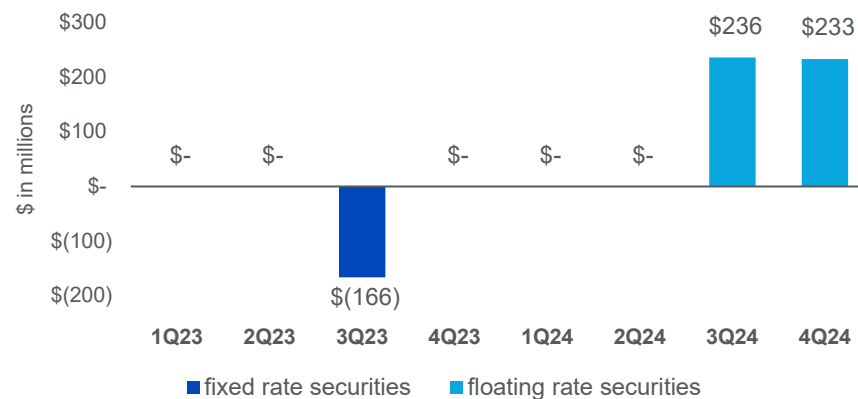
earning asset composition



swap composition



securities purchases / sales



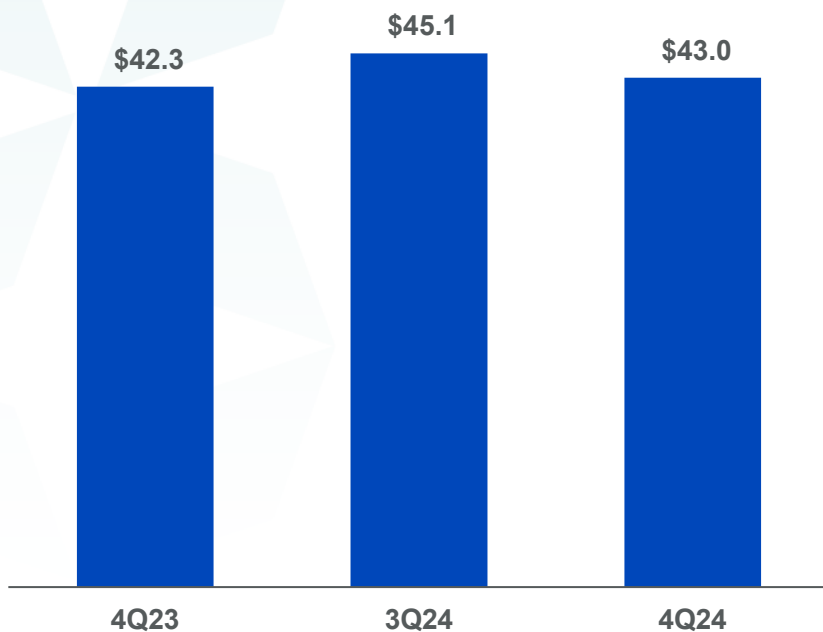
note: swaps in 'earning asset composition' and 'swap composition' does not include \$300 million of forward swaps; 'securities purchases / sales' do not include stock and PCLI purchases

noninterest income

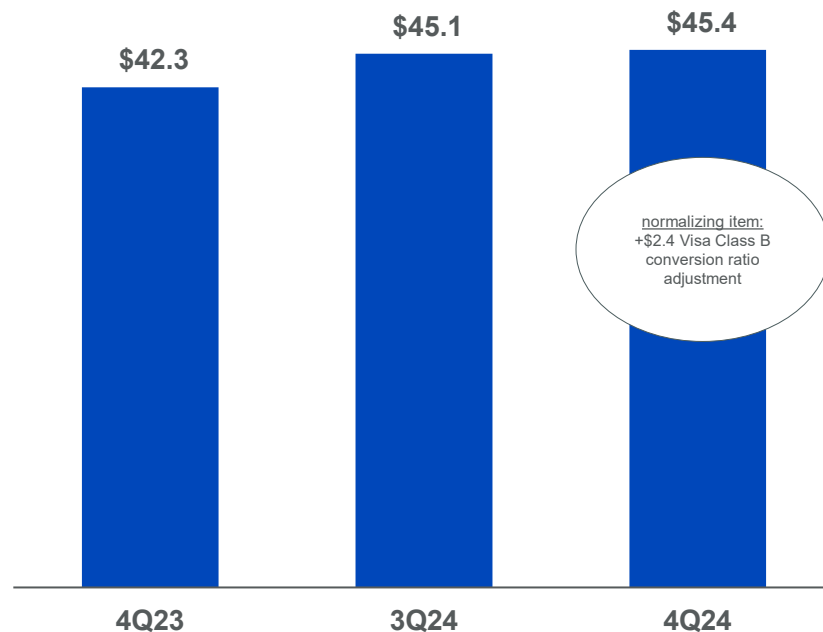
\$ in millions

increasing core noninterest income

reported noninterest income



core noninterest income

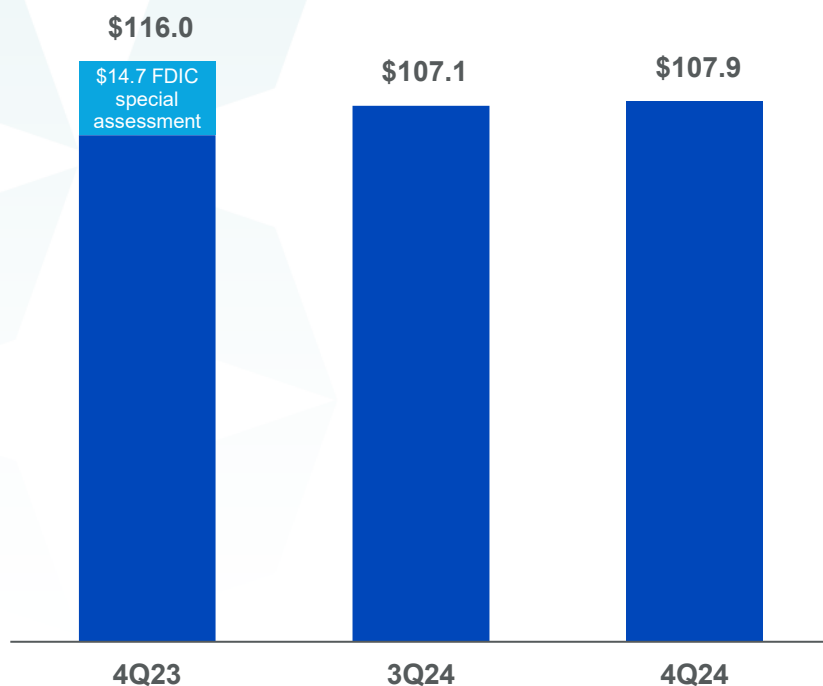


noninterest expense

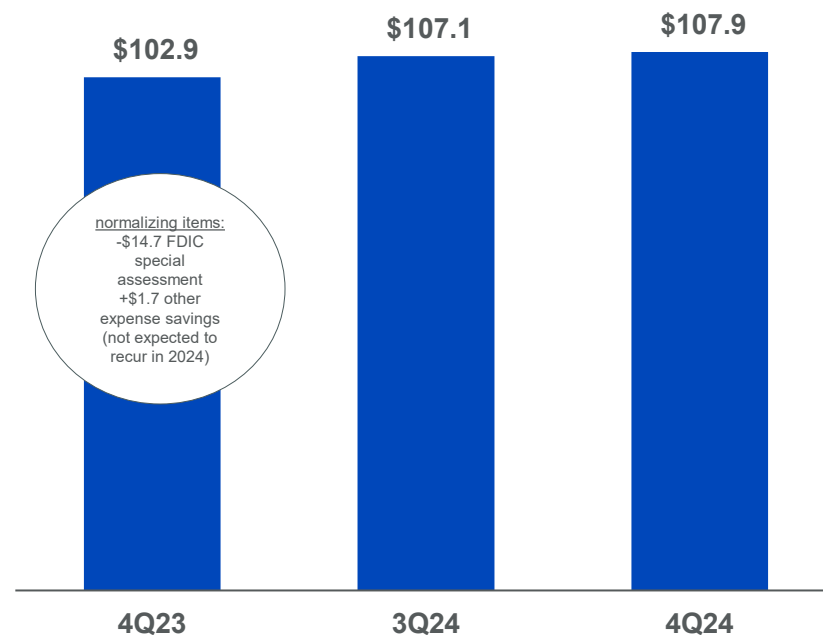
\$ in millions

continued discipline in expense management

reported noninterest expense



core noninterest expense



financial summary

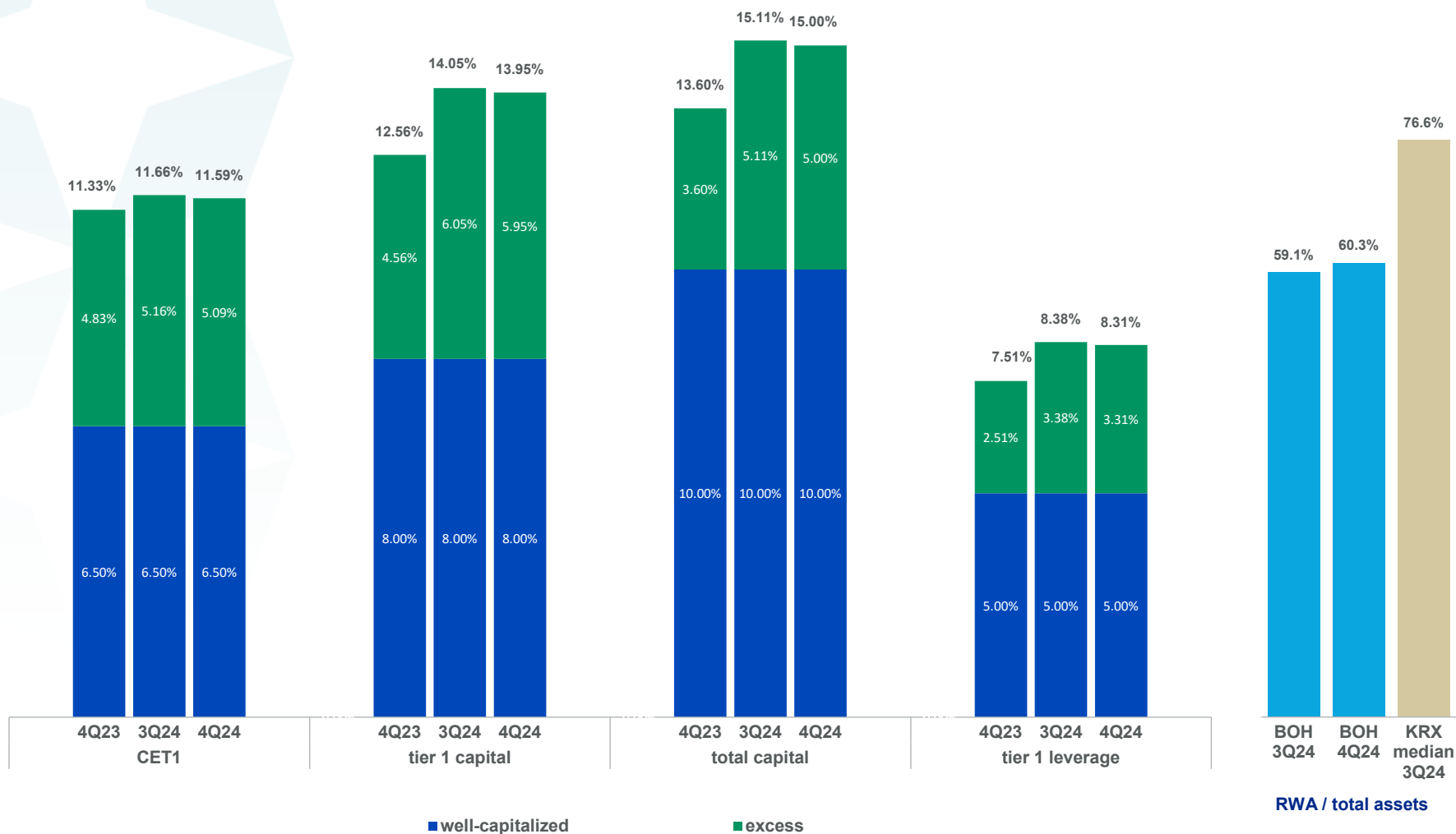
\$ in millions, except per share amounts

	<u>4Q 2024</u>	<u>3Q 2024</u>	<u>4Q 2023</u>	<u>Δ 3Q 2024</u>	<u>Δ 4Q 2023</u>	<u>2024</u>	<u>Δ 2023</u>
net interest income	\$ 120.2	\$ 117.6	\$ 115.8	\$ 2.6	\$ 4.4	\$ 466.6	\$ (30.4)
noninterest income	43.0	45.1	42.3	(2.1)	0.8	172.5	(4.1)
total revenue	163.2	162.7	158.1	0.5	5.2	639.1	(34.5)
noninterest expense	107.9	107.1	116.0	0.8	(8.0)	430.1	(7.4)
operating income	55.3	55.6	42.1	(0.3)	13.2	209.0	(27.1)
credit provision	3.8	3.0	2.5	0.8	1.3	11.2	2.2
income taxes	12.4	12.3	9.2	0.1	3.2	47.9	(8.1)
net income	\$ 39.2	\$ 40.4	\$ 30.4	\$ (1.2)	\$ 8.8	\$ 150.0	\$ (21.2)
net income available to common	\$ 33.9	\$ 36.9	\$ 28.4	\$ (3.0)	\$ 5.5	\$ 137.4	\$ (26.0)
diluted EPS	\$ 0.85	\$ 0.93	\$ 0.72	\$ (0.08)	\$ 0.13	\$ 3.46	\$ (0.68)
return on assets	0.66 %	0.69 %	0.51 %	(0.03) %	0.15 %	0.64 %	(0.07) %
return on common equity	10.30	11.50	9.55	(1.20)	0.75	10.85	(3.04)
net interest margin	2.19	2.18	2.13	0.01	0.06	2.16	(0.08)
end of period balances							
investment portfolio	\$ 7,308	\$ 7,261	\$ 7,406	0.7 %	(1.3) %	\$ 7,308	(1.3) %
loans and leases	14,076	13,919	13,965	1.1	0.8	14,076	0.8
total deposits	20,633	20,978	21,055	(1.6)	(2.0)	20,633	(2.0)
shareholders' equity	1,668	1,665	1,414	0.1	17.9	1,668	17.9

note: numbers may not add up due to rounding

capital

strong capital



note: 4Q24 regulatory capital ratios are preliminary

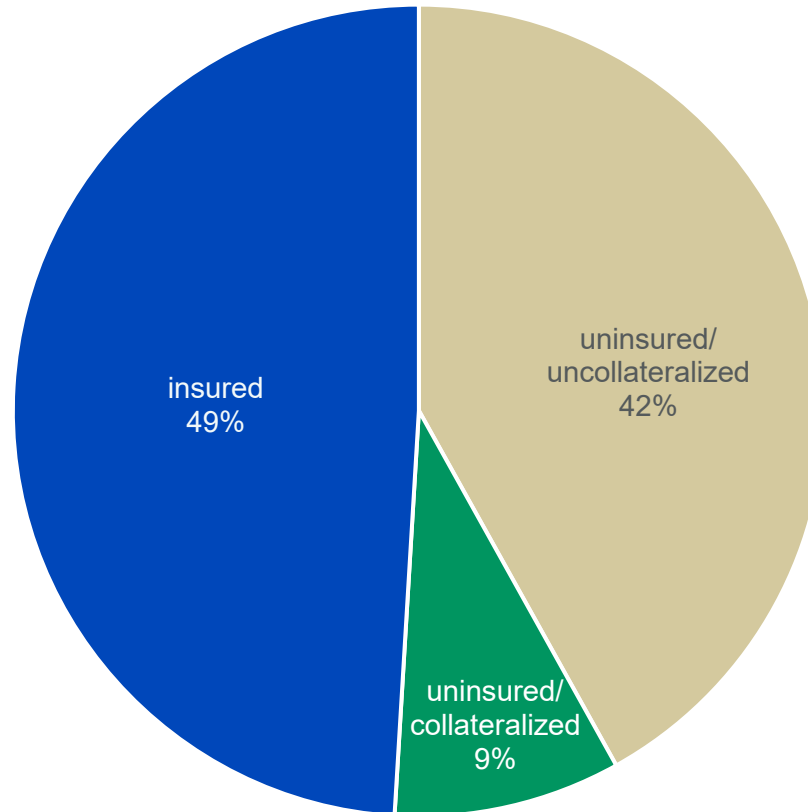
takeaways

- ✓ 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

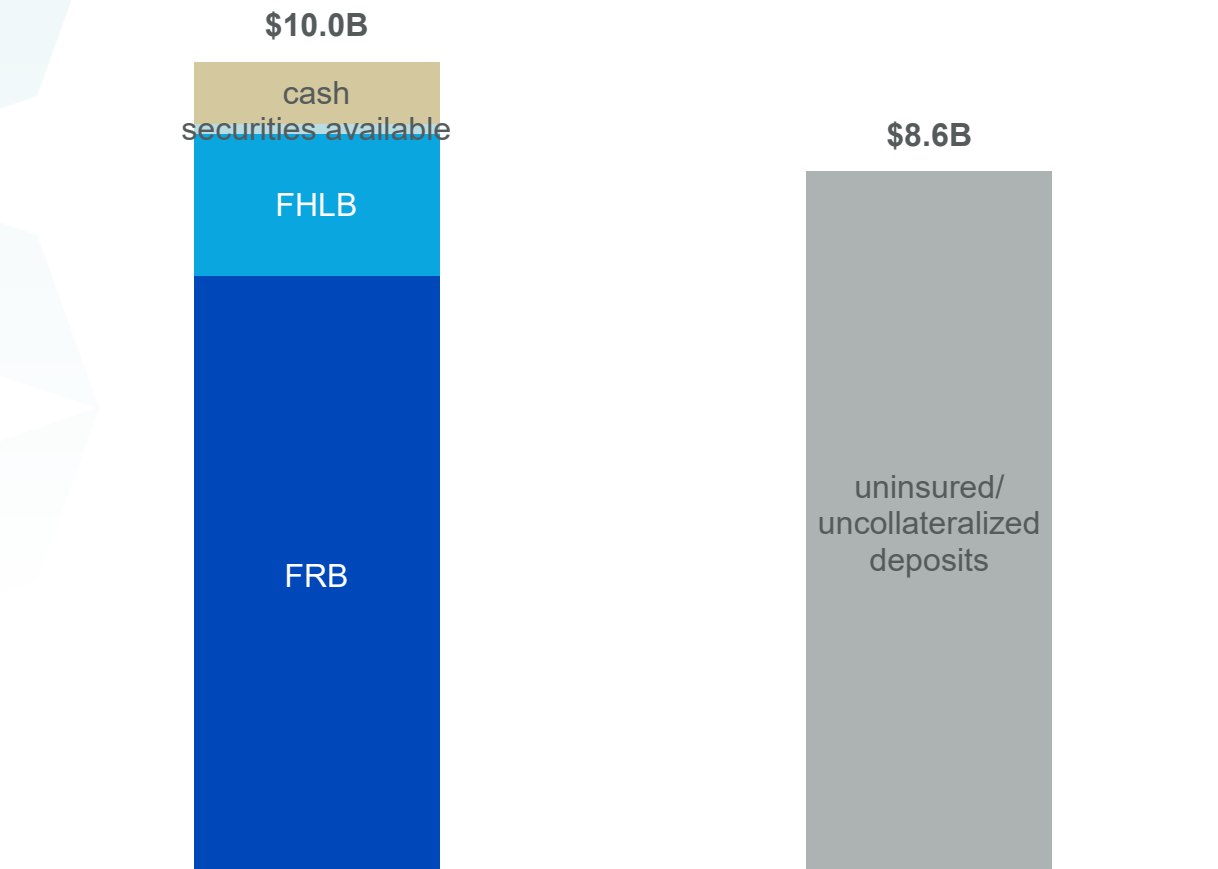
appendix

insured/collateralized deposits



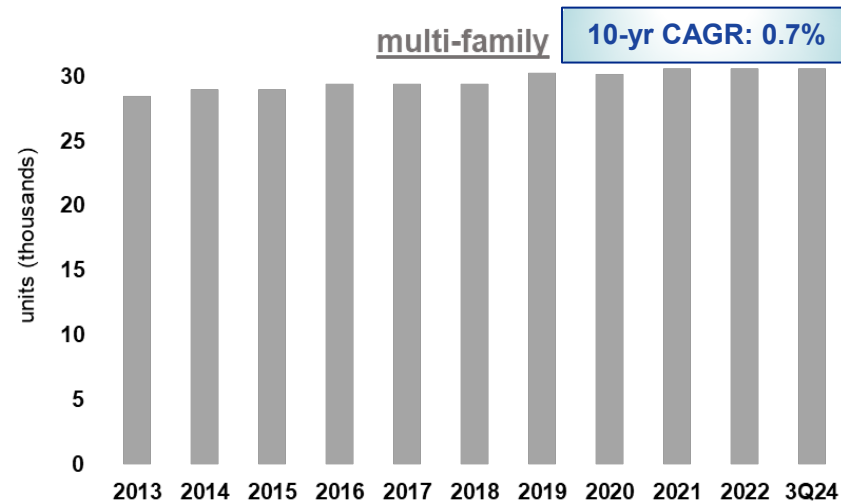
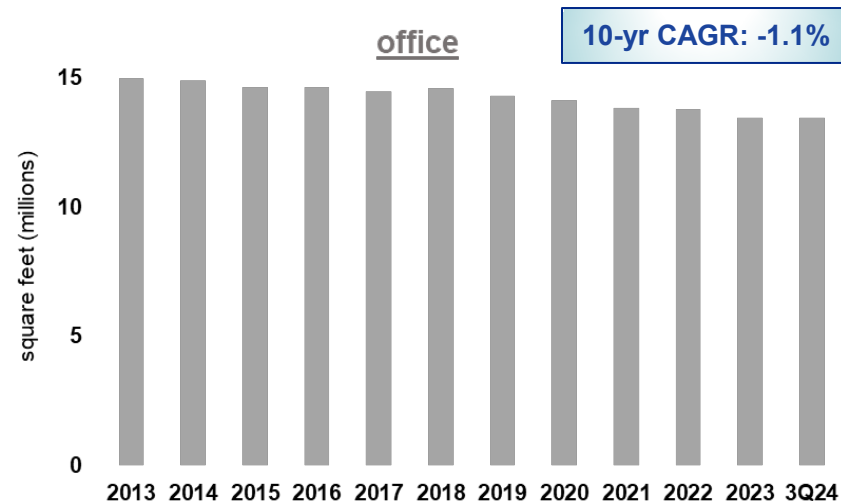
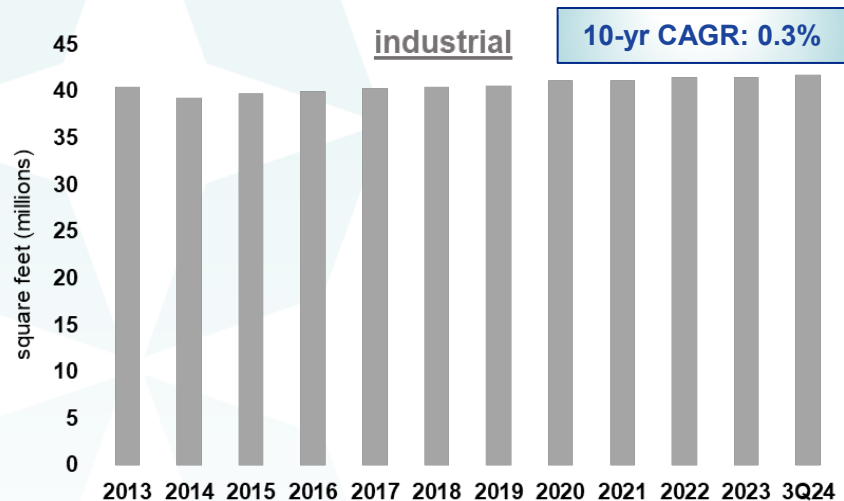
readily available liquidity

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

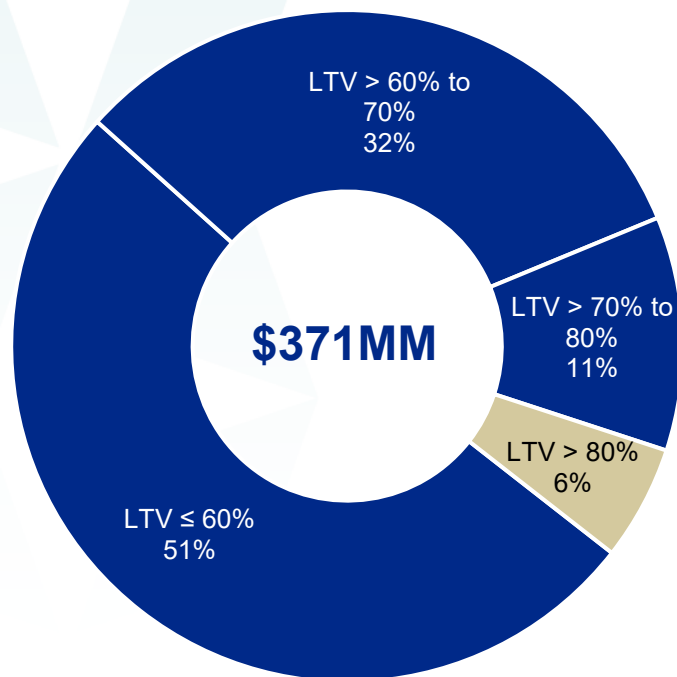


note: 10-yr CAGR for inventory are based on year-end 2013 through 2023
source: Colliers (industrial, office, retail) and CoStar (multi-family)

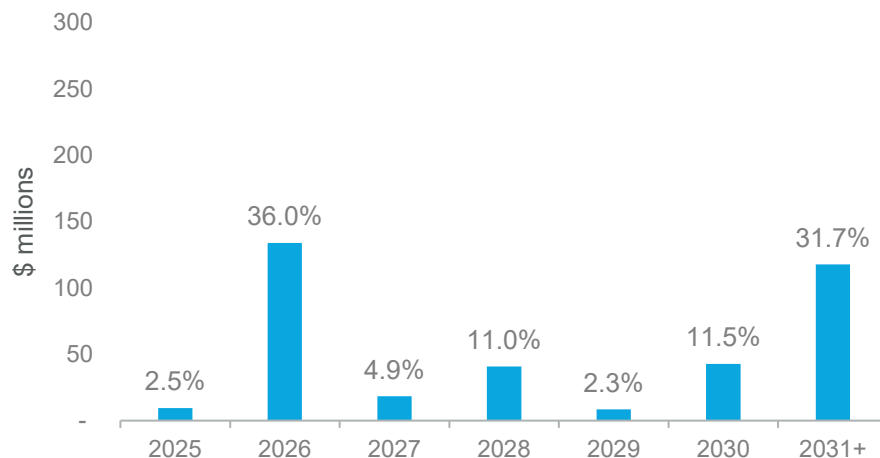
CRE office

3% of total loans

LTV distribution



scheduled maturity



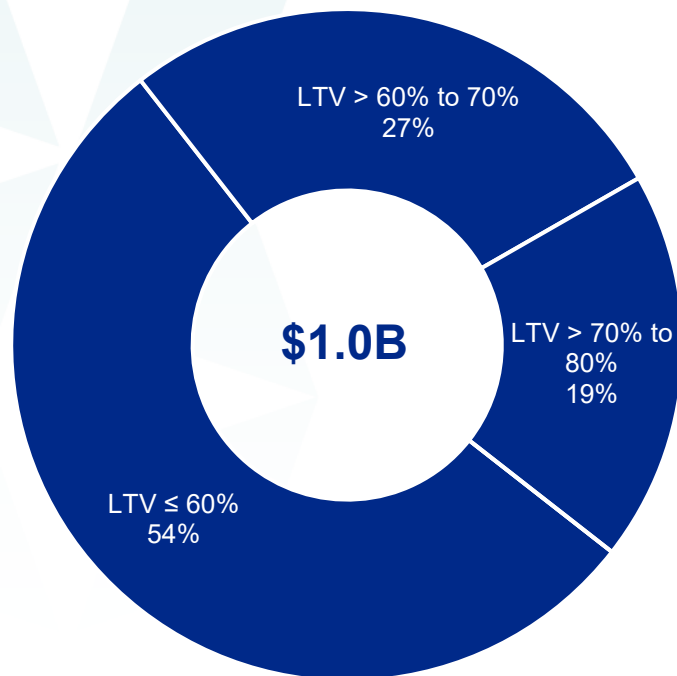
highlights

- 57% wtd avg LTV
- \$1.8MM average exposure
- 24% CBD (Downtown Honolulu)
 - 63% wtd avg LTV
 - 46% with repayment guaranties
- 39% maturing prior to 2027
- 2.2% criticized

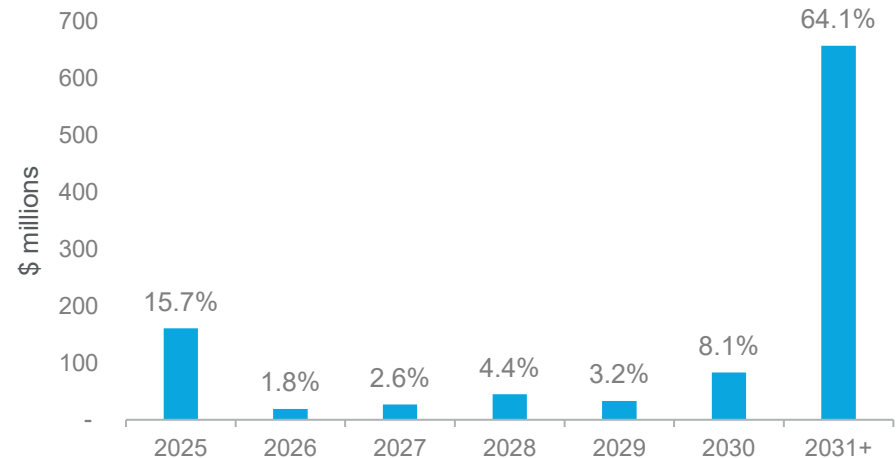
CRE multi-family

7% of total loans

LTV distribution



scheduled maturity



highlights

- 57% wtd avg LTV
- \$3.3MM average exposure
- 99.1% LIHTC, affordable or market
- 18% maturing prior to 2027
- 5.2% criticized