

Bank of Hawaii Corporation
third quarter 2021
financial report

October 25, 2021

forward-looking statements

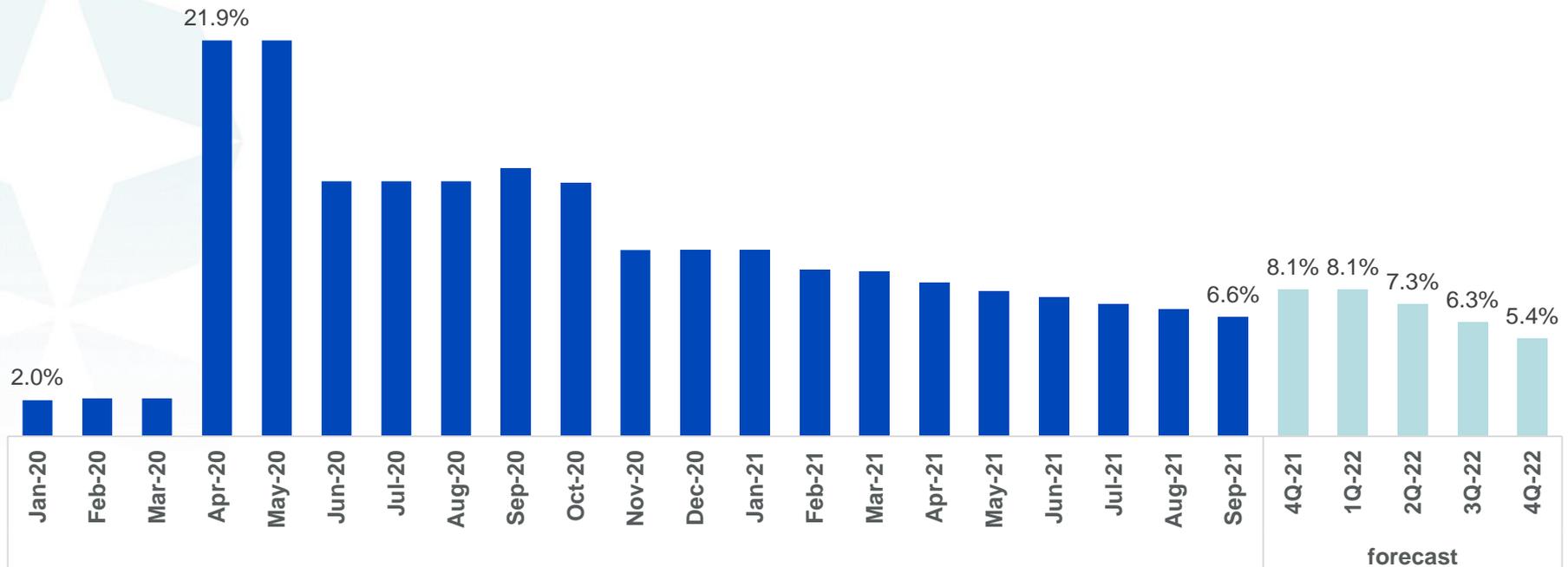
this presentation, and other statements made by the Company in connection with it, may contain forward-looking statements concerning, among other things, forecasts of our financial results and condition, expectations for our operations and business prospects, and our assumptions used in those forecasts and expectations. we have not committed to update forward-looking statements to reflect later events or circumstances.



unemployment

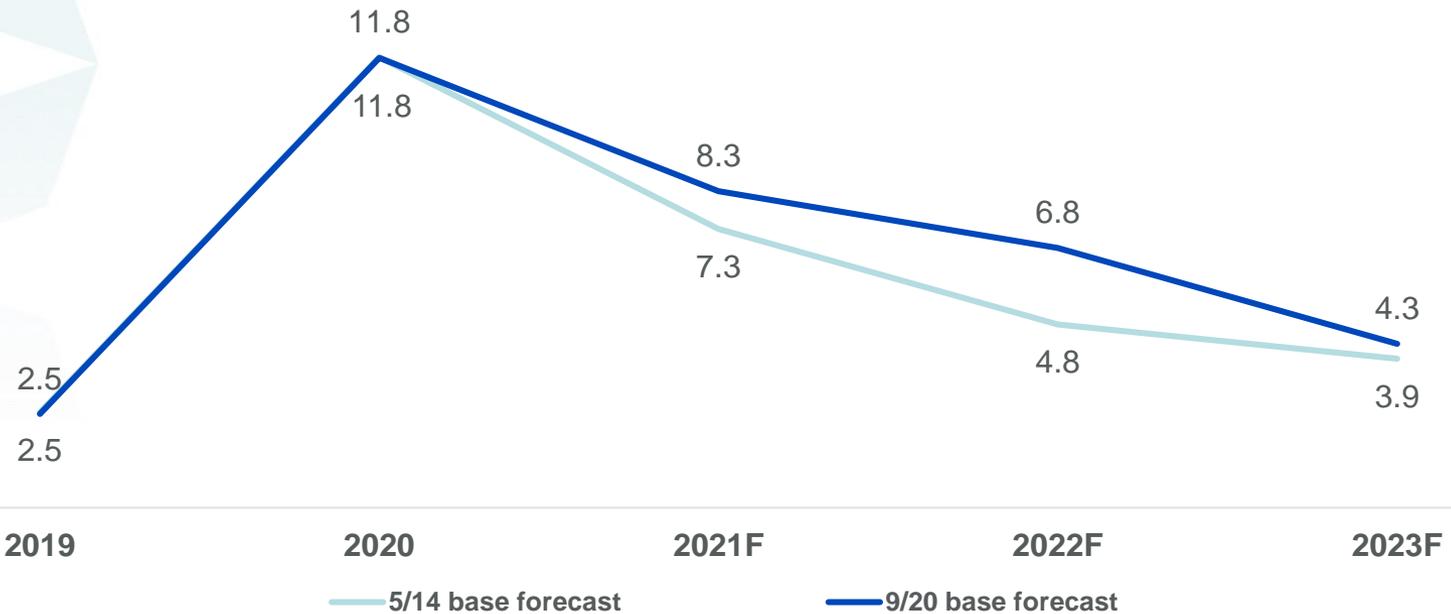
experience & forecast

Hawaii unemployment rate



economic forecast

Hawaii unemployment rate



Hawaii real estate market

Oahu market indicators – 2021 vs 2020

single family homes

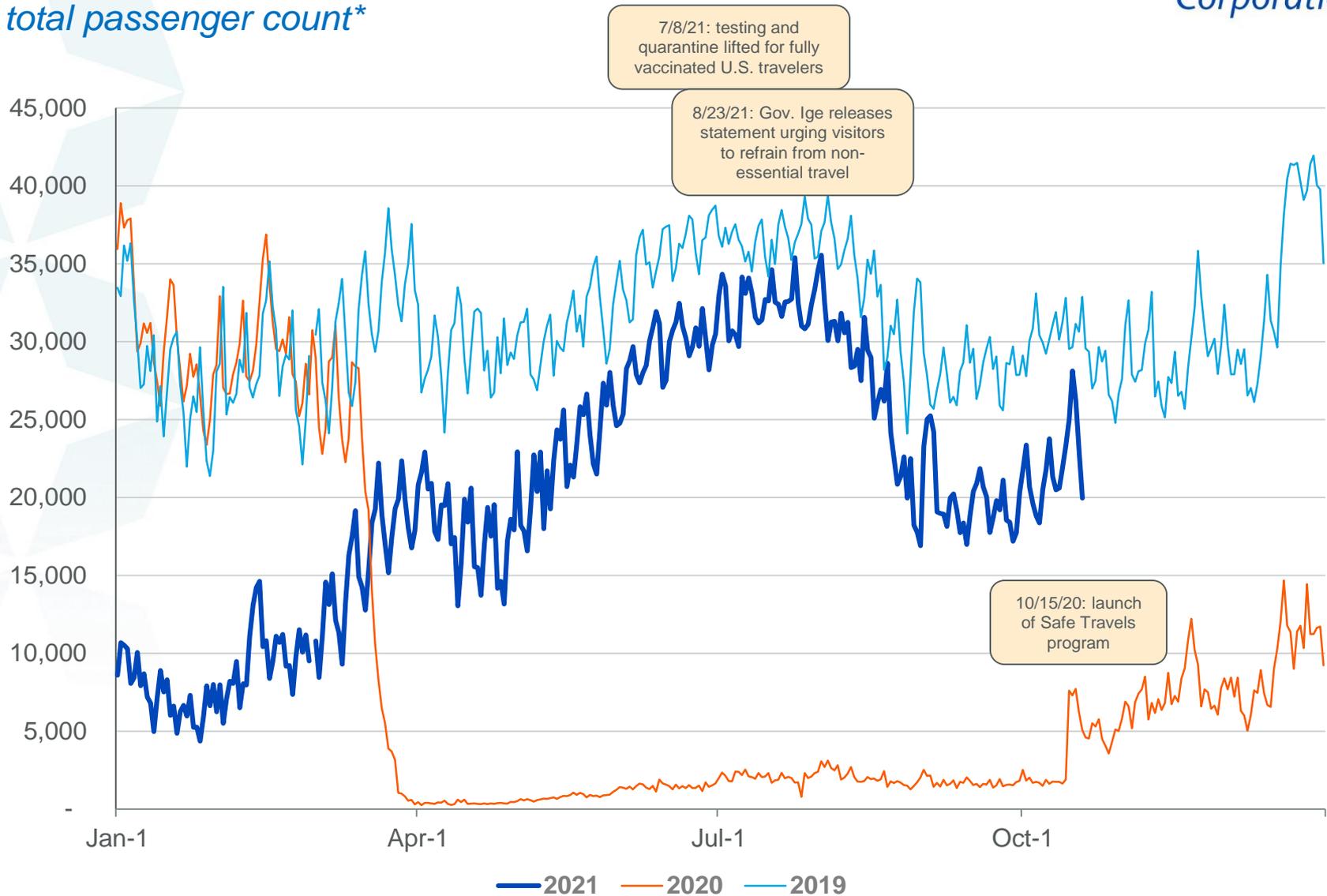
	<u>2021 YTD</u>	<u>2020 YTD</u>	<u>%</u>	<u>Sep 2021</u>	<u>Sep 2020</u>	<u>%</u>
closed sales	3,396	2,735	24.2%	424	391	49.3%
median sales price (000s)	\$975	\$811	20.2%	\$1,050	\$880	19.3%
median days on market	9	17	-47.1%	9	9	0.0%
months of inventory	-	-	-	1.2	1.7	-29.4%

condominiums

	<u>2021 YTD</u>	<u>2020 YTD</u>	<u>%</u>	<u>Sep 2021</u>	<u>Sep 2020</u>	<u>%</u>
closed sales	5,398	3,305	63.3%	615	456	34.9%
median sales price (000s)	\$468	\$430	8.7%	\$478	\$445	7.4%
median days on market	12	28	-57.1%	11	21	-47.6%
months of inventory	-	-	-	1.8	4.5	-60.0%

daily arrivals

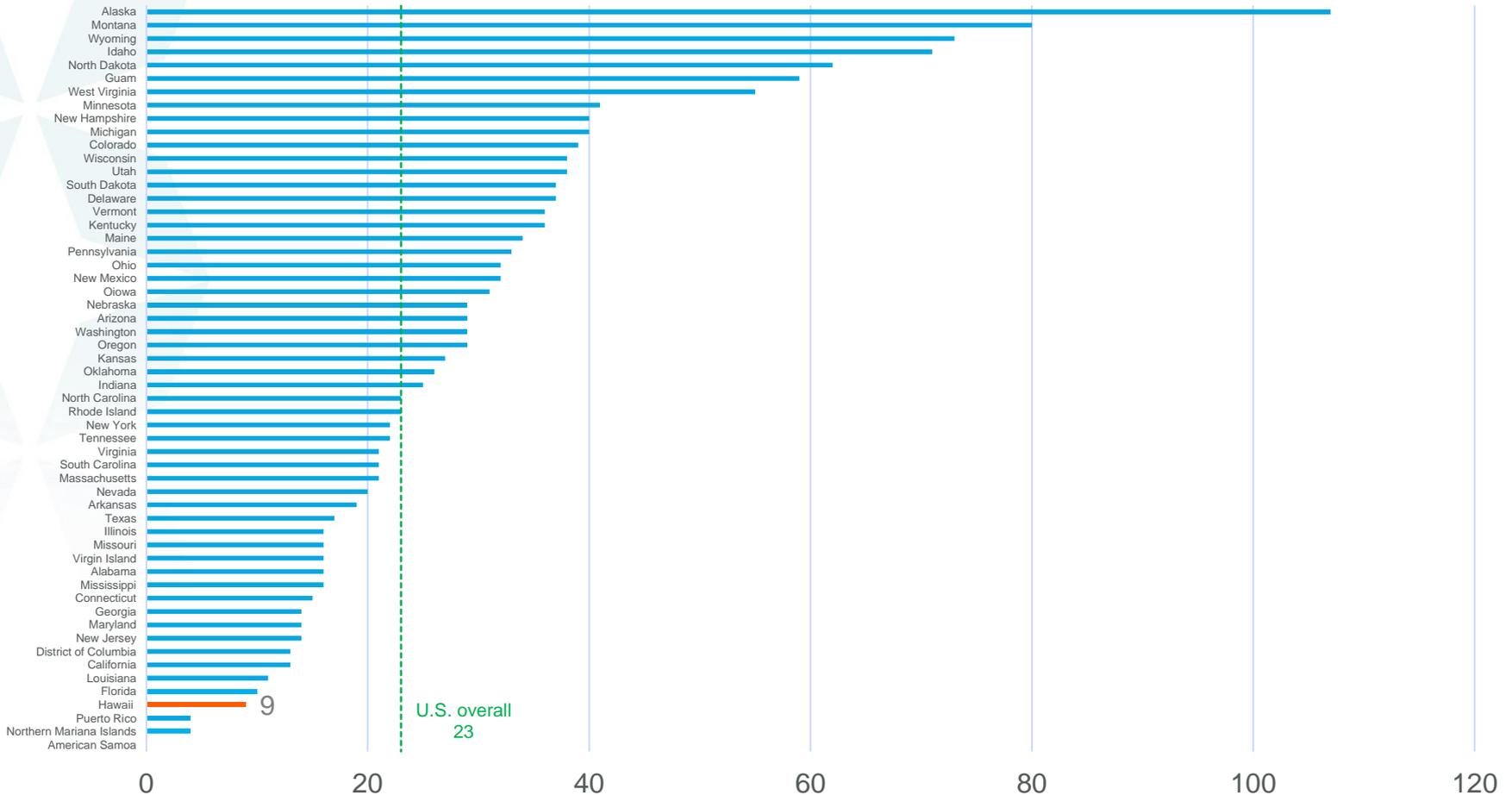
*total passenger count**



*source: Department of Business, Economic Development, and Tourism, excluding from Canada

COVID-19 cases

7 day rolling average of daily new cases per 100,000



COVID-19 vaccinations

70.7%

total population
fully vaccinated

82.8%

12yr+ population
fully vaccinated

79.2%

total population
at least one dose administered



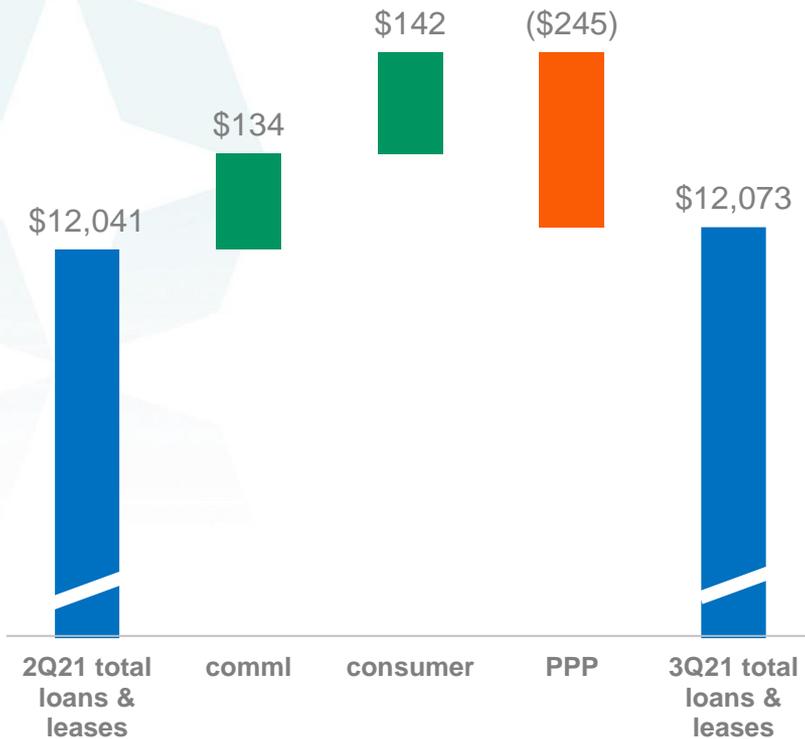
3Q financial update

growth from core customers

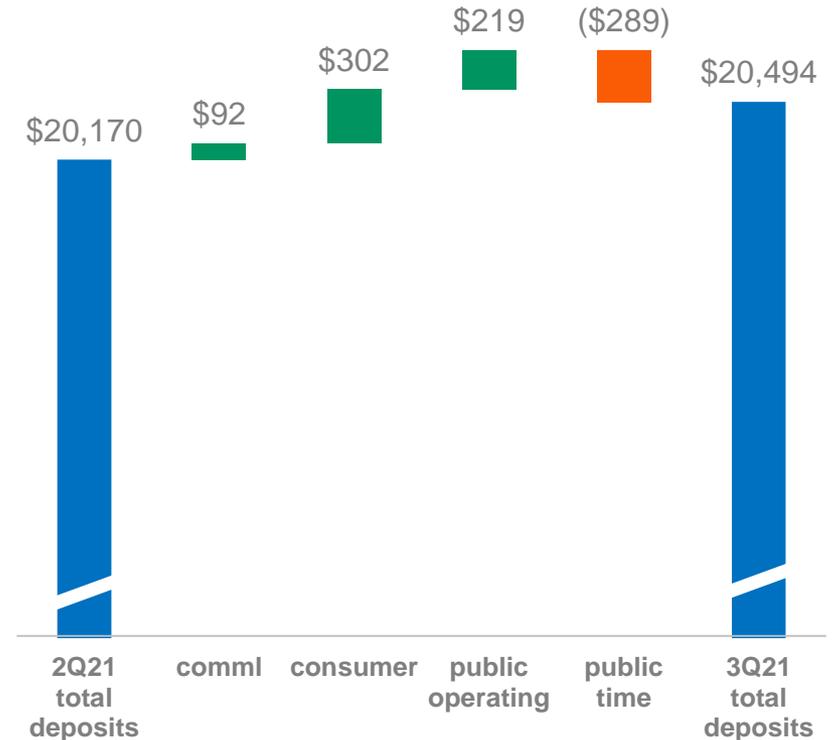
\$ in millions

core customers continue to drive growth in balances

total loans & leases



total deposits

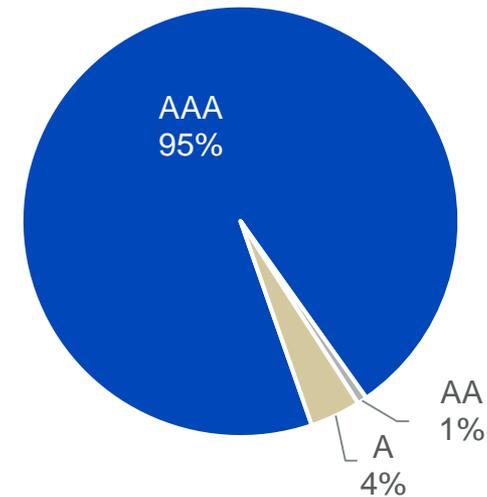


ample liquidity

continuing to build low cost, long duration deposits to fund future growth



investment portfolio Moody's rating

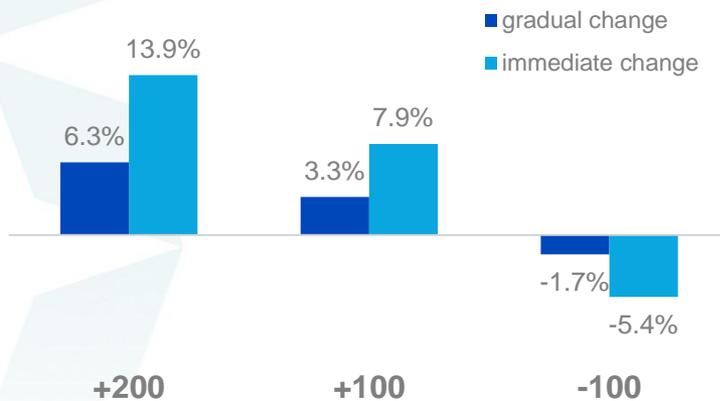


excess liquidity deployed into high-quality, low-risk investment portfolio

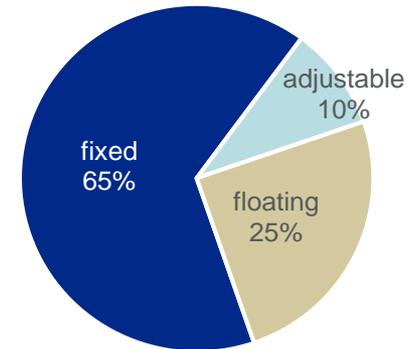
positioned for higher rates

ample liquidity, cash flow and healthy variable loan mix position us well for higher rate environment

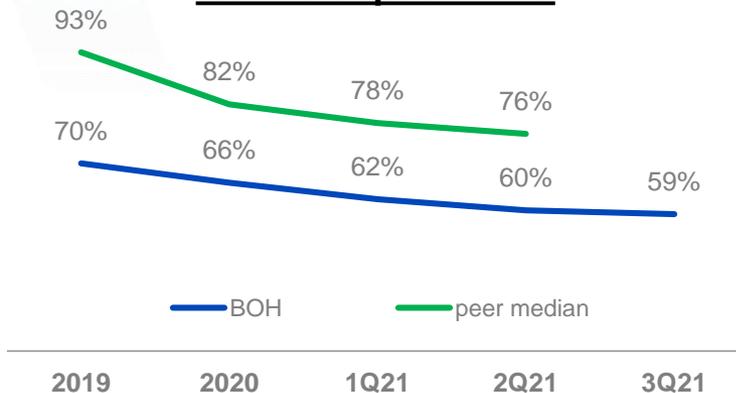
impact on future annual NII



loan mix



loan to deposit ratio



cash flow (\$millions)



financial summary

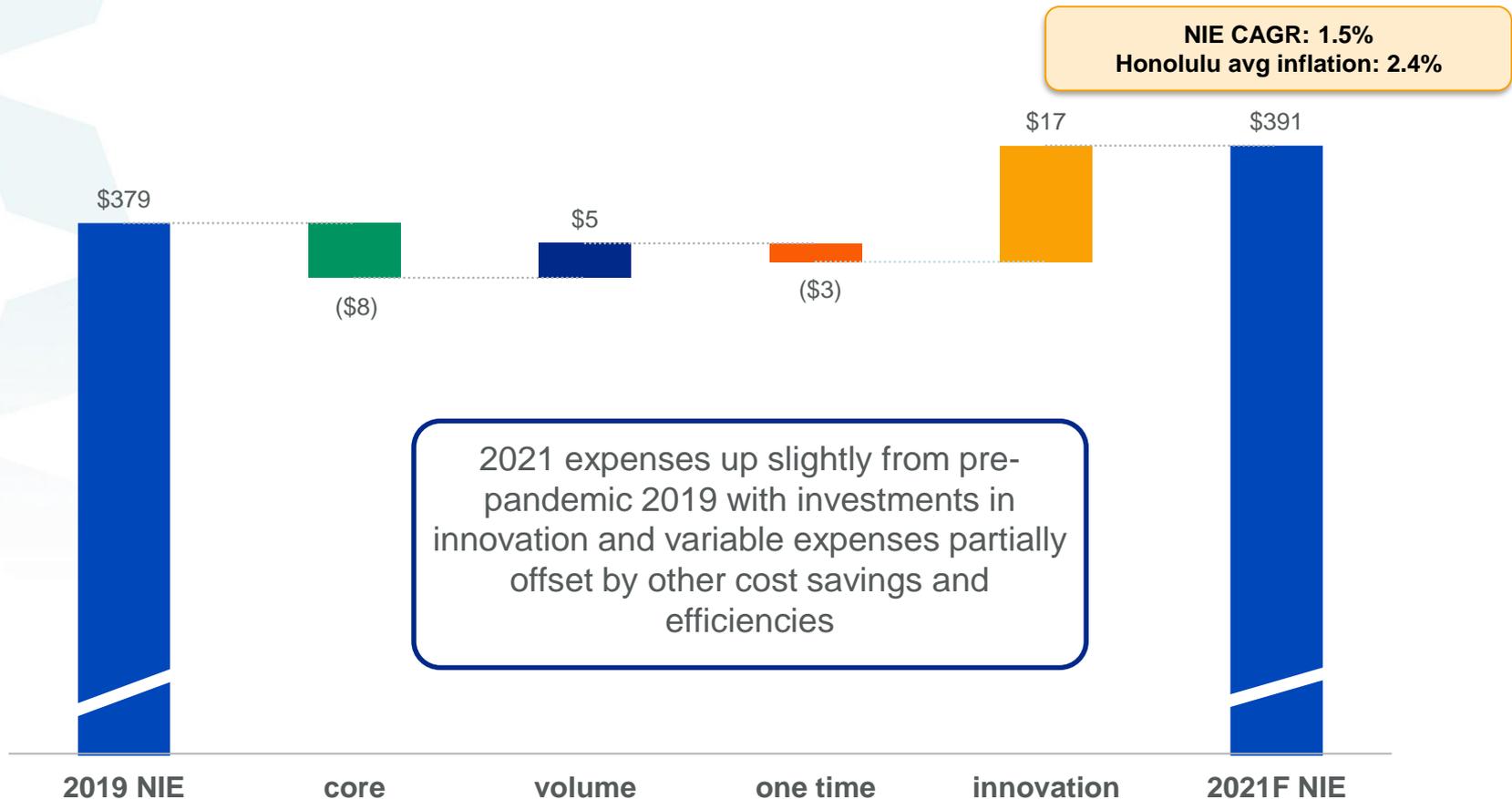
\$ in millions, except per share amounts

	<u>3Q 2021</u>	<u>2Q 2021</u>	<u>3Q 2020</u>	<u>Δ 2Q 2021</u>	<u>Δ 3Q 2020</u>
net interest income	\$ 126.8	\$ 123.5	\$ 124.2	\$ 3.3	\$ 2.7
noninterest income	41.4	44.4	41.7	(3.1)	(0.4)
total revenue	168.2	167.9	165.9	0.3	2.3
noninterest expense	96.5	96.5	89.9	(0.0)	6.6
operating income	71.7	71.4	76.0	0.3	(4.3)
credit provision	(10.4)	(16.1)	28.6	5.7	(39.0)
income taxes	20.0	20.0	9.5	0.0	10.5
net income	\$ 62.1	\$ 67.5	\$ 37.8	\$ (5.5)	\$ 24.2
diluted EPS	\$ 1.52	\$ 1.68	\$ 0.95	\$ (0.16)	\$ 0.57
<u>end of period balances</u>					
investment portfolio	\$ 9,253	\$ 8,471	\$ 6,389	9.2 %	44.8 %
loans and leases	12,073	12,041	11,794	0.3	2.4
loans and leases excl. PPP	11,804	11,528	11,262	2.4	4.8
total deposits	20,494	20,170	17,739	1.6	15.5
shareholders' equity	1,597	1,584	1,362	0.9	17.3

disciplined expenses

\$ in millions

disciplined expense management amidst continued balance sheet growth



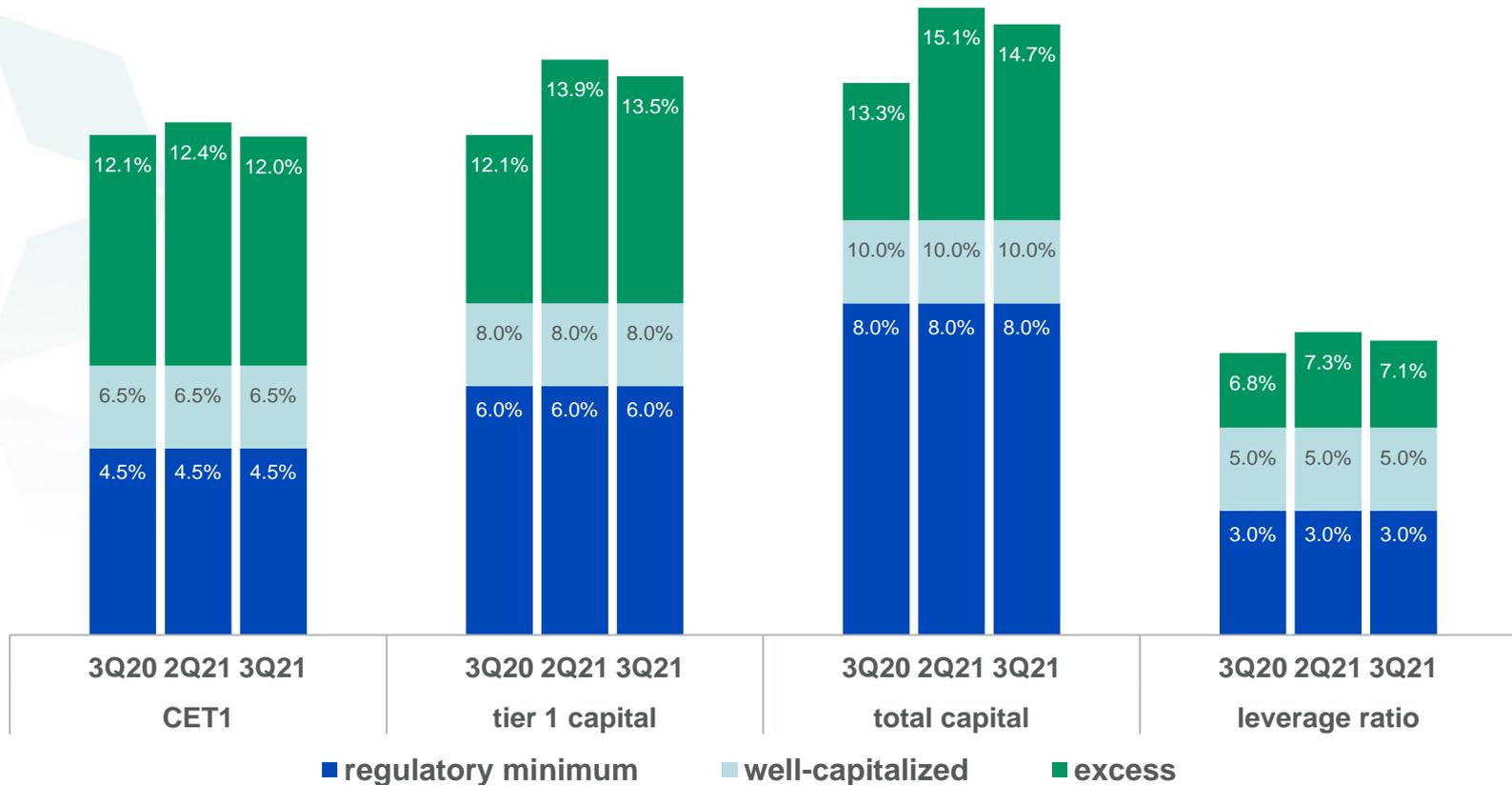
*volume-related expense growth primarily related to higher mortgage production, broker charges and higher FDIC insurance for deposits.
note: numbers may not add up due to rounding

performance metrics

	<u>3Q 2021</u>	<u>2Q 2021</u>	<u>3Q 2020</u>	<u>Δ 2Q 2021</u>	<u>Δ 3Q 2020</u>
return on assets	1.07 %	1.23 %	0.76 %	(0.16)%	0.31 %
return on common equity	17.08	19.61	11.01	(2.53)	6.07
net interest margin	2.32	2.37	2.67	(0.05)	(0.35)
efficiency ratio	57.38	57.47	54.22	(0.09)	3.16
CET1 capital ratio	12.02 %	12.36 %	12.09 %	(0.34)%	(0.07)%
tier 1 capital ratio	13.47	13.87	12.09	(0.40)	1.38
tier 1 leverage ratio	7.10	7.31	6.81	(0.21)	0.29

fortress capital position

strong risk-based capital



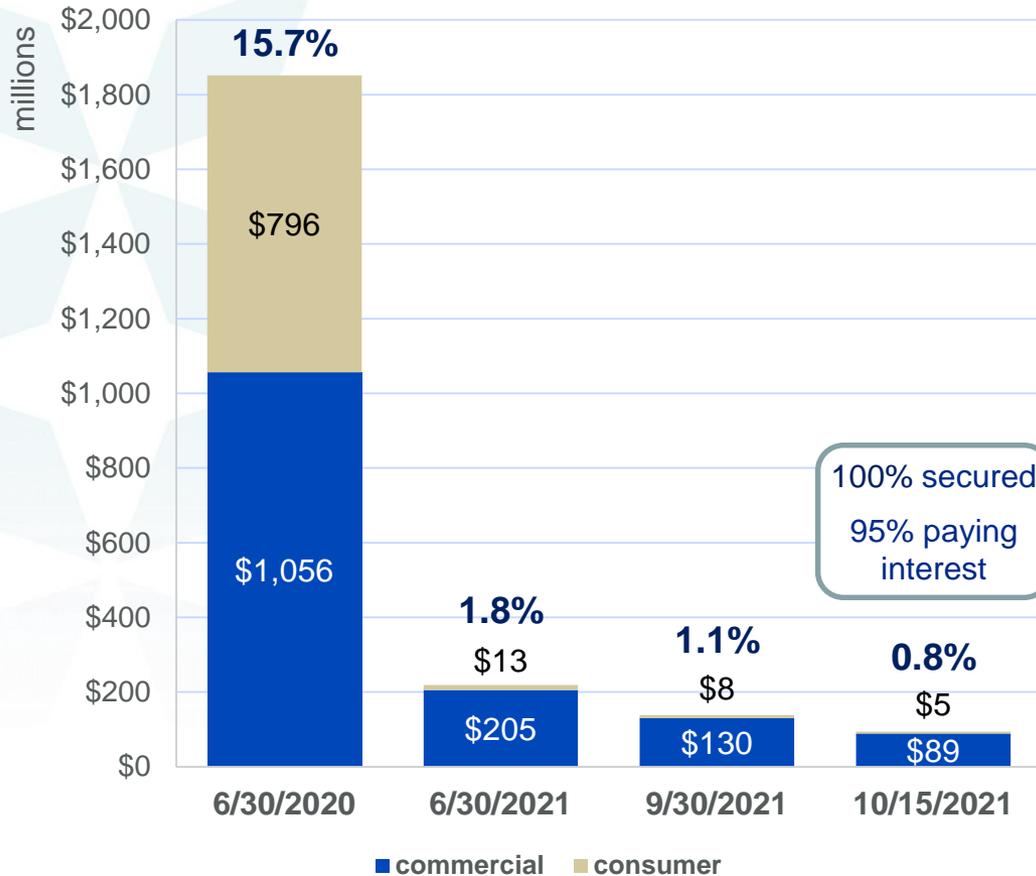
note: 3Q21 regulatory capital ratios are preliminary



3Q credit update

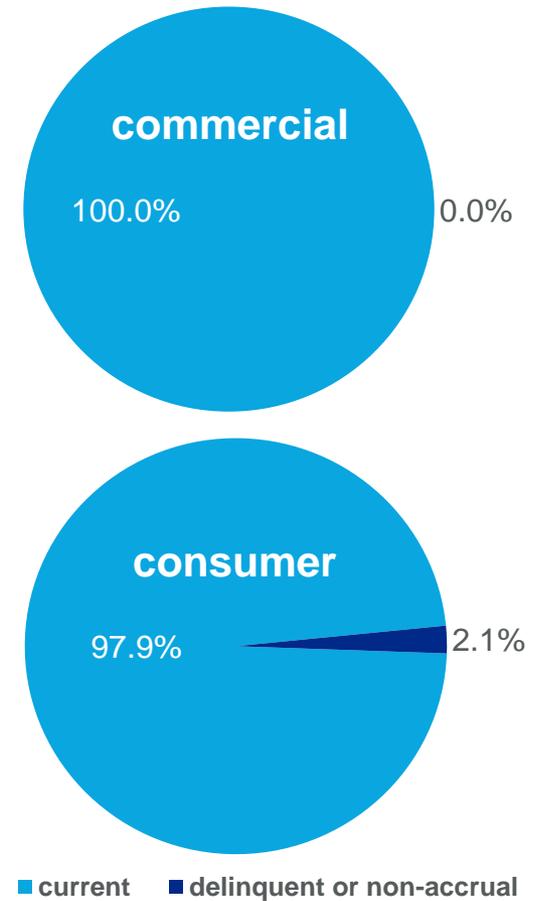
customer relief update

outstanding deferrals



94.9% decline in deferrals since June 30, 2020

returned to payment

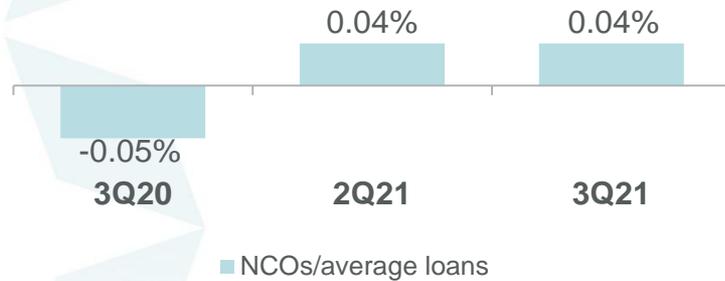


99.2% of former deferrals are current

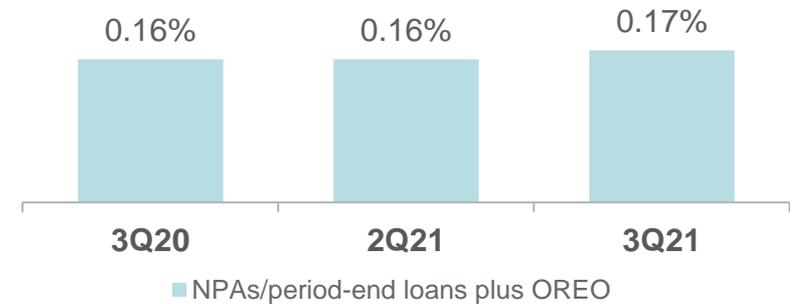
credit quality

\$ in millions

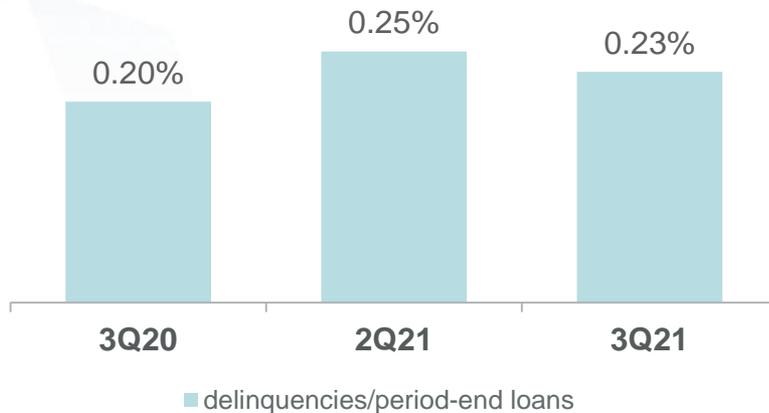
net charge-offs



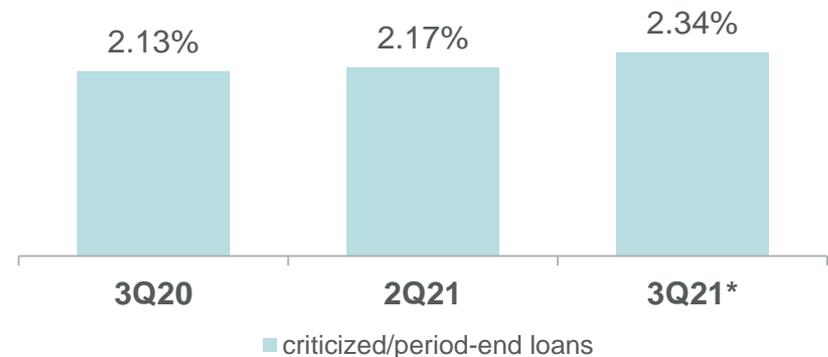
non-performing assets



delinquencies



criticized

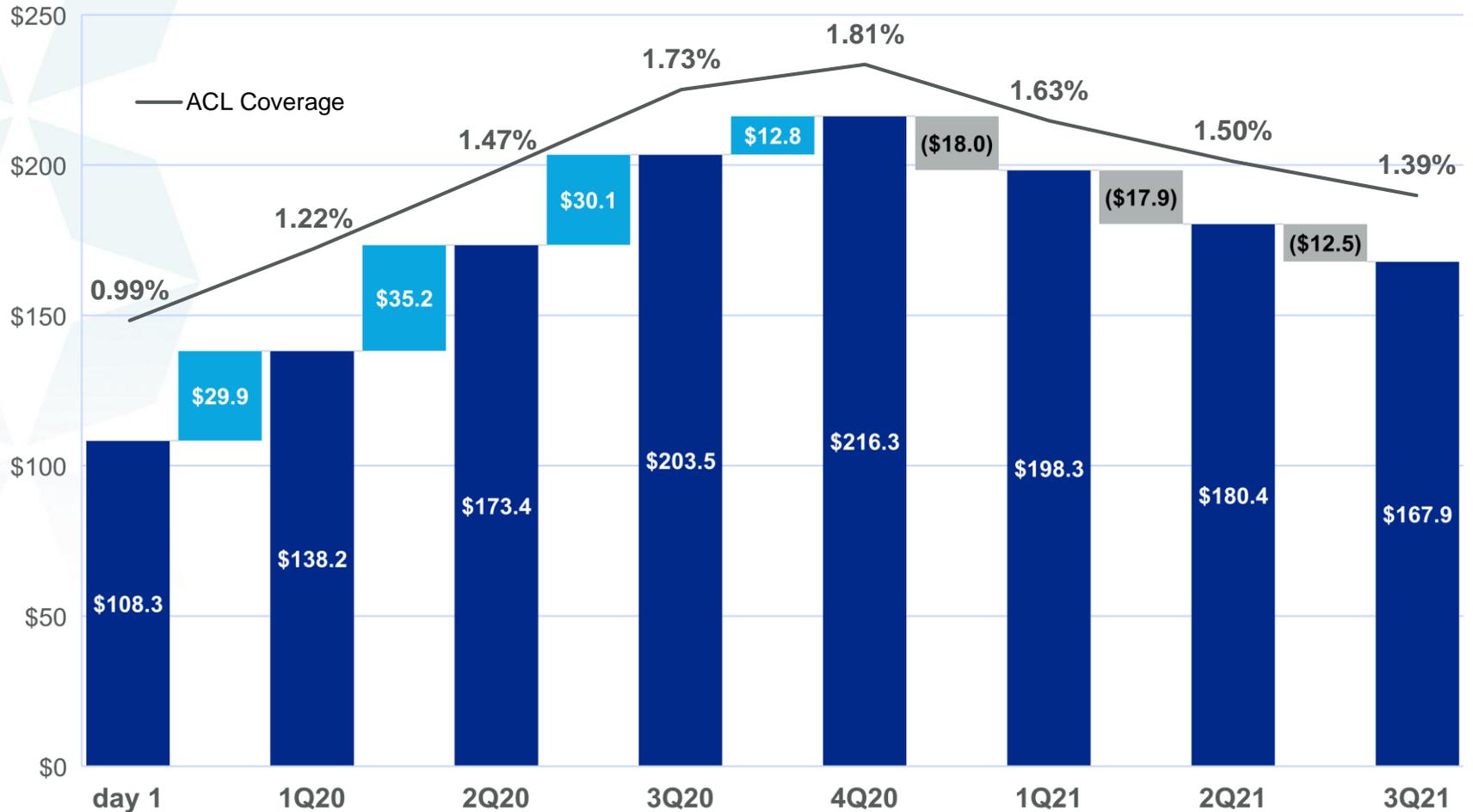


* 64% of total criticized in CRE with 60% wtd avg LTV

reserve trend

\$ in millions

allowance for credit losses



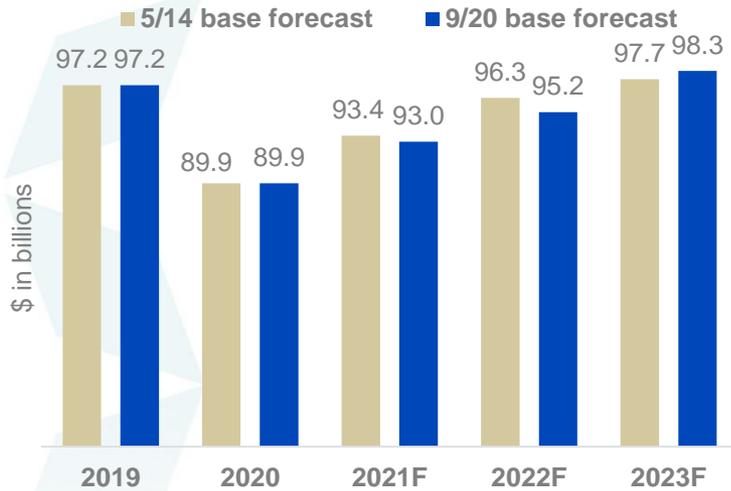
Q & A



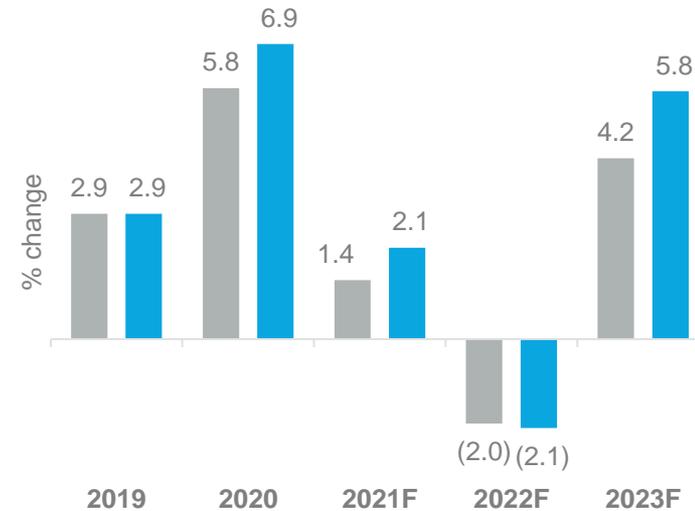
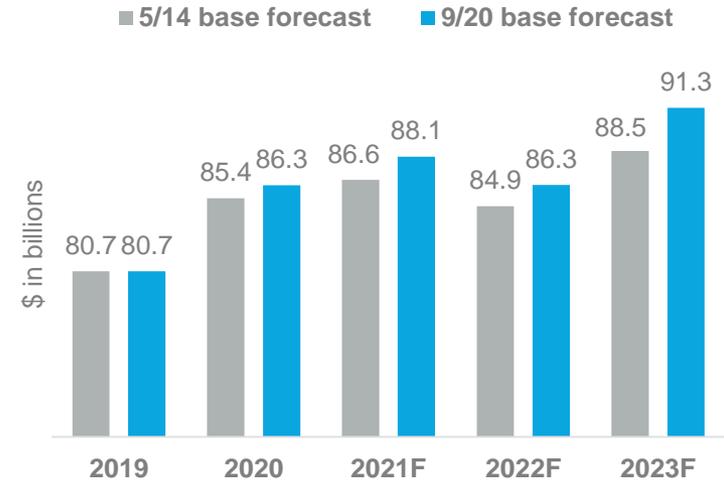
appendix

economic forecast

real GDP



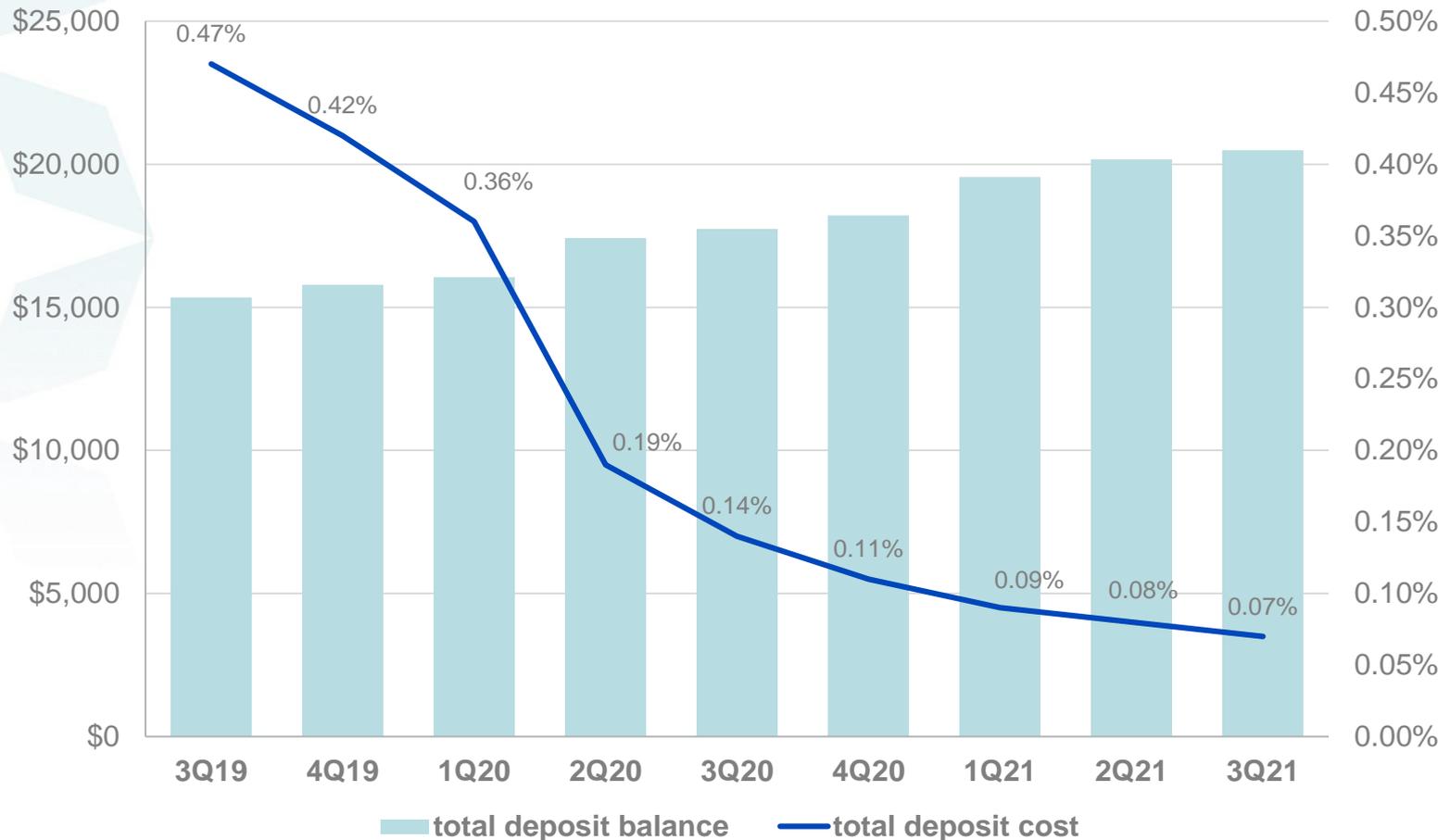
personal income



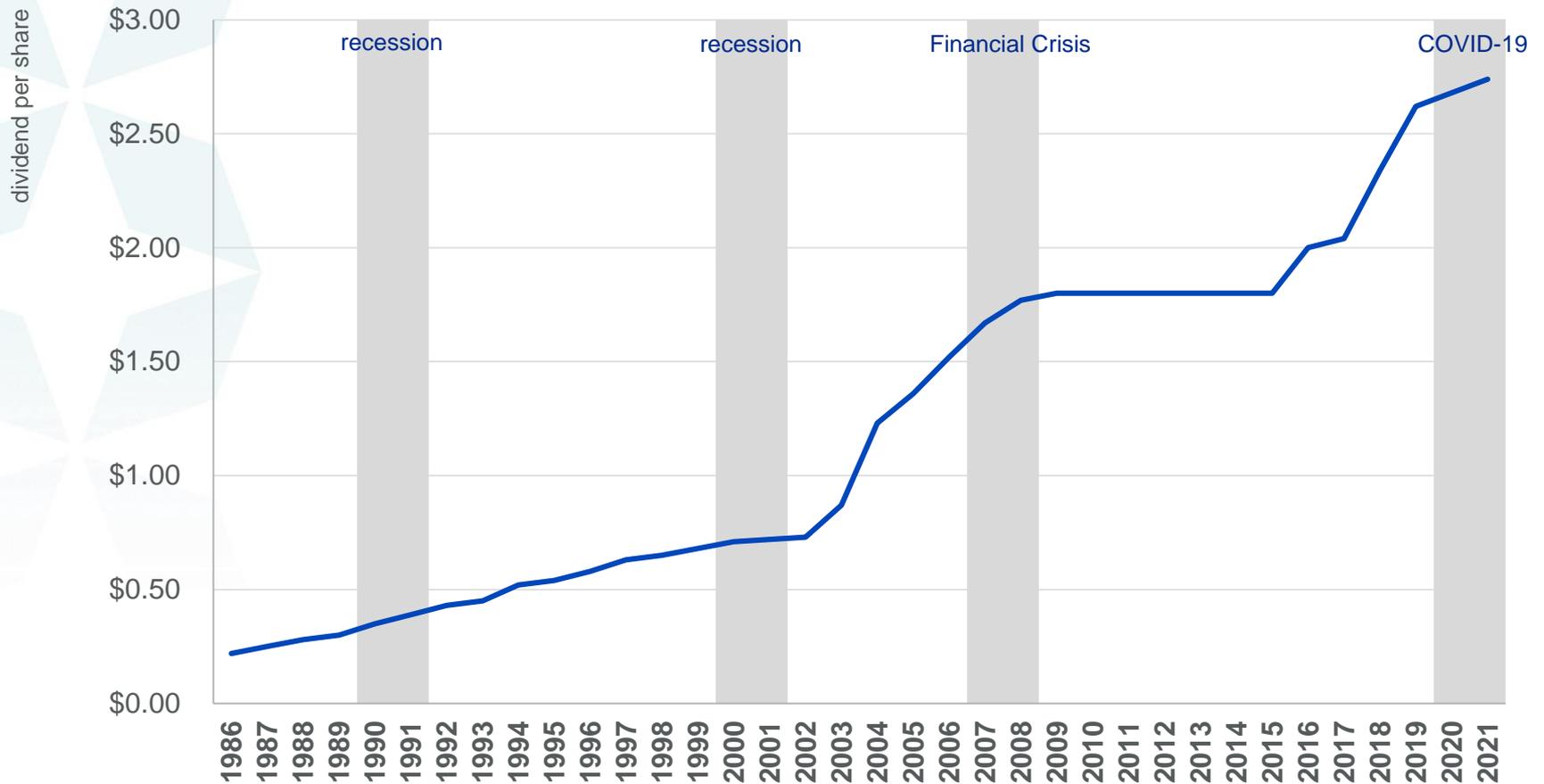
growing low cost deposits

\$ in millions

continuing to build very low cost, long duration funding



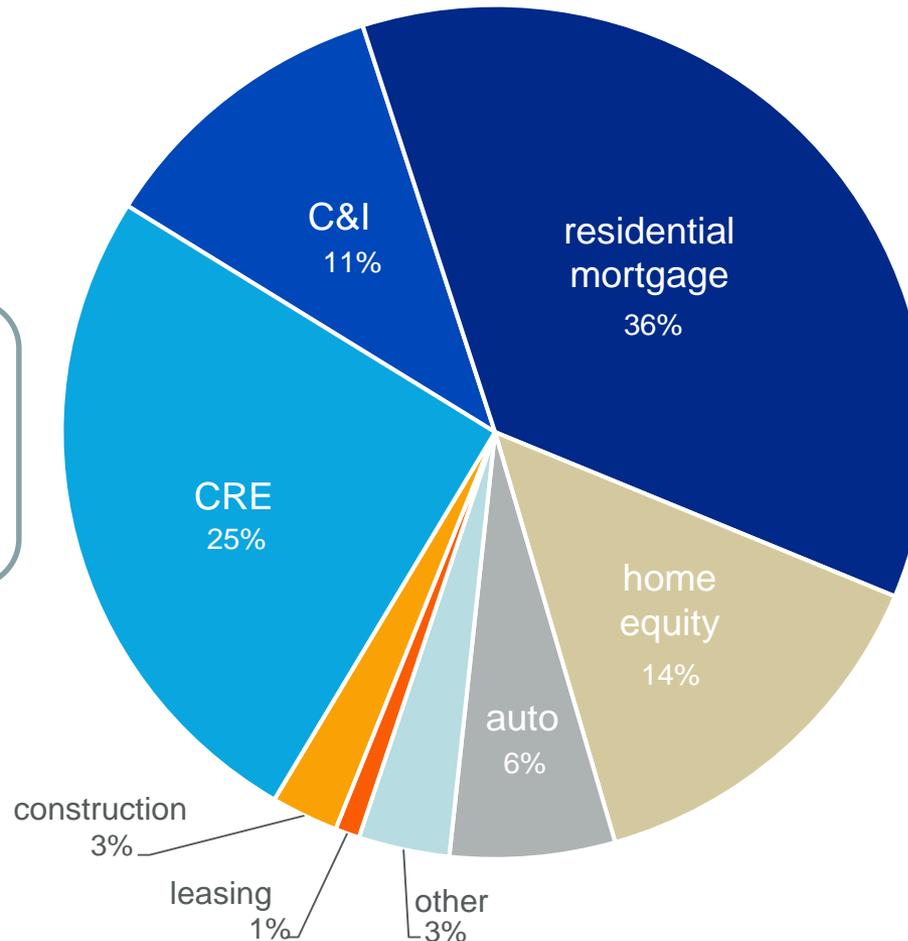
unbroken history of dividends



loan portfolio

excluding PPP

**78% of portfolio secured with quality real estate
with combined weighted average loan to value of 56%**



40% commercial
70% real estate secured
wtd avg LTV 56%
61% w/ BOH ≥ 10 yrs
avg balance \$0.6MM

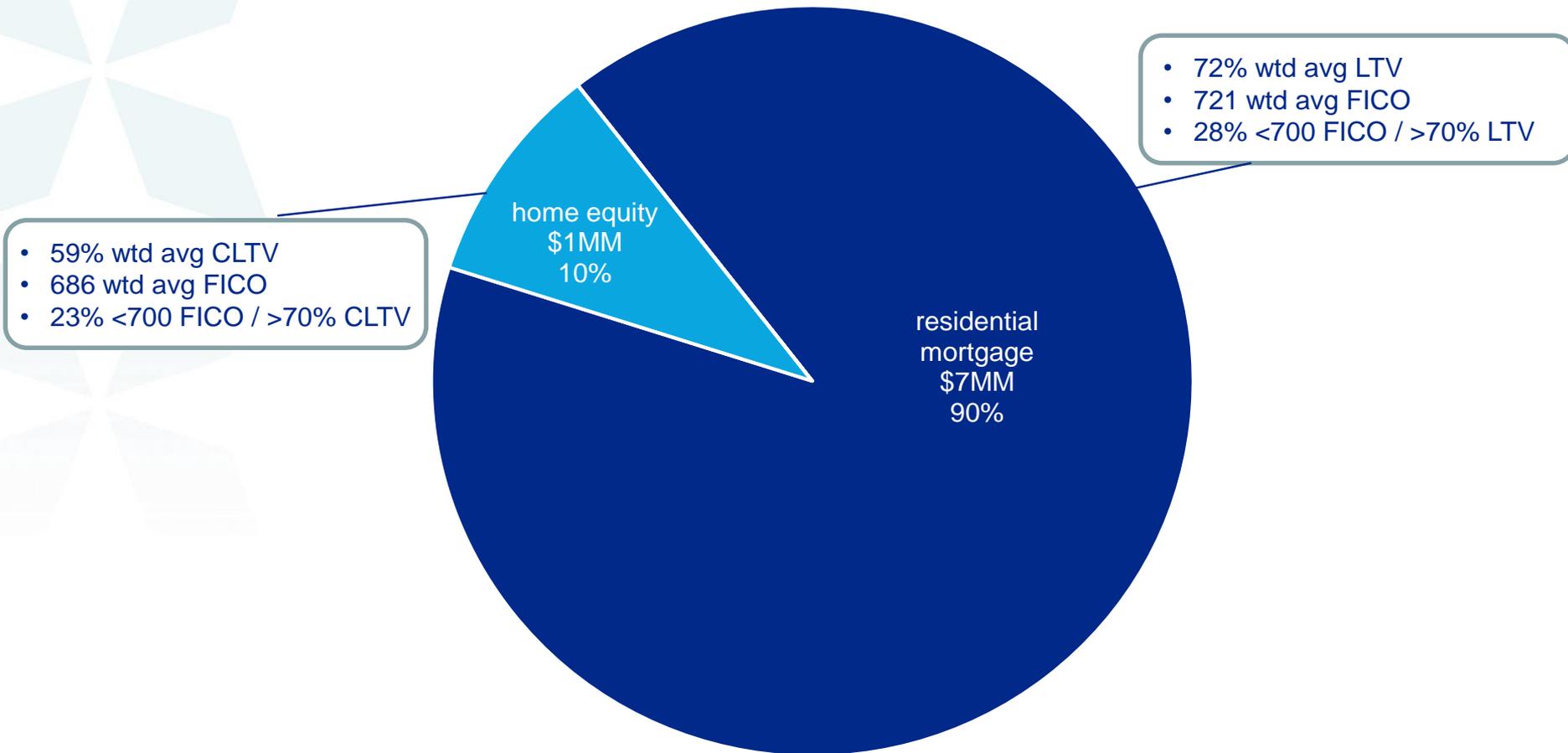
60% consumer
84% real estate secured
wtd avg LTV 56%
57% w/ BOH ≥ 10 yrs

note: excludes \$276MM in PPP loan balances including deferred costs and fees

consumer relief

\$8 million (0.1%)

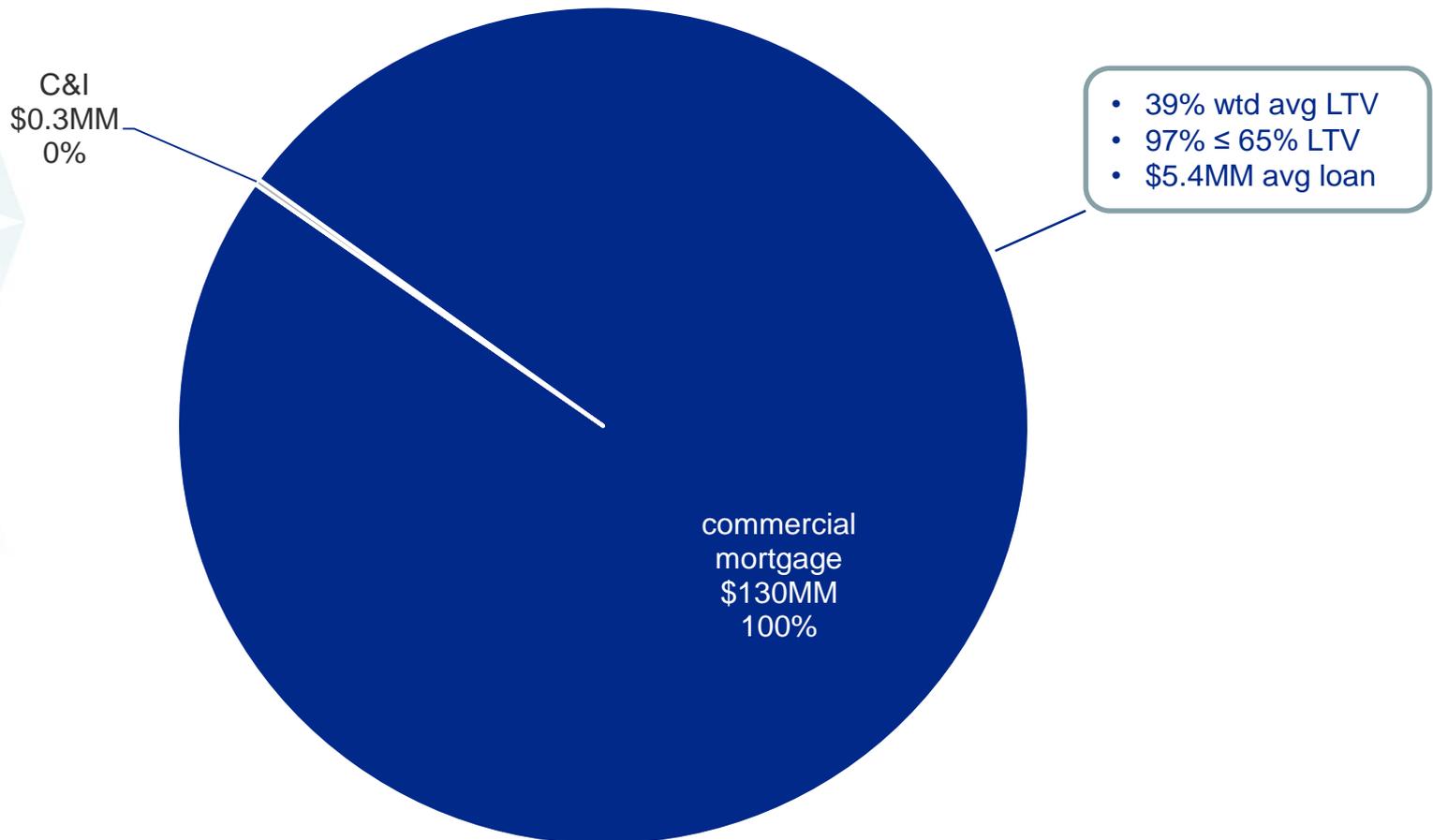
100% secured with 71% weighted average LTV as of 9/30/21



commercial relief

\$130 million (1.1%)

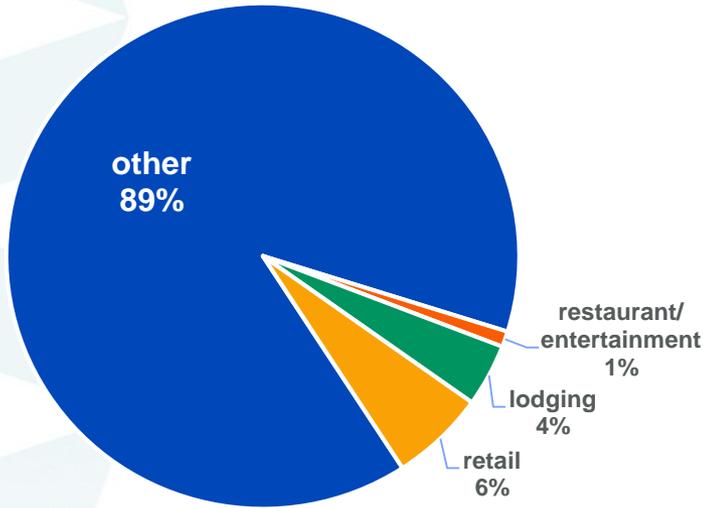
100% secured with 39% weighted average LTV as of 9/30/21
100% continue to pay interest



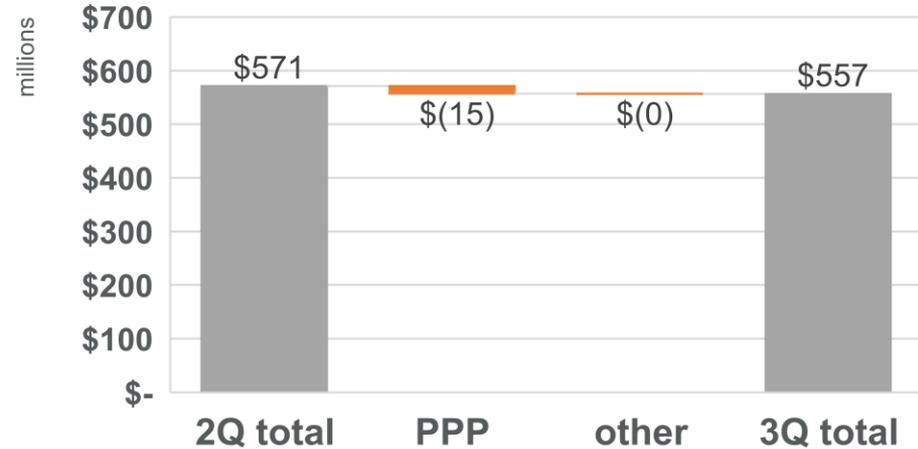
note: zero remaining deferrals in leasing or construction

high risk industries

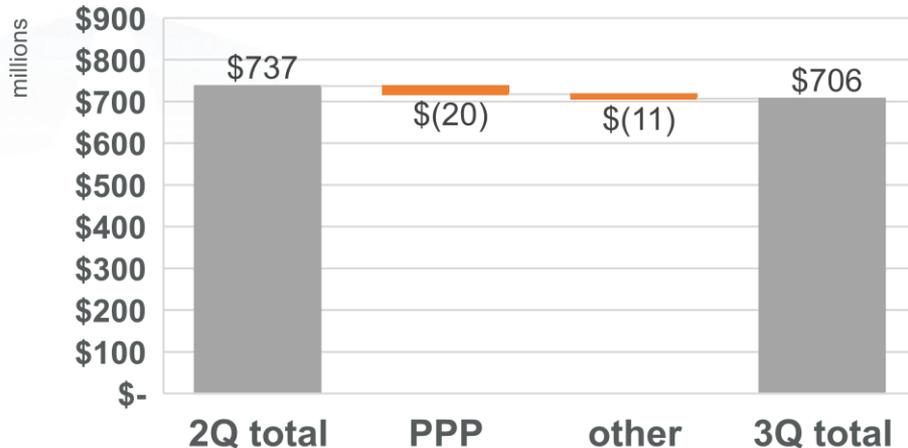
\$1,489 million (12%) / \$1,373 million (11%) excluding PPP



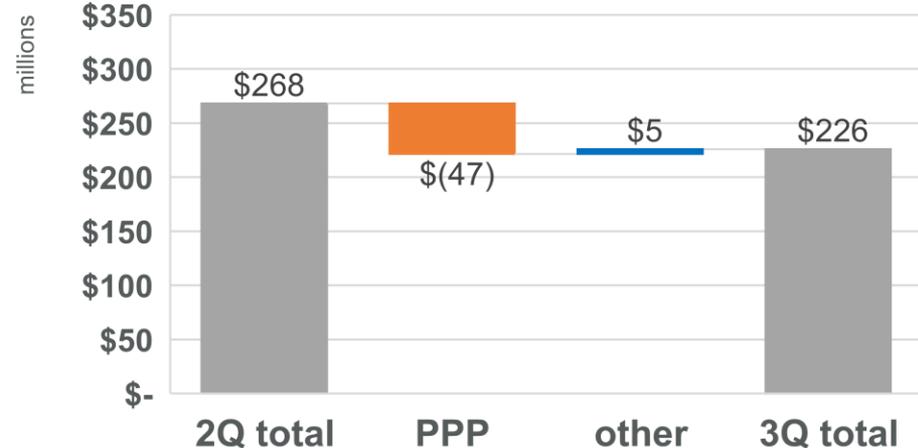
lodging balance decline (3Q v 2Q)



retail balance decline (3Q v 2Q)



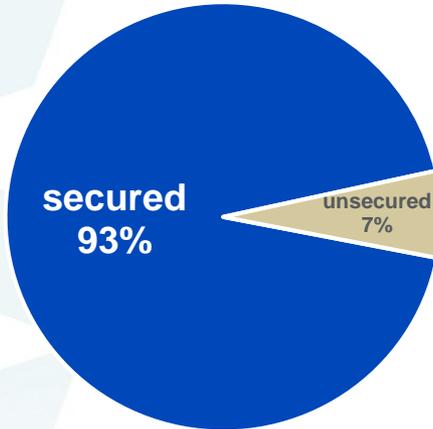
restaurant/entertainment balance decline (3Q v 2Q)



retail

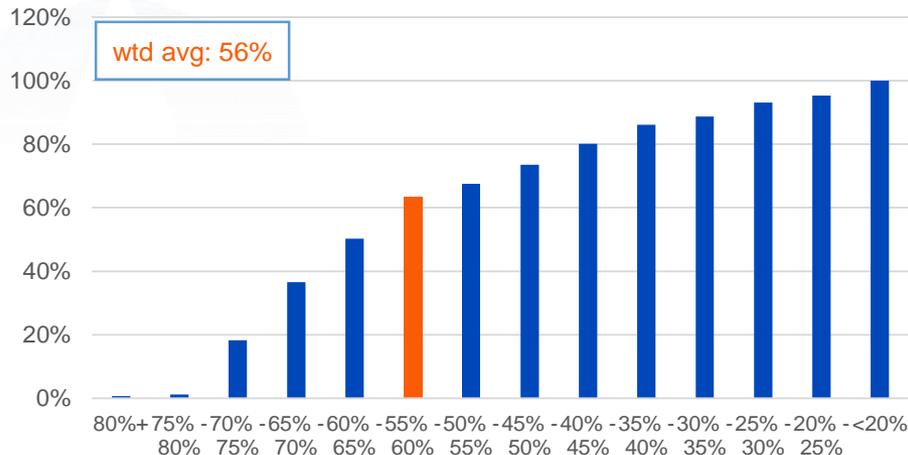
\$695 million (6%) – excluding PPP

real estate secured



- 93% real estate secured
 - 56% wtd avg LTV
 - average exposure \$3.5MM
 - largest exposure \$39MM
 - 63% of portfolio has an LTV ≤ 65%
- 98.3% is secured or has essential anchor
- 0.0% unsecured and deferred
- 100% secured or paying interest

secured LTV distribution

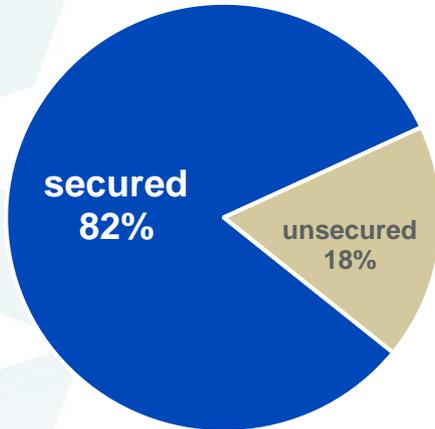


		deferred		total
		yes	no	
secured	yes	2.9%	90.6%	93.5%
	no	0.0%	6.5%	6.5%
	total	2.9%	97.1%	100.0%

lodging

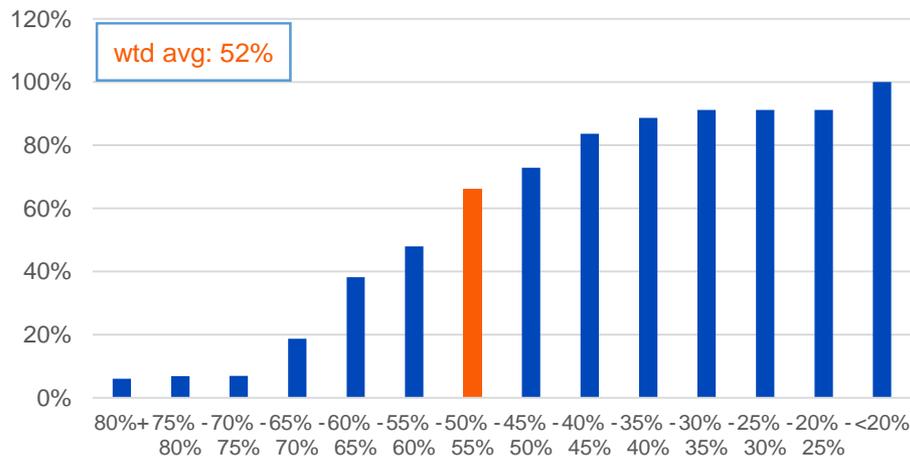
\$521 million (4%) – excluding PPP

real estate secured



- 82% real estate secured
 - 52% wtd avg LTV
 - average exposure \$9.4MM
 - largest exposure \$40MM
 - 81% of portfolio has an LTV ≤ 65%
- 90% of unsecured outstandings to global hotel and timeshare brands
- 0.1% unsecured and deferred
- 100% secured or paying interest

secured LTV distribution

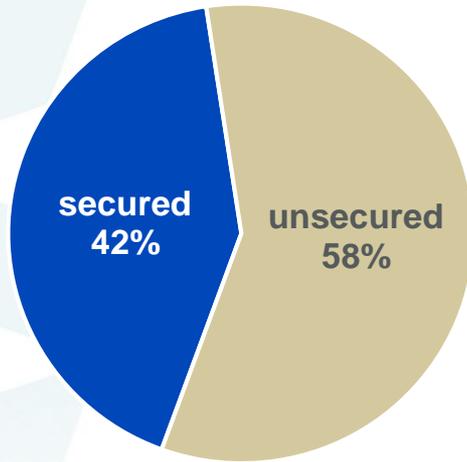


		deferred		
		yes	no	total
secured	yes	17.3%	64.9%	82.3%
	no	0.1%	17.7%	17.7%
	total	17.4%	82.6%	100.0%

restaurant / entertainment

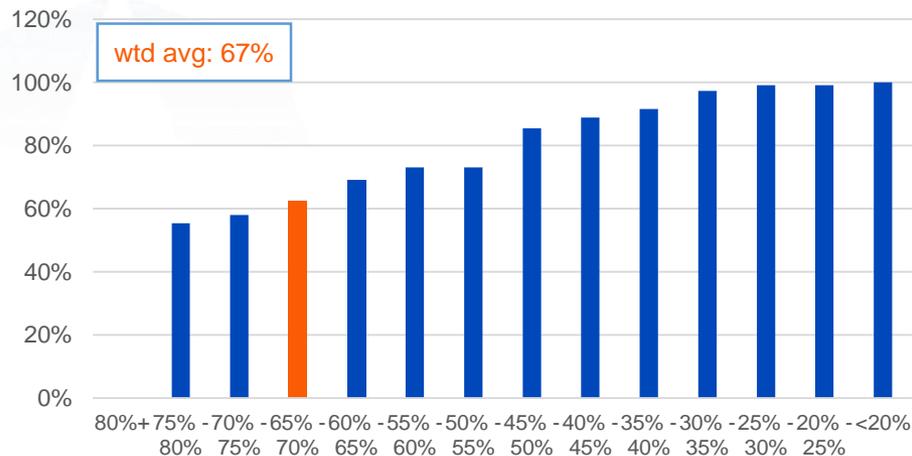
\$157 million (1%) – excluding PPP

real estate secured



- 42% real estate secured
 - 67% wtd avg LTV
 - average exposure \$1.9MM
 - largest exposure \$29MM
 - 38% of portfolio has an LTV ≤ 65%
- 0.0% unsecured and deferred
- 100% secured or paying interest

secured LTV distribution



		deferred		
		yes	no	total
secured	yes	0.2%	41.8%	42.0%
	no	0.0%	58.0%	58.0%
	total	0.2%	99.8%	100.0%