

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**

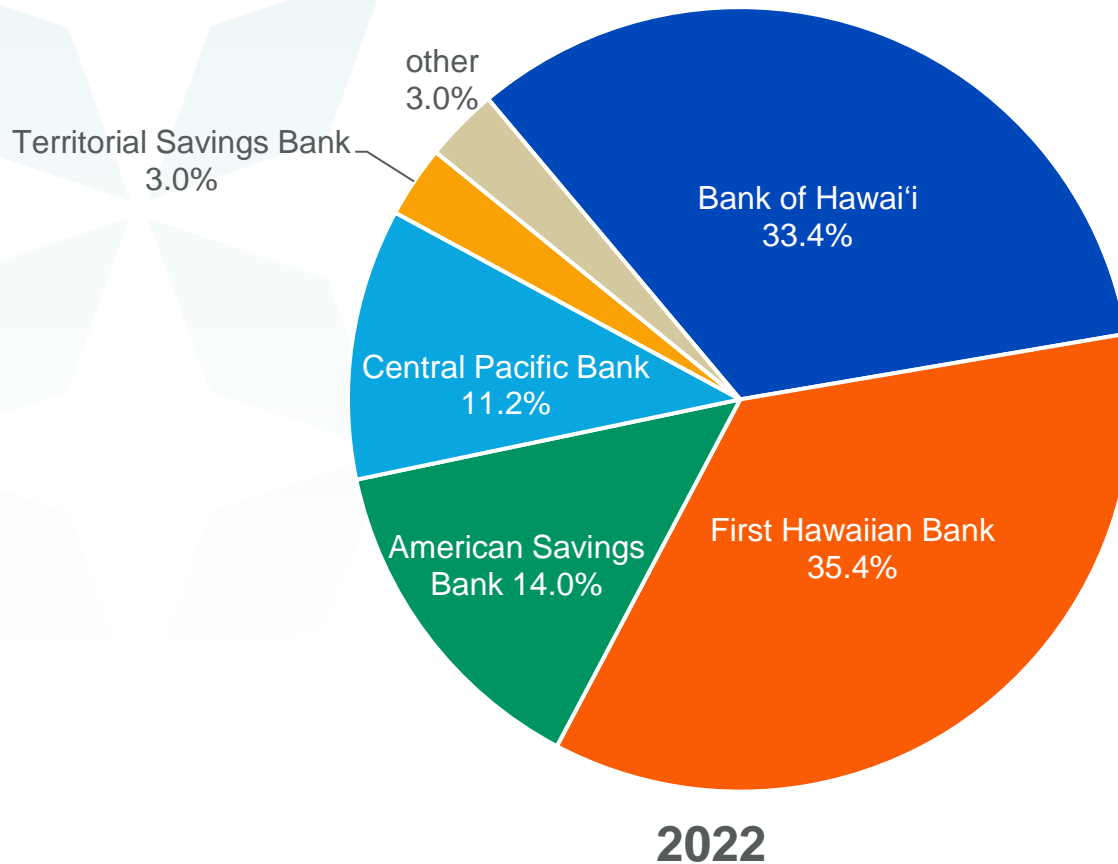
**exceptional
deposit
performance**

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%

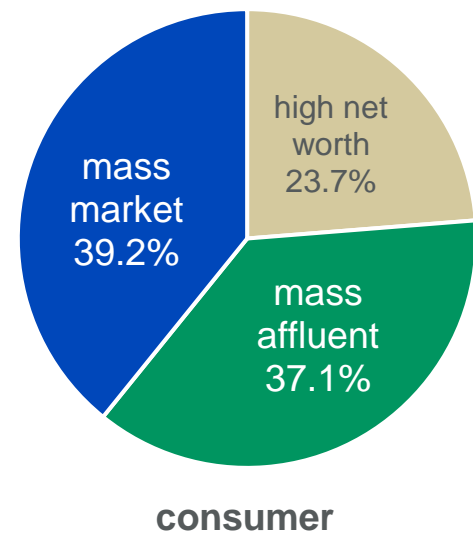
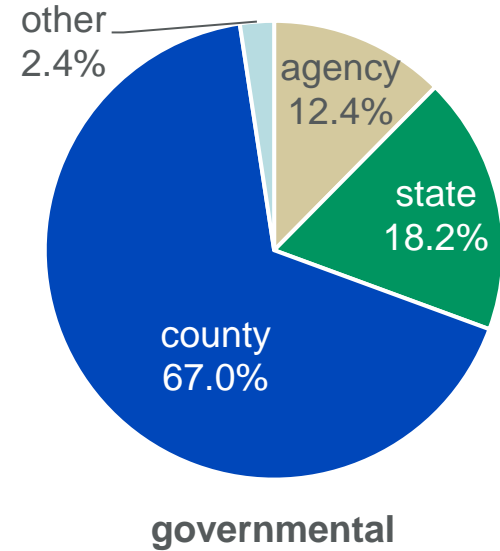
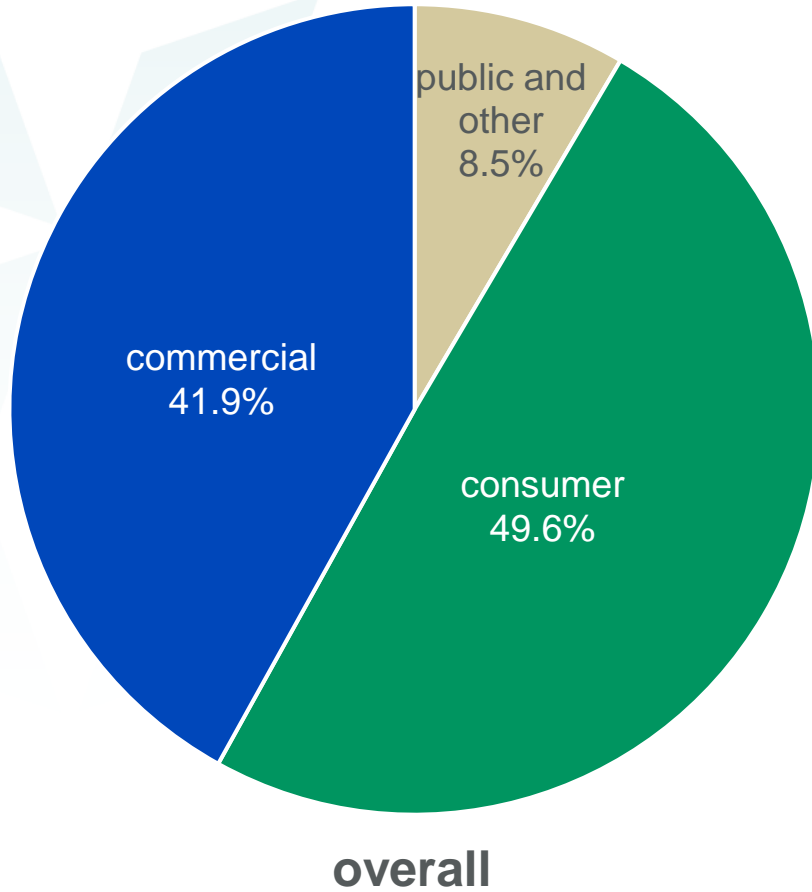
**average consumer
account balance**

\$18,000

**average commercial
account balance**

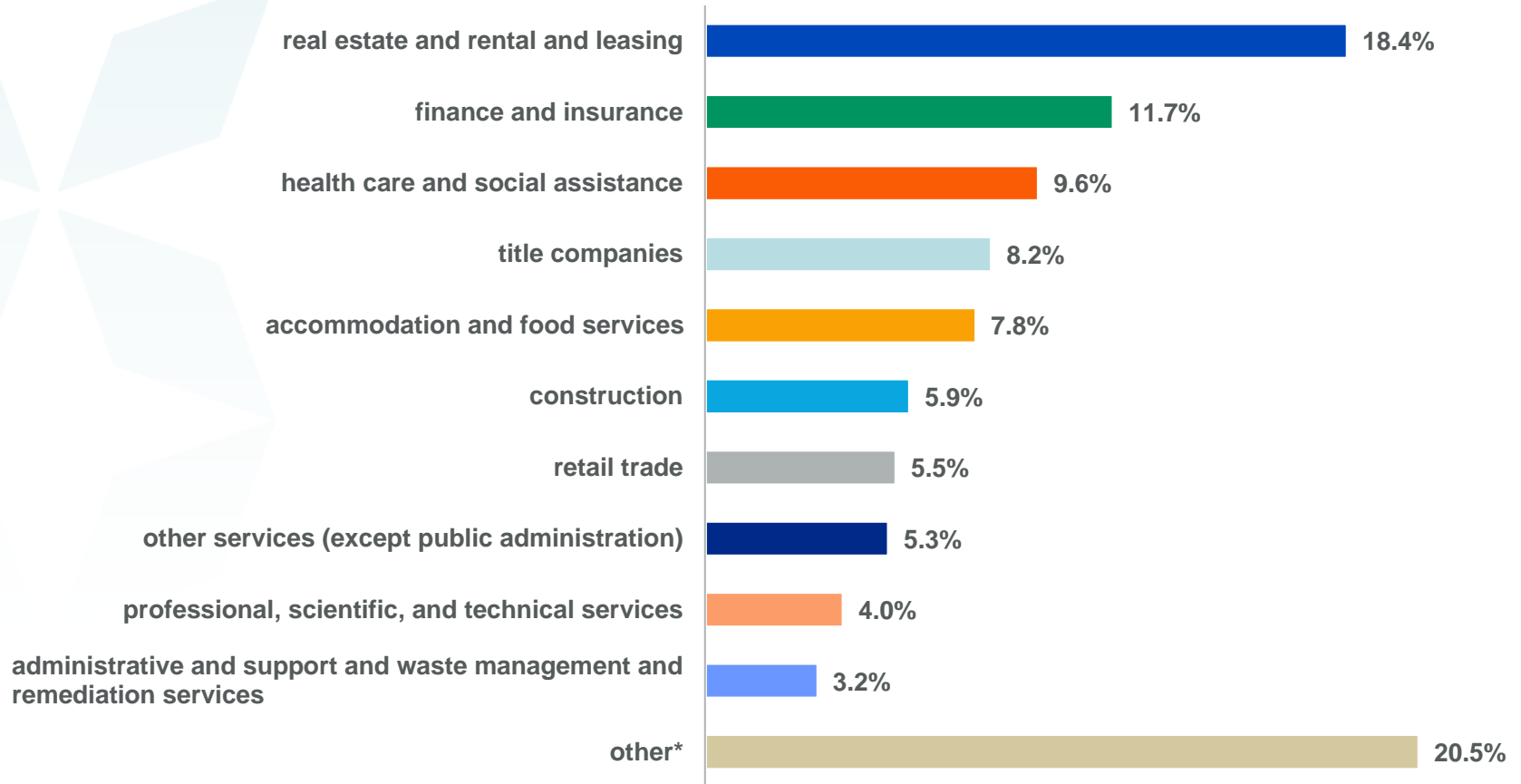
\$133,000

diversified deposit base



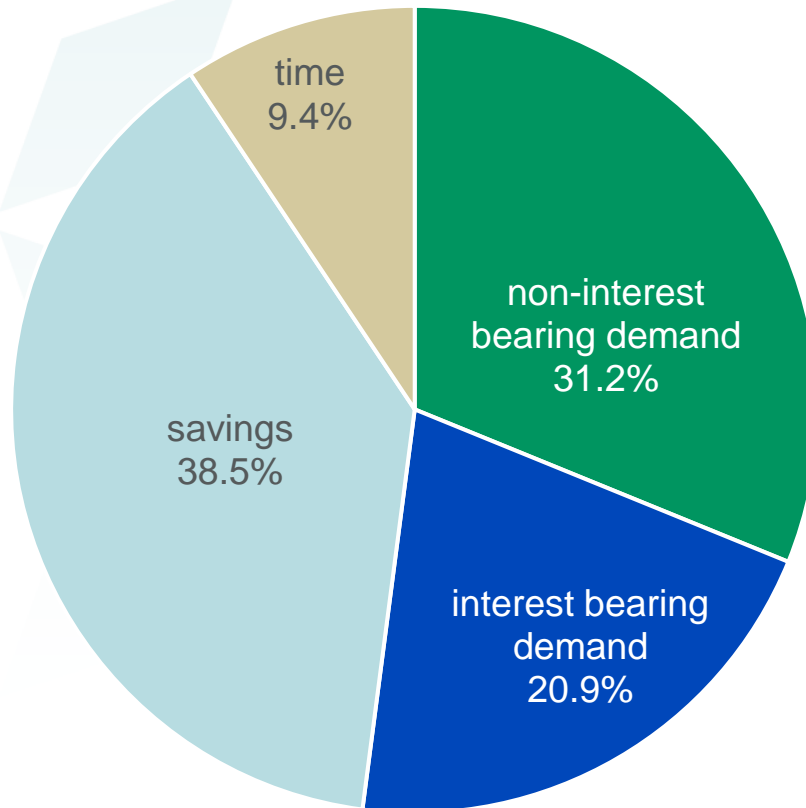
diversified deposit base

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



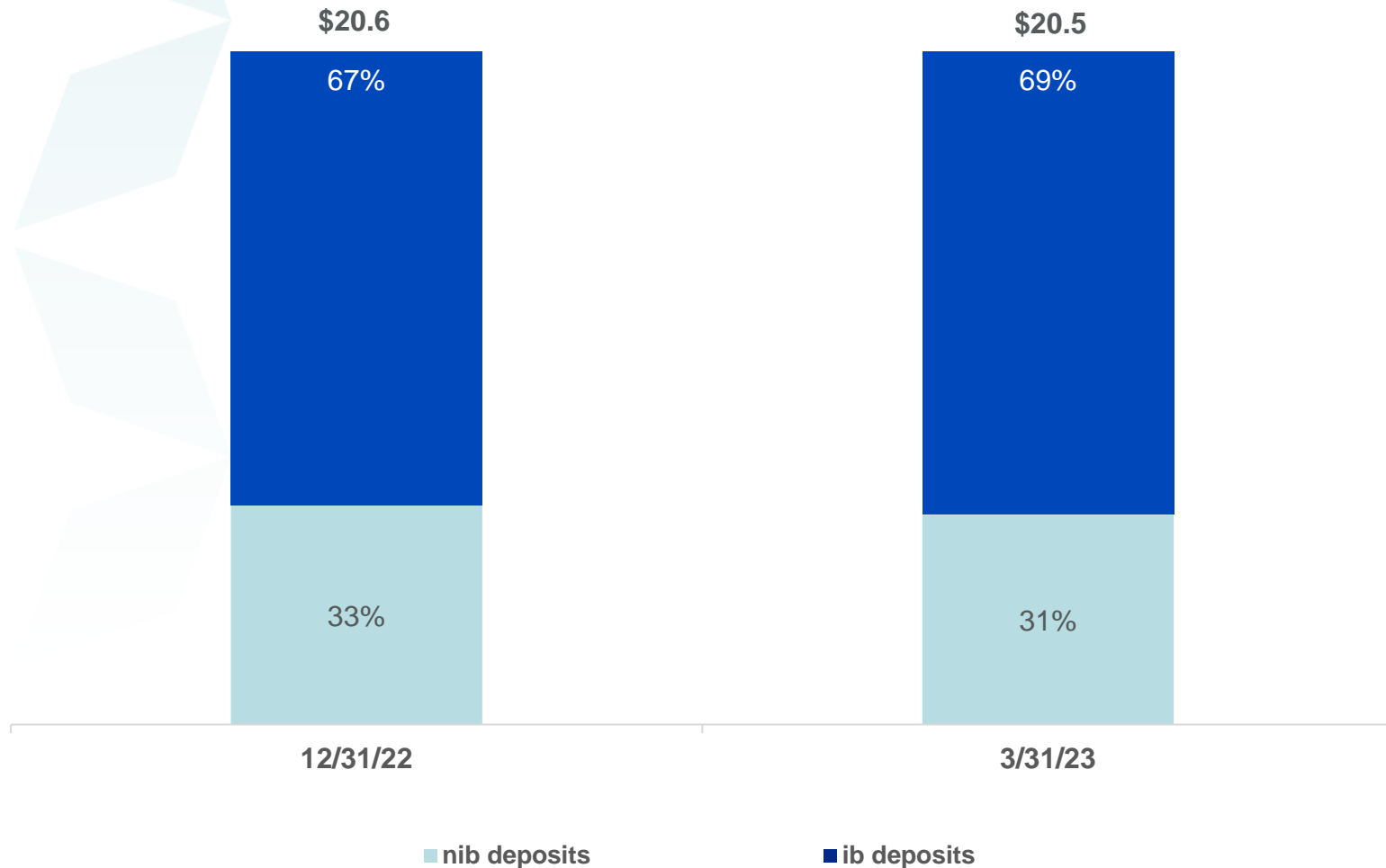
overall demand: 52%

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

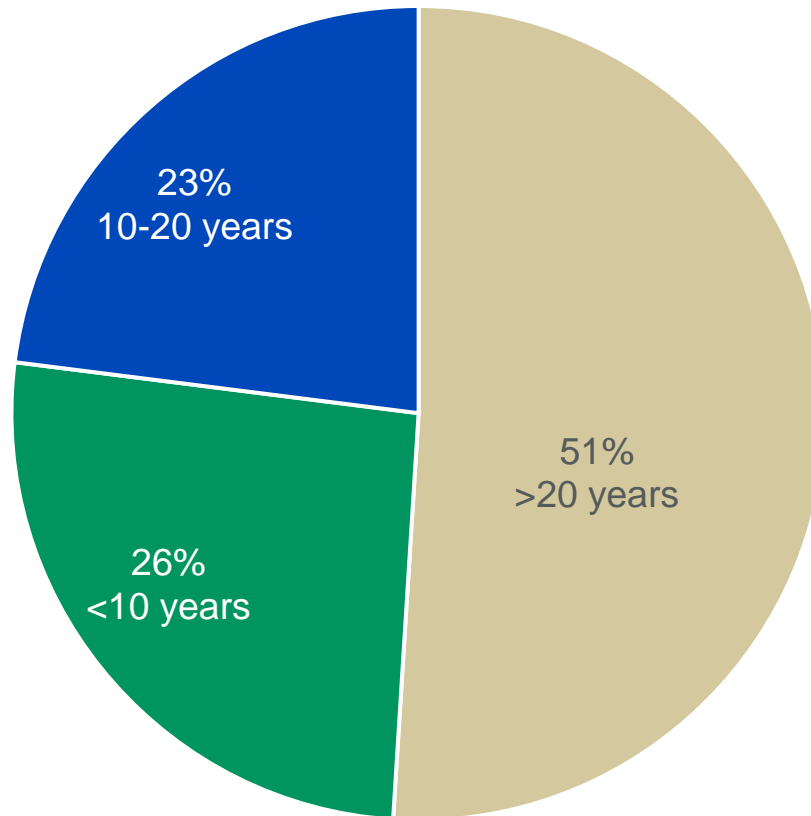
71% of Consumer deposits are with relationships with multiple deposit accounts
(1.4 accounts per relationship)

quarterly deposit mix shift

\$ in billions

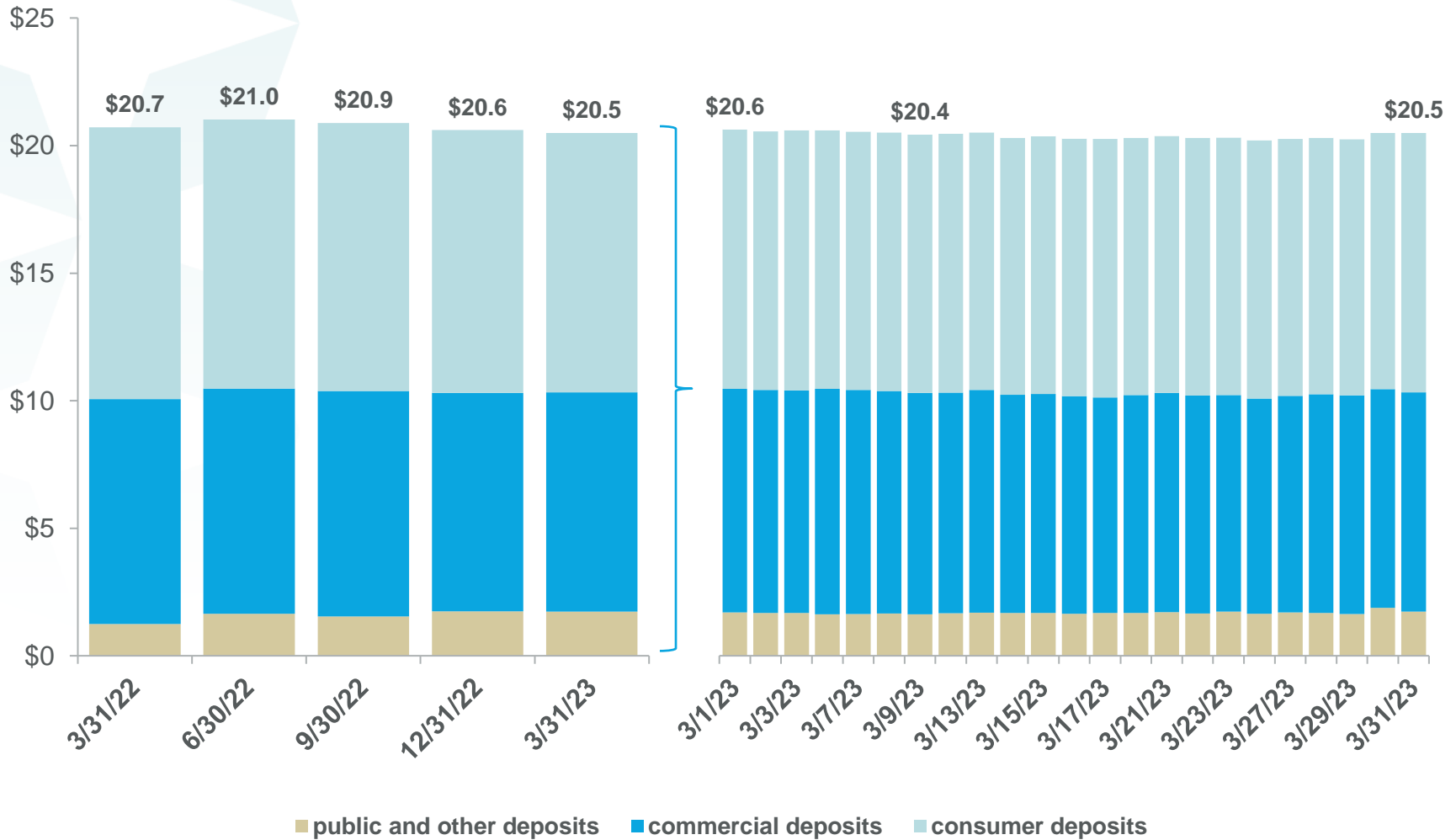


tenured deposit base



stable 2022 and Q1-23 deposit balances

\$ in billions



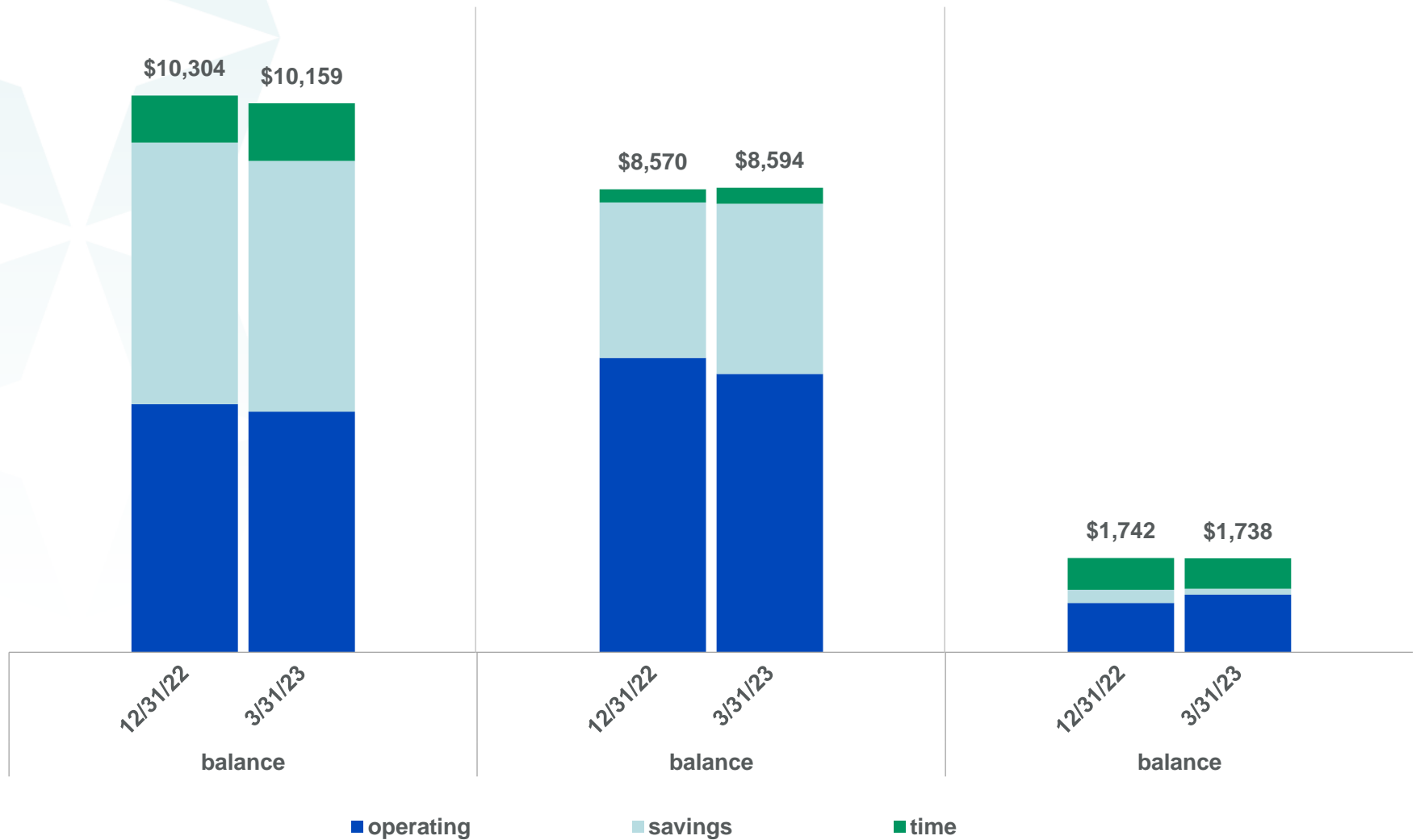
deposit balance by segment

\$ in millions

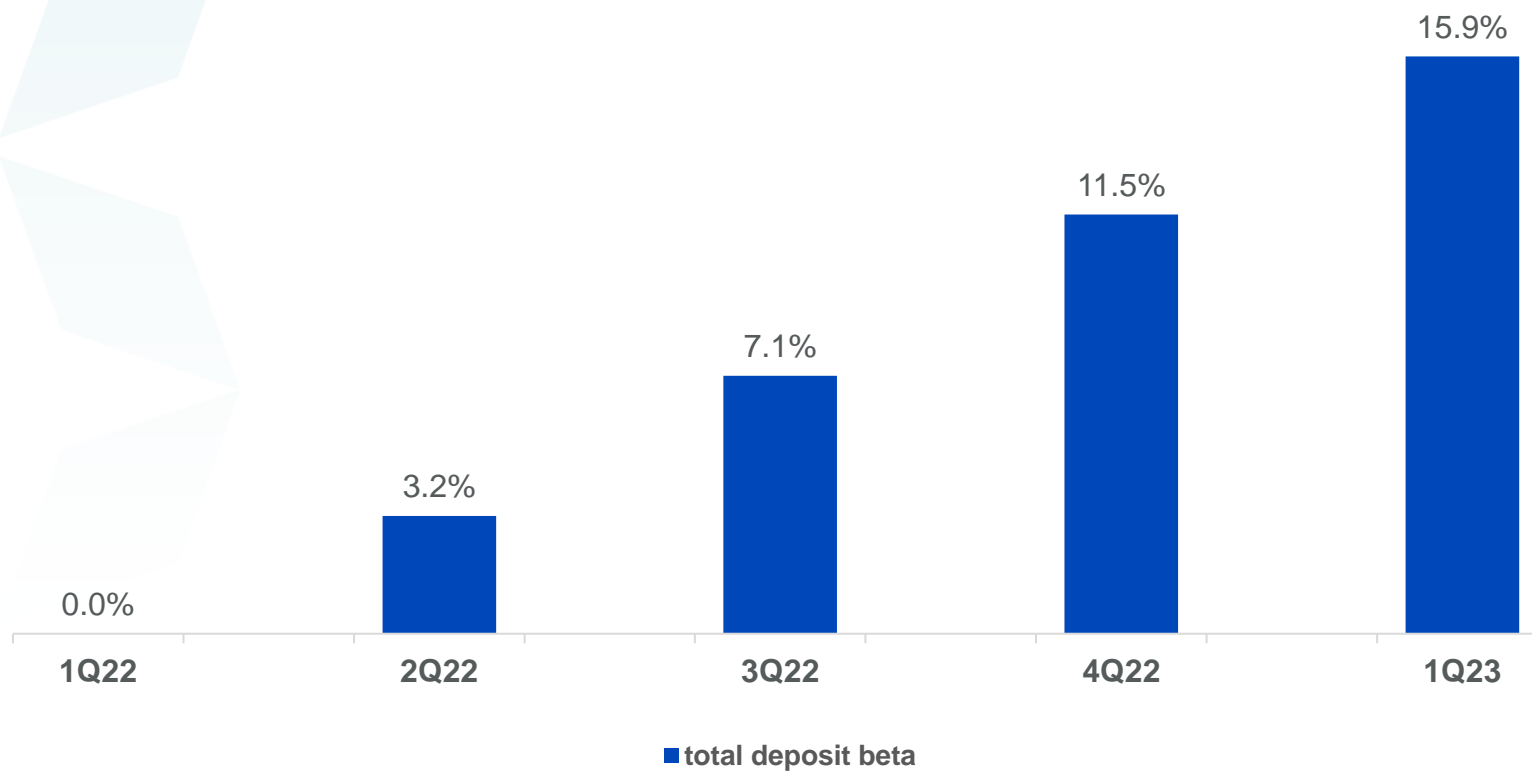
consumer

commercial

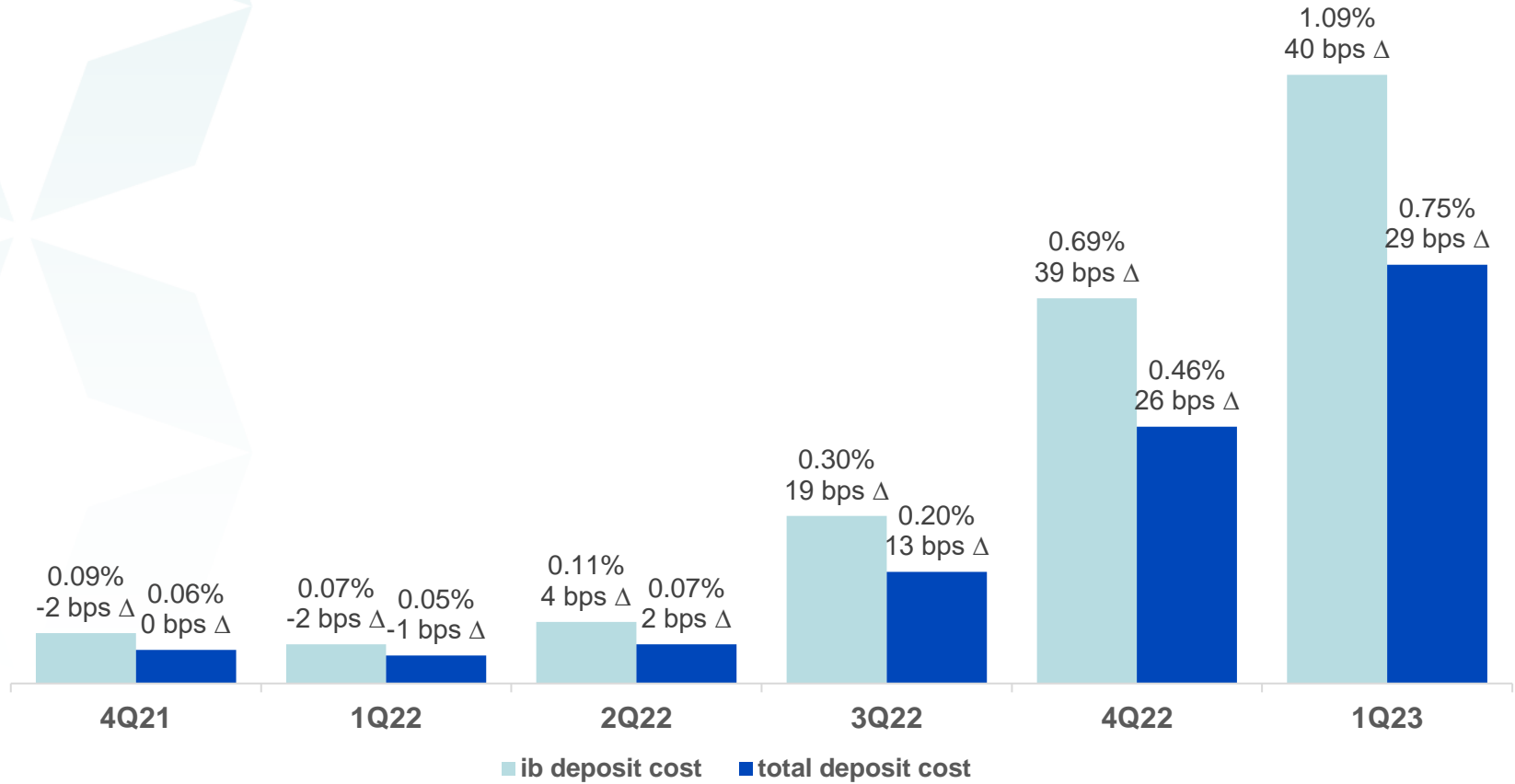
public and other



deposit beta performance



deposit cost

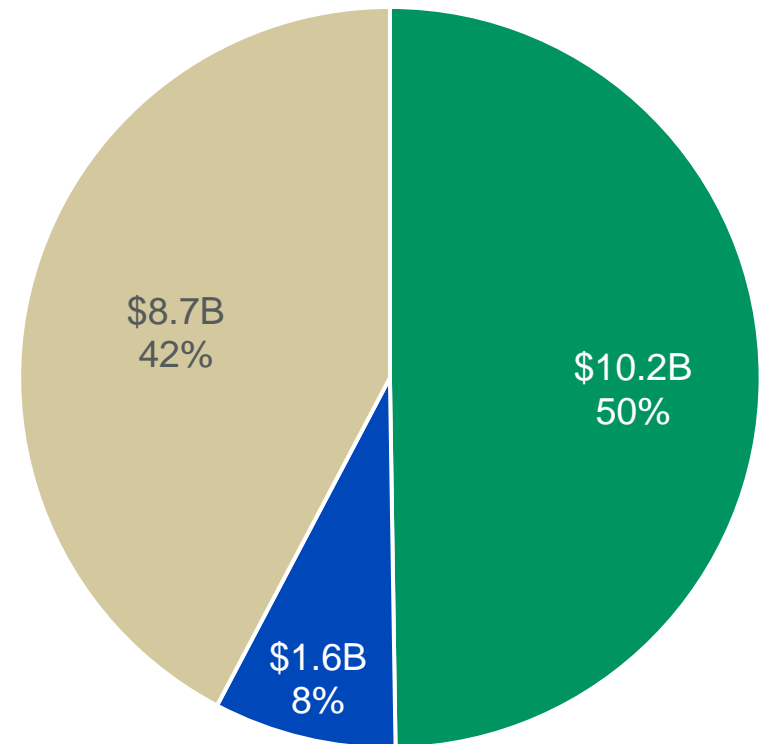


liquidity lines

\$ 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/>
total	\$10.1



■ insured ■ collateralized (public) ■ uninsured

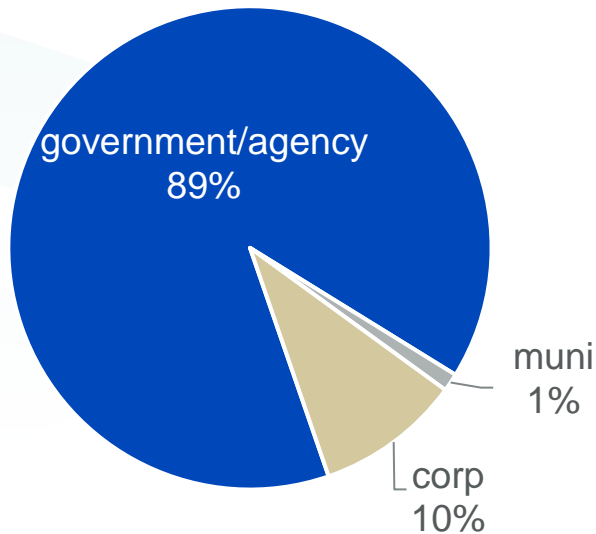


assets

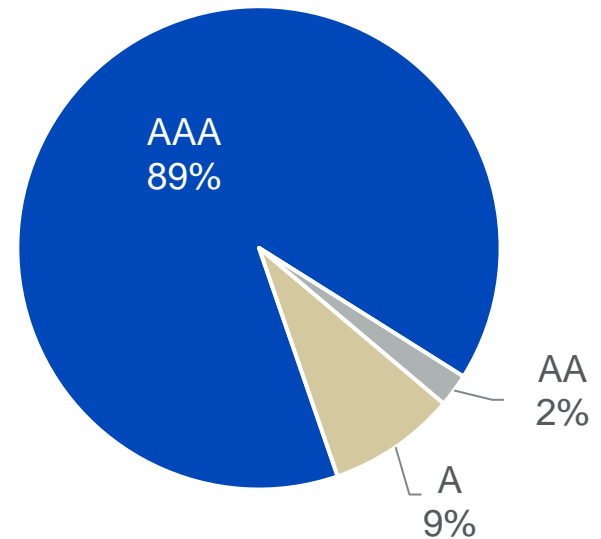
conservative and liquid investment portfolio

high-quality investment portfolio

sector

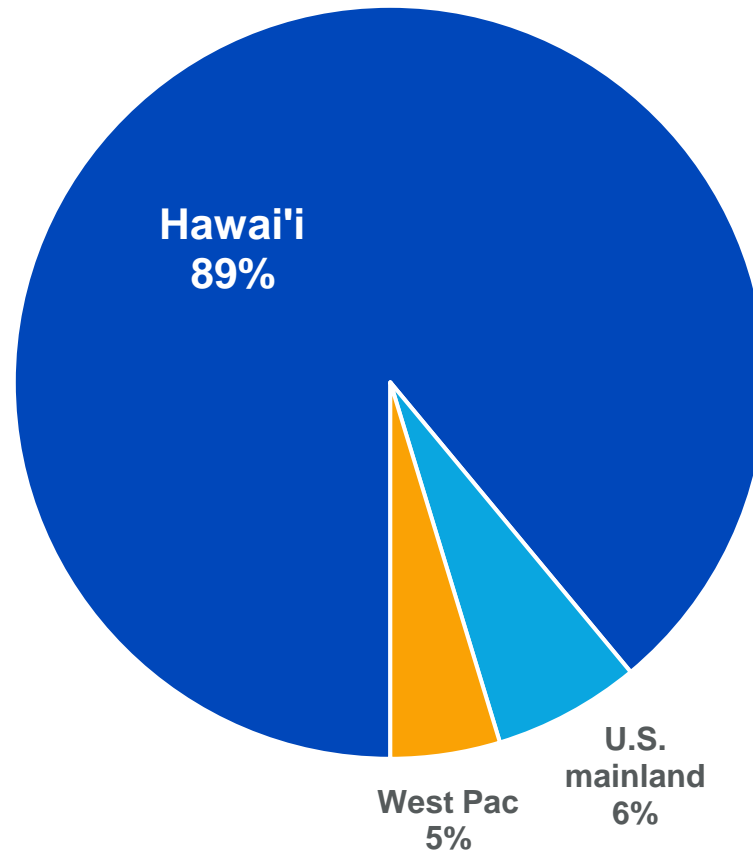


Moody's rating



lending philosophy

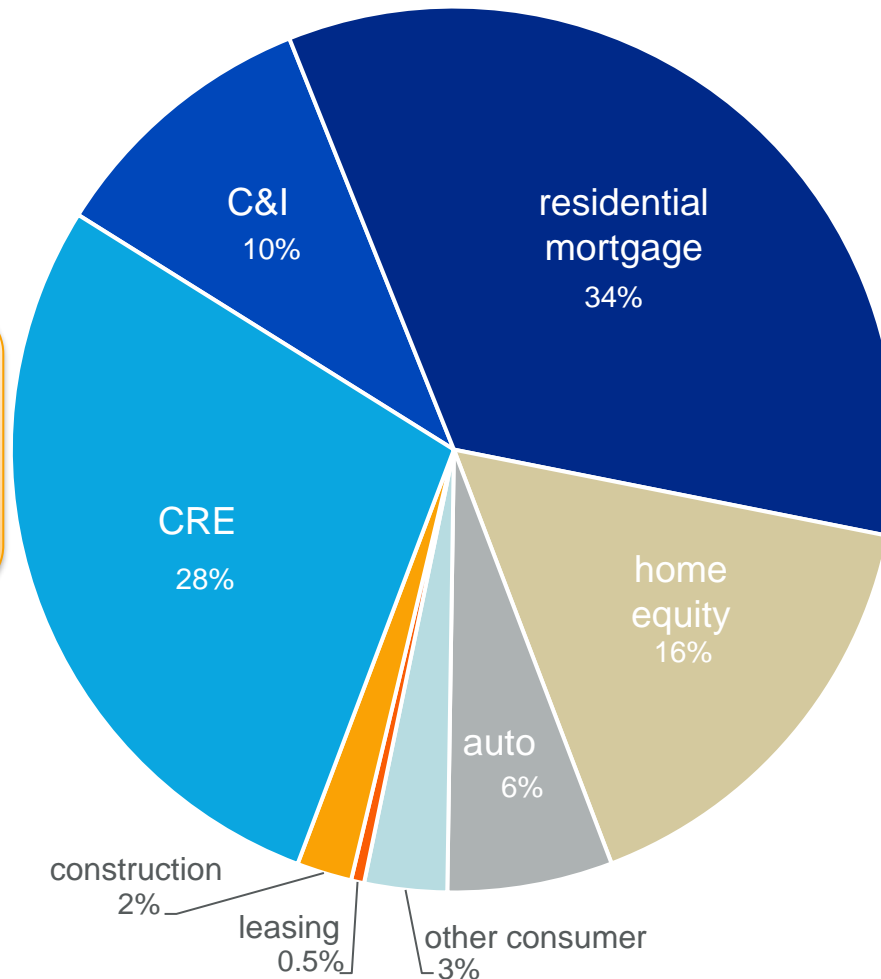
we lend in markets we know and to relationships we understand



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%**



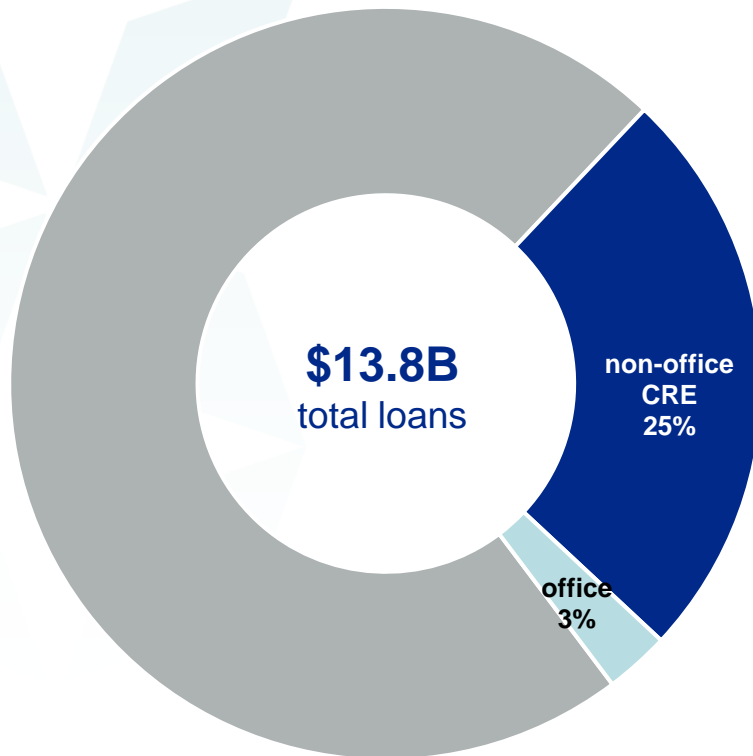
40% commercial
73% real estate secured
wtd avg LTV 56%
56% w/ BOH ≥ 10 yrs
avg bal \$2.95MM re sec
avg bal \$0.23MM other

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

note: excludes \$15MM in PPP loan balances including deferred costs and fees

commercial real estate

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

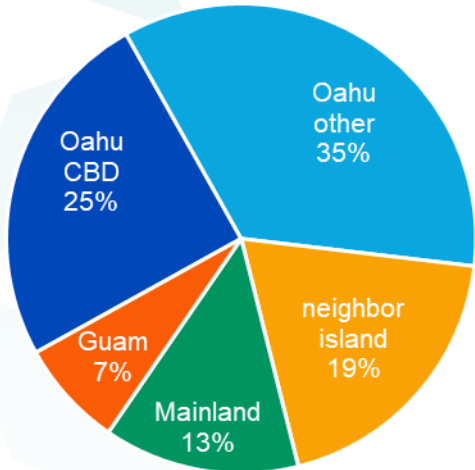


asset type	% total loans	wtd avg LTV
multi-family	6.6%	59%
industrial	5.5%	57%
retail	5.2%	55%
lodging	4.1%	55%
office	2.8%	56%
specialty	2.9%	53%
other	0.6%	46%
total CRE	27.7%	56%

CRE office

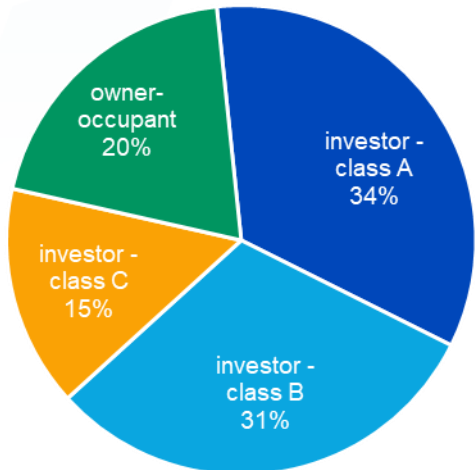
\$383.4 MM (3%) as of 1Q23

by geography

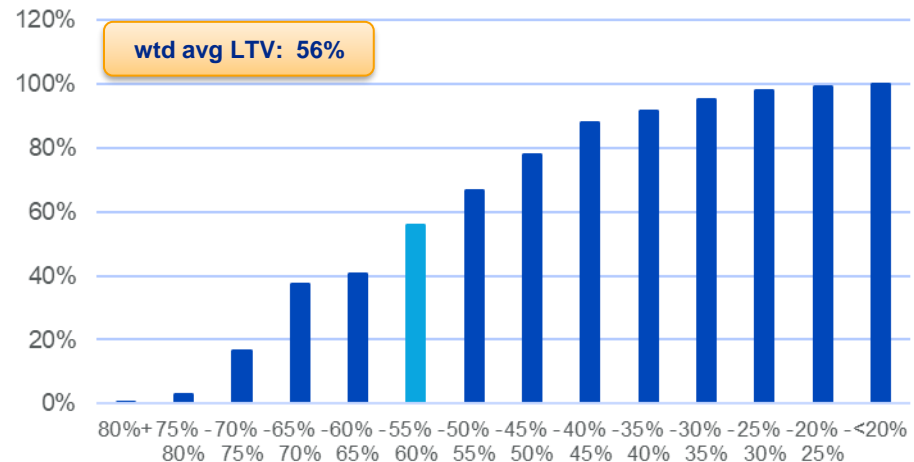


- 56% wtd avg LTV
- \$1.8MM average exposure
- 25% CBD (Downtown HNL) with 63% wtd avg LTV
 - 47% with repayment guaranties
- 3% maturing through 2024

by category

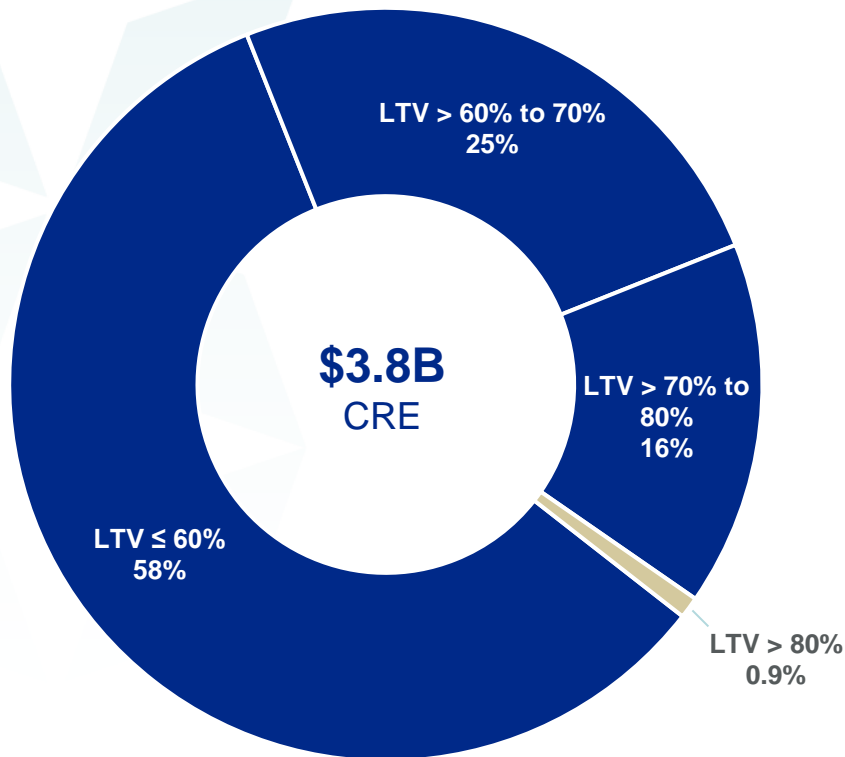


LTV distribution



commercial real estate tail risk

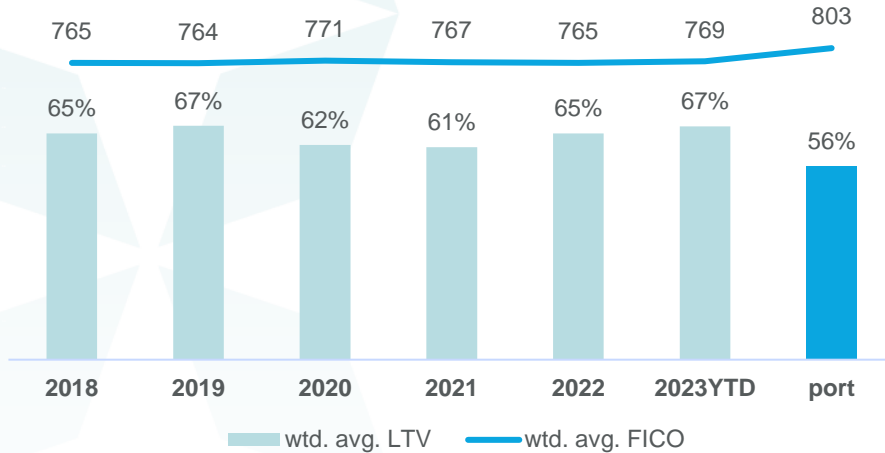
\$35 million (0.9% of CRE) with LTV > 80%



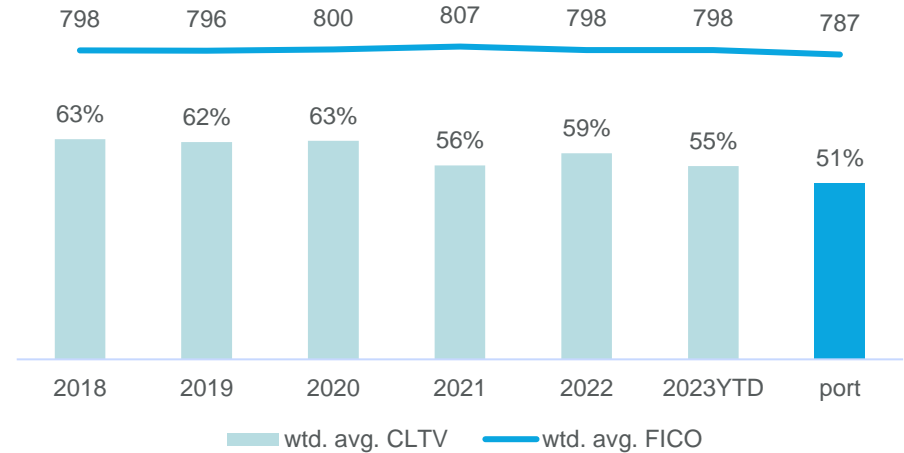
asset type	% CRE
multi-family	0.66%
industrial	0.16%
retail	0.07%
lodging	0.00%
office	0.03%
specialty	0.00%
other	0.00%
total LTV > 80%	0.92%

consumer production quality

residential mortgage



home equity



indirect

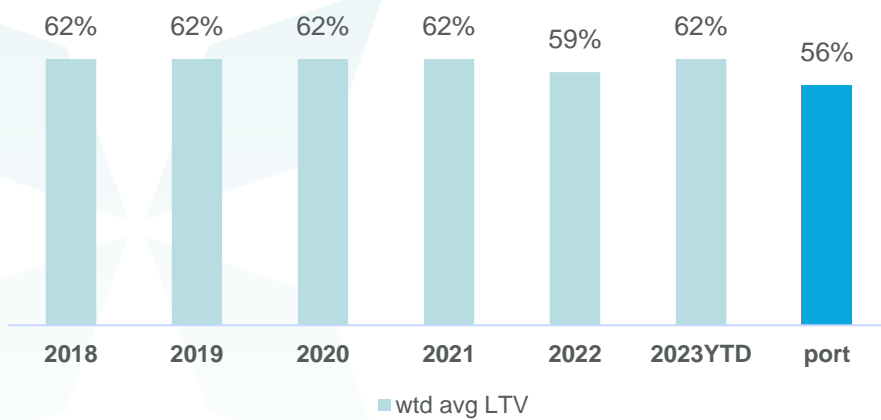


installment

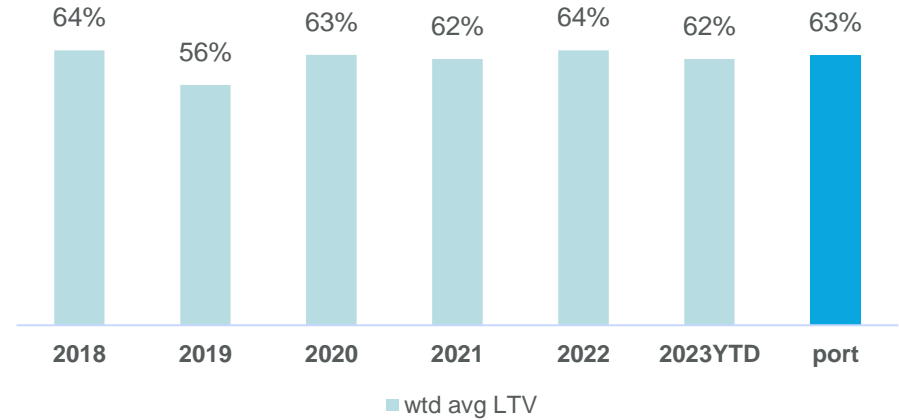


commercial production quality

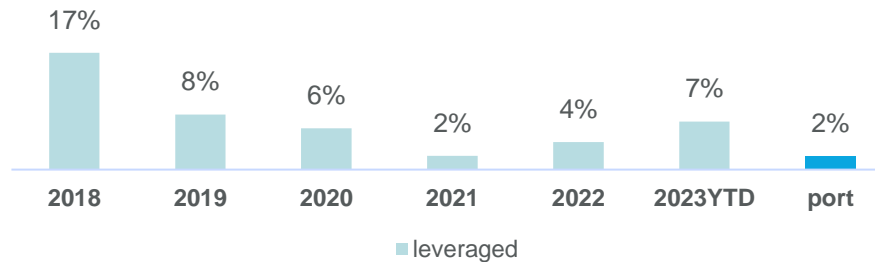
commercial real estate



construction

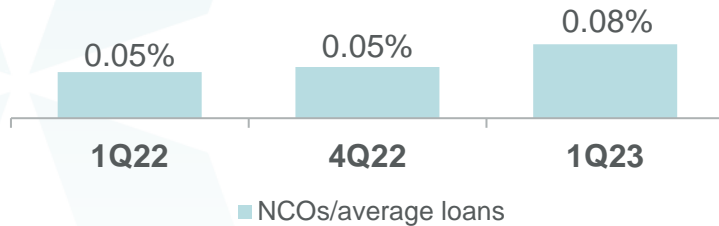


C&I (excl PPP)

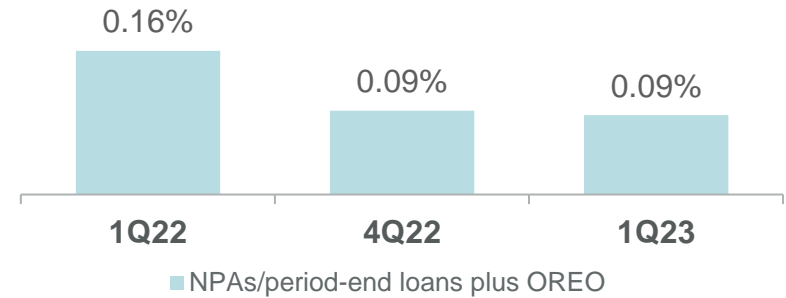


credit quality

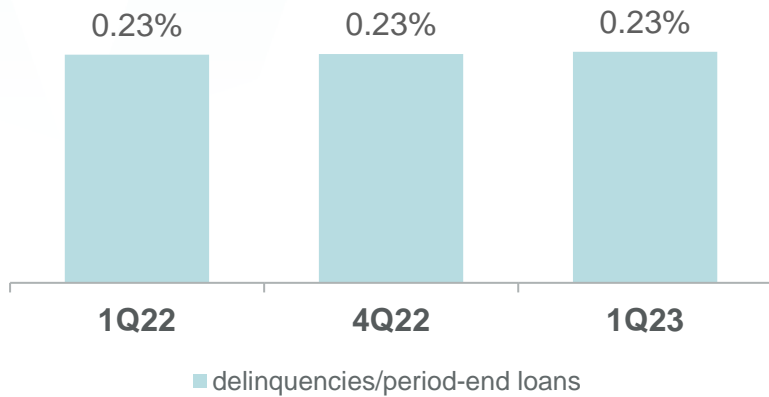
net charge-offs



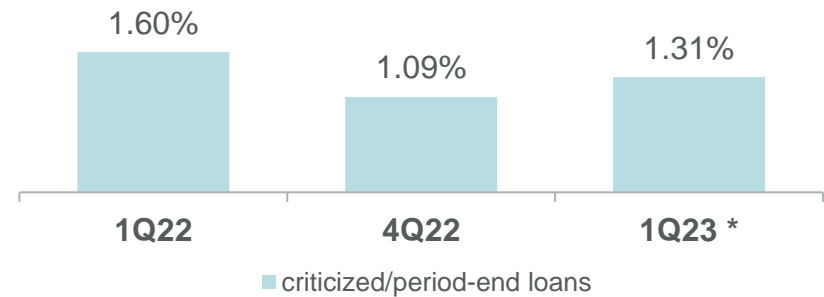
non-performing assets



delinquencies



criticized

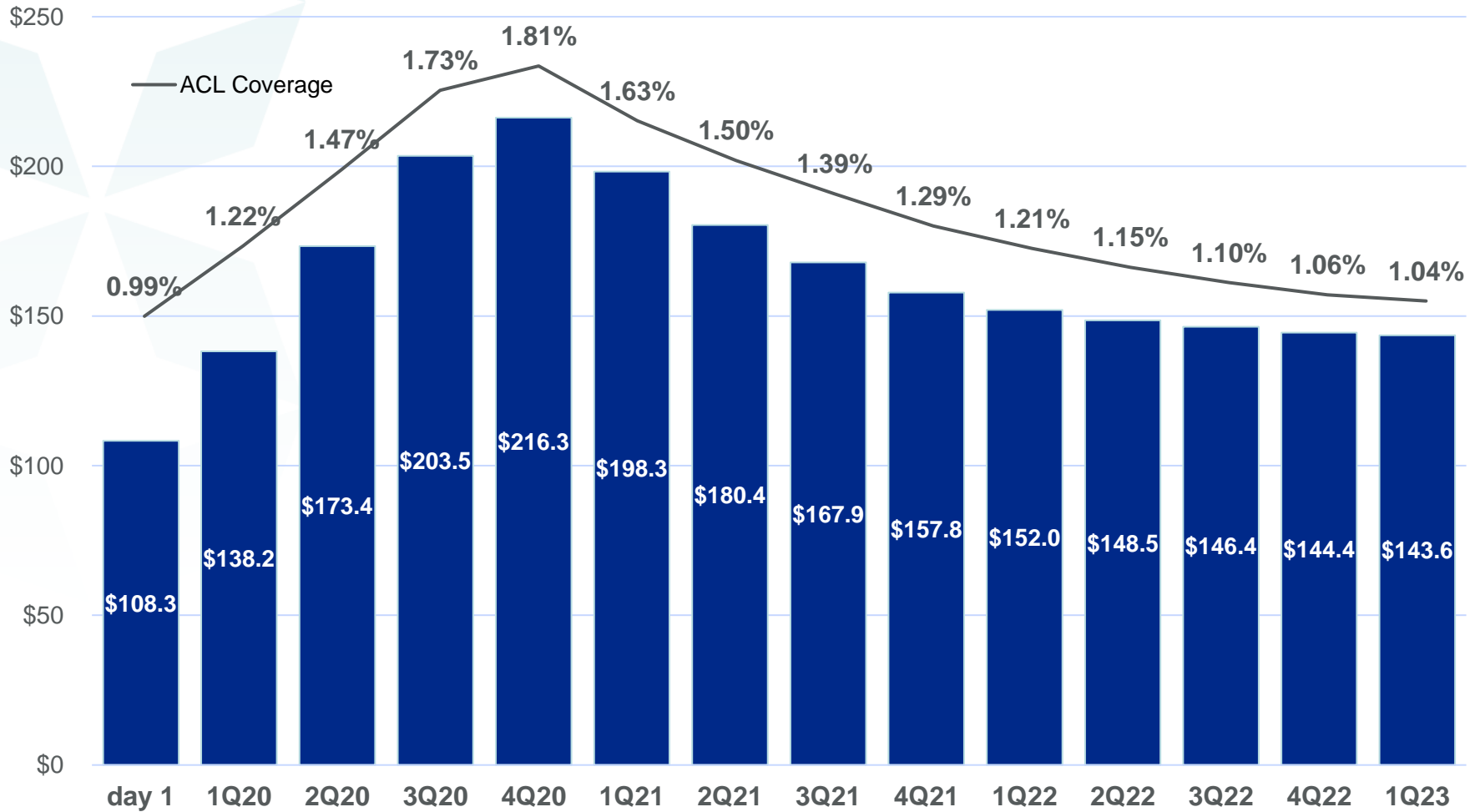


* 80% of total criticized in CRE with 56% wtd avg LTV

reserve trend

\$ in millions

allowance for credit losses



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



financial update

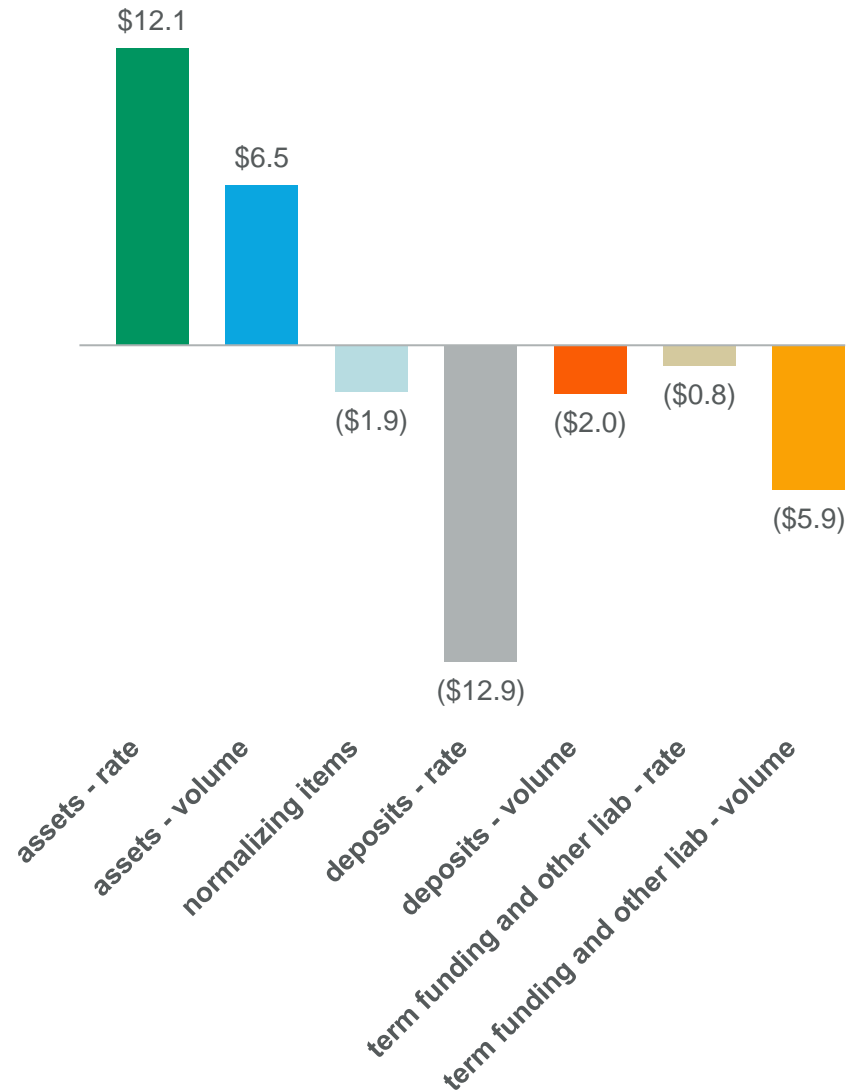
net interest income

\$ in millions

	<u>1Q 2023</u>	<u>4Q 2022</u>	<u>1Q 2022</u>	<u>Δ 4Q 2022</u>	<u>Δ 1Q 2022</u>
<u>net interest income</u>					
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>					
<u>net interest margin</u>					
reported	2.47 %	2.60 %	2.34 %	(0.13) %	0.13 %
normalized	2.47	2.60	2.31	(0.12)	0.17
<u>average balances</u>					
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
<u>yield/rate</u>					
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

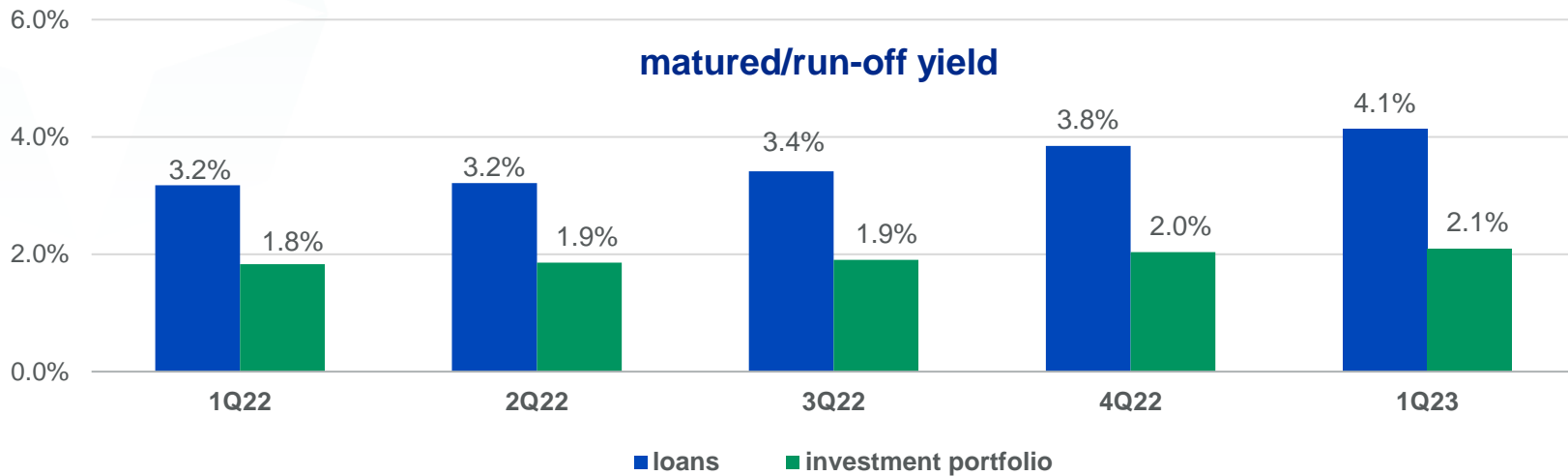
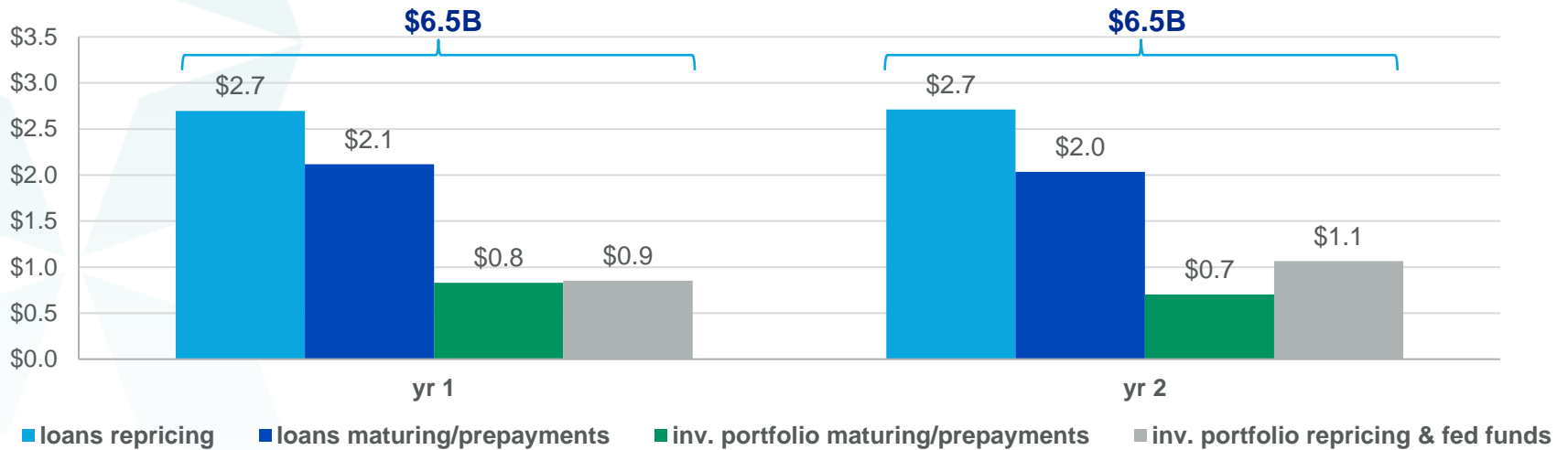
\$ in millions



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>
<u>noninterest income</u>					
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

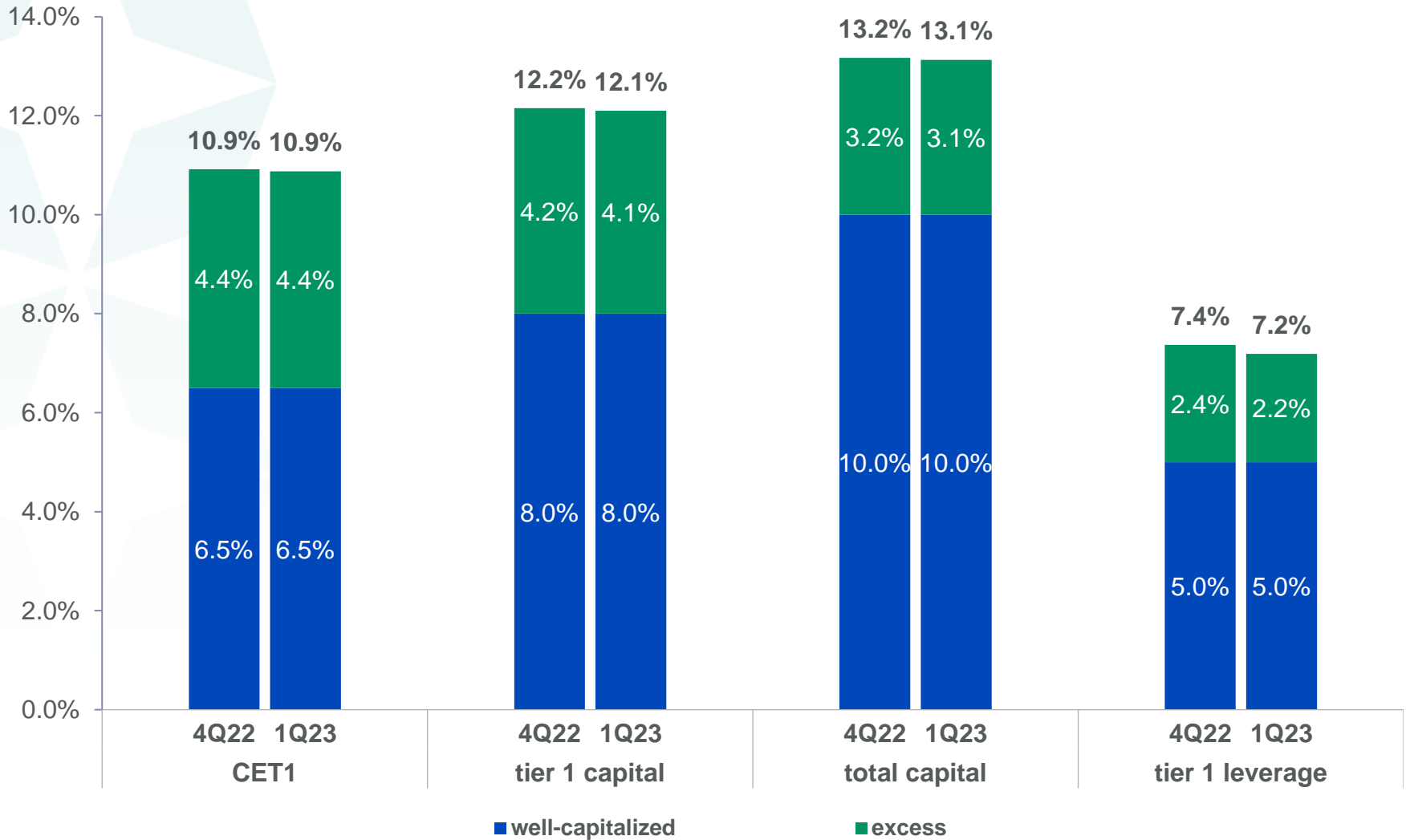
	<u>1Q 2023</u>	<u>4Q 2022</u>	<u>1Q 2022</u>	<u>Δ 4Q 2022</u>	<u>Δ 1Q 2022</u>
<u>noninterest expense</u>					
reported	\$ 111.9	\$ 102.7	\$ 103.9	\$ 9.2	\$ 8.0
normalized	104.9	102.7	100.2	2.1	4.7
<div style="border: 1px solid black; border-radius: 10px; padding: 5px; display: inline-block;"> normalizing items: -\$4.0 seasonal payroll -\$3.1 separation </div>					
<u>efficiency ratio</u>					
reported	63.34 %	56.46 %	61.53 %	6.88 %	1.81 %
normalized	58.56	56.50	59.43	2.06	(0.87)
<u>other</u>					
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)
total revenue	176.7	181.9	168.8	(5.2)	7.9
noninterest expense	111.9	102.7	103.9	9.2	8.0
operating income	64.8	79.2	64.9	(14.4)	(0.2)
credit provision	2.0	0.2	(5.5)	1.8	7.5
income taxes	15.9	17.7	15.6	(1.8)	0.3
net income	\$ 46.8	\$ 61.3	\$ 54.8	\$ (14.5)	\$ (8.0)
net income available to common	\$ 44.9	\$ 59.3	52.9	\$ (14.5)	\$ (8.0)
diluted EPS	\$ 1.14	\$ 1.50	\$ 1.32	\$ (0.36)	\$ (0.18)
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
end of period balances					
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

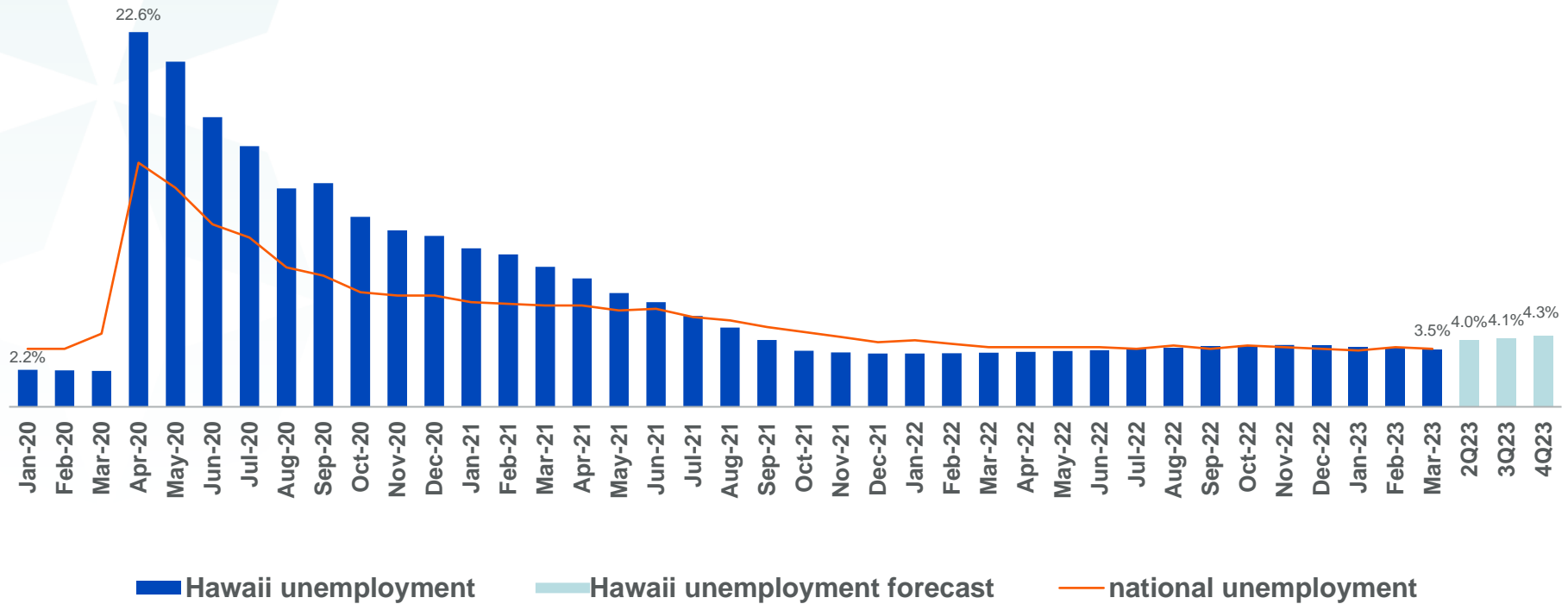
Q & A



appendix

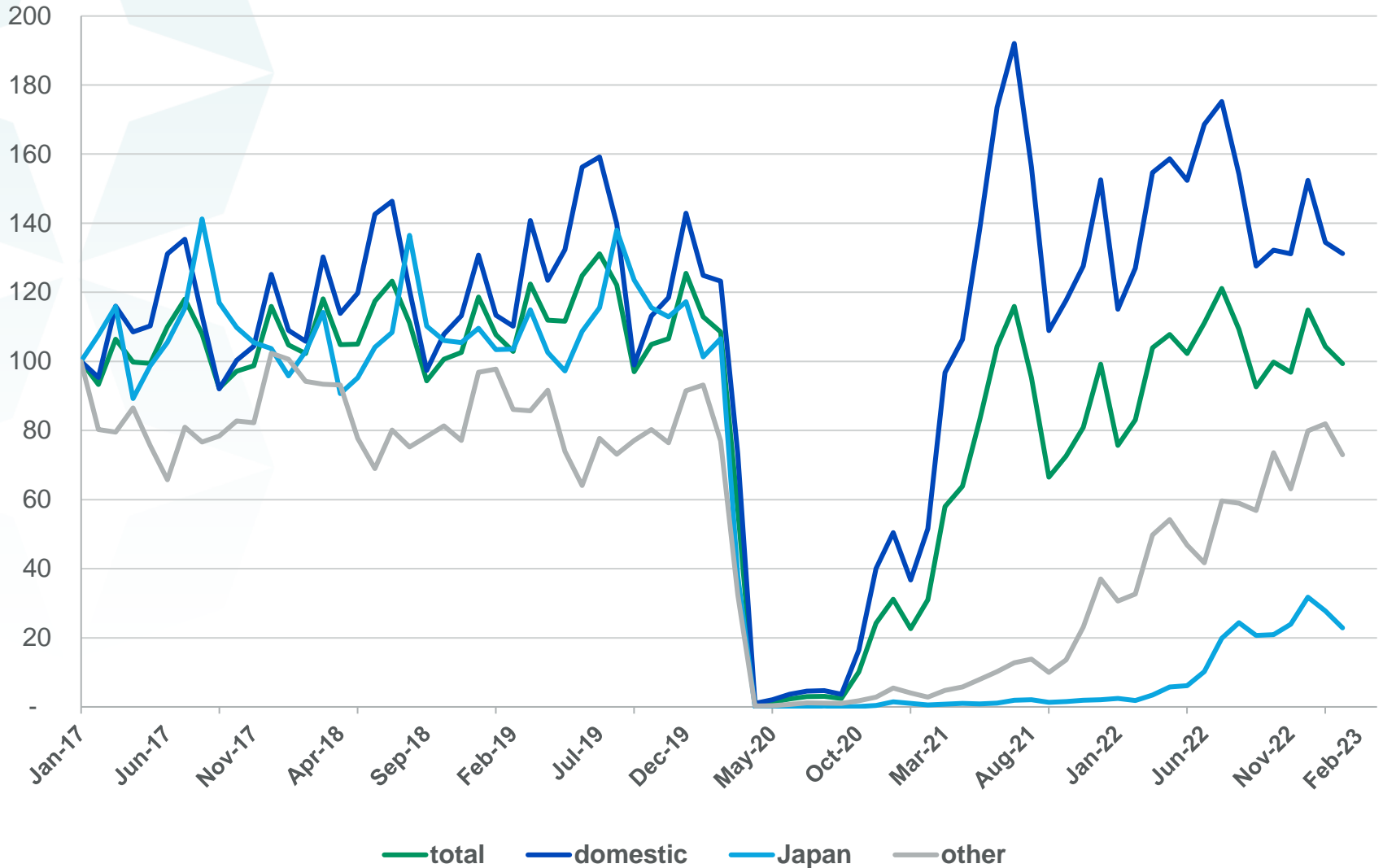
unemployment

experience & forecast



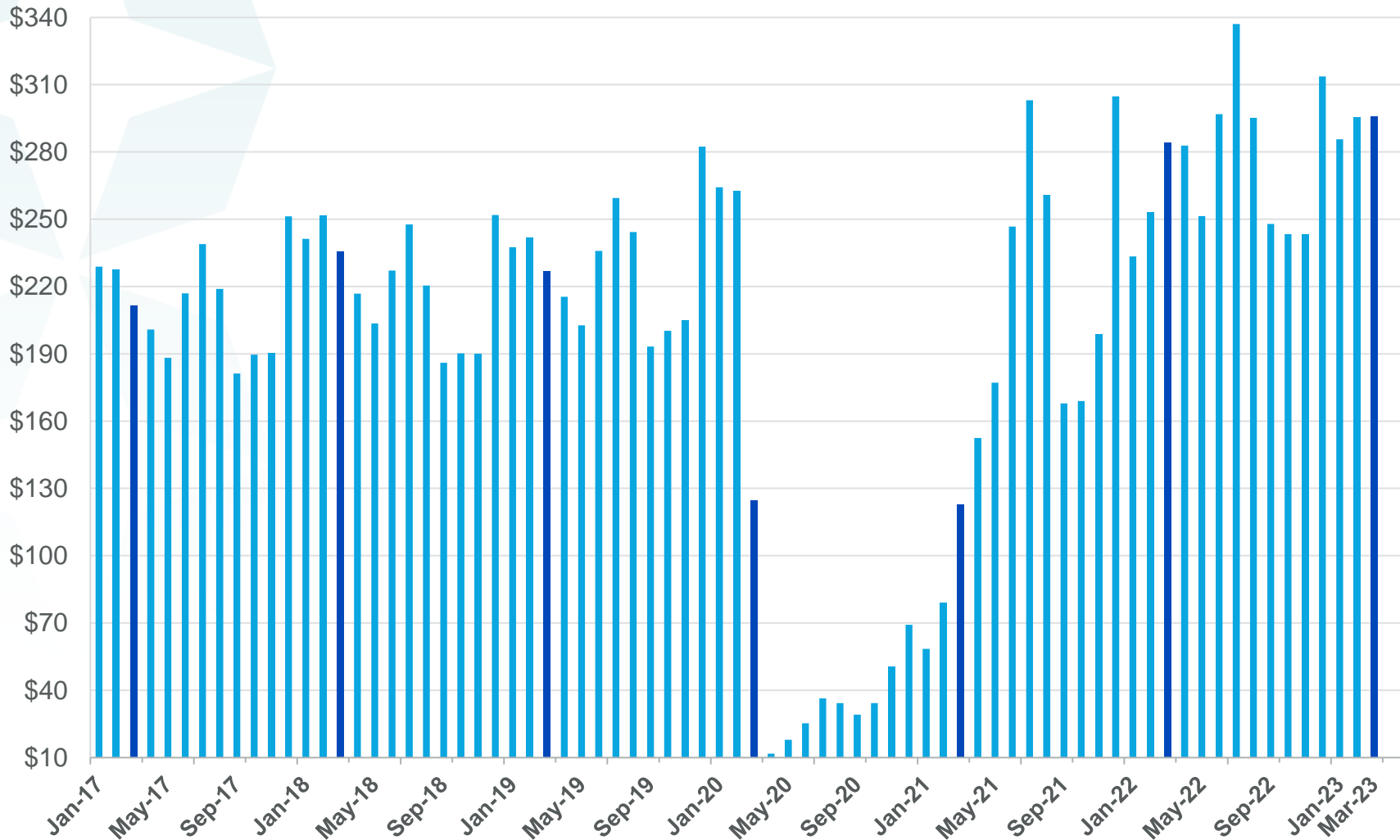
visitor arrivals

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