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## Bank of Hawai'i Corporation Third Quarter 2023 Financial Results

- **Diluted Earnings Per Common Share \$1.17**
- **Net Income \$47.9 Million**
- **Total Deposits Up 1.4% Linked Quarter**
- **Board of Directors Declares Dividend of \$0.70 Per Common Share**

### FOR IMMEDIATE RELEASE

HONOLULU, HI (October 23, 2023) -- Bank of Hawai'i Corporation (NYSE: BOH) today reported diluted earnings per common share of \$1.17 for the third quarter of 2023, compared with diluted earnings per common share of \$1.12 in the previous quarter and \$1.28 in the same quarter of 2022. Net income for the third quarter of 2023 was \$47.9 million, up 4.0% from the previous quarter and down 9.3% from the same quarter of 2022. The return on average common equity for the third quarter of 2023 was 15.38% compared with 14.95% in the previous quarter and 16.98% in the same quarter of 2022.

“Bank of Hawai'i delivered another quarter of solid financial results,” said Peter Ho, Chairman, President, and CEO. “Total deposits were up 1.4% linked quarter, and average deposits were up by 2.4%, driven by growth in core relationship deposits. Our credit quality remained strong, with non-performing assets of 0.08% at quarter end and net charge offs of 0.06% in the quarter. NIM declined modestly by 9 basis points, while our core noninterest income and operating expense remained steady. Finally, one of our key priorities this quarter was to support our clients, employees, and community as we coped with the tragic situation in Maui. Taking care of our community has always been a fundamental priority and we will continue to support our community as we build a stronger Maui.”

### Financial Highlights

Net interest income for the third quarter of 2023 was \$120.9 million, a decrease of 2.7% from the previous quarter and a decrease of 14.6% from the same quarter of 2022. The decrease in net interest income in the third quarter of 2023 was primarily due to higher funding costs, partially offset by higher earning asset yields.

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Net interest margin was 2.13% in the third quarter of 2023, a decrease of 9 basis points from the previous quarter and 47 basis points from the same quarter of 2022. The decrease in net interest margin was due to higher funding costs and increased liquidity, partially offset by higher earning asset yields.

The average yield on loans and leases was 4.34% in the third quarter of 2023, up 15 basis points from the prior quarter and up 85 basis points from the same quarter of 2022. The average yield on total earning assets was 3.72% in the third quarter of 2023, up 16 basis points from the prior quarter and up 88 basis points from the same quarter of 2022. The average cost of interest-bearing deposits was 1.95% in the third quarter of 2023, up 41 basis points from the prior quarter and up 165 basis points from the same quarter of 2022. The average cost of total deposits, including noninterest-bearing deposits, was 1.40%, up 32 basis points from the prior quarter and up 120 basis points from the same quarter of 2022. The changes in yields and rates over the linked quarter and year over year period reflected the higher rate environment, including higher benchmark interest rates.

Noninterest income was \$50.3 million in the third quarter of 2023, an increase of 16.4% from the previous quarter and an increase of 64.2% from the same period in 2022. Noninterest income in the third quarter of 2023 included a \$14.7 million gain from the early termination of private repurchase agreements, partially offset by a \$4.6 million net loss related to investment securities sales and a negative \$0.8 million adjustment related to a change in the Visa Class B conversion ratio. Noninterest income in the second quarter of 2023 included \$1.5 million from the sale of a low-income housing tax credit investment. Noninterest income in the third quarter of 2022 included a one-time pre-tax charge of \$6.9 million related to our agreement to sell assets that terminated certain leveraged leases and a negative \$0.9 million adjustment related to a change in the Visa Class B conversion ratio. Adjusted for these items, noninterest income in the third quarter of 2023 was \$41.0 million, down 1.6% from adjusted noninterest income in the previous quarter, and up 6.6% from adjusted noninterest income in the same period in 2022.

Noninterest expense was \$105.6 million in the third quarter of 2023, an increase of 1.5% from the previous quarter and a decrease of 0.1% from the same quarter of 2022. Noninterest expense in the third quarter of 2023 included separation expenses of \$2.1 million and extraordinary expenses related to the Maui wildfires of \$0.4 million. Noninterest expense in the third quarter of 2022 included \$1.8 million in separation expenses. Adjusted noninterest expense in the third quarter of 2023 was \$103.1 million, down 0.9% from the previous quarter and down 0.8% from adjusted noninterest expense in the same period in 2022.

The effective tax rate for the third quarter of 2023 was 24.76% compared with 24.57% in the previous quarter and 20.68% during the same quarter of 2022. The increase in the effective tax rate on a linked quarter basis was mainly due to a decrease in benefits from tax credit investments from the second quarter. The year over year increase was primarily due to tax benefits in the third quarter of 2022 related to the aforementioned agreement to sell assets that terminated certain leveraged leases.

### **Asset Quality**

The Company's overall asset quality remained strong during the third quarter of 2023. Provision for credit losses for the third quarter of 2023 was \$2.0 million compared with \$2.5 million in the previous quarter. The Company had no provision for credit loss in the third quarter of 2022.

Total non-performing assets were \$11.5 million at September 30, 2023, flat from June 30, 2023 and down \$2.3 million from September 30, 2022. Non-performing assets as a percentage of total loans and leases and foreclosed real estate were 0.08% at the end of the quarter, flat from the end of the prior quarter and a decrease of 2 basis points from the same quarter of 2022.

Net loan and lease charge-offs during the third quarter of 2023 were \$2.0 million or 6 basis points annualized of total average loans and leases outstanding. Net loan and lease charge-offs for the third quarter of 2023 were comprised of charge-offs of \$3.6 million partially offset by recoveries of \$1.6 million. Compared to the prior quarter, net loan and lease charge-offs increased by \$0.7 million or 2 basis points annualized on total average loans and leases outstanding. Compared to the same quarter of 2022, net loan and lease charge-offs increased by \$0.9 million or 3 basis points annualized on total average loans and leases outstanding.

The allowance for credit losses on loans and leases was \$145.3 million at September 30, 2023, a decrease of \$0.1 million from June 30, 2023 and a decrease of \$1.2 million from September 30, 2022. The ratio of the allowance for credit losses to total loans and leases outstanding was 1.04% at the end of the quarter, flat from the end of the prior quarter and down 6 basis points from the same quarter of 2022.

### **Balance Sheet**

Total assets were \$23.5 billion at September 30, 2023, a decrease of 5.6% from June 30, 2023 and an increase of 1.8% from September 30, 2022. The decrease from the prior quarter was primarily due to a decrease in funds sold. The increase from the same period in 2022 was primarily due to an increase in our loans and leases.

Total funds sold and cash and due from banks was \$0.6 billion at September 30, 2023, a decrease of \$1.0 billion from June 30, 2023 and flat from September 30, 2022. The decrease was primarily due to termination of \$1.8 billion of wholesale funding during the quarter, including Federal Home Loan Bank advances and private repurchase agreements.

The investment securities portfolio was \$7.5 billion at September 30, 2023, a decrease of 5.0% from June 30, 2023 and a decrease of 5.2% from September 30, 2022. These decreases were due to sales of \$159.1 million of investment securities during the quarter and cashflows from the portfolio not being reinvested into securities. The investment portfolio remains largely comprised of securities issued by U.S. government agencies and U.S. government-sponsored enterprises.

Total loans and leases were \$13.9 billion at September 30, 2023, flat from June 30, 2023 and an increase of 4.5% from September 30, 2022. Total commercial loans were \$5.7 billion at September 30, 2023, an increase of 1.2% from the prior quarter and an increase of 7.3% from the same quarter of 2022. The increase from the same period in 2022 was primarily due to increases in our commercial mortgage and commercial and industrial portfolios. Total consumer loans were \$8.2 billion as of September 30, 2023, a decrease of 0.8% from the prior quarter and an increase of 2.7% from the same period in 2022. The increase from the same period in 2022 was primarily driven by increases in our residential mortgage and home equity portfolios.

Total deposits were \$20.8 billion at September 30, 2023, an increase of 1.4% from June 30, 2023 and a decrease of 0.4% from September 30, 2022. Noninterest-bearing deposits made up 27% of total deposit balances as of September 30, 2023, down from 29% as of June 30, 2023, and down from 35% as of September 30, 2022. Average deposits were \$20.5 billion for the third quarter of 2023, up 2.4% from \$20.0 billion in the prior quarter, and down 1.8% from \$20.9 billion in the third quarter of 2022. As of September 30, 2023, insured and uninsured but collateralized deposits represent 58% of total deposit balances, down from 61% as of June 30, 2023, and up from 56% as of September 30, 2022. As of September 30, 2023, our readily available liquidity of \$9.6 billion exceeded total uninsured and uncollateralized deposits.

### **Capital and Dividends**

The Company's capital levels increased quarter over quarter and remain well above regulatory well-capitalized minimums.

The Tier 1 Capital Ratio was 12.53% at September 30, 2023 compared with 12.21% at June 30, 2023 and 12.72% at September 30, 2022. The Tier 1 Leverage Ratio was 7.22% at September 30, 2023, up 1 basis point from 7.21% at June 30, 2023 and down 6 basis points from 7.28% at September 30, 2022. The increases from the prior quarter were due to an increase in Tier 1 capital as a result of retained earnings growth and a decrease in risk-weighted assets. The decreases from the same period in 2022 were due to an increase in risk-weighted assets and average total assets, as a result of loan growth over the period.

No shares of common stock were repurchased under the share repurchase program in the third quarter of 2023. Total remaining buyback authority under the share repurchase program was \$126.0 million at September 30, 2023.

The Company's Board of Directors declared a quarterly cash dividend of \$0.70 per share on the Company's outstanding common shares. The dividend will be payable on December 14, 2023 to shareholders of record at the close of business on November 30, 2023.

On October 5, 2023, the Company announced that the Board of Directors declared the quarterly dividend payment of \$10.94 per share, equivalent to \$0.2735 per depository share, on its preferred stock. The depository shares representing the Series A Preferred Stock are traded on the NYSE under the symbol "BOH.PRA." The dividend will be payable on November 1, 2023 to shareholders of record of the preferred stock as of the close of business on October 17, 2023.

### **Conference Call Information**

The Company will review its third quarter financial results today at 8:00 a.m. Hawai'i Time (2:00 p.m. Eastern Time). The live call, including a slide presentation, will be accessible on the investor relations link of Bank of Hawai'i Corporation's website, [www.boh.com](http://www.boh.com). The webcast can be accessed via the link: <https://register.vevent.com/register/BIId0e4643fbbd64cdfae5f15202d1ffbba>. A replay of the conference call will be available for one year beginning approximately 11:00 a.m. Hawai'i Time on Monday, October 23, 2023. The replay will be available on the Company's website, [www.boh.com](http://www.boh.com).

**Investor Announcements**

Investors and others should note that the Company intends to announce financial and other information to the Company's investors using the Company's investor relations website at <https://ir.boh.com>, social media channels, press releases, SEC filings and public conference calls and webcasts, all for purposes of complying with the Company's disclosure obligations under Regulation FD. Accordingly, investors should monitor these channels, as information is updated, and new information is posted.

**Forward-Looking Statements**

This news release, and other statements made by the Company in connection with it may contain "forward-looking statements" (as defined in the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties that could cause results to be materially different from expectations. Forecasts of our financial results and condition, expectations for our operations and business prospects, and our assumptions used in those forecasts and expectations are examples of certain of these forward-looking statements. Do not unduly rely on forward-looking statements. Actual results might differ significantly from our forecasts and expectations because of a variety of factors. More information about these factors is contained in Bank of Hawai'i Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 and its Form 10-Q for the fiscal quarter ended March 31, 2023 and June 30, 2023, which were filed with the U.S. Securities and Exchange Commission. These forward-looking statements are not guarantees of future performance and speak only as of the date made, and, except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

*Bank of Hawai'i Corporation is an independent regional financial services company serving businesses, consumers, and governments in Hawai'i and the West Pacific. The Company's principal subsidiary, Bank of Hawai'i, was founded in 1897. For more information about Bank of Hawai'i Corporation, see the Company's website, [www.boh.com](http://www.boh.com). Bank of Hawai'i Corporation is a trade name of Bank of Hawaii Corporation.*

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# Bank of Hawai'i Corporation and Subsidiaries

## Financial Highlights

Table 1

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(dollars in thousands, except per share amounts)					
<b>For the Period:</b>					
<b>Operating Results</b>					
Net Interest Income	\$ 120,937	\$ 124,348	\$ 141,655	\$ 381,240	\$ 399,820
Provision for Credit Losses	2,000	2,500	-	6,500	(8,000)
Total Noninterest Income	50,334	43,255	30,660	134,326	116,369
Total Noninterest Expense	105,601	104,036	105,749	321,556	312,562
Pre-Provision Net Revenue	65,670	63,567	66,566	194,010	203,627
Net Income	47,903	46,061	52,801	140,806	164,497
Net Income Available to Common Shareholders	45,934	44,092	50,832	134,899	158,590
Basic Earnings Per Common Share	1.17	1.12	1.28	3.44	4.00
Diluted Earnings Per Common Share	1.17	1.12	1.28	3.42	3.98
Dividends Declared Per Common Share	0.70	0.70	0.70	2.10	2.10
<b>Performance Ratios</b>					
Return on Average Assets	0.78 %	0.77 %	0.91 %	0.78 %	0.96 %
Return on Average Shareholders' Equity	13.92	13.55	15.31	13.91	15.25
Return on Average Common Equity	15.38	14.95	16.98	15.37	16.81
Efficiency Ratio <sup>1</sup>	61.66	62.07	61.37	62.37	60.55
Net Interest Margin <sup>2</sup>	2.13	2.22	2.60	2.27	2.47
Dividend Payout Ratio <sup>3</sup>	59.83	62.50	54.69	61.05	52.50
Average Shareholders' Equity to Average Assets	5.60	5.65	5.91	5.61	6.28
<b>Average Balances</b>					
Average Loans and Leases	\$ 13,903,214	\$ 13,876,754	\$ 13,126,717	\$ 13,833,164	\$ 12,709,045
Average Assets	24,387,421	24,114,443	23,135,820	24,124,360	22,959,246
Average Deposits	20,492,082	20,018,601	20,863,681	20,314,079	20,621,310
Average Shareholders' Equity	1,365,143	1,363,059	1,367,946	1,353,815	1,441,706
<b>Per Share of Common Stock</b>					
<b>Book Value</b>	\$ 29.78	\$ 29.66	\$ 27.55	\$ 29.78	\$ 27.55
<b>Tangible Book Value</b>	28.99	28.87	26.76	28.99	26.76
<b>Market Value</b>					
Closing	49.69	41.23	76.12	49.69	76.12
High	58.63	52.37	85.45	81.73	92.38
Low	39.02	30.83	70.89	30.83	70.89
		<b>September 30,</b>	<b>June 30,</b>	<b>December 31,</b>	<b>September 30,</b>
		<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>As of Period End:</b>					
<b>Balance Sheet Totals</b>					
Loans and Leases	\$ 13,919,491	\$ 13,914,889	\$ 13,646,420	\$ 13,321,606	
Total Assets	23,549,785	24,947,936	23,606,877	23,134,040	
Total Deposits	20,802,309	20,508,615	20,615,696	20,888,773	
Other Debt	560,217	1,760,243	410,294	10,319	
Total Shareholders' Equity	1,363,840	1,358,279	1,316,995	1,282,384	
<b>Asset Quality</b>					
Non-Performing Assets	\$ 11,519	\$ 11,477	\$ 12,647	\$ 13,868	
Allowance for Credit Losses - Loans and Leases	145,263	145,367	144,439	146,436	
Allowance to Loans and Leases Outstanding <sup>4</sup>	1.04 %	1.04 %	1.06 %	1.10 %	
<b>Capital Ratios <sup>5</sup></b>					
Common Equity Tier 1 Capital Ratio	11.29 %	11.00 %	10.92 %	11.42 %	
Tier 1 Capital Ratio	12.53	12.21	12.15	12.72	
Total Capital Ratio	13.56	13.24	13.17	13.82	
Tier 1 Leverage Ratio	7.22	7.21	7.37	7.28	
Total Shareholders' Equity to Total Assets	5.79	5.44	5.58	5.54	
Tangible Common Equity to Tangible Assets <sup>6</sup>	4.90	4.60	4.69	4.64	
Tangible Common Equity to Risk-Weighted Assets <sup>6</sup>	8.10	7.97	7.76	7.97	
<b>Non-Financial Data</b>					
Full-Time Equivalent Employees	1,919	2,025	2,076	2,115	
Branches	51	51	51	51	
ATMs	320	320	320	316	

<sup>1</sup> Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and total noninterest income).

<sup>2</sup> Net interest margin is defined as net interest income, on a taxable-equivalent basis, as a percentage of average earning assets.

<sup>3</sup> Dividend payout ratio is defined as dividends declared per common share divided by basic earnings per common share.

<sup>4</sup> The numerator comprises the Allowance for Credit Losses - Loans and Leases.

<sup>5</sup> Regulatory capital ratios as of September 30, 2023 are preliminary.

<sup>6</sup> Tangible common equity to tangible assets and tangible common equity to risk-weighted assets are Non-GAAP financial measures.

Tangible common equity is defined by the Company as common shareholders' equity minus goodwill.

See Table 2 "Reconciliation of Non-GAAP Financial Measures".

# Bank of Hawai‘i Corporation and Subsidiaries

## Reconciliation of Non-GAAP Financial Measures

Table 2

(dollars in thousands)	September 30, 2023	June 30, 2023	December 31, 2022	September 30, 2022
Total Shareholders' Equity	\$ 1,363,840	\$ 1,358,279	\$ 1,316,995	\$ 1,282,384
Less: Preferred Stock	180,000	180,000	180,000	180,000
Goodwill	31,517	31,517	31,517	31,517
<b>Tangible Common Equity</b>	<b>\$ 1,152,323</b>	<b>\$ 1,146,762</b>	<b>\$ 1,105,478</b>	<b>\$ 1,070,867</b>
Total Assets	\$ 23,549,785	\$ 24,947,936	\$ 23,606,877	\$ 23,134,040
Less: Goodwill	31,517	31,517	31,517	31,517
<b>Tangible Assets</b>	<b>\$ 23,518,268</b>	<b>\$ 24,916,419</b>	<b>\$ 23,575,360</b>	<b>\$ 23,102,523</b>
Risk-Weighted Assets, determined in accordance with prescribed regulatory requirements <sup>1</sup>	\$ 14,222,825	\$ 14,391,943	\$ 14,238,798	\$ 13,428,188
Total Shareholders' Equity to Total Assets	5.79%	5.44%	5.58%	5.54%
Tangible Common Equity to Tangible Assets (Non-GAAP)	4.90%	4.60%	4.69%	4.64%
Tier 1 Capital Ratio <sup>1</sup>	12.53%	12.21%	12.15%	12.72%
Tangible Common Equity to Risk-Weighted Assets (Non-GAAP) <sup>1</sup>	8.10%	7.97%	7.76%	7.97%

<sup>1</sup> Regulatory capital ratios as of September 30, 2023 are preliminary.

# Bank of Hawai'i Corporation and Subsidiaries

## Consolidated Statements of Income

Table 3

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(dollars in thousands, except per share amounts)					
<b>Interest Income</b>					
Interest and Fees on Loans and Leases	\$ 151,245	\$ 144,541	\$ 115,013	\$ 432,287	\$ 311,115
<b>Income on Investment Securities</b>					
Available-for-Sale	23,552	23,301	16,995	70,746	52,079
Held-to-Maturity	22,838	23,375	20,243	70,161	57,782
Deposits	18	18	10	63	19
Funds Sold	12,828	6,395	2,335	22,589	3,181
Other	1,464	2,121	322	4,182	877
<b>Total Interest Income</b>	<b>211,945</b>	<b>199,751</b>	<b>154,918</b>	<b>600,028</b>	<b>425,053</b>
<b>Interest Expense</b>					
Deposits	72,153	53,779	10,296	163,726	16,184
Securities Sold Under Agreements to Repurchase	4,034	5,436	2,745	14,847	8,311
Funds Purchased	-	184	40	888	99
Short-Term Borrowings	-	2,510	-	5,713	92
Other Debt	14,821	13,494	182	33,614	547
<b>Total Interest Expense</b>	<b>91,008</b>	<b>75,403</b>	<b>13,263</b>	<b>218,788</b>	<b>25,233</b>
<b>Net Interest Income</b>	<b>120,937</b>	<b>124,348</b>	<b>141,655</b>	<b>381,240</b>	<b>399,820</b>
Provision for Credit Losses	2,000	2,500	-	6,500	(8,000)
<b>Net Interest Income After Provision for Credit Losses</b>	<b>118,937</b>	<b>121,848</b>	<b>141,655</b>	<b>374,740</b>	<b>407,820</b>
<b>Noninterest Income</b>					
Trust and Asset Management	10,548	11,215	10,418	32,453	33,151
Mortgage Banking	1,059	1,176	1,002	3,239	4,989
Service Charges on Deposit Accounts	7,843	7,587	7,526	23,167	22,107
Fees, Exchange, and Other Service Charges	13,824	14,150	13,863	41,782	41,008
Investment Securities Losses, Net	(6,734)	(1,310)	(2,147)	(9,836)	(4,987)
Annuity and Insurance	1,156	1,038	1,034	3,465	2,695
Bank-Owned Life Insurance	2,749	2,876	2,486	8,467	7,493
Other	19,889	6,523	(3,522)	31,589	9,913
<b>Total Noninterest Income</b>	<b>50,334</b>	<b>43,255</b>	<b>30,660</b>	<b>134,326</b>	<b>116,369</b>
<b>Noninterest Expense</b>					
Salaries and Benefits	58,825	56,175	59,938	180,088	177,631
Net Occupancy	10,327	9,991	10,186	30,190	29,942
Net Equipment	9,477	10,573	9,736	30,425	28,432
Data Processing	4,706	4,599	4,616	13,888	13,783
Professional Fees	3,846	4,651	3,799	12,380	10,599
FDIC Insurance	3,361	3,173	1,680	9,768	4,772
Other	15,059	14,874	15,794	44,817	47,403
<b>Total Noninterest Expense</b>	<b>105,601</b>	<b>104,036</b>	<b>105,749</b>	<b>321,556</b>	<b>312,562</b>
Income Before Provision for Income Taxes	63,670	61,067	66,566	187,510	211,627
Provision for Income Taxes	15,767	15,006	13,765	46,704	47,130
<b>Net Income</b>	<b>\$ 47,903</b>	<b>\$ 46,061</b>	<b>\$ 52,801</b>	<b>\$ 140,806</b>	<b>\$ 164,497</b>
Preferred Stock Dividends	1,969	1,969	1,969	5,908	5,908
<b>Net Income Available to Common Shareholders</b>	<b>\$ 45,934</b>	<b>\$ 44,092</b>	<b>\$ 50,832</b>	<b>\$ 134,898</b>	<b>\$ 158,589</b>
Basic Earnings Per Common Share	\$ 1.17	\$ 1.12	\$ 1.28	\$ 3.44	\$ 4.00
Diluted Earnings Per Common Share	\$ 1.17	\$ 1.12	\$ 1.28	\$ 3.42	\$ 3.98
Dividends Declared Per Common Share	\$ 0.70	\$ 0.70	\$ 0.70	\$ 2.10	\$ 2.10
Basic Weighted Average Common Shares	39,274,626	39,241,559	39,567,047	39,264,450	39,670,409
Diluted Weighted Average Common Shares	39,420,531	39,317,521	39,758,209	39,392,433	39,848,795

**Bank of Hawai‘i Corporation and Subsidiaries****Consolidated Statements of Comprehensive Income (Loss)****Table 4**

	<b>Three Months Ended</b>			<b>Nine Months Ended</b>	
	<b>September 30,</b>	<b>June 30,</b>	<b>September 30,</b>	<b>September 30,</b>	
(dollars in thousands)	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net Income	\$ 47,903	\$ 46,061	\$ 52,801	\$ 140,806	\$ 164,497
Other Comprehensive Loss, Net of Tax:					
Net Unrealized Losses on Investment Securities	(18,264)	(18,217)	(79,600)	(7,205)	(382,371)
Defined Benefit Plans	84	84	354	252	1,059
Other Comprehensive Loss	(18,180)	(18,133)	(79,246)	(6,953)	(381,312)
Comprehensive Income (Loss)	\$ 29,723	\$ 27,928	\$ (26,445)	\$ 133,853	\$ (216,815)

# Bank of Hawai'i Corporation and Subsidiaries

## Consolidated Statements of Condition

Table 5

(dollars in thousands)	September 30, 2023	June 30, 2023	December 31, 2022	September 30, 2022
<b>Assets</b>				
Interest-Bearing Deposits in Other Banks	\$ 4,676	\$ 2,261	\$ 3,724	\$ 5,429
Funds Sold	386,086	1,273,109	81,364	402,714
Investment Securities				
Available-for-Sale	2,387,324	2,666,723	2,844,823	2,424,608
Held-to-Maturity (Fair Value of \$4,104,469; \$4,411,003; \$4,615,393; and \$4,668,074)	5,088,013	5,202,698	5,414,139	5,461,160
Loans Held for Sale	1,450	3,359	1,035	418
Loans and Leases	13,919,491	13,914,889	13,646,420	13,321,606
Allowance for Credit Losses	(145,263)	(145,367)	(144,439)	(146,436)
Net Loans and Leases	13,774,228	13,769,522	13,501,981	13,175,170
<b>Total Earning Assets</b>	<b>21,641,777</b>	<b>22,917,672</b>	<b>21,847,066</b>	<b>21,469,499</b>
Cash and Due from Banks	261,464	398,072	316,679	247,506
Premises and Equipment, Net	196,094	200,297	206,777	208,251
Operating Lease Right-of-Use Assets	86,896	89,286	92,307	94,613
Accrued Interest Receivable	65,541	64,720	61,002	50,143
Foreclosed Real Estate	1,040	1,040	1,040	1,040
Mortgage Servicing Rights	21,273	21,626	22,619	23,104
Goodwill	31,517	31,517	31,517	31,517
Bank-Owned Life Insurance	458,260	456,889	453,882	451,407
Other Assets	785,923	766,817	573,988	556,960
<b>Total Assets</b>	<b>\$ 23,549,785</b>	<b>\$ 24,947,936</b>	<b>\$ 23,606,877</b>	<b>\$ 23,134,040</b>
<b>Liabilities</b>				
Deposits				
Noninterest-Bearing Demand	\$ 5,687,442	\$ 5,968,344	\$ 6,714,982	\$ 7,300,157
Interest-Bearing Demand	3,925,469	4,119,166	4,232,567	4,399,625
Savings	8,530,384	7,756,426	7,962,410	7,954,006
Time	2,659,014	2,664,679	1,705,737	1,234,985
<b>Total Deposits</b>	<b>20,802,309</b>	<b>20,508,615</b>	<b>20,615,696</b>	<b>20,888,773</b>
Securities Sold Under Agreements to Repurchase	150,490	725,490	725,490	425,490
Other Debt	560,217	1,760,243	410,294	10,319
Operating Lease Liabilities	95,453	97,768	100,526	102,705
Retirement Benefits Payable	26,074	26,434	26,991	37,053
Accrued Interest Payable	33,434	26,737	9,698	3,405
Taxes Payable	6,965	132	7,104	13,527
Other Liabilities	511,003	444,238	394,083	370,384
<b>Total Liabilities</b>	<b>22,185,945</b>	<b>23,589,657</b>	<b>22,289,882</b>	<b>21,851,656</b>
<b>Shareholders' Equity</b>				
Preferred Stock (\$.01 par value; authorized 180,000 shares;				
issued / outstanding: September 30, 2023; June 30, 2023; December 31, 2022;				
and September 30, 2022 - 180,000)				
	180,000	180,000	180,000	180,000
Common Stock (\$.01 par value; authorized 500,000,000 shares;				
issued / outstanding: September 30, 2023 - 58,767,820 / 39,748,700;				
June 30, 2023 - 58,771,036 / 39,725,348; December 31, 2022 - 58,733,625 / 39,835,750;				
and September 30, 2022 - 58,728,796 / 40,011,473)				
	583	583	582	582
Capital Surplus	632,425	628,202	620,578	615,985
Accumulated Other Comprehensive Loss	(441,611)	(423,431)	(434,658)	(447,694)
Retained Earnings	2,108,702	2,091,289	2,055,912	2,024,641
Treasury Stock, at Cost (Shares: September 30, 2023 - 19,019,120; June 30, 2023 - 19,045,688;				
December 31, 2022 - 18,897,875; and September 30, 2022 - 18,717,323)	(1,116,259)	(1,118,364)	(1,105,419)	(1,091,130)
<b>Total Shareholders' Equity</b>	<b>1,363,840</b>	<b>1,358,279</b>	<b>1,316,995</b>	<b>1,282,384</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 23,549,785</b>	<b>\$ 24,947,936</b>	<b>\$ 23,606,877</b>	<b>\$ 23,134,040</b>

**Bank of Hawai'i Corporation and Subsidiaries**  
**Consolidated Statements of Shareholders' Equity**

**Table 6**

	Preferred		Common		Accumulated		Retained	Treasury	Total
	Shares	Preferred	Shares	Common	Capital	Other			
(dollars in thousands)	Outstanding	Stock	Outstanding	Stock	Surplus	Comprehensive	Earnings	Stock	
<b>Balance as of December 31, 2022</b>	180,000	\$ 180,000	39,835,750	\$ 582	\$ 620,578	\$ (434,658)	\$ 2,055,912	\$ (1,105,419)	\$ 1,316,995
Net Income	-	-	-	-	-	-	140,806	-	140,806
Other Comprehensive Loss	-	-	-	-	-	(6,953)	-	-	(6,953)
Share-Based Compensation	-	-	-	-	11,979	-	-	-	11,979
Common Stock Issued under Purchase and									
Equity Compensation Plans	-	-	121,040	1	(132)	-	1,716	3,216	4,801
Common Stock Repurchased	-	-	(208,090)	-	-	-	-	(14,056)	(14,056)
Cash Dividends Declared Common Stock (\$2.10 per share)	-	-	-	-	-	-	(83,824)	-	(83,824)
Cash Dividends Declared Preferred Stock	-	-	-	-	-	-	(5,908)	-	(5,908)
<b>Balance as of September 30, 2023</b>	180,000	\$ 180,000	39,748,700	\$ 583	\$ 632,425	\$ (441,611)	\$ 2,108,702	\$ (1,116,259)	\$ 1,363,840
<b>Balance as of December 31, 2021</b>	180,000	\$ 180,000	40,253,193	\$ 581	\$ 602,508	\$ (66,382)	\$ 1,950,375	\$ (1,055,471)	\$ 1,611,611
Net Income	-	-	-	-	-	-	164,497	-	164,497
Other Comprehensive Loss	-	-	-	-	-	(381,312)	-	-	(381,312)
Share-Based Compensation	-	-	-	-	11,947	-	-	-	11,947
Common Stock Issued under Purchase and									
Equity Compensation Plans	-	-	247,966	1	1,530	-	256	3,889	5,676
Common Stock Repurchased	-	-	(489,686)	-	-	-	-	(39,548)	(39,548)
Cash Dividends Declared Common Stock (\$2.10 per share)	-	-	-	-	-	-	(84,579)	-	(84,579)
Cash Dividends Declared Preferred Stock	-	-	-	-	-	-	(5,908)	-	(5,908)
<b>Balance as of September 30, 2022</b>	180,000	\$ 180,000	40,011,473	\$ 582	\$ 615,985	\$ (447,694)	\$ 2,024,641	\$ (1,091,130)	\$ 1,282,384

# Bank of Hawai'i Corporation and Subsidiaries

## Average Balances and Interest Rates - Taxable-Equivalent Basis <sup>1</sup>

Table 7a

	Three Months Ended September 30, 2023			Three Months Ended June 30, 2023			Three Months Ended September 30, 2022		
	Average Balance	Income / Expense <sup>2</sup>	Yield / Rate	Average Balance	Income / Expense <sup>2</sup>	Yield / Rate	Average Balance	Income / Expense <sup>2</sup>	Yield / Rate
(dollars in millions)									
<b>Earning Assets</b>									
Interest-Bearing Deposits in Other Banks	\$ 2.9	\$ -	2.40 %	\$ 5.1	\$ -	1.48 %	\$ 2.9	\$ -	1.32 %
Funds Sold	944.8	12.8	5.31	500.1	6.4	5.06	411.8	2.3	2.22
Investment Securities									
Available-for-Sale									
Taxable	2,605.4	23.5	3.60	2,741.1	23.2	3.39	3,481.9	17.0	1.95
Non-Taxable	3.5	-	3.21	9.6	0.1	4.40	2.5	-	1.56
Held-to-Maturity									
Taxable	5,118.6	22.7	1.77	5,231.3	23.2	1.78	4,645.7	20.1	1.73
Non-Taxable	35.0	0.2	2.10	35.2	0.2	2.10	35.6	0.2	2.10
<b>Total Investment Securities</b>	<b>7,762.5</b>	<b>46.4</b>	<b>2.39</b>	<b>8,017.2</b>	<b>46.7</b>	<b>2.33</b>	<b>8,165.7</b>	<b>37.3</b>	<b>1.82</b>
Loans Held for Sale	3.8	0.1	6.28	2.7	-	5.50	4.3	0.1	4.46
Loans and Leases <sup>3</sup>									
Commercial and Industrial	1,515.0	18.9	4.96	1,456.1	17.5	4.82	1,353.8	12.5	3.66
Paycheck Protection Program	13.1	-	1.32	14.5	-	1.30	28.0	0.2	3.02
Commercial Mortgage	3,792.6	51.1	5.35	3,814.9	49.3	5.19	3,530.9	33.3	3.74
Construction	241.9	3.7	6.09	246.8	3.5	5.70	233.0	2.8	4.81
Commercial Lease Financing	62.6	0.3	1.84	65.4	0.3	1.67	89.1	0.4	1.58
Residential Mortgage	4,715.3	42.8	3.62	4,704.0	41.2	3.50	4,526.6	37.4	3.30
Home Equity	2,283.5	20.1	3.49	2,272.3	19.0	3.35	2,144.8	16.4	3.04
Automobile	868.0	8.2	3.75	879.3	7.7	3.53	795.5	6.4	3.19
Other <sup>4</sup>	411.2	6.5	6.24	423.5	6.4	6.04	425.0	5.9	5.48
<b>Total Loans and Leases</b>	<b>13,903.2</b>	<b>151.6</b>	<b>4.34</b>	<b>13,876.8</b>	<b>144.9</b>	<b>4.19</b>	<b>13,126.7</b>	<b>115.3</b>	<b>3.49</b>
Other	91.6	1.5	6.40	94.8	2.2	8.94	36.9	0.3	3.49
<b>Total Earning Assets</b>	<b>22,708.8</b>	<b>212.4</b>	<b>3.72</b>	<b>22,496.7</b>	<b>200.2</b>	<b>3.56</b>	<b>21,748.3</b>	<b>155.3</b>	<b>2.84</b>
Cash and Due from Banks	289.8			316.6			233.5		
Other Assets	1,388.8			1,301.1			1,154.0		
<b>Total Assets</b>	<b>\$ 24,387.4</b>			<b>\$ 24,114.4</b>			<b>\$ 23,135.8</b>		
<b>Interest-Bearing Liabilities</b>									
Interest-Bearing Deposits									
Demand	\$ 3,929.7	6.6	0.67	\$ 4,037.4	7.5	0.75	\$ 4,286.0	1.4	0.13
Savings	7,952.6	39.1	1.95	7,667.6	26.6	1.39	7,962.0	6.6	0.33
Time	2,767.8	26.5	3.79	2,296.1	19.7	3.44	1,146.9	2.3	0.79
<b>Total Interest-Bearing Deposits</b>	<b>14,650.1</b>	<b>72.2</b>	<b>1.95</b>	<b>14,001.1</b>	<b>53.8</b>	<b>1.54</b>	<b>13,394.9</b>	<b>10.3</b>	<b>0.30</b>
Funds Purchased	-	-	-	14.6	0.2	5.00	4.9	0.1	3.17
Short-Term Borrowings	-	-	-	195.2	2.5	5.09	-	-	-
Securities Sold Under Agreements to Repurchase	528.5	4.0	2.99	725.5	5.4	2.96	425.5	2.7	2.52
Other Debt	1,365.7	14.8	4.31	1,255.8	13.5	4.31	10.3	0.2	7.05
<b>Total Interest-Bearing Liabilities</b>	<b>16,544.3</b>	<b>91.0</b>	<b>2.18</b>	<b>16,192.2</b>	<b>75.4</b>	<b>1.87</b>	<b>13,835.6</b>	<b>13.3</b>	<b>0.38</b>
<b>Net Interest Income</b>		<b>\$ 121.4</b>			<b>\$ 124.8</b>			<b>\$ 142.0</b>	
Interest Rate Spread			1.54 %			1.69 %			2.46 %
Net Interest Margin			2.13 %			2.22 %			2.60 %
Noninterest-Bearing Demand Deposits	5,842.0			6,017.5			7,468.8		
Other Liabilities	636.0			541.6			463.5		
Shareholders' Equity	1,365.1			1,363.1			1,367.9		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 24,387.4</b>			<b>\$ 24,114.4</b>			<b>\$ 23,135.8</b>		

<sup>1</sup> Due to rounding, the amounts presented in this table may not tie to other amounts presented elsewhere in this report.

<sup>2</sup> Interest income includes taxable-equivalent basis adjustments, based upon a federal statutory tax rate of 21%, of \$437,000, \$471,000, and \$343,000 for the three months ended September 30, 2023, June 30, 2023, and September 30, 2022, respectively.

<sup>3</sup> Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.

<sup>4</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

**Bank of Hawai'i Corporation and Subsidiaries**
**Average Balances and Interest Rates - Taxable-Equivalent Basis <sup>1</sup>**
**Table 7b**

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Average Balance	Income / Expense <sup>2</sup>	Yield / Rate	Average Balance	Income / Expense <sup>2</sup>	Yield / Rate
<i>(dollars in millions)</i>						
<b>Earning Assets</b>						
Interest-Bearing Deposits in Other Banks	\$ 3.2	\$ 0.1	2.60 %	\$ 3.3	\$ -	0.76 %
Funds Sold	582.7	22.6	5.11	308.6	3.2	1.36
Investment Securities						
Available-for-Sale						
Taxable	2,721.5	70.6	3.46	3,998.2	52.0	1.74
Non-Taxable	7.6	0.2	4.22	2.8	-	1.84
Held-to-Maturity						
Taxable	5,227.8	69.7	1.78	4,530.4	57.4	1.69
Non-Taxable	35.2	0.6	2.10	35.7	0.6	2.10
<b>Total Investment Securities</b>	<b>7,992.1</b>	<b>141.1</b>	<b>2.36</b>	<b>8,567.1</b>	<b>110.0</b>	<b>1.71</b>
Loans Held for Sale	2.7	0.1	5.82	8.1	0.2	3.43
Loans and Leases <sup>3</sup>						
Commercial and Industrial	1,461.2	52.7	4.82	1,339.0	31.4	3.13
Paycheck Protection Program	14.8	0.2	1.70	51.7	2.5	6.59
Commercial Mortgage	3,781.7	145.6	5.15	3,350.3	81.3	3.25
Construction	256.2	11.1	5.81	227.7	7.3	4.30
Commercial Lease Financing	64.9	0.5	1.11	94.0	1.0	1.49
Residential Mortgage	4,695.4	123.8	3.51	4,439.1	108.6	3.26
Home Equity	2,265.2	57.3	3.38	2,026.5	44.1	2.91
Automobile	873.0	23.2	3.55	764.2	18.4	3.21
Other <sup>4</sup>	420.8	19.0	6.04	416.5	17.0	5.44
<b>Total Loans and Leases</b>	<b>13,833.2</b>	<b>433.4</b>	<b>4.19</b>	<b>12,709.0</b>	<b>311.6</b>	<b>3.27</b>
Other	84.6	4.1	6.59	37.2	0.9	3.14
<b>Total Earning Assets</b>	<b>22,498.5</b>	<b>601.4</b>	<b>3.57</b>	<b>21,633.3</b>	<b>425.9</b>	<b>2.63</b>
Cash and Due from Banks	308.4			235.0		
Other Assets	1,317.5			1,090.9		
<b>Total Assets</b>	<b>\$ 24,124.4</b>			<b>\$ 22,959.2</b>		
<b>Interest-Bearing Liabilities</b>						
Interest-Bearing Deposits						
Demand	\$ 4,060.0	19.3	0.64	\$ 4,459.9	2.6	0.08
Savings	7,876.1	86.3	1.46	7,733.3	9.5	0.16
Time	2,288.2	58.1	3.40	1,023.6	4.1	0.53
<b>Total Interest-Bearing Deposits</b>	<b>14,224.3</b>	<b>163.7</b>	<b>1.54</b>	<b>13,216.8</b>	<b>16.2</b>	<b>0.16</b>
Funds Purchased	24.8	0.9	4.72	12.4	0.1	1.05
Short-Term Borrowings	152.4	5.7	4.94	11.5	0.1	1.06
Securities Sold Under Agreements to Repurchase	659.1	14.8	2.97	441.1	8.3	2.48
Other Debt	1,043.6	33.7	4.31	10.3	0.6	7.05
<b>Total Interest-Bearing Liabilities</b>	<b>16,104.2</b>	<b>218.8</b>	<b>1.81</b>	<b>13,692.1</b>	<b>25.3</b>	<b>0.25</b>
<b>Net Interest Income</b>		<b>\$ 382.6</b>			<b>\$ 400.6</b>	
Interest Rate Spread			1.76 %			2.38 %
Net Interest Margin			2.27 %			2.47 %
Noninterest-Bearing Demand Deposits	6,089.8			7,404.5		
Other Liabilities	576.6			420.9		
Shareholders' Equity	1,353.8			1,441.7		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 24,124.4</b>			<b>\$ 22,959.2</b>		

<sup>1</sup> Due to rounding, the amounts presented in this table may not tie to other amounts presented elsewhere in this report.

<sup>2</sup> Interest income includes taxable-equivalent basis adjustments, based upon a federal statutory tax rate of 21%, of \$1,403,000 and \$818,000 for the nine months ended September 30, 2023 and September 30, 2022, respectively.

<sup>3</sup> Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.

<sup>4</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

# Bank of Hawai‘i Corporation and Subsidiaries

## Analysis of Change in Net Interest Income - Taxable-Equivalent Basis

Table 8a

(dollars in millions)	Three Months Ended September 30, 2023 Compared to June 30, 2023		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
<b>Change in Interest Income:</b>			
Funds Sold	\$ 6.1	\$ 0.3	\$ 6.4
<b>Investment Securities</b>			
Available-for-Sale			
Taxable	(1.1)	1.4	0.3
Non-Taxable	(0.1)	-	(0.1)
Held-to-Maturity			
Taxable	(0.5)	-	(0.5)
<b>Total Investment Securities</b>	<b>(1.7)</b>	<b>1.4</b>	<b>(0.3)</b>
Loans Held for Sale	0.1	-	0.1
<b>Loans and Leases</b>			
Commercial and Industrial	0.8	0.6	1.4
Commercial Mortgage	(0.2)	2.0	1.8
Construction	(0.1)	0.3	0.2
Residential Mortgage	0.2	1.4	1.6
Home Equity	0.1	1.0	1.1
Automobile	(0.1)	0.6	0.5
Other <sup>2</sup>	(0.2)	0.3	0.1
<b>Total Loans and Leases</b>	<b>0.5</b>	<b>6.2</b>	<b>6.7</b>
Other	(0.1)	(0.6)	(0.7)
<b>Total Change in Interest Income</b>	<b>4.9</b>	<b>7.3</b>	<b>12.2</b>
<b>Change in Interest Expense:</b>			
<b>Interest-Bearing Deposits</b>			
Demand	(0.2)	(0.7)	(0.9)
Savings	1.1	11.4	12.5
Time	4.5	2.3	6.8
<b>Total Interest-Bearing Deposits</b>	<b>5.4</b>	<b>13.0</b>	<b>18.4</b>
Funds Purchased	(0.2)	-	(0.2)
Short-Term Borrowings	(2.5)	-	(2.5)
Securities Sold Under Agreements to Repurchase	(1.4)	-	(1.4)
Other Debt	1.3	-	1.3
<b>Total Change in Interest Expense</b>	<b>2.6</b>	<b>13.0</b>	<b>15.6</b>
<b>Change in Net Interest Income</b>	<b>\$ 2.3</b>	<b>\$ (5.7)</b>	<b>\$ (3.4)</b>

<sup>1</sup> The change in interest income and expense not solely due to changes in volume or rate has been allocated on a pro-rata basis to the volume and rate columns.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

# Bank of Hawai‘i Corporation and Subsidiaries

## Analysis of Change in Net Interest Income - Taxable-Equivalent Basis

Table 8b

(dollars in millions)	Three Months Ended September 30, 2023 Compared to September 30, 2022		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
<b>Change in Interest Income:</b>			
Funds Sold	\$ 5.1	\$ 5.4	\$ 10.5
<b>Investment Securities</b>			
Available-for-Sale			
Taxable	(5.1)	11.6	6.5
Held-to-Maturity			
Taxable	2.1	0.5	2.6
<b>Total Investment Securities</b>	<b>(3.0)</b>	<b>12.1</b>	<b>9.1</b>
<b>Loans and Leases</b>			
Commercial and Industrial	1.6	4.8	6.4
Paycheck Protection Program	(0.1)	(0.1)	(0.2)
Commercial Mortgage	2.6	15.2	17.8
Construction	0.1	0.8	0.9
Commercial Lease Financing	(0.2)	0.1	(0.1)
Residential Mortgage	1.7	3.7	5.4
Home Equity	1.2	2.5	3.7
Automobile	0.6	1.2	1.8
Other <sup>2</sup>	(0.2)	0.8	0.6
<b>Total Loans and Leases</b>	<b>7.3</b>	<b>29.0</b>	<b>36.3</b>
Other	0.7	0.5	1.2
<b>Total Change in Interest Income</b>	<b>10.1</b>	<b>47.0</b>	<b>57.1</b>
<b>Change in Interest Expense:</b>			
<b>Interest-Bearing Deposits</b>			
Demand	(0.1)	5.3	5.2
Savings	-	32.5	32.5
Time	6.6	17.6	24.2
<b>Total Interest-Bearing Deposits</b>	<b>6.5</b>	<b>55.4</b>	<b>61.9</b>
Funds Purchased	(0.1)	-	(0.1)
Securities Sold Under Agreements to Repurchase	0.7	0.6	1.3
Other Debt	14.7	(0.1)	14.6
<b>Total Change in Interest Expense</b>	<b>21.8</b>	<b>55.9</b>	<b>77.7</b>
<b>Change in Net Interest Income</b>	<b>\$ (11.7)</b>	<b>\$ (8.9)</b>	<b>\$ (20.6)</b>

<sup>1</sup> The change in interest income and expense not solely due to changes in volume or rate has been allocated on a pro-rata basis to the volume and rate columns.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

**Bank of Hawai'i Corporation and Subsidiaries**
**Analysis of Change in Net Interest Income - Taxable-Equivalent Basis**
**Table 8c**

(dollars in millions)	Nine Months Ended September 30, 2023		
	Compared to September 30, 2022		
	Volume <sup>1</sup>	Rate <sup>1</sup>	Total
<b>Change in Interest Income:</b>			
Interest-Bearing Deposits in Other Banks	\$ 0.1	\$ -	\$ 0.1
Funds Sold	4.7	14.7	19.4
<b>Investment Securities</b>			
Available-for-Sale			
Taxable	(20.6)	39.2	18.6
Non-Taxable	0.1	0.1	0.2
Held-to-Maturity			
Taxable	9.2	3.1	12.3
<b>Total Investment Securities</b>	<b>(11.3)</b>	<b>42.4</b>	<b>31.1</b>
Loans Held for Sale	(0.2)	0.1	(0.1)
<b>Loans and Leases</b>			
Commercial and Industrial	3.1	18.2	21.3
Paycheck Protection Program	(1.2)	(1.1)	(2.3)
Commercial Mortgage	11.6	52.7	64.3
Construction	1.0	2.8	3.8
Commercial Lease Financing	(0.4)	(0.1)	(0.5)
Residential Mortgage	6.5	8.7	15.2
Home Equity	5.6	7.6	13.2
Automobile	2.7	2.1	4.8
Other <sup>2</sup>	0.1	1.9	2.0
<b>Total Loans and Leases</b>	<b>29.0</b>	<b>92.8</b>	<b>121.8</b>
Other	1.7	1.5	3.2
<b>Total Change in Interest Income</b>	<b>24.0</b>	<b>151.5</b>	<b>175.5</b>
<b>Change in Interest Expense:</b>			
<b>Interest-Bearing Deposits</b>			
Demand	(0.3)	17.0	16.7
Savings	0.2	76.6	76.8
Time	10.0	44.0	54.0
<b>Total Interest-Bearing Deposits</b>	<b>9.9</b>	<b>137.6</b>	<b>147.5</b>
Funds Purchased	0.2	0.6	0.8
Short-Term Borrowings	4.3	1.3	5.6
Securities Sold Under Agreements to Repurchase	4.7	1.8	6.5
Other Debt	33.4	(0.3)	33.1
<b>Total Change in Interest Expense</b>	<b>52.5</b>	<b>141.0</b>	<b>193.5</b>
<b>Change in Net Interest Income</b>	<b>\$ (28.5)</b>	<b>\$ 10.5</b>	<b>\$ (18.0)</b>

<sup>1</sup> The change in interest income and expense not solely due to changes in volume or rate has been allocated on a pro-rata basis to the volume and rate columns.

<sup>2</sup> Comprised of other consumer revolving credit, installment, and consumer lease financing.

# Bank of Hawai‘i Corporation and Subsidiaries

## Salaries and Benefits

**Table 9**

	Three Months Ended			Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	
	2023	2023	2022	2023	2022
(dollars in thousands)					
Salaries	\$ 39,426	\$ 37,962	\$ 37,792	\$ 116,005	\$ 109,445
Incentive Compensation	2,956	2,984	5,885	9,937	18,069
Share-Based Compensation	4,072	4,096	3,558	11,327	11,319
Commission Expense	676	775	1,005	2,098	3,878
Retirement and Other Benefits	3,809	3,489	4,448	13,186	13,177
Payroll Taxes	2,921	3,310	2,826	12,079	10,804
Medical, Dental, and Life Insurance	2,835	3,568	2,605	10,267	8,430
Separation Expense	2,130	(9)	1,819	5,189	2,509
<b>Total Salaries and Benefits</b>	<b>\$ 58,825</b>	<b>\$ 56,175</b>	<b>\$ 59,938</b>	<b>\$ 180,088</b>	<b>\$ 177,631</b>

# Bank of Hawai'i Corporation and Subsidiaries

## Loan and Lease Portfolio Balances

Table 10

(dollars in thousands)	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Commercial</b>					
Commercial and Industrial	\$ 1,569,572	\$ 1,502,676	\$ 1,425,916	\$ 1,389,066	\$ 1,368,966
Paycheck Protection Program	12,529	13,789	15,175	19,579	22,955
Commercial Mortgage	3,784,339	3,796,769	3,826,283	3,725,542	3,591,943
Construction	251,507	236,428	232,903	260,825	236,498
Lease Financing	61,522	62,779	65,611	69,491	73,989
<b>Total Commercial</b>	<b>5,679,469</b>	<b>5,612,441</b>	<b>5,565,888</b>	<b>5,464,503</b>	<b>5,294,351</b>
<b>Consumer</b>					
Residential Mortgage	4,699,140	4,721,976	4,691,298	4,653,072	4,585,723
Home Equity	2,285,974	2,278,105	2,260,001	2,225,950	2,185,484
Automobile	856,113	878,767	877,979	870,396	820,640
Other <sup>1</sup>	398,795	423,600	429,356	432,499	435,408
<b>Total Consumer</b>	<b>8,240,022</b>	<b>8,302,448</b>	<b>8,258,634</b>	<b>8,181,917</b>	<b>8,027,255</b>
<b>Total Loans and Leases</b>	<b>\$ 13,919,491</b>	<b>\$ 13,914,889</b>	<b>\$ 13,824,522</b>	<b>\$ 13,646,420</b>	<b>\$ 13,321,606</b>

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

## Deposits

(dollars in thousands)	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Consumer	\$ 10,036,261	\$ 10,018,931	\$ 10,158,833	\$ 10,304,335	\$ 10,507,946
Commercial	8,564,536	8,019,971	8,594,441	8,569,670	8,841,781
Public and Other	2,201,512	2,469,713	1,738,026	1,741,691	1,539,046
<b>Total Deposits</b>	<b>\$ 20,802,309</b>	<b>\$ 20,508,615</b>	<b>\$ 20,491,300</b>	<b>\$ 20,615,696</b>	<b>\$ 20,888,773</b>

## Average Deposits

(dollars in thousands)	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Consumer	\$ 9,963,690	\$ 9,977,239	\$ 10,178,988	\$ 10,295,563	\$ 10,485,895
Commercial	8,288,891	8,138,358	8,611,960	8,588,198	9,002,432
Public and Other	2,239,501	1,903,004	1,639,934	1,457,566	1,375,354
<b>Total Deposits</b>	<b>\$ 20,492,082</b>	<b>\$ 20,018,601</b>	<b>\$ 20,430,882</b>	<b>\$ 20,341,327</b>	<b>\$ 20,863,681</b>

# Bank of Hawai'i Corporation and Subsidiaries

## Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More

Table 11

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
(dollars in thousands)					
<b>Non-Performing Assets</b>					
Non-Accrual Loans and Leases					
Commercial					
Commercial and Industrial	\$ 43	\$ 17	\$ 31	\$ 37	\$ 49
Commercial Mortgage	2,996	3,107	3,216	3,309	3,396
Total Commercial	3,039	3,124	3,247	3,346	3,445
Consumer					
Residential Mortgage	3,706	3,504	4,199	4,239	4,945
Home Equity	3,734	3,809	3,638	4,022	4,438
Total Consumer	7,440	7,313	7,837	8,261	9,383
Total Non-Accrual Loans and Leases	10,479	10,437	11,084	11,607	12,828
Foreclosed Real Estate	1,040	1,040	1,040	1,040	1,040
<b>Total Non-Performing Assets</b>	<b>\$ 11,519</b>	<b>\$ 11,477</b>	<b>\$ 12,124</b>	<b>\$ 12,647</b>	<b>\$ 13,868</b>
<b>Accruing Loans and Leases Past Due 90 Days or More</b>					
Consumer					
Residential Mortgage	\$ 3,519	\$ 3,560	\$ 4,566	\$ 2,429	\$ 3,279
Home Equity	2,172	2,022	1,723	1,673	1,061
Automobile	393	577	598	589	467
Other <sup>1</sup>	643	633	632	683	513
Total Consumer	6,727	6,792	7,519	5,374	5,320
<b>Total Accruing Loans and Leases Past Due 90 Days or More</b>	<b>\$ 6,727</b>	<b>\$ 6,792</b>	<b>\$ 7,519</b>	<b>\$ 5,374</b>	<b>\$ 5,320</b>
<b>Total Loans and Leases</b>	<b>\$ 13,919,491</b>	<b>\$ 13,914,889</b>	<b>\$ 13,824,522</b>	<b>\$ 13,646,420</b>	<b>\$ 13,321,606</b>
Ratio of Non-Accrual Loans and Leases to Total Loans and Leases	0.08%	0.08%	0.08%	0.09%	0.10%
Ratio of Non-Performing Assets to Total Loans and Leases and Foreclosed Real Estate	0.08%	0.08%	0.09%	0.09%	0.10%
Ratio of Non-Performing Assets to Total Assets	0.05%	0.04%	0.05%	0.05%	0.06%
Ratio of Commercial Non-Performing Assets to Total Commercial Loans and Leases and Commercial Foreclosed Real Estate	0.05%	0.06%	0.06%	0.06%	0.07%
Ratio of Consumer Non-Performing Assets to Total Consumer Loans and Leases and Consumer Foreclosed Real Estate	0.10%	0.10%	0.11%	0.11%	0.13%
Ratio of Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More to Total Loans and Leases and Foreclosed Real Estate	0.13%	0.13%	0.14%	0.13%	0.14%
<b>Quarter to Quarter Changes in Non-Performing Assets</b>					
<b>Balance at Beginning of Quarter</b>	<b>\$ 11,477</b>	<b>\$ 12,124</b>	<b>\$ 12,647</b>	<b>\$ 13,868</b>	<b>\$ 15,493</b>
Additions	1,318	1,116	552	704	489
Reductions					
Payments	(1,017)	(226)	(778)	(1,605)	(706)
Return to Accrual Status	(259)	(1,527)	(297)	(301)	(116)
Sales of Foreclosed Real Estate	-	-	-	-	(1,292)
Charge-offs / Write-downs	-	(10)	-	(19)	-
Total Reductions	(1,276)	(1,763)	(1,075)	(1,925)	(2,114)
<b>Balance at End of Quarter</b>	<b>\$ 11,519</b>	<b>\$ 11,477</b>	<b>\$ 12,124</b>	<b>\$ 12,647</b>	<b>\$ 13,868</b>

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

**Bank of Hawai'i Corporation and Subsidiaries**
**Reserve for Credit Losses**
**Table 12**

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(dollars in thousands)					
<b>Balance at Beginning of Period</b>	\$ 151,702	\$ 150,579	\$ 154,098	\$ 151,247	\$ 164,297
<b>Loans and Leases Charged-Off</b>					
Commercial					
Commercial and Industrial	(294)	(203)	(147)	(758)	(729)
Consumer					
Residential Mortgage	-	(6)	-	(6)	(80)
Home Equity	(13)	(5)	-	(68)	(90)
Automobile	(1,353)	(1,293)	(794)	(4,309)	(3,481)
Other <sup>1</sup>	(1,957)	(2,004)	(1,924)	(6,296)	(5,739)
<b>Total Loans and Leases Charged-Off</b>	<b>(3,617)</b>	<b>(3,511)</b>	<b>(2,865)</b>	<b>(11,437)</b>	<b>(10,119)</b>
<b>Recoveries on Loans and Leases Previously Charged-Off</b>					
Commercial					
Commercial and Industrial	72	103	45	225	465
Consumer					
Residential Mortgage	69	58	156	188	1,130
Home Equity	131	578	367	893	1,298
Automobile	721	777	441	2,170	1,864
Other <sup>1</sup>	575	618	709	1,867	2,098
<b>Total Recoveries on Loans and Leases Previously Charged-Off</b>	<b>1,568</b>	<b>2,134</b>	<b>1,718</b>	<b>5,343</b>	<b>6,855</b>
Net Charged-Off - Loans and Leases	(2,049)	(1,377)	(1,147)	(6,094)	(3,264)
Net Charged-Off - Accrued Interest Receivable					
Provision for Credit Losses:					
Loans and Leases	1,945	3,167	(929)	6,918	(8,121)
Accrued Interest Receivable	-	-	-	-	(367)
Unfunded Commitments	55	(667)	905	(418)	429
<b>Total Provision for Credit Losses</b>	<b>2,000</b>	<b>2,500</b>	<b>(24)</b>	<b>6,500</b>	<b>(8,059)</b>
<b>Balance at End of Period</b>	<b>\$ 151,653</b>	<b>\$ 151,702</b>	<b>\$ 152,927</b>	<b>\$ 151,653</b>	<b>\$ 152,927</b>
<b>Components</b>					
Allowance for Credit Losses - Loans and Leases	\$ 145,263	\$ 145,367	\$ 146,436	\$ 145,263	\$ 146,436
Reserve for Unfunded Commitments	6,390	6,335	6,491	6,390	6,491
<b>Total Reserve for Credit Losses</b>	<b>\$ 151,653</b>	<b>\$ 151,702</b>	<b>\$ 152,927</b>	<b>\$ 151,653</b>	<b>\$ 152,927</b>
<b>Average Loans and Leases Outstanding</b>	<b>\$ 13,903,214</b>	<b>\$ 13,876,754</b>	<b>\$ 13,126,717</b>	<b>\$ 13,833,164</b>	<b>\$ 12,709,045</b>
Ratio of Net Loans and Leases Charged-Off to					
Average Loans and Leases Outstanding (annualized)	0.06%	0.04%	0.03%	0.06%	0.03%
Ratio of Allowance for Credit Losses to Loans and Leases Outstanding <sup>2</sup>	1.04%	1.04%	1.10%	1.04%	1.10%

<sup>1</sup> Comprised of other revolving credit, installment, and lease financing.

<sup>2</sup> The numerator comprises the Allowance for Credit Losses - Loans and Leases.

# Bank of Hawai'i Corporation and Subsidiaries

## Business Segments Selected Financial Information

Table 13a

(dollars in thousands)	Consumer Banking	Commercial Banking	Treasury and Other	Consolidated Total
<b>Three Months Ended September 30, 2023</b>				
Net Interest Income (Loss)	\$ 100,913	\$ 53,823	\$ (33,799)	\$ 120,937
Provision for Credit Losses	1,974	74	(48)	2,000
Net Interest Income (Loss) After Provision for Credit Losses	98,939	53,749	(33,751)	118,937
Noninterest Income	31,027	8,483	10,824	50,334
Noninterest Expense	(81,377)	(18,937)	(5,287)	(105,601)
Income (Loss) Before Income Taxes	48,589	43,295	(28,214)	63,670
Provision for Income Taxes	(12,582)	(10,987)	7,802	(15,767)
<b>Net Income (Loss)</b>	<b>\$ 36,007</b>	<b>\$ 32,308</b>	<b>\$ (20,412)</b>	<b>\$ 47,903</b>
<b>Total Assets as of September 30, 2023</b>	<b>\$ 8,584,221</b>	<b>\$ 5,719,577</b>	<b>\$ 9,245,987</b>	<b>\$ 23,549,785</b>
<b>Three Months Ended September 30, 2022 <sup>1</sup></b>				
Net Interest Income (Loss)	\$ 85,658	\$ 56,251	\$ (254)	\$ 141,655
Provision for Credit Losses	1,148	(1)	(1,147)	-
Net Interest Income After Provision for Credit Losses	84,510	56,252	893	141,655
Noninterest Income (Loss)	30,974	(911)	597	30,660
Noninterest Expense	(83,408)	(17,330)	(5,011)	(105,749)
Income (Loss) Before Income Taxes	32,076	38,011	(3,521)	66,566
Provision for Income Taxes	(8,067)	(9,206)	3,508	(13,765)
<b>Net Income (Loss)</b>	<b>\$ 24,009</b>	<b>\$ 28,805</b>	<b>\$ (13)</b>	<b>\$ 52,801</b>
<b>Total Assets as of September 30, 2022</b>	<b>\$ 8,399,068</b>	<b>\$ 5,486,330</b>	<b>\$ 9,248,642</b>	<b>\$ 23,134,040</b>

<sup>1</sup> Certain prior period information has been reclassified to conform to current presentation.

# Bank of Hawai'i Corporation and Subsidiaries

## Business Segments Selected Financial Information

Table 13b

	Consumer	Commercial	Treasury	Consolidated
(dollars in thousands)	Banking	Banking	and Other	Total
<b>Nine Months Ended September 30, 2023</b>				
Net Interest Income (Loss)	\$ 298,512	\$ 164,202	\$ (81,474)	\$ 381,240
Provision for Credit Losses	6,035	59	406	6,500
Net Interest Income (Loss) After Provision for Credit Losses	292,477	164,143	(81,880)	374,740
Noninterest Income	94,126	25,072	15,128	134,326
Noninterest Expense	(247,543)	(58,528)	(15,485)	(321,556)
Income (Loss) Before Income Taxes	139,060	130,687	(82,237)	187,510
Provision for Income Taxes	(35,838)	(32,490)	21,624	(46,704)
<b>Net Income (Loss)</b>	<b>\$ 103,222</b>	<b>\$ 98,197</b>	<b>\$ (60,613)</b>	<b>\$ 140,806</b>
<b>Total Assets as of September 30, 2023</b>	<b>\$ 8,584,221</b>	<b>\$ 5,719,577</b>	<b>\$ 9,245,987</b>	<b>\$ 23,549,785</b>
<b>Nine Months Ended September 30, 2022 <sup>1</sup></b>				
Net Interest Income	\$ 232,646	\$ 152,394	\$ 14,780	\$ 399,820
Provision for Credit Losses	3,463	(200)	(11,263)	(8,000)
Net Interest Income After Provision for Credit Losses	229,183	152,594	26,043	407,820
Noninterest Income	94,811	17,650	3,908	116,369
Noninterest Expense	(247,854)	(53,014)	(11,694)	(312,562)
Income Before Income Taxes	76,140	117,230	18,257	211,627
Provision for Income Taxes	(19,114)	(28,654)	638	(47,130)
<b>Net Income</b>	<b>\$ 57,026</b>	<b>\$ 88,576</b>	<b>\$ 18,895</b>	<b>\$ 164,497</b>
<b>Total Assets as of September 30, 2022</b>	<b>\$ 8,399,068</b>	<b>\$ 5,486,330</b>	<b>\$ 9,248,642</b>	<b>\$ 23,134,040</b>

<sup>1</sup> Certain prior period information has been reclassified to conform to current presentation.

# Bank of Hawai'i Corporation and Subsidiaries

## Selected Quarterly Financial Data

Table 14

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
(dollars in thousands, except per share amounts)					
<b>Quarterly Operating Results</b>					
<b>Interest Income</b>					
Interest and Fees on Loans and Leases	\$ 151,245	\$ 144,541	\$ 136,501	\$ 128,683	\$ 115,013
<b>Income on Investment Securities</b>					
Available-for-Sale	23,552	23,301	23,893	18,476	16,995
Held-to-Maturity	22,838	23,375	23,948	23,708	20,243
Deposits	18	18	27	13	10
Funds Sold	12,828	6,395	3,366	1,093	2,335
Other	1,464	2,121	597	340	322
<b>Total Interest Income</b>	<b>211,945</b>	<b>199,751</b>	<b>188,332</b>	<b>172,313</b>	<b>154,918</b>
<b>Interest Expense</b>					
Deposits	72,153	53,779	37,794	23,494	10,296
Securities Sold Under Agreements to Repurchase	4,034	5,436	5,377	4,289	2,745
Funds Purchased	-	184	704	318	40
Short-Term Borrowings	-	2,510	3,203	1,978	-
Other Debt	14,821	13,494	5,299	1,496	182
<b>Total Interest Expense</b>	<b>91,008</b>	<b>75,403</b>	<b>52,377</b>	<b>31,575</b>	<b>13,263</b>
<b>Net Interest Income</b>	<b>120,937</b>	<b>124,348</b>	<b>135,955</b>	<b>140,738</b>	<b>141,655</b>
Provision for Credit Losses	2,000	2,500	2,000	200	-
<b>Net Interest Income After Provision for Credit Losses</b>	<b>118,937</b>	<b>121,848</b>	<b>133,955</b>	<b>140,538</b>	<b>141,655</b>
<b>Noninterest Income</b>					
Trust and Asset Management	10,548	11,215	10,690	10,652	10,418
Mortgage Banking	1,059	1,176	1,004	991	1,002
Service Charges on Deposit Accounts	7,843	7,587	7,737	7,513	7,526
Fees, Exchange, and Other Service Charges	13,824	14,150	13,808	13,906	13,863
Investment Securities Losses, Net	(6,734)	(1,310)	(1,792)	(1,124)	(2,147)
Annuity and Insurance	1,156	1,038	1,271	1,087	1,034
Bank-Owned Life Insurance	2,749	2,876	2,842	2,475	2,486
Other	19,889	6,523	5,177	5,672	(3,522)
<b>Total Noninterest Income</b>	<b>50,334</b>	<b>43,255</b>	<b>40,737</b>	<b>41,172</b>	<b>30,660</b>
<b>Noninterest Expense</b>					
Salaries and Benefits	58,825	56,175	65,088	57,639	59,938
Net Occupancy	10,327	9,991	9,872	9,499	10,186
Net Equipment	9,477	10,573	10,375	9,942	9,736
Data Processing	4,706	4,599	4,583	4,579	4,616
Professional Fees	3,846	4,651	3,883	3,958	3,799
FDIC Insurance	3,361	3,173	3,234	1,774	1,680
Other	15,059	14,874	14,884	15,312	15,794
<b>Total Noninterest Expense</b>	<b>105,601</b>	<b>104,036</b>	<b>111,919</b>	<b>102,703</b>	<b>105,749</b>
Income Before Provision for Income Taxes	63,670	61,067	62,773	79,007	66,566
Provision for Income Taxes	15,767	15,006	15,931	17,700	13,765
<b>Net Income</b>	<b>\$ 47,903</b>	<b>\$ 46,061</b>	<b>\$ 46,842</b>	<b>\$ 61,307</b>	<b>\$ 52,801</b>
Preferred Stock Dividends	1,969	1,969	1,969	1,969	1,969
<b>Net Income Available to Common Shareholders</b>	<b>\$ 45,934</b>	<b>\$ 44,092</b>	<b>\$ 44,873</b>	<b>\$ 59,338</b>	<b>\$ 50,832</b>
<b>Basic Earnings Per Common Share</b>					
Basic Earnings Per Common Share	\$ 1.17	\$ 1.12	\$ 1.14	\$ 1.51	\$ 1.28
<b>Diluted Earnings Per Common Share</b>					
Diluted Earnings Per Common Share	\$ 1.17	\$ 1.12	\$ 1.14	\$ 1.50	\$ 1.28
<b>Balance Sheet Totals</b>					
Loans and Leases	\$ 13,919,491	\$ 13,914,889	\$ 13,824,522	\$ 13,646,420	\$ 13,321,606
Total Assets	23,549,785	24,947,936	23,931,977	23,606,877	23,134,040
Total Deposits	20,802,309	20,508,615	20,491,300	20,615,696	20,888,773
Total Shareholders' Equity	1,363,840	1,358,279	1,354,430	1,316,995	1,282,384
<b>Performance Ratios</b>					
Return on Average Assets	0.78 %	0.77 %	0.80 %	1.05 %	0.91 %
Return on Average Shareholders' Equity	13.92	13.55	14.25	18.91	15.31
Return on Average Common Equity	15.38	14.95	15.79	21.28	16.98
Efficiency Ratio <sup>1</sup>	61.66	62.07	63.34	56.46	61.37
Net Interest Margin <sup>2</sup>	2.13	2.22	2.47	2.60	2.60

<sup>1</sup> Efficiency ratio is defined as noninterest expense divided by total revenue (net interest income and noninterest income).

<sup>2</sup> Net interest margin is defined as net interest income, on a taxable-equivalent basis, as a percentage of average earning assets.

# Bank of Hawai‘i Corporation and Subsidiaries

## Hawaii Economic Trends

Table 15

(dollars in millions; jobs in thousands)	Eight Months Ended		Year Ended			
	August 31, 2023		December 31, 2022		December 31, 2021	
<b>Hawaii Economic Trends</b>						
State General Fund Revenues <sup>1</sup>	\$ 6,461.9	(3.5) %	\$ 9,441.3	16.0 %	\$8,137.9	26.9 %
General Excise and Use Tax Revenue <sup>1</sup>	3,027.8	5.9	4,263.4	18.3	3,604.3	18.6
Jobs <sup>2</sup>	657.3		654.5		642.6	

	September 30,		December 31,			
	2023		2022	2021		
<b>Unemployment, seasonally adjusted<sup>3</sup></b>						
Statewide	2.8	%	3.7	%	3.2	%
Honolulu County	2.2		3.3		3.7	
Hawaii County	2.2		4.7		1.8	
Maui County	6.4		4.5		2.4	
Kauai County	2.0		4.7		2.7	

(1-year percentage change, except months of inventory)	September 30,		December 31,	
	2023	2022	2022	2022
<b>Housing Trends (Single Family Oahu)<sup>4</sup></b>				
Median Home Price	(5.4) %	11.6 %	19.3 %	5.2 %
Home Sales Volume (units)	(30.5) %	(23.2) %	17.9 %	2.3 %
Months of Inventory	2.7	2.1	0.8	1.4

(in thousands, except percent change)	Monthly Visitor Arrivals, Not Seasonally Adjusted		Percentage Change from Previous Year	
<b>Tourism<sup>5</sup></b>				
August 31, 2023	766.0		(7.7) %	
July 31, 2023	929.4		1.2	
June 30, 2023	886.0		5.3	
May 31, 2023	790.5		2.1	
April 30, 2023	806.2		(0.4)	
March 31, 2023	892.2		13.6	
February 28, 2023	733.6		17.6	
January 31, 2023	775.1		36.7	
December 31, 2022	858.1		14.0	
November 30, 2022	725.5		18.2	
October 31, 2022	726.1		31.8	
September 30, 2022	691.8		37.1	
August 31, 2022	829.8		14.8	
July 31, 2022	918.6		4.4	
June 30, 2022	841.8		6.4	
May 31, 2022	774.1		22.9	
April 30, 2022	809.6		67.3	
March 31, 2022	785.7		78.7	
February 28, 2022	623.7		165.1	
January 31, 2022	567.2		229.8	
December 31, 2021	752.8		219.3	
November 30, 2021	614.0		234.1	
October 31, 2021	550.8		618.2	
September 30, 2021	504.6		2,641.0	
August 31, 2021	723.0		2,995.6	

<sup>1</sup> Source: Hawaii Department of Business, Economic Development & Tourism

<sup>2</sup> Source: U.S. Bureau of Labor Statistics

<sup>3</sup> Source: University of Hawaii Economic Research Organization (UHORO)

<sup>4</sup> Source: Honolulu Board of Realtors

<sup>5</sup> Source: Hawaii Tourism Authority

Bank of Hawai'i Corporation  
**third quarter 2023**  
**financial report**

October 23, 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*

# highlights

**quality balance  
sheet performance**

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**strong liquidity**

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**strong credit**

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**earnings highlights**

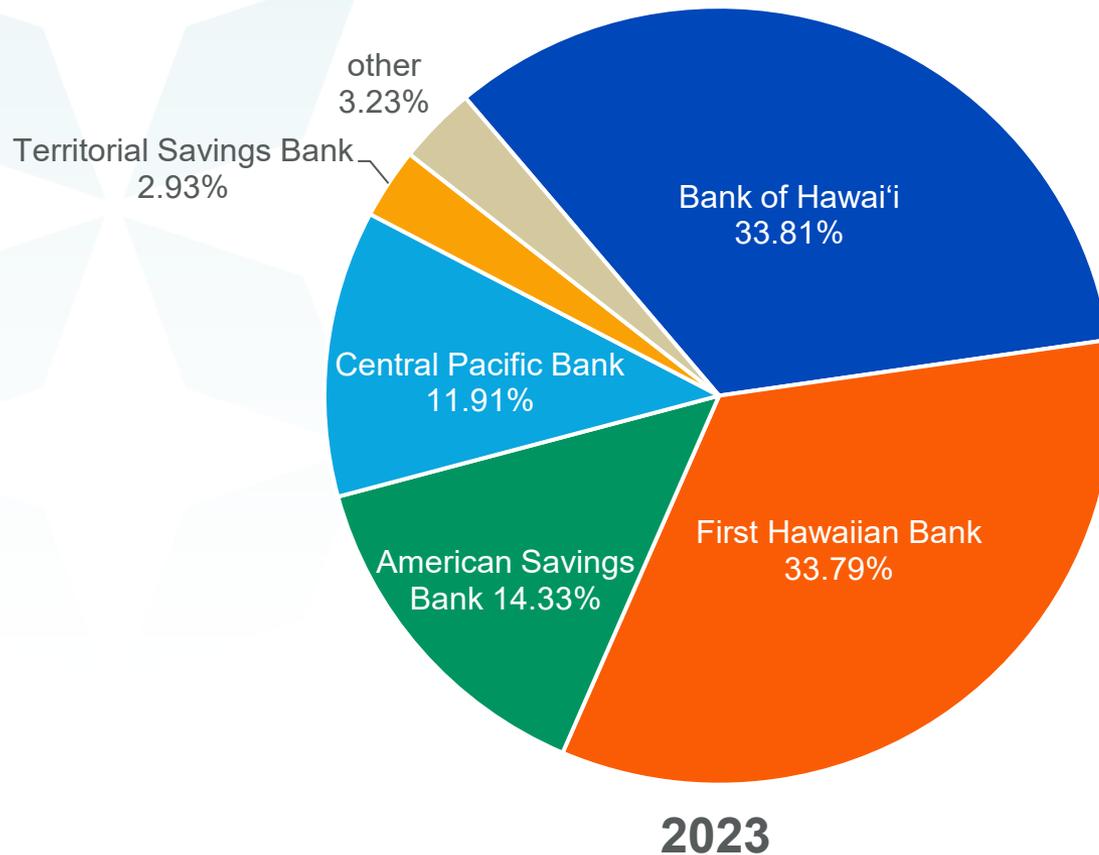
- period end total deposits increased 1.4%
  - average deposits increased 2.4%
  - growth attributed to increase in core customer deposits
  - wholesale funding decreased by \$1.8 billion
- 
- **\$9.6 billion in readily available liquidity exceeds uninsured/uncollateralized deposits**
- 
- **0.06% net charge-off rate**
  - **0.08% non-performing assets level**
  - **79% of loan portfolio real-estate secured with combined wtd avg LTV of 55%**
  - **CRE portfolio comprises 27% of total loans**
    - wtd avg LTV of 55%;
    - only 8% maturing prior to 2025;
    - CRE office exposure only 3% of total loans
- 
- **\$1.17 earnings per diluted share**
  - **1.40% average cost of total deposits**
  - **15.38% return on average common equity**

# 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

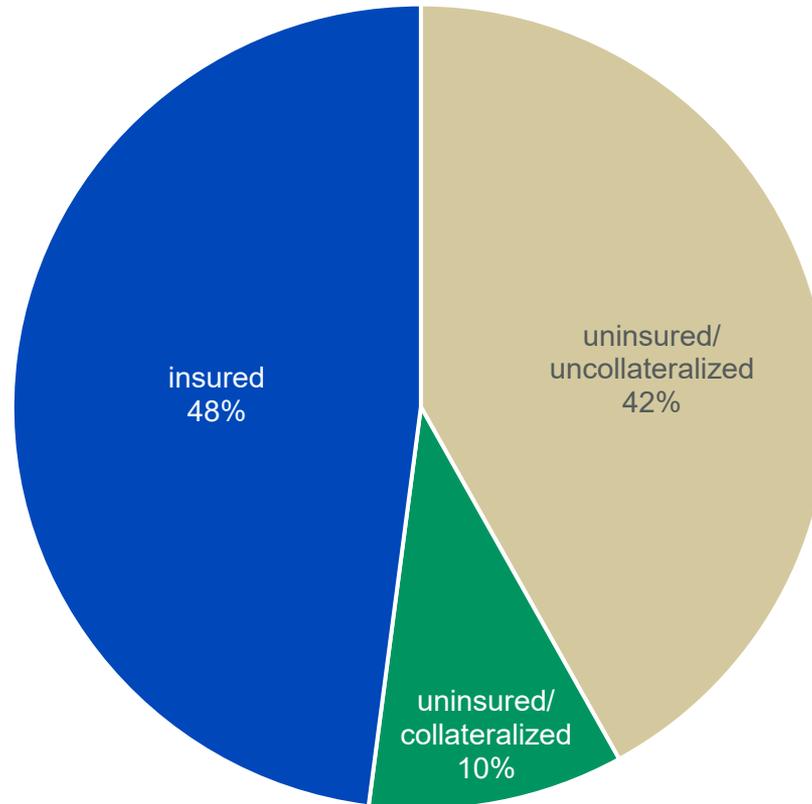
- ✓ unique marketplace
- ✓ diversified
- ✓ long tenured

# unique deposit market

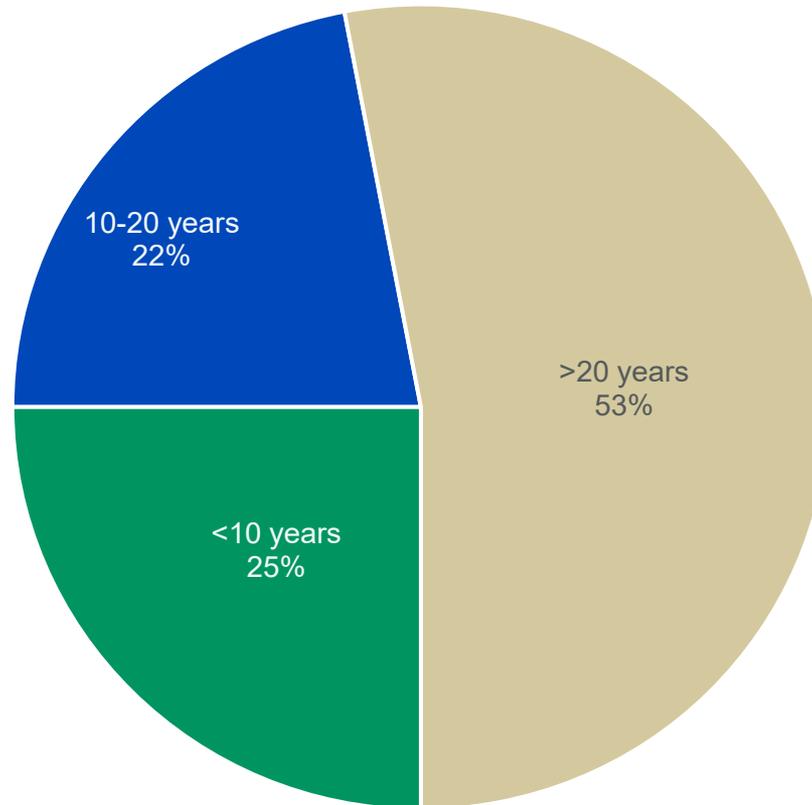


**the leader in a unique deposit market with five local competitors holding 97% of the bank deposit market**

# insured/collateralized deposits

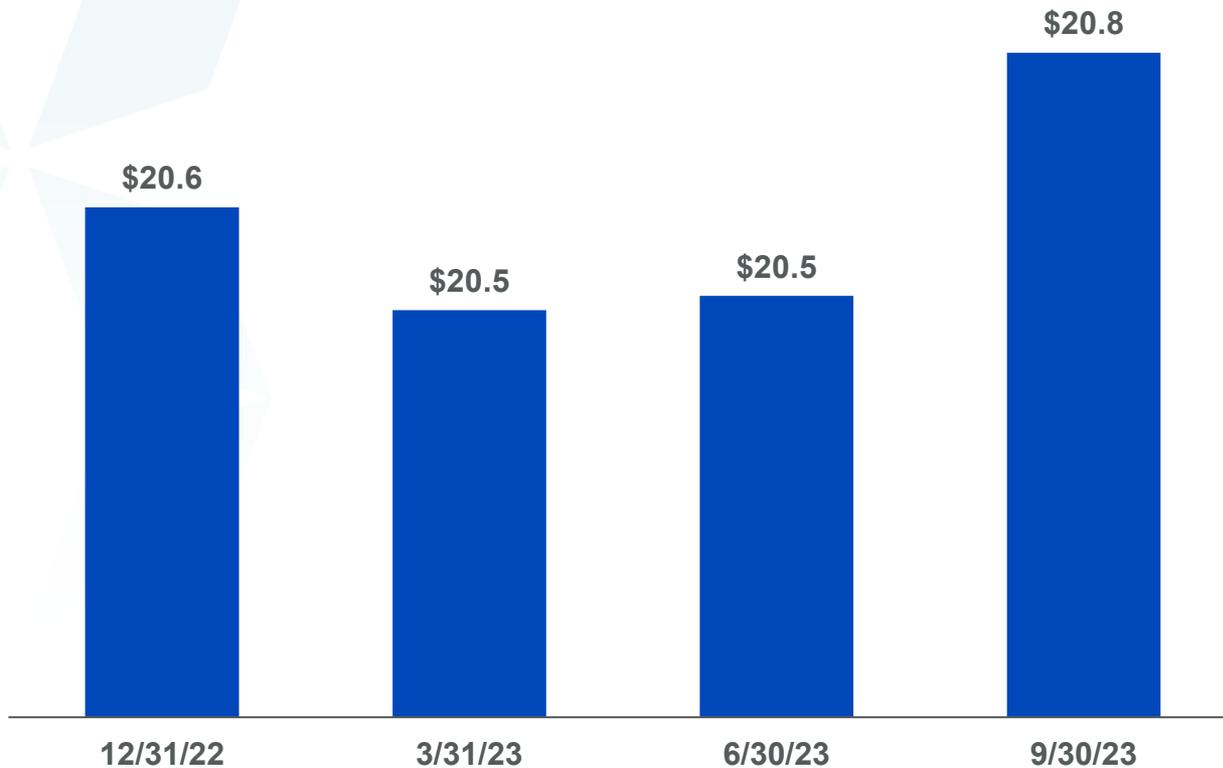


# long tenured deposit base



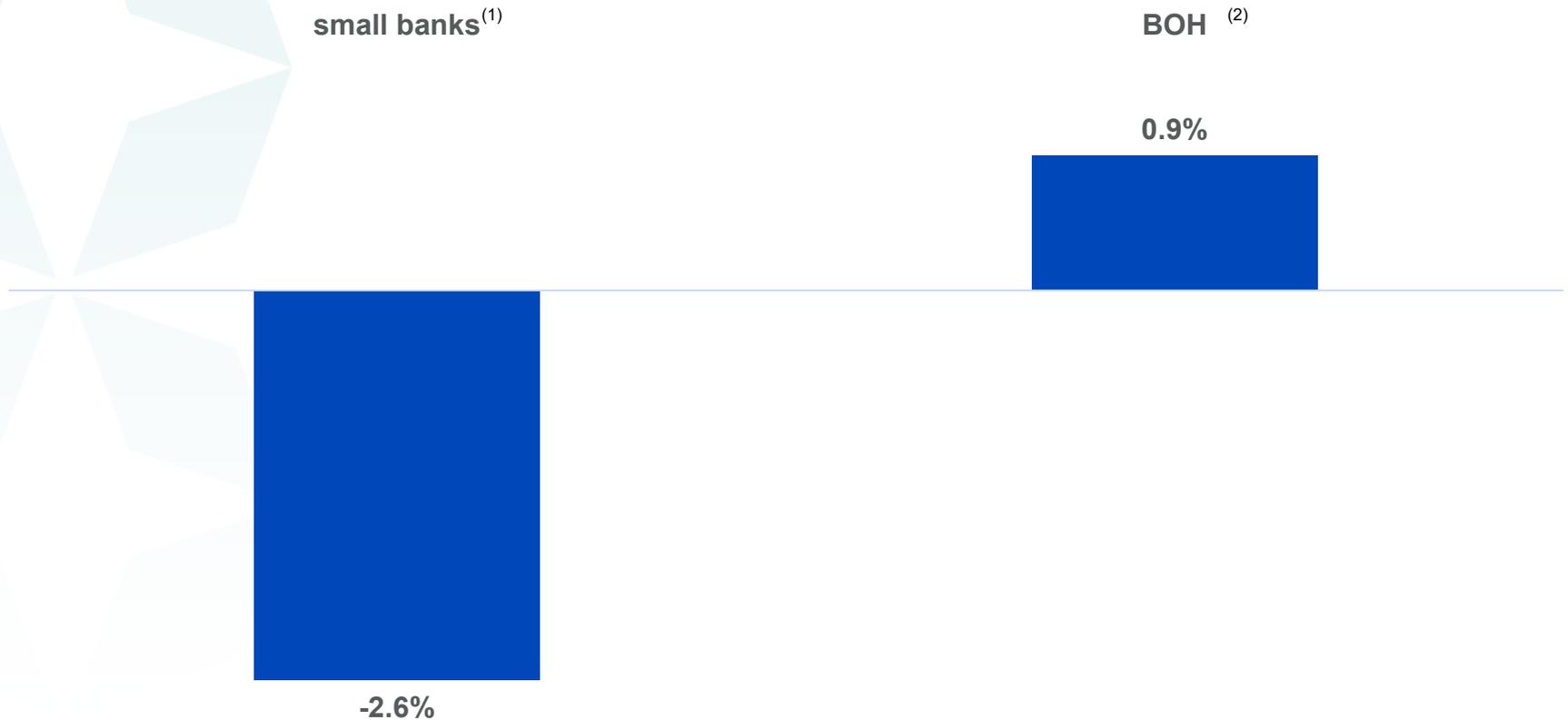
# stable deposit balances

*\$ in billions*



- spot balance increased by 1.4%
- average balance increased by 2.4%

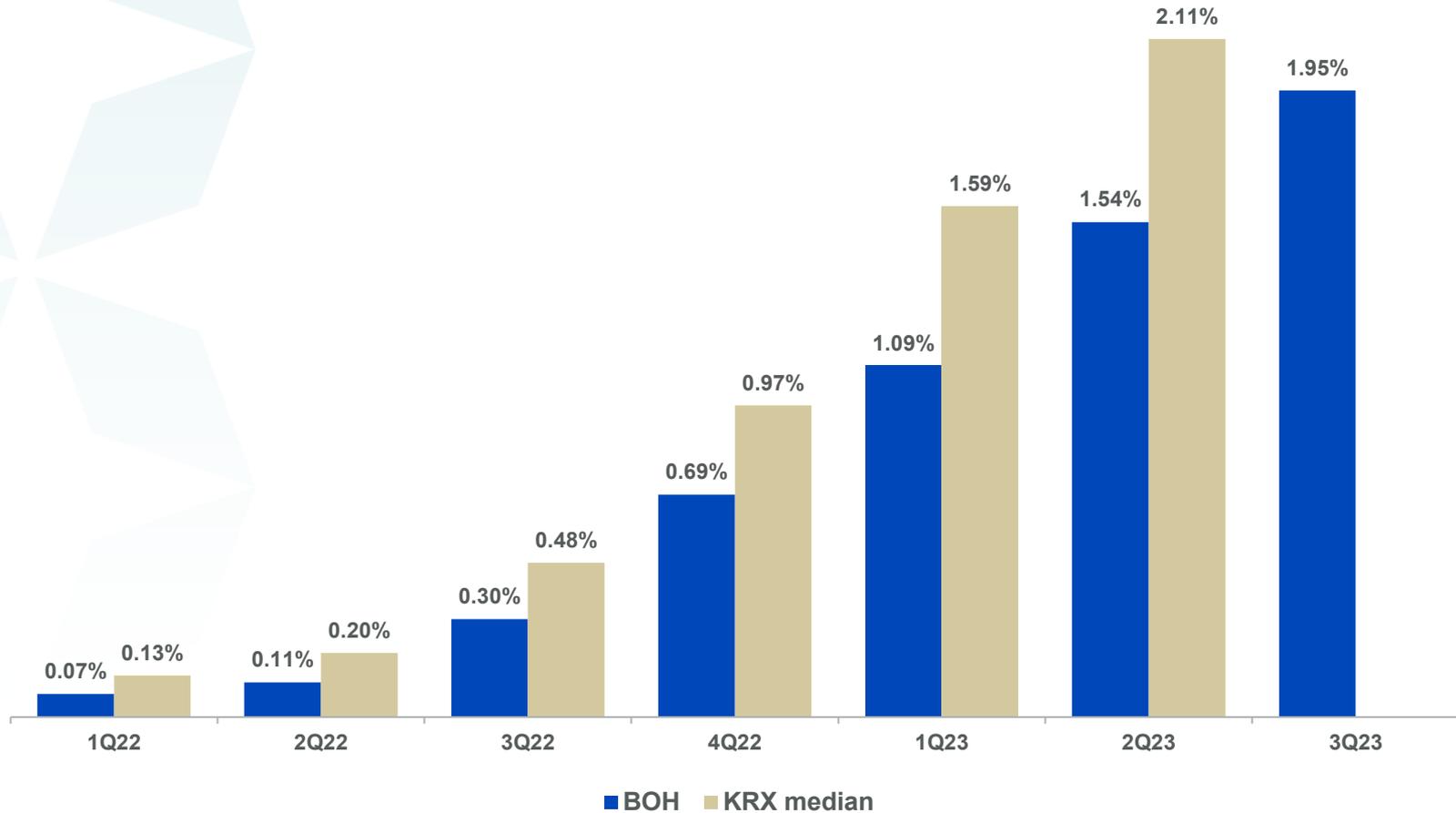
# 2023 deposit balances change



(1) compares 9/27/23 vs. 12/28/22; small banks data derived from H.8 Assets and Liabilities of Commercial Banks in the United States, Table 9 - Assets and Liabilities of Small Domestically Chartered Commercial Banks in the United States, not seasonally adjusted

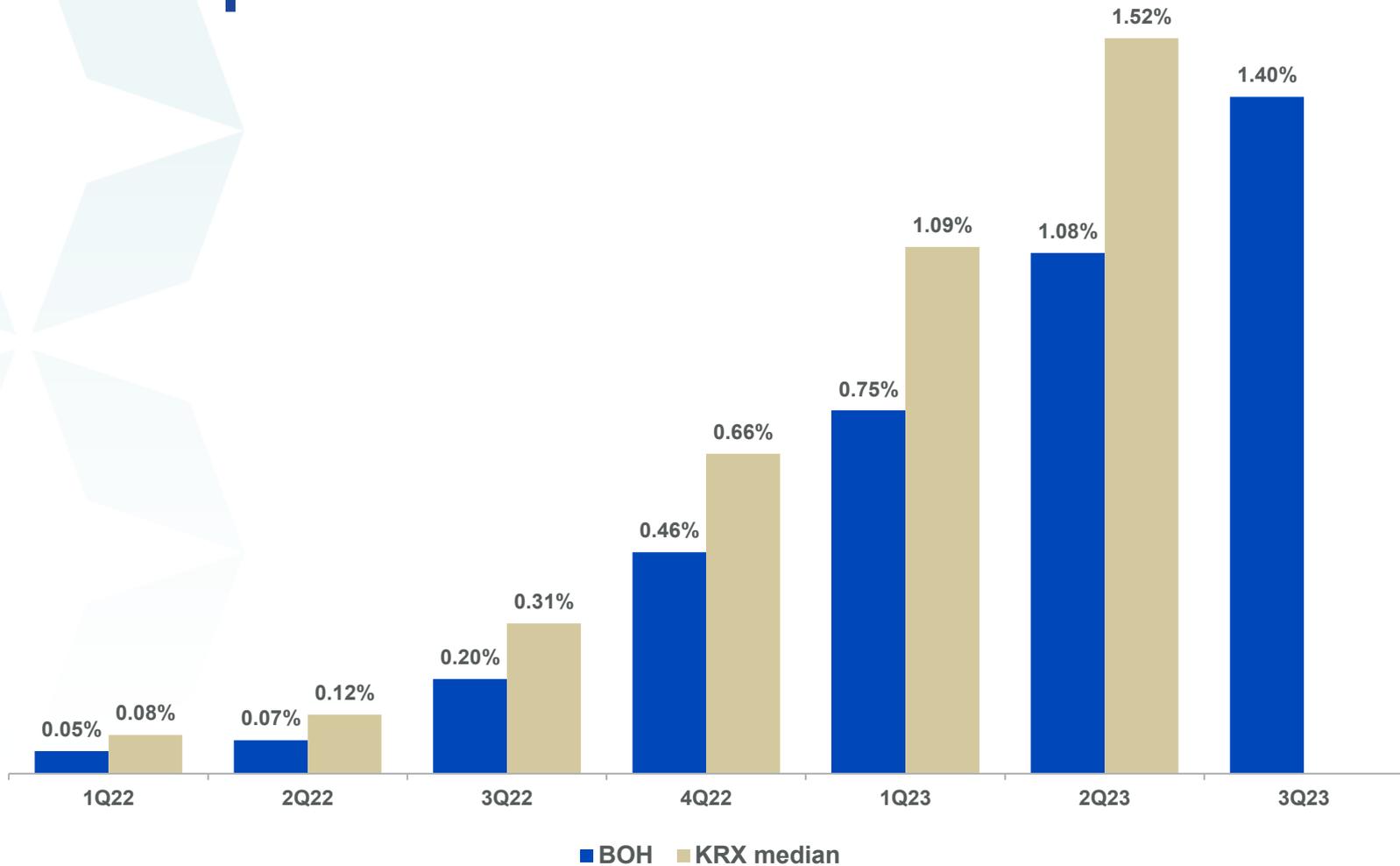
(2) compares 9/30/23 vs. 12/31/22

# cost of funds interest-bearing deposits



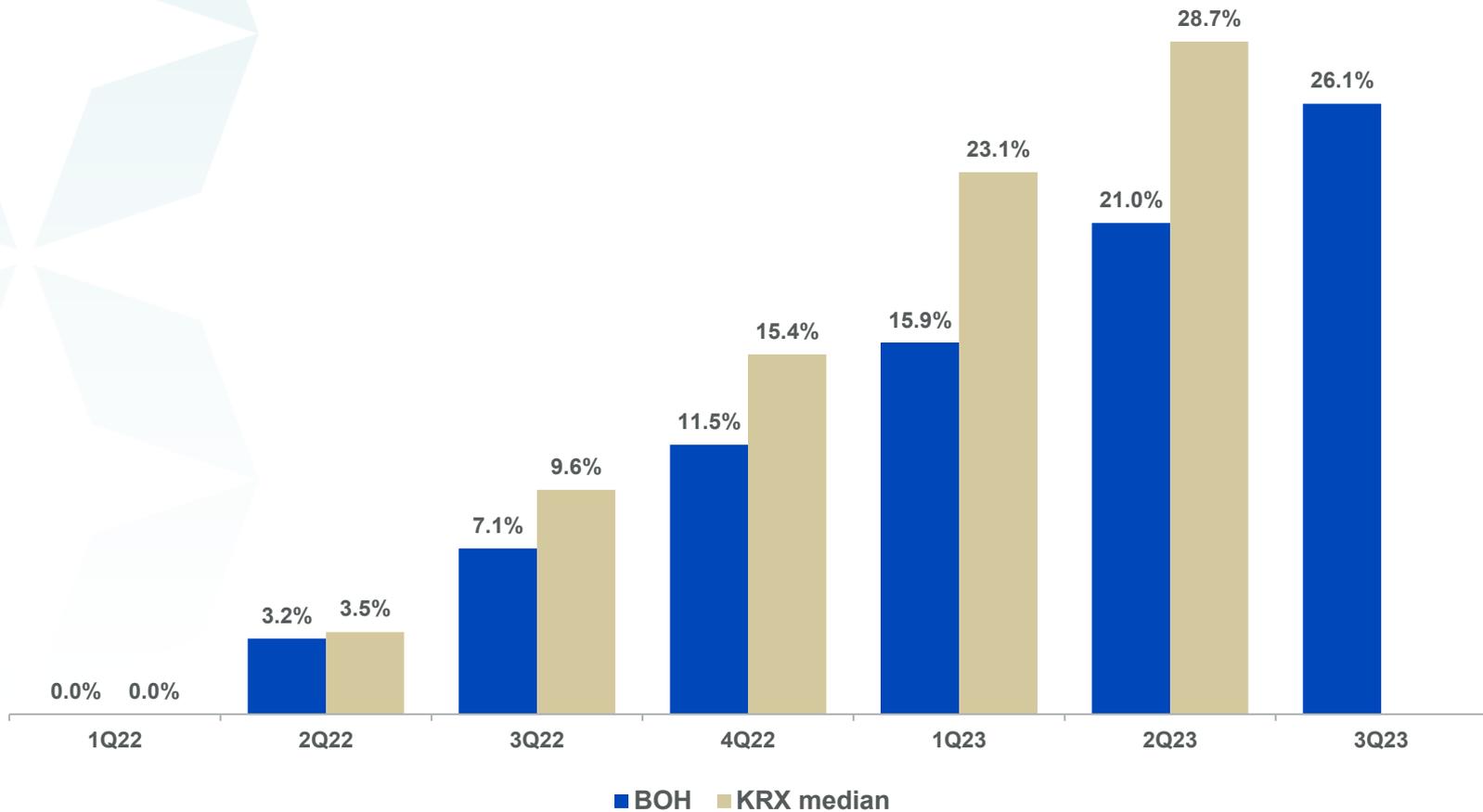
source: S&P Capital IQ; KBW Regional Banking Index (KRX) as of 1/3/23

# cost of funds total deposits



source: S&P Capital IQ; KBW Regional Banking Index (KRX) as of 1/3/23

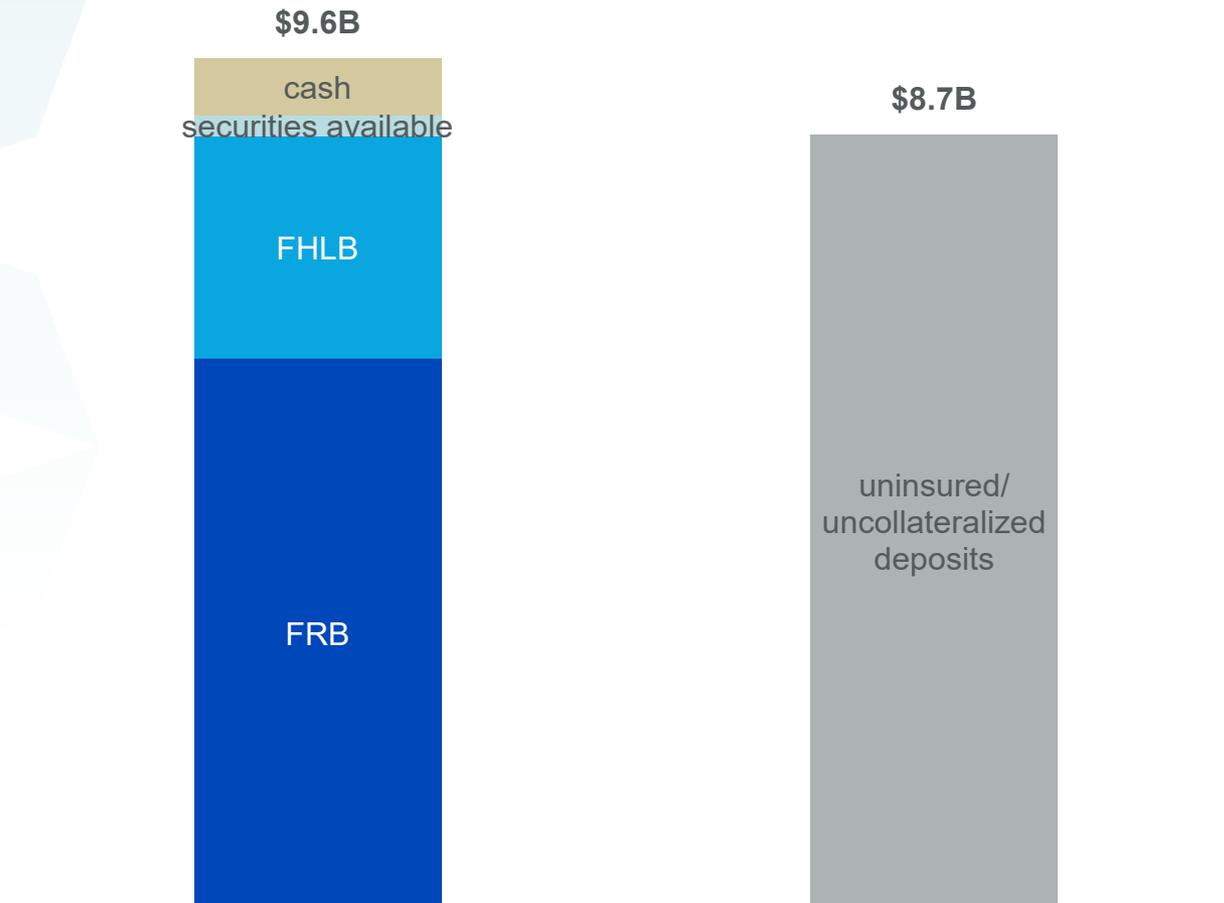
# deposit beta performance



source: S&P Capital IQ; KBW Regional Banking Index (KRX) as of 1/3/23

# readily available liquidity

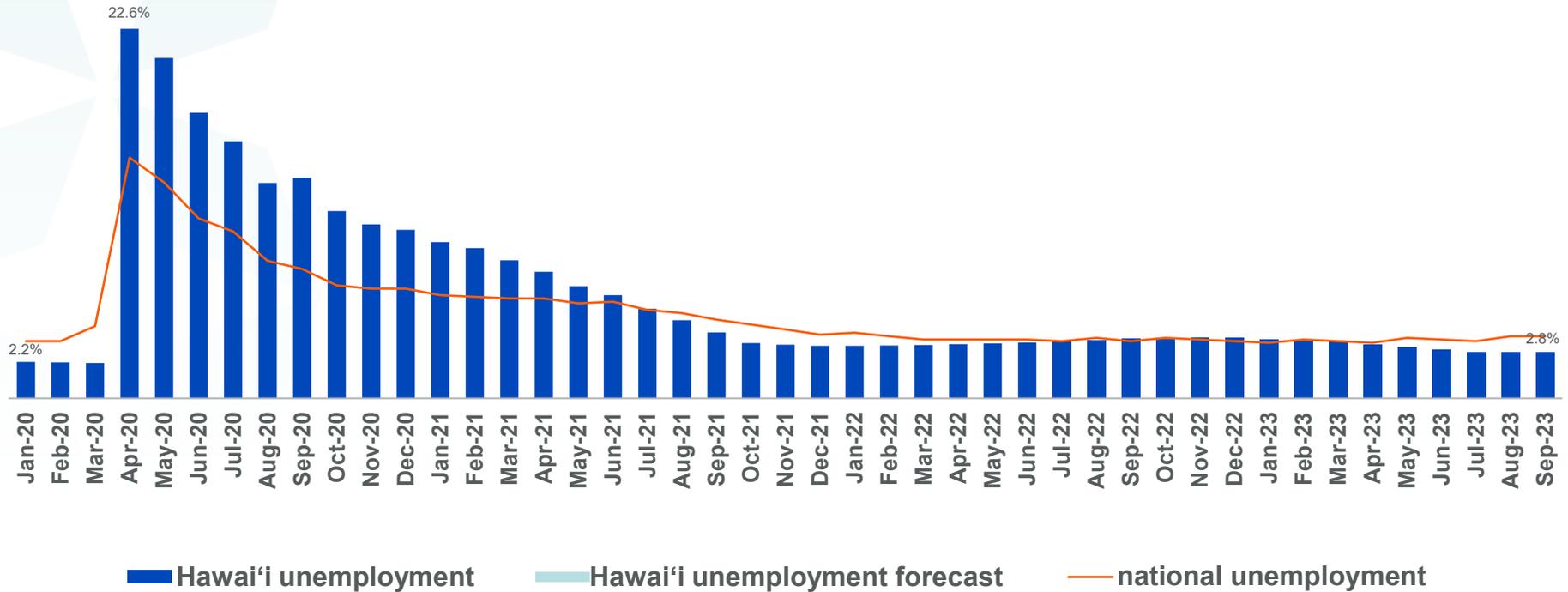
**Bank of Hawai'i carries substantial liquidity lines and equivalents for both day-to-day operational and liquidity backstop purposes**



note: as of September 30, 2023, FRB borrowing capacity includes Bank Term Funding Program margins, cash includes fed funds sold and cash and due from banks, and securities available includes unencumbered investment securities

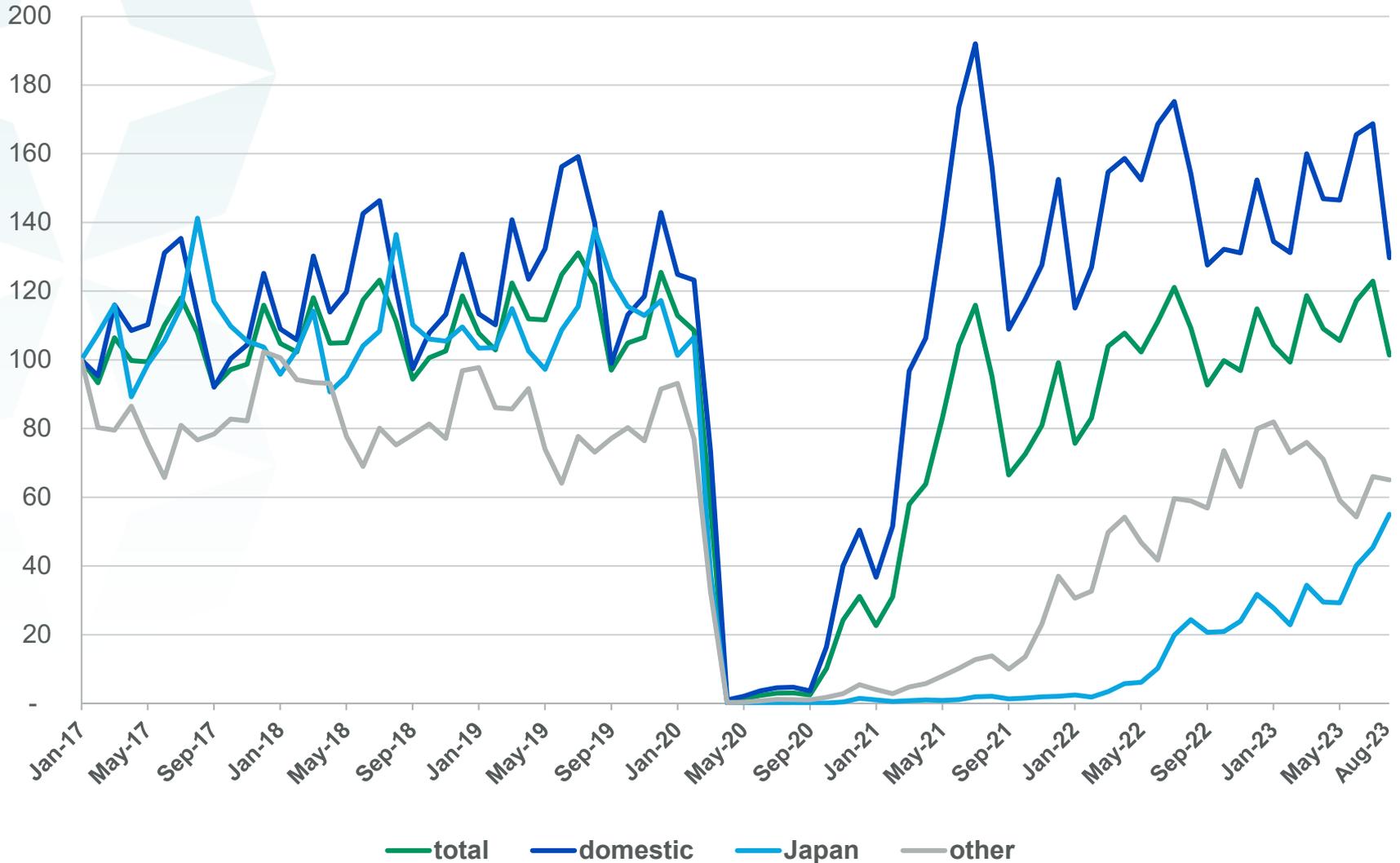
# unemployment

experience & forecast



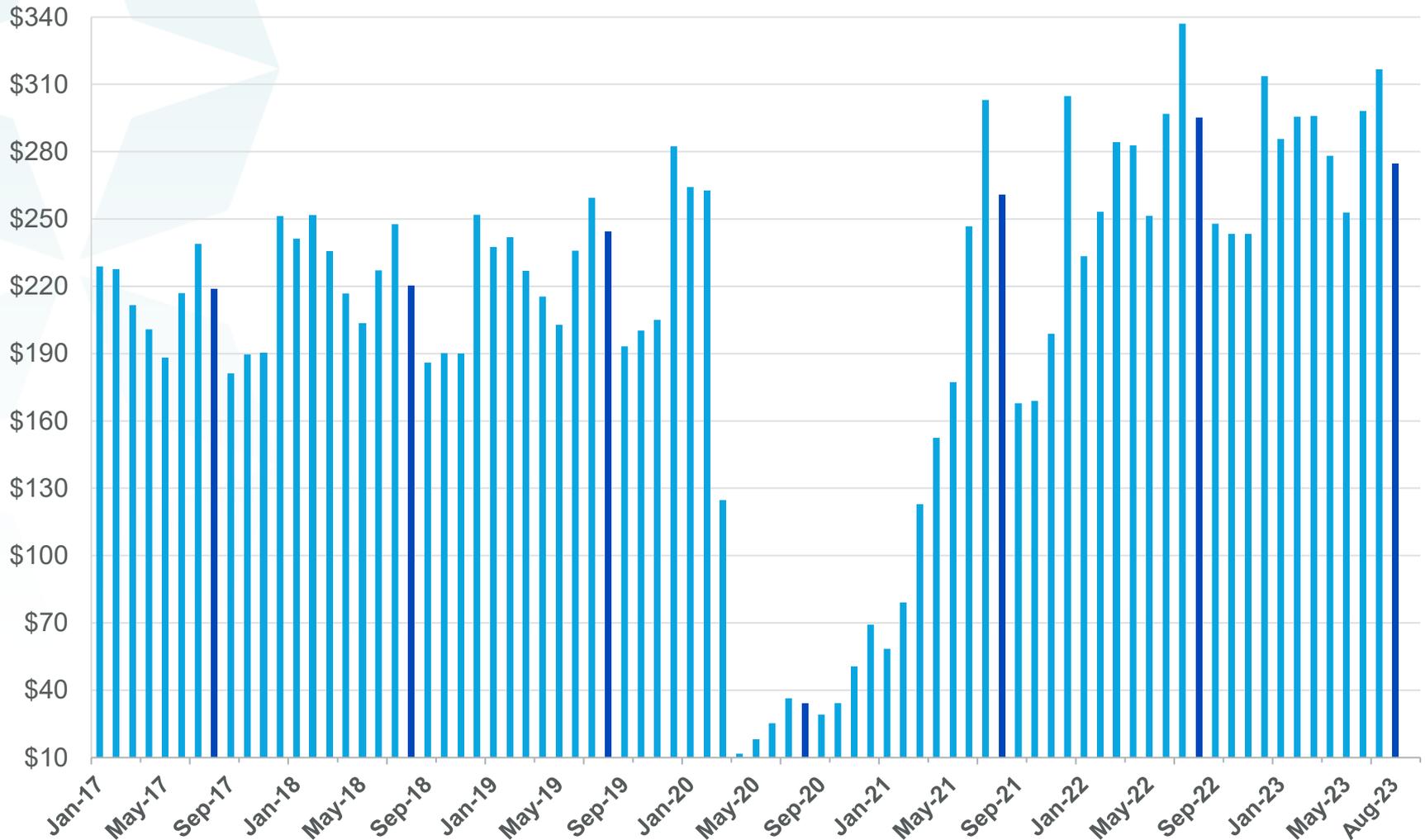
# visitor arrivals

monthly by market, indexed to January 2017



# revenue per available room

revenue per available room (RevPAR)



# stable real estate prices

Oahu market indicators – September 2023

## single family homes

## condominiums

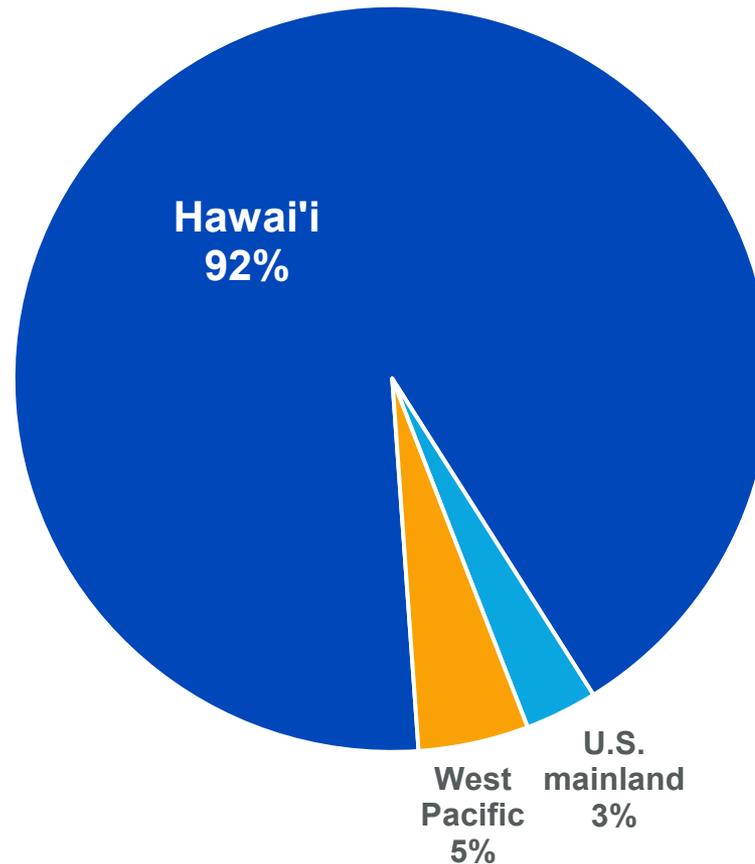
	<u>Sep 2023</u>	<u>Sep 2022</u>	<u>Sep 2019</u>	<u>Δ Sep 2022</u>	<u>Δ Sep 2019</u>	<u>Sep 2023</u>	<u>Sep 2022</u>	<u>Sep 2019</u>	<u>Δ Sep 2022</u>	<u>Δ Sep 2019</u>
median sales price (000s)	\$1,050	\$1,100	\$777	 -4.5%	 35.1%	\$533	\$503	\$445	 6.0%	 19.7%
months of inventory	2.7	1.9	3.5	 0.8 months	 -0.8 months	3.0	2.0	3.9	 1.0 months	 -0.9 months
closed sales	232	278	347	 -16.5%	 -33.1%	376	496	466	 -24.2%	 -19.3%
median days on market	20	18	29	 2 days	 9 day	21	14	27	 7 days	 6 days



# credit performance

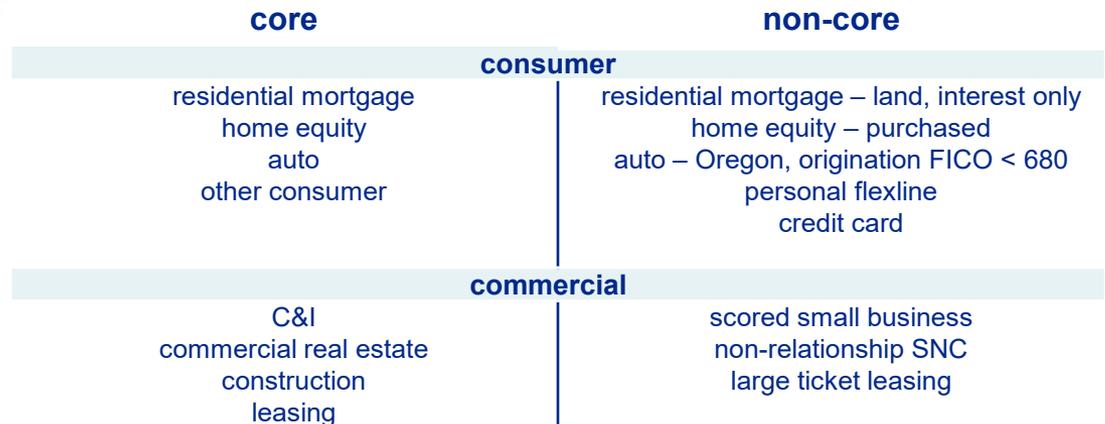
# lending philosophy

we lend in our core markets  
to long-standing relationships



# de-risking the balance sheet

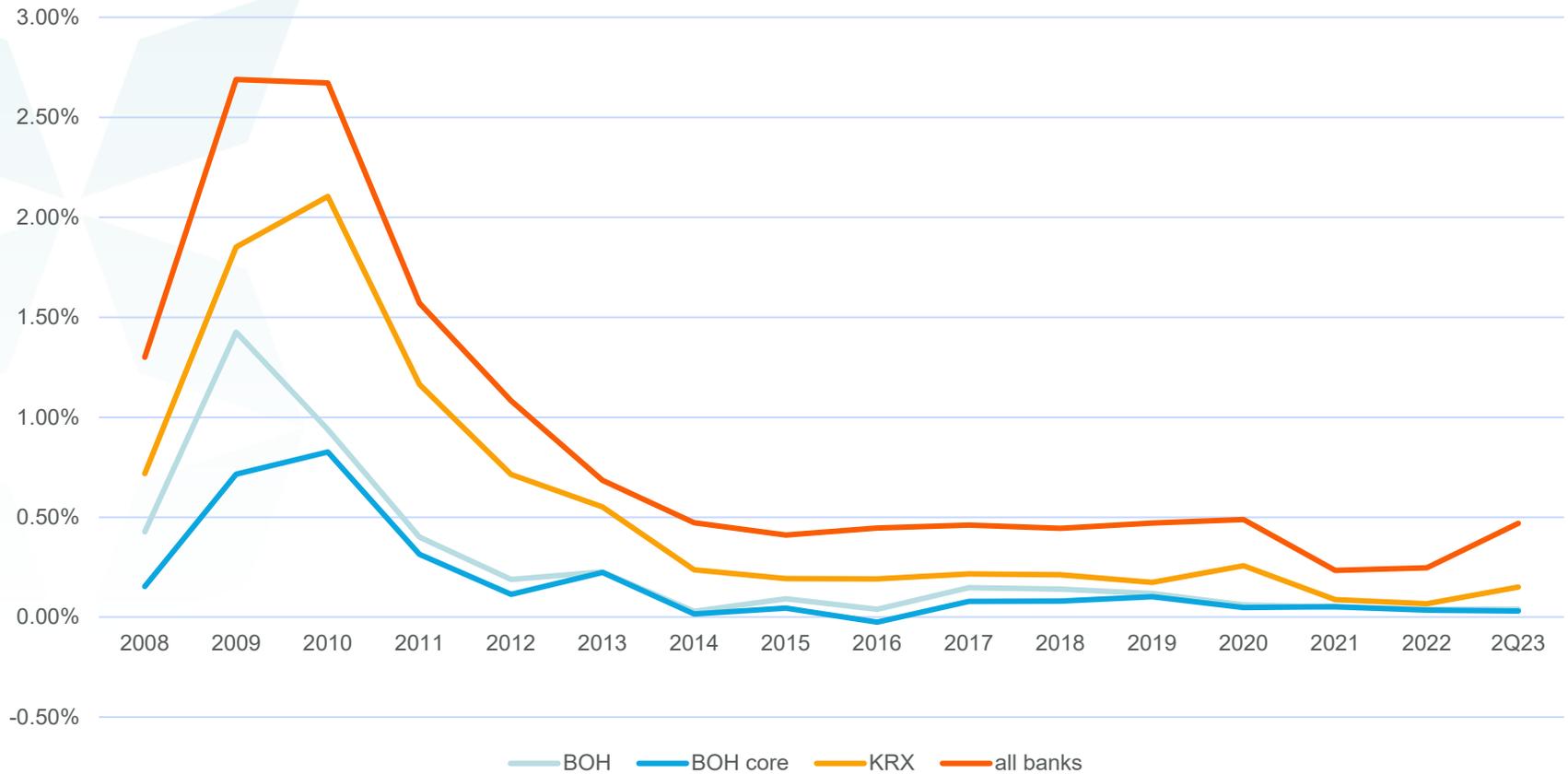
loan portfolio balance



# historical net charge-off rates

lower net charge offs through different economic cycles

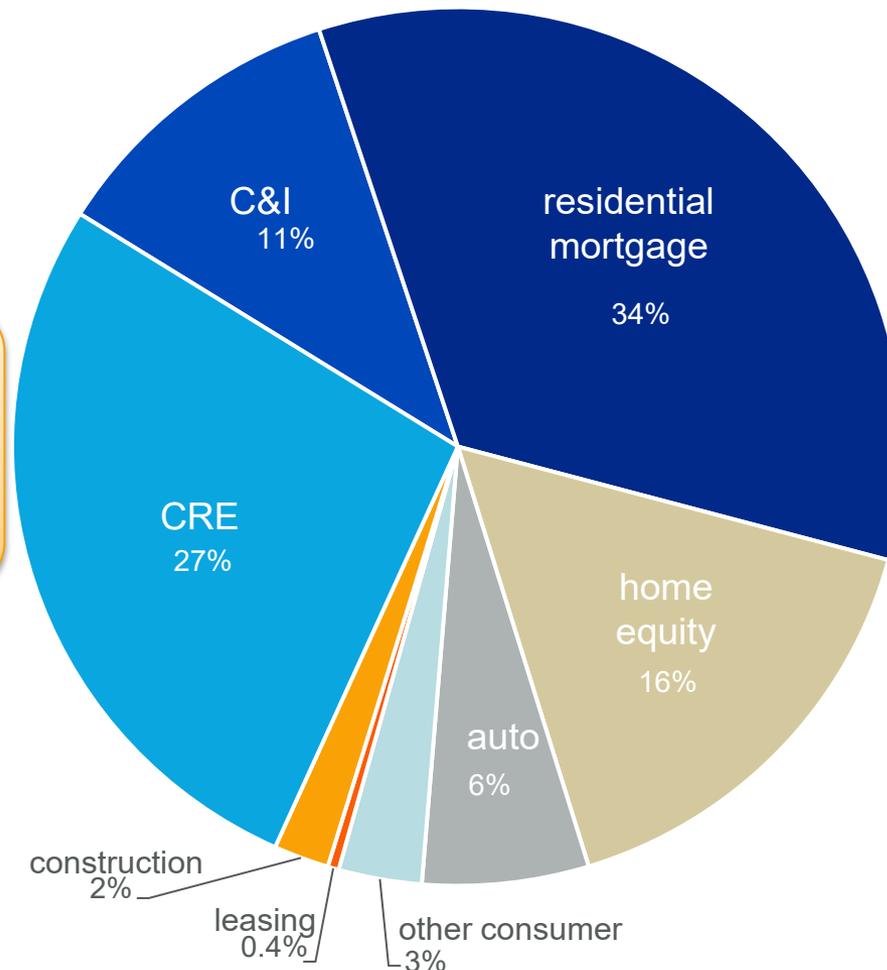
annual net charge-off rate



KRX – represents historical average net charge-off rates for banks in the KBW Regional Banking index as of 1/3/23 (source: S&P Capital IQ)  
all banks – represents historical average net charge-off rates for all FDIC insured banks (source: FDIC)

# loan portfolio

**79% of portfolio secured with real estate  
with combined weighted average loan to value of 55%**



## 41% commercial

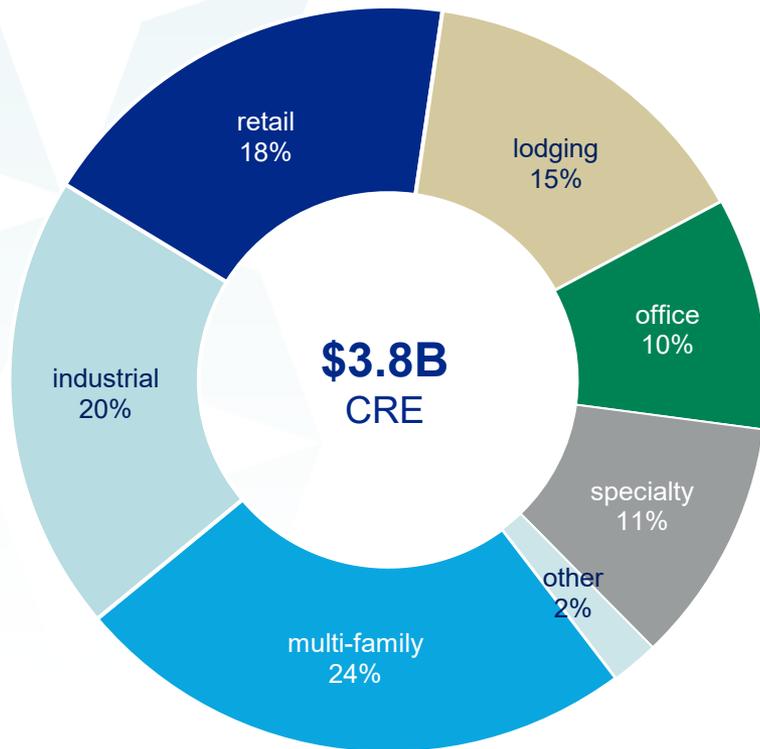
- 71% real estate secured
- wtd avg LTV 56%
- 56% w/ BOH ≥ 10 yrs
- avg bal \$0.7MM

## 59% consumer

- 84% real estate secured
- wtd avg LTV 54%
- 58% w/ BOH ≥ 10 yrs
- avg bal \$0.07MM

# commercial real estate (CRE)

27% of total loans

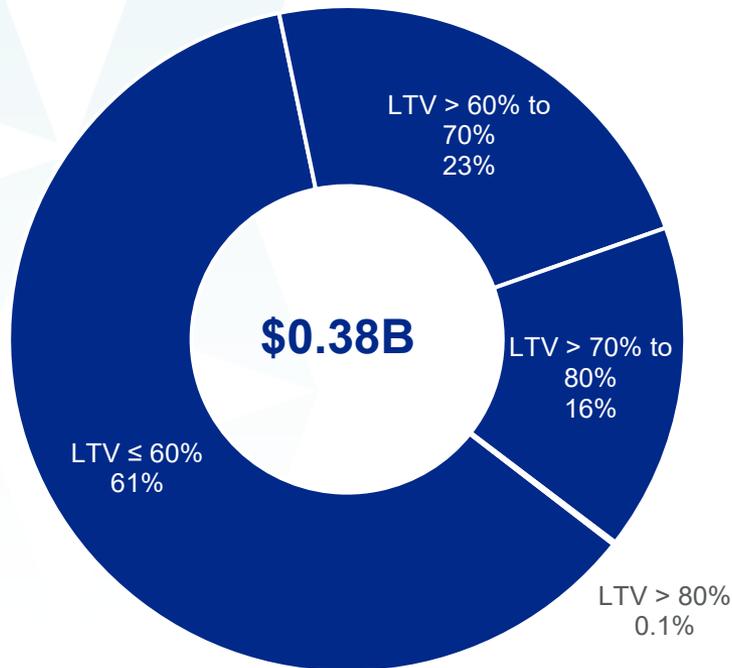


asset type	% total CRE	wtd avg LTV
multi-family	24%	59%
industrial	20%	56%
retail	18%	55%
lodging	15%	52%
office	10%	56%
specialty	11%	53%
other	2%	48%
<b>total CRE</b>	<b>100%</b>	<b>55%</b>

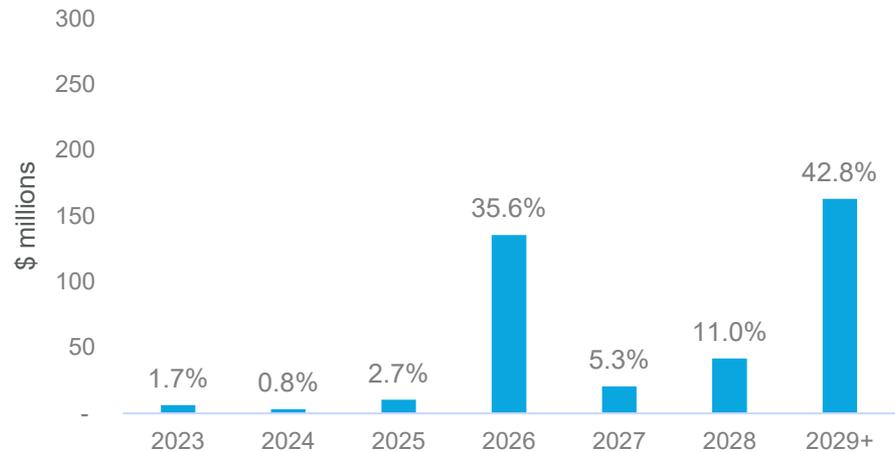
# CRE office

3% of total loans

## LTV distribution



## scheduled maturity



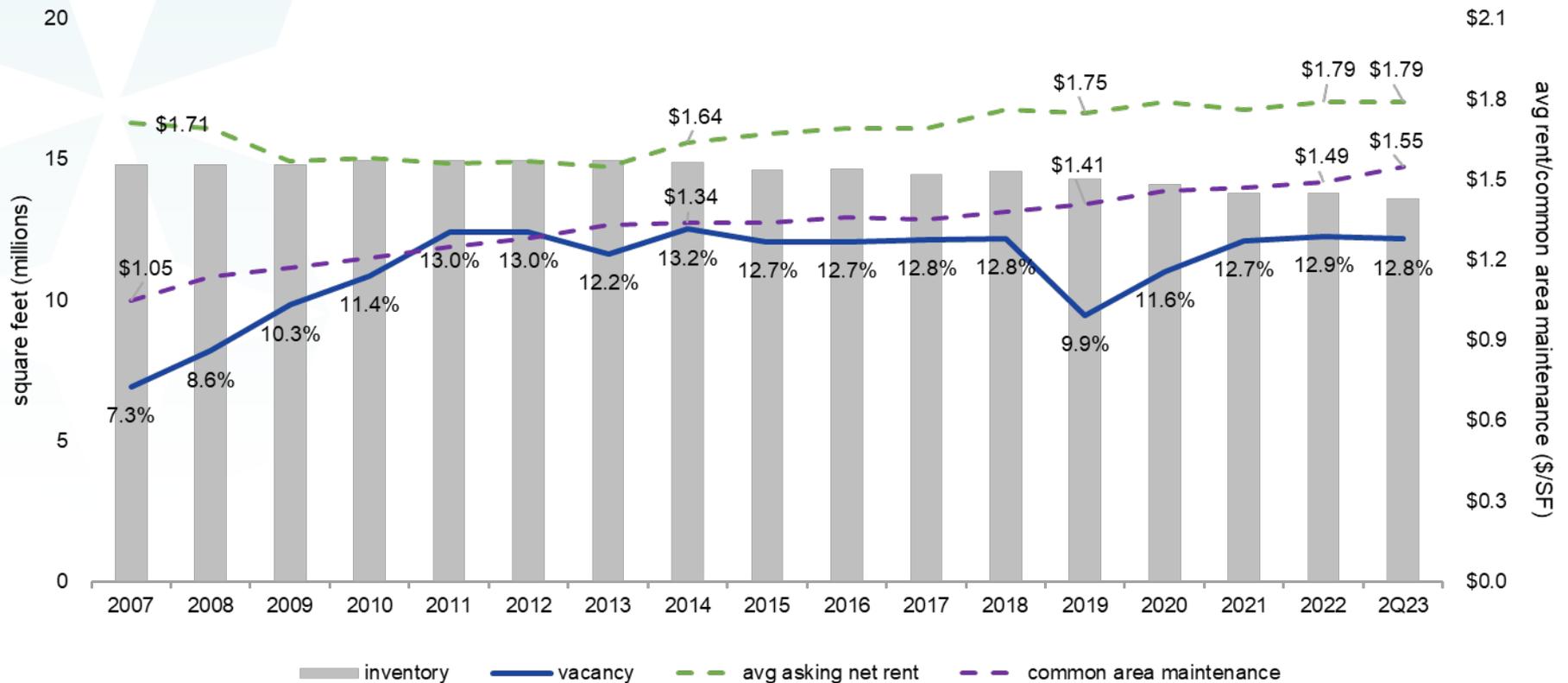
## highlights

- 56% wtd avg LTV
- \$1.8MM average exposure
- 25% CBD (Downtown Honolulu)
  - 63% wtd avg LTV
  - 47% with repayment guaranties
- 2% maturing prior to 2025

# Oahu investor office market

13.6 million square feet

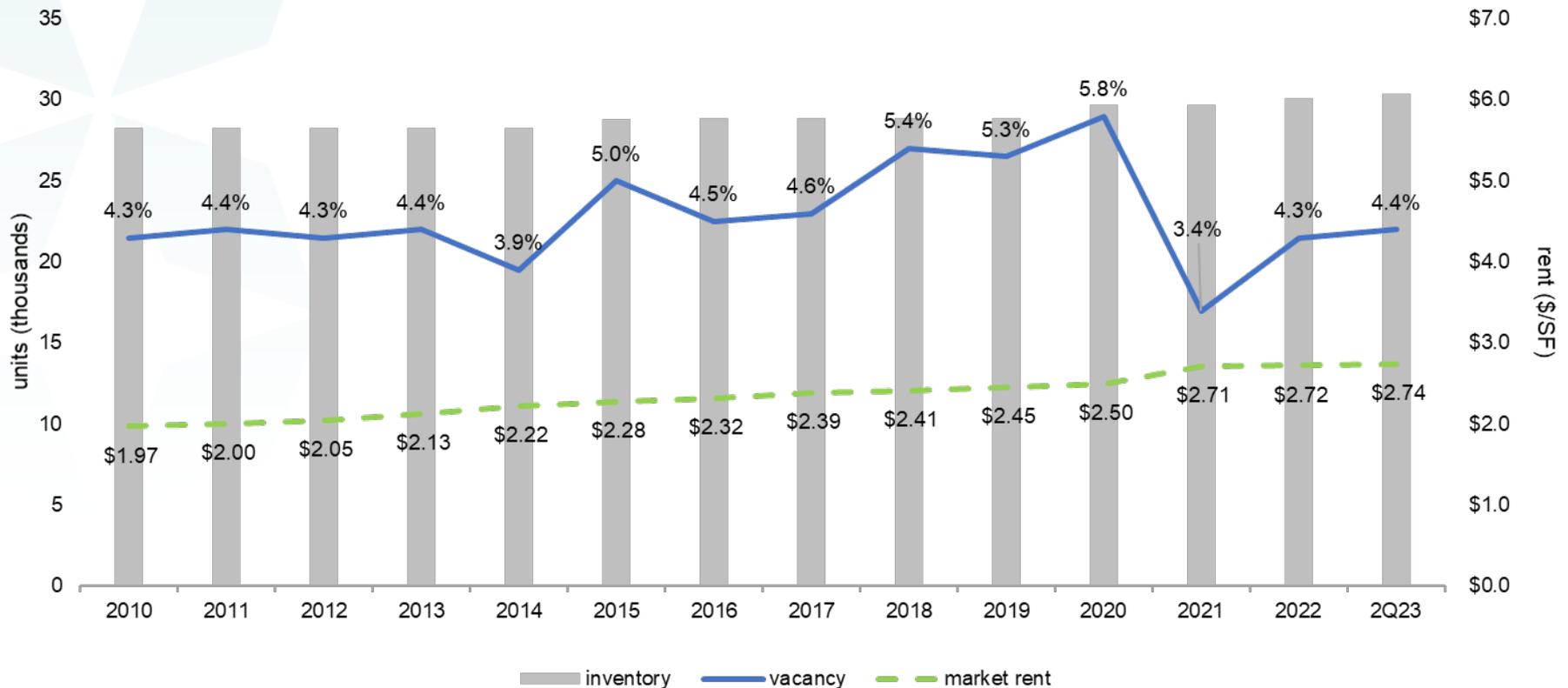
**vacancy and rents remain stable as conversions to alternative purpose continue to drive decline in inventory**



# Honolulu multi-family market

30,367 units

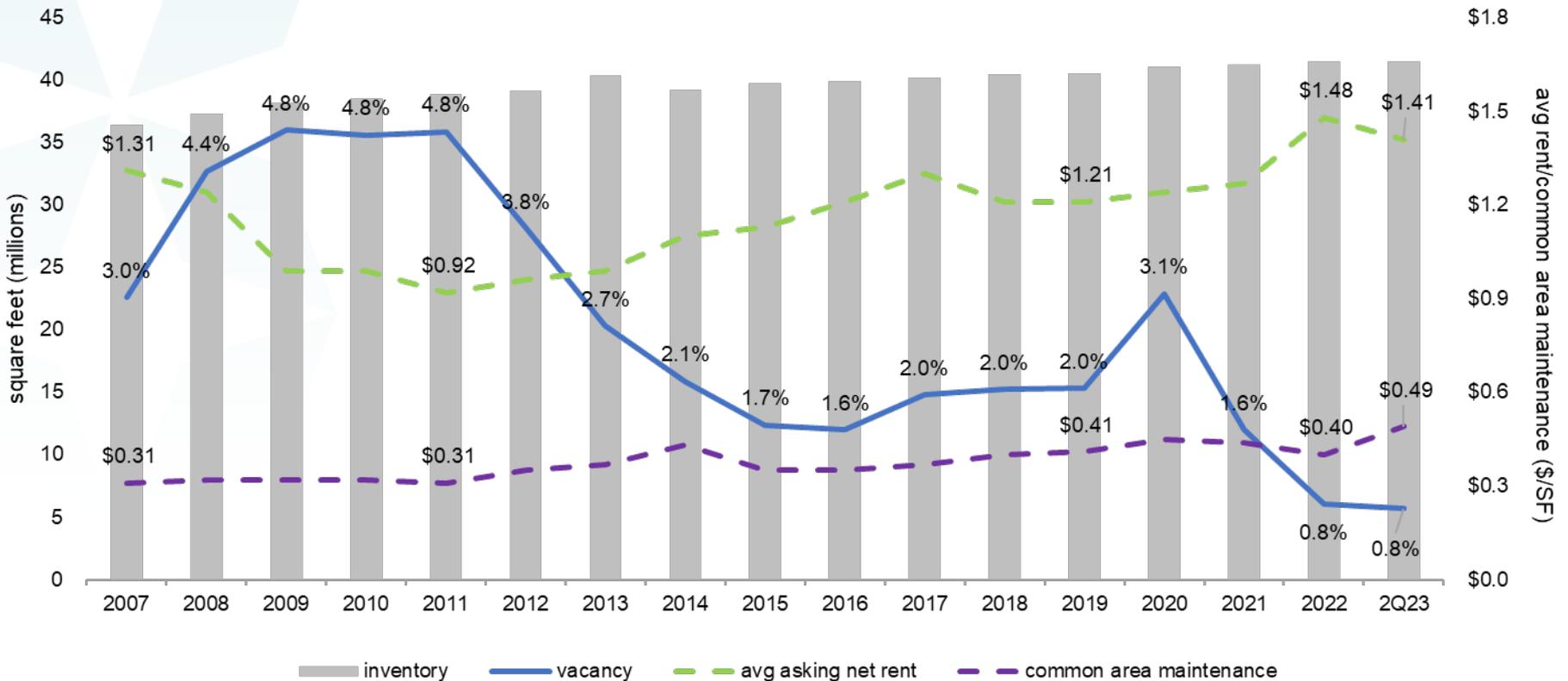
severely limited existing and new supply, compounded by the high cost of homeownership, continues to drive rental demand



# Oahu industrial market

41.5 million square feet

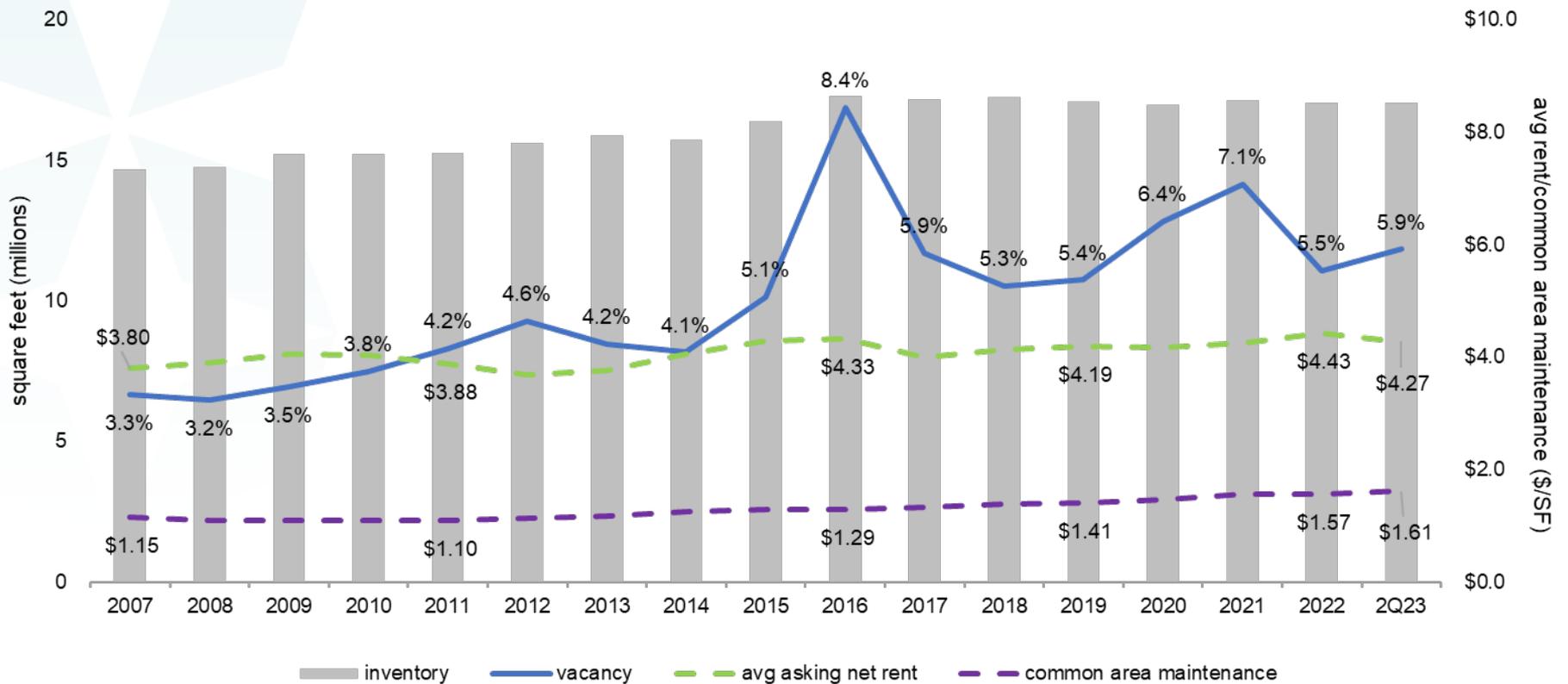
**vacancy rates at a historic low, while available industrial space listings remain near record low**



# Oahu retail market

17.1 million square feet

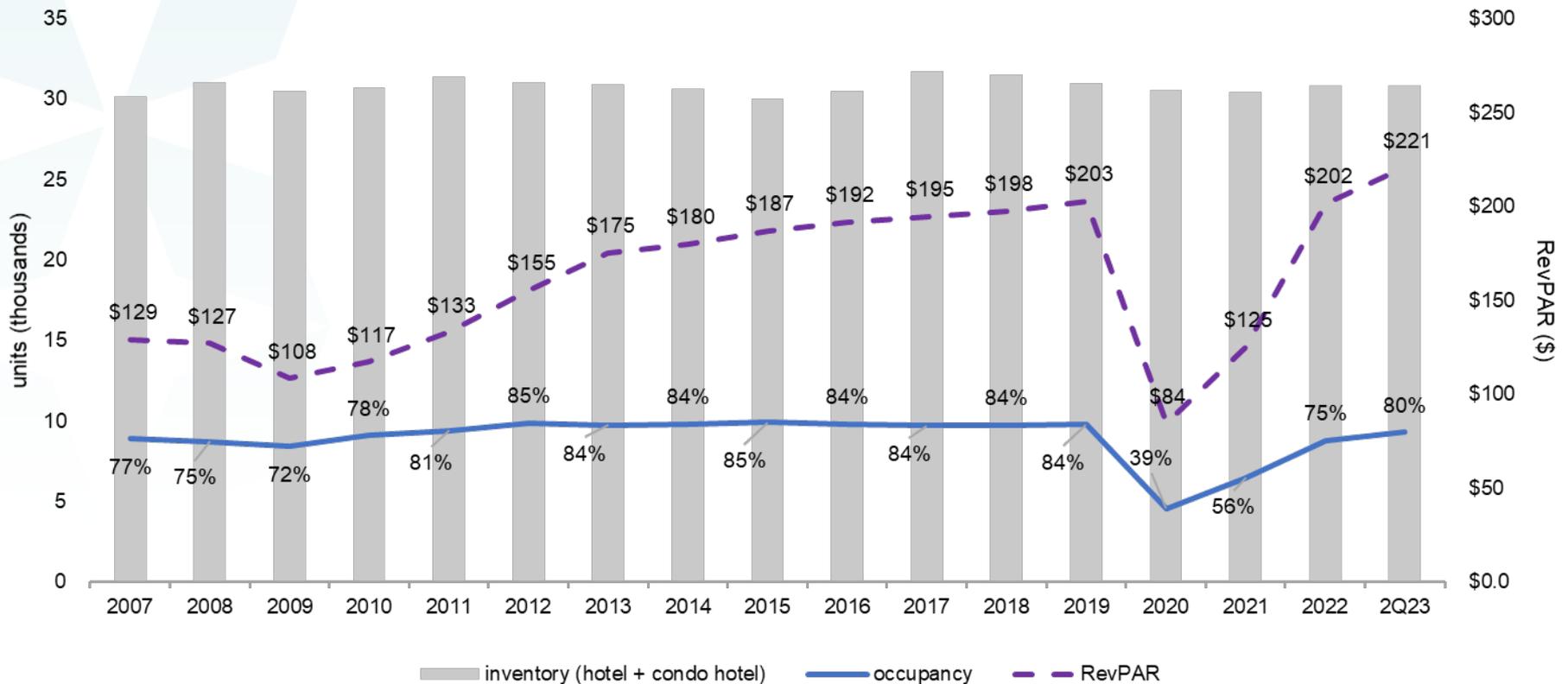
record retail sales and tourism spend continue to support post-pandemic recovery



# Oahu lodging market

30.9 thousand rooms

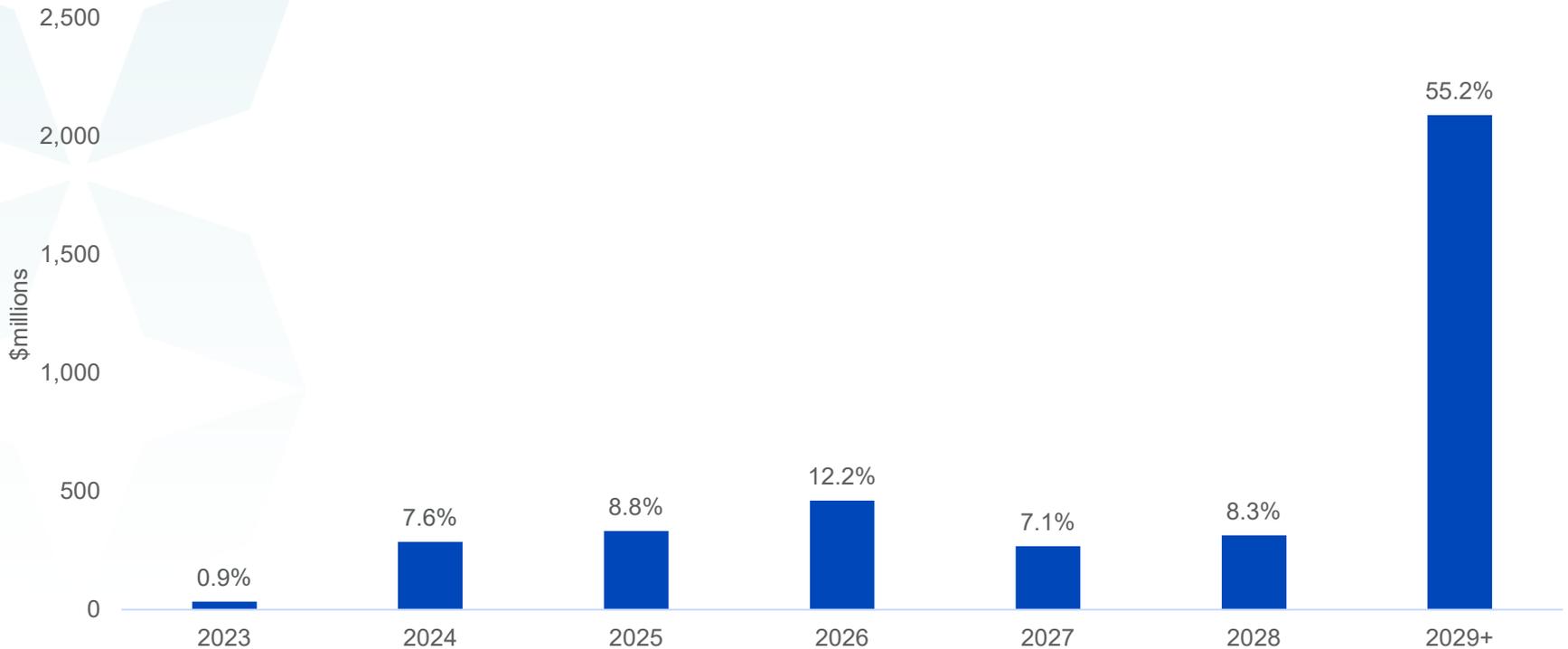
outlook is generally positive, as inventory remains flat and occupancy & RevPar report comparably with pre-pandemic tourism



# CRE scheduled maturities

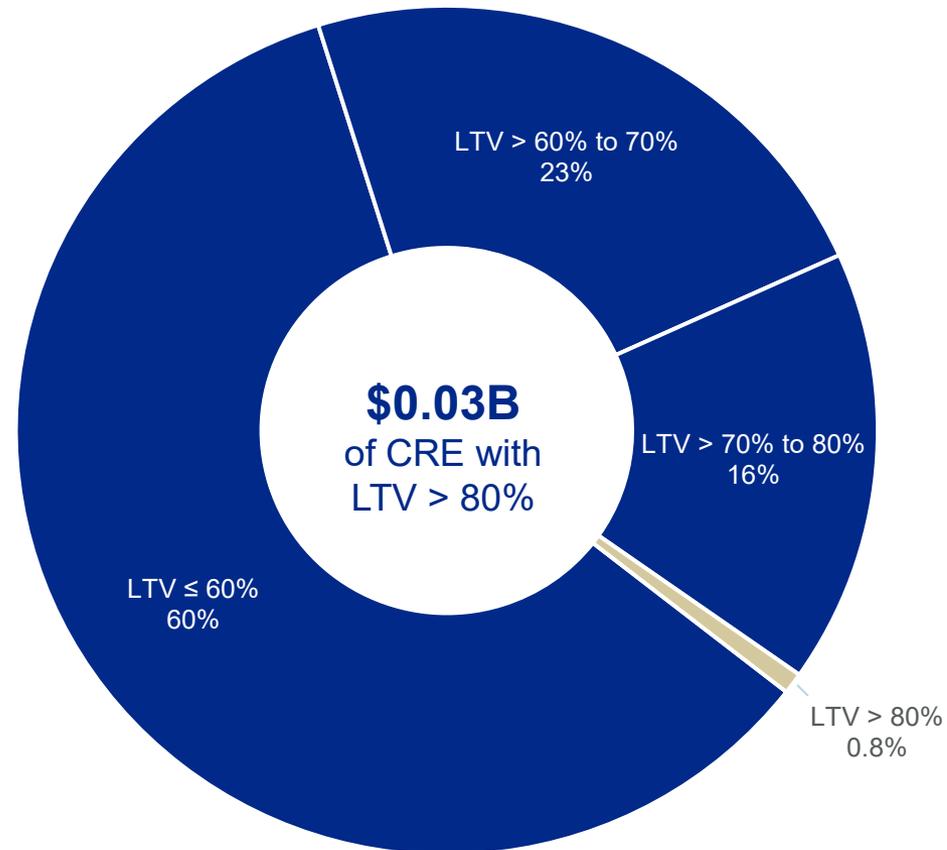
8% maturing prior to 2025

scheduled maturities



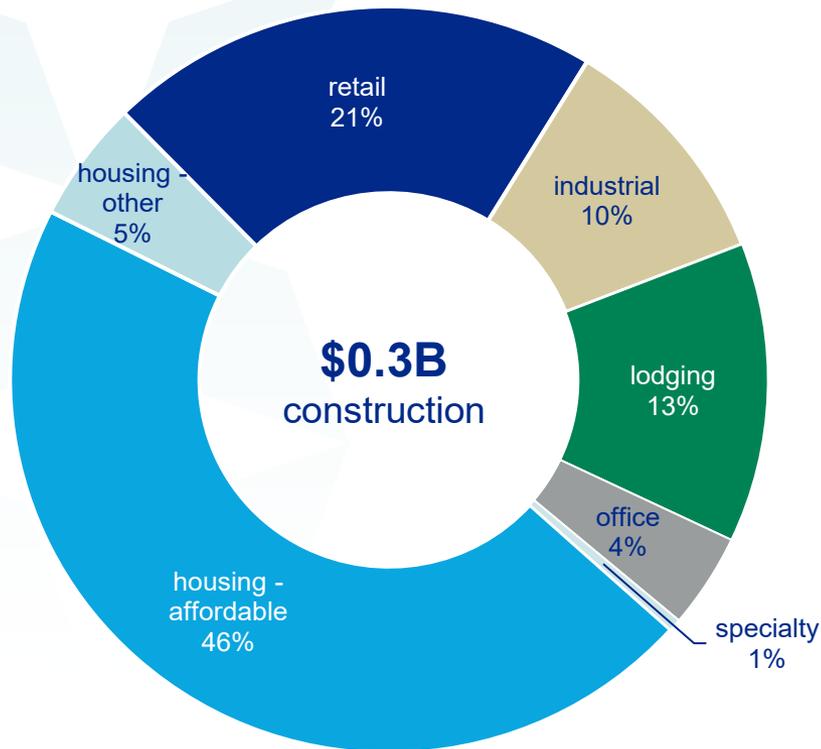
# CRE tail risk

*LTV > 80% - 0.8% of CRE, 0.2% of total loans*



# construction

2% of total loans

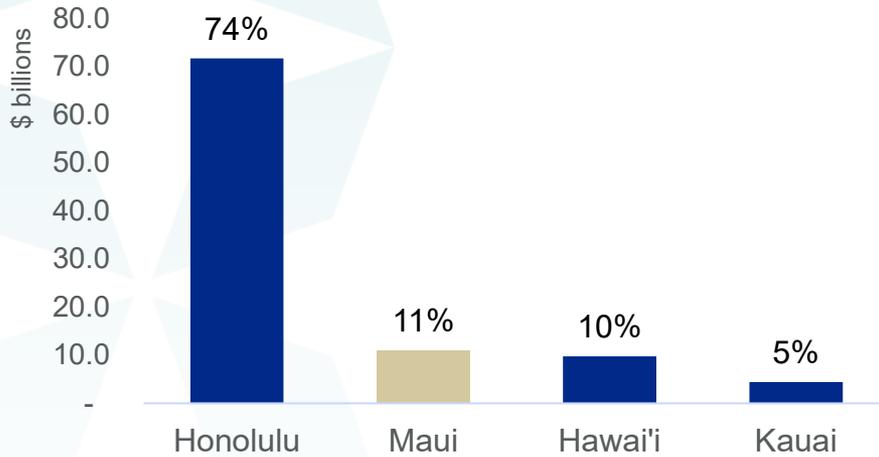


asset type	% total construction	wtd avg LTV
housing – low income / affordable	46%	65%
housing – other	5%	45%
retail	21%	64%
industrial	10%	67%
lodging	13%	51%
office	4%	69%
specialty	1%	56%
<b>total construction</b>	<b>100%</b>	<b>62%</b>

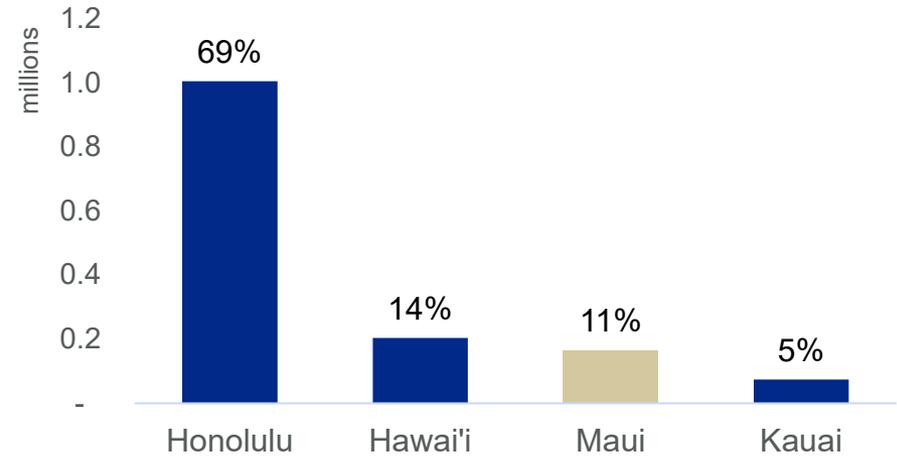
# Maui economic impact

2021 percentage of state total by county

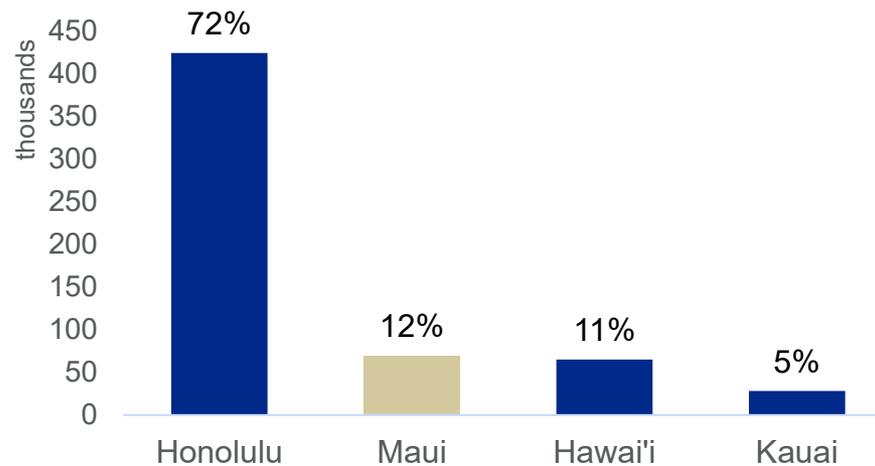
real GDP



resident population

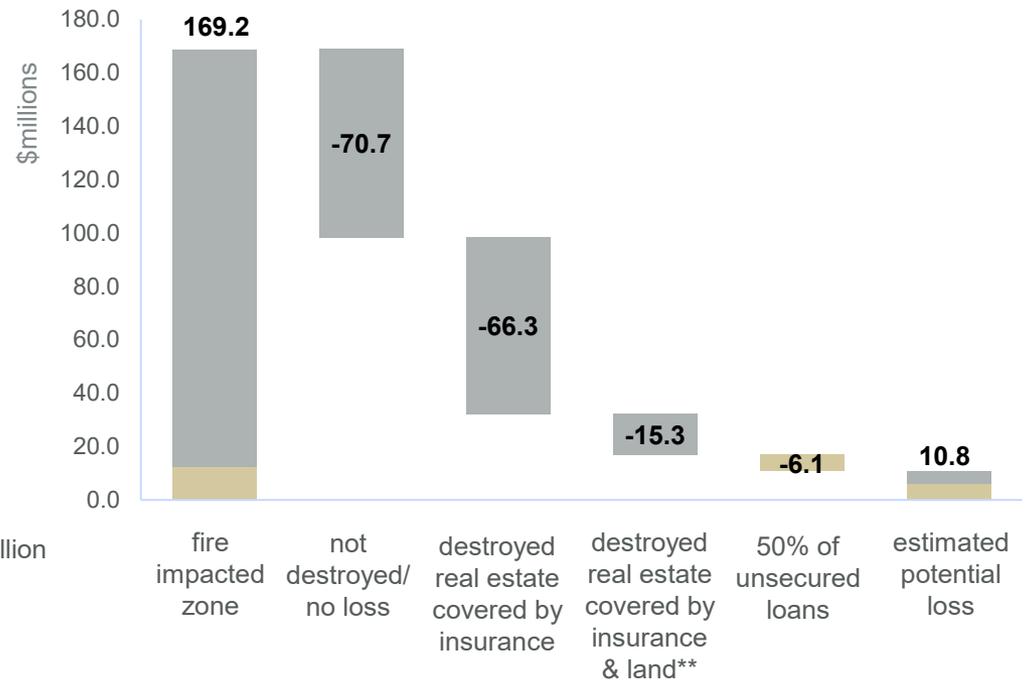
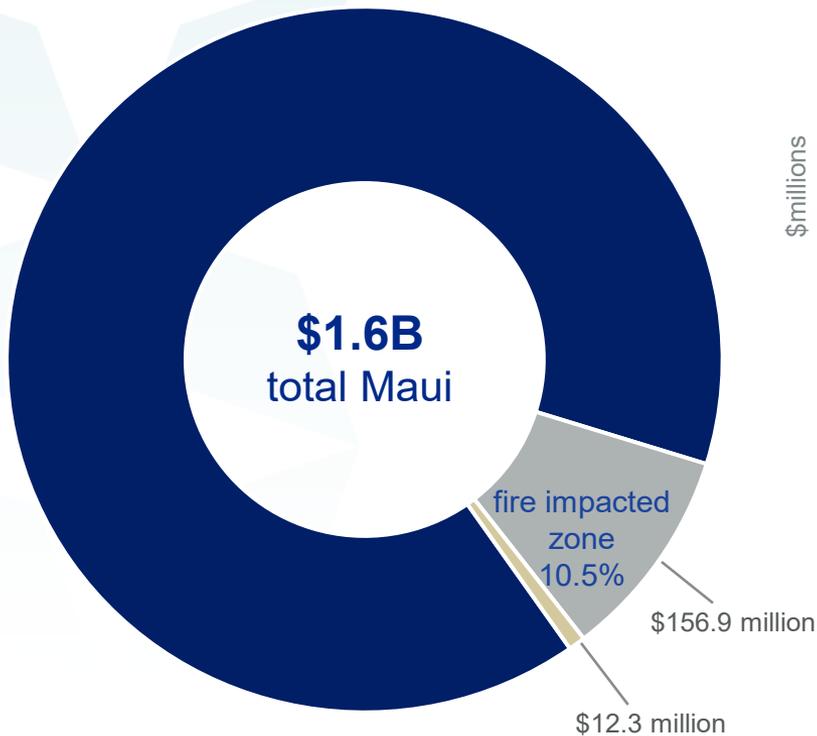


total nonfarm jobs



# Maui portfolio

12% of total loans, 1% of total loans located in fire impacted zone



■ secured\*

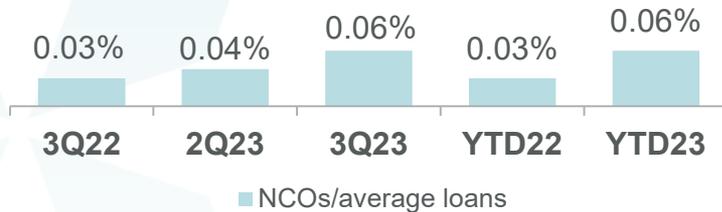
■ unsecured

\* principally comprised of loans secured by real estate

\*\* land value based on 50% 2023 land tax assessed value

# credit quality

## net charge-offs



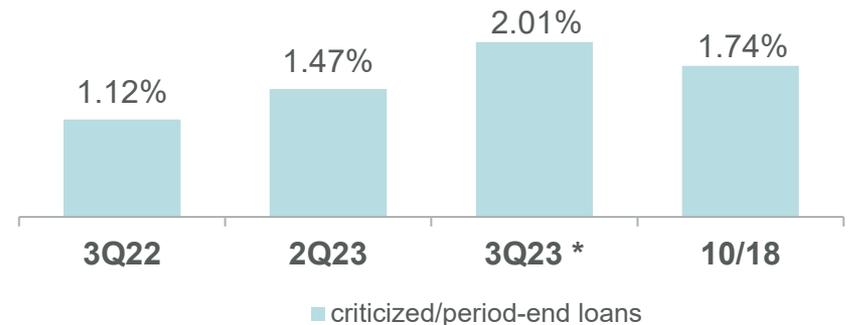
## non-performing assets



## delinquencies



## criticized



\* 51% of total criticized in CRE with 57% wtd avg LTV



# financial update

# NII and NIM

*\$ in millions*

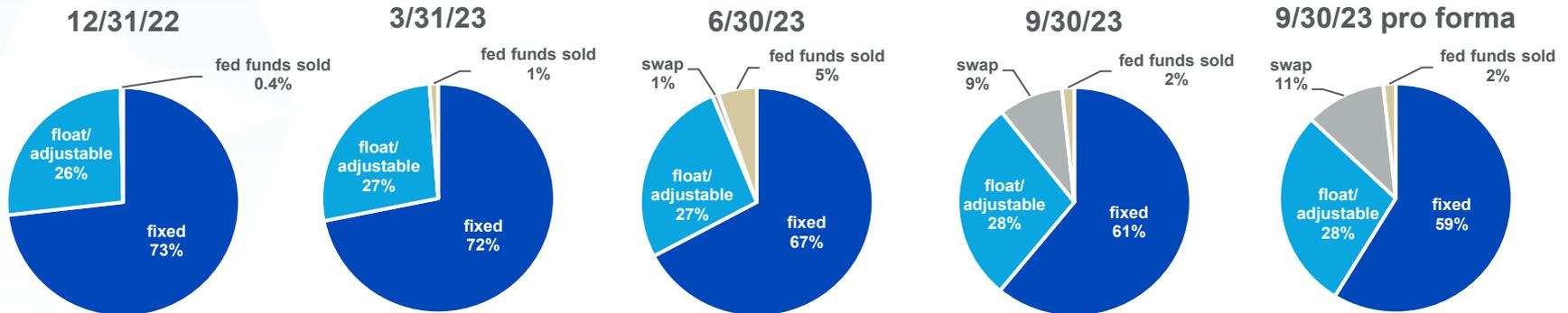


- net interest income (NII) and net interest margin (NIM) challenges from inverted yield curve and higher short term rates
- deposit rates and betas remain well below peers
- NIM declined by 9 basis points in 3Q23 compared to 2Q23

# hedging program

increased pay-fixed/receive-float swaps by \$1.8 billion (\$2.0 billion total notional) in 3Q23 to hedge a portion of fixed-rate asset exposure

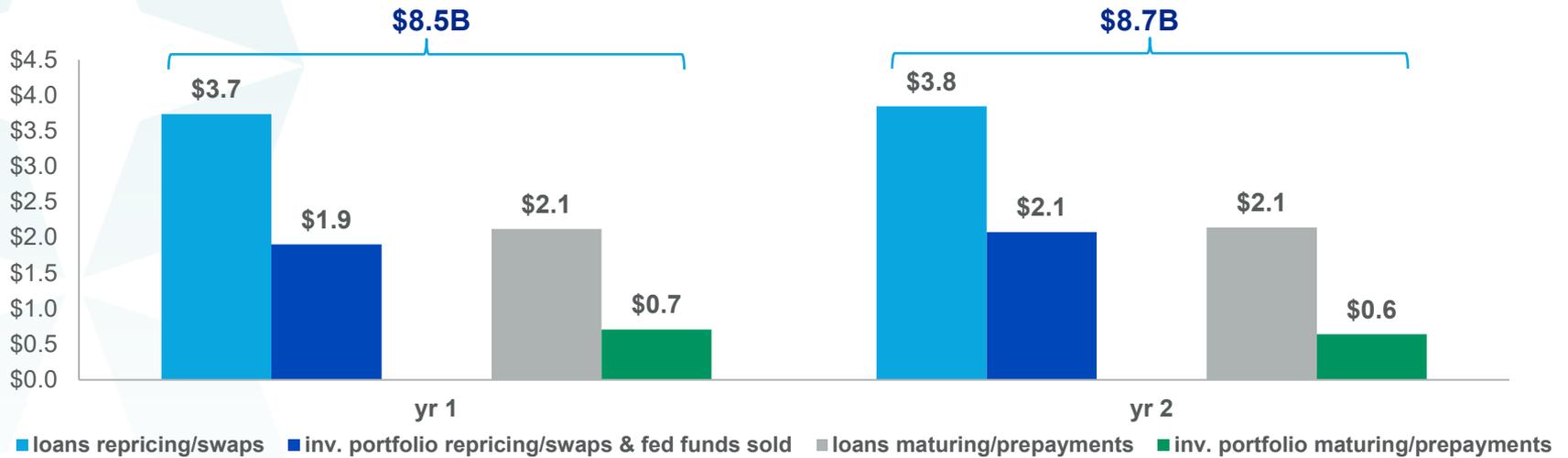
## asset composition



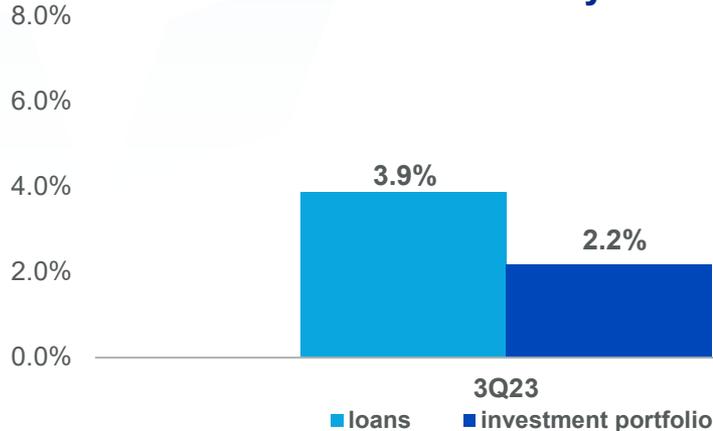
note: fixed excludes \$1.8 billion of fixed-rate assets swapped to floating through the hedging program, fixed/float breakdown includes loans, investment portfolio (using par value), and fed funds sold, 9/30/23 pro forma includes \$500.0 million of pay-fixed/receive-float swaps executed in October 2023, numbers may not add up due to rounding

# asset repricing

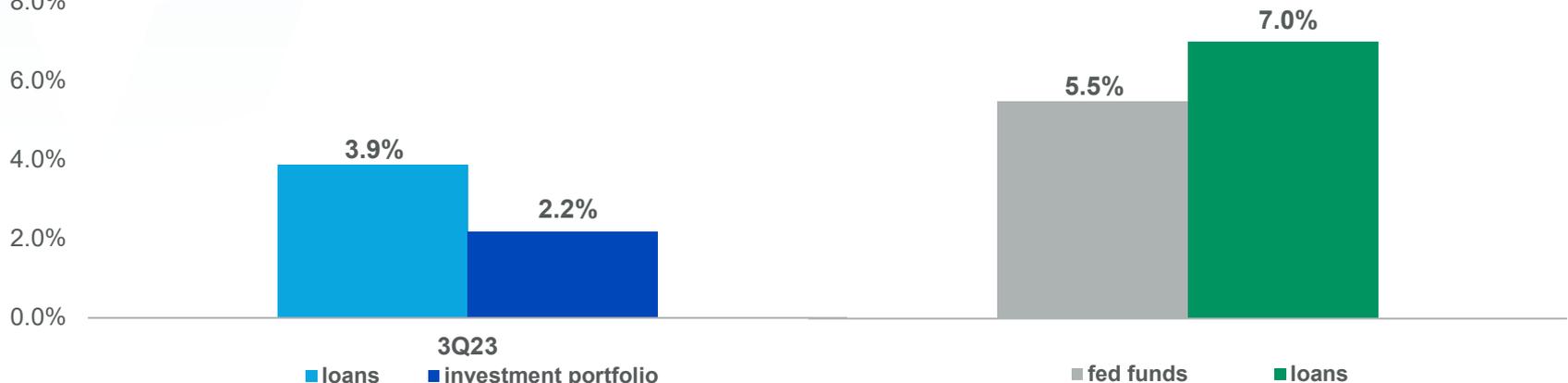
## projected repricing, maturities & prepayments (\$ in billions)



## matured/run-off yield



## reinvestment opportunity

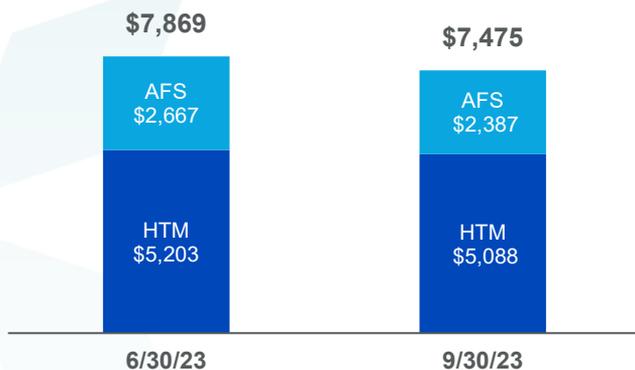


note: numbers may not add up due to rounding, loans repricing/swaps includes \$1.0 billion of fixed-rate loans swapped to floating rate assets, inv. portfolio repricing/swaps and fed funds sold includes \$1.0 billion of fixed-rate available-for-sale securities swapped to floating rate assets, matured/run-off yield for loans includes only fixed-rate loans; matured/run-off yield for investment portfolio excludes securities sold in 3Q23

# balance sheet summary

\$ in millions

## investment securities



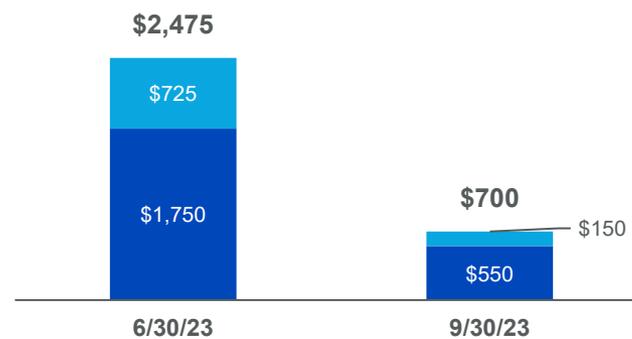
## loans and leases



## total deposits



## wholesale funding



■ consumer ■ commercial ■ public and other

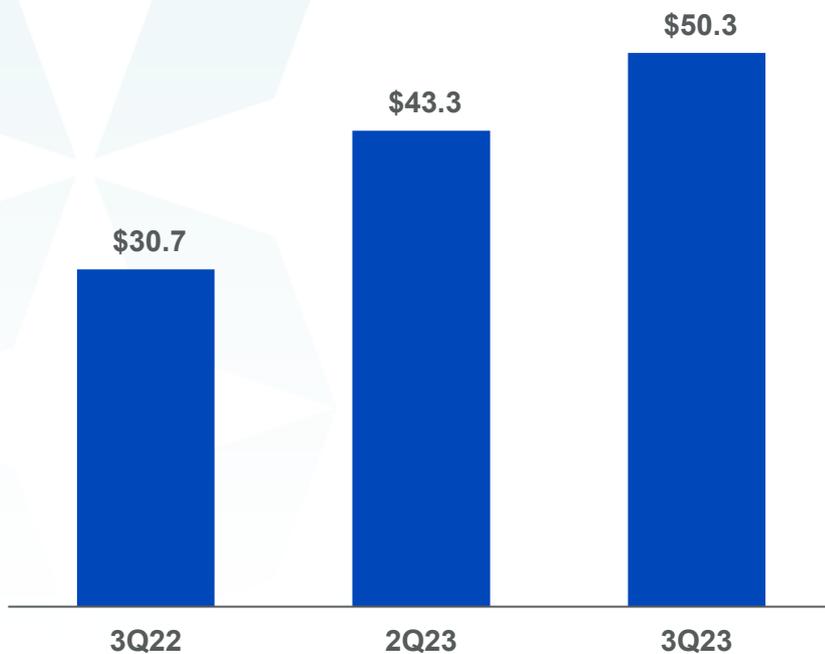
■ FHLB Advance ■ private repurchase agreements

# noninterest income

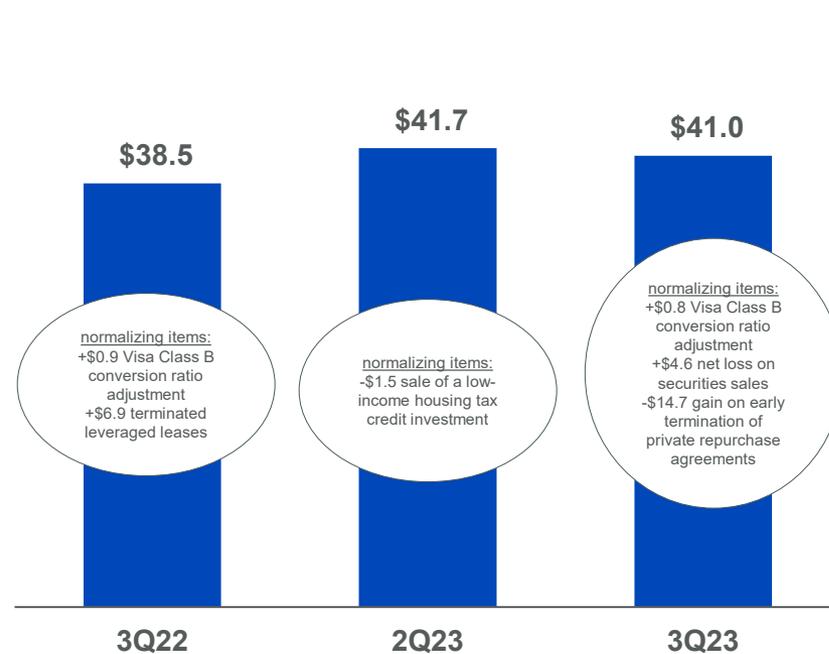
\$ in millions

## stable core noninterest income from diverse sources

reported noninterest income



core noninterest income



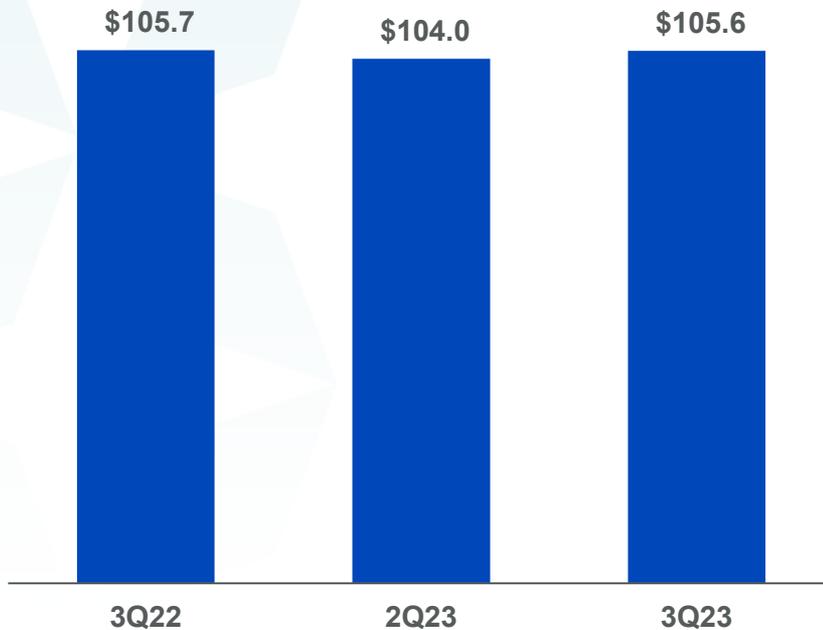
note: numbers may not add up due to rounding

# noninterest expense

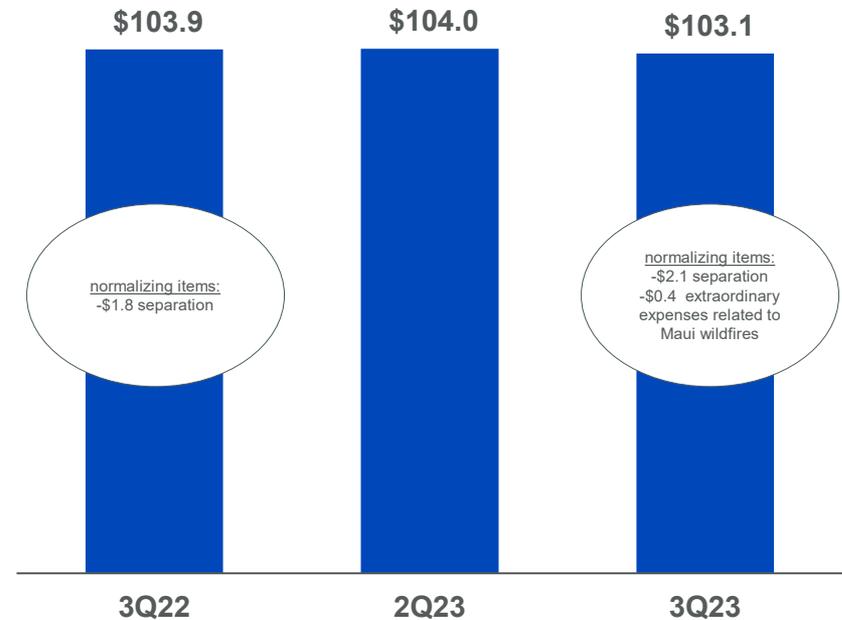
\$ in millions

disciplined expense management in challenging operating environment

reported noninterest expense



core noninterest expense



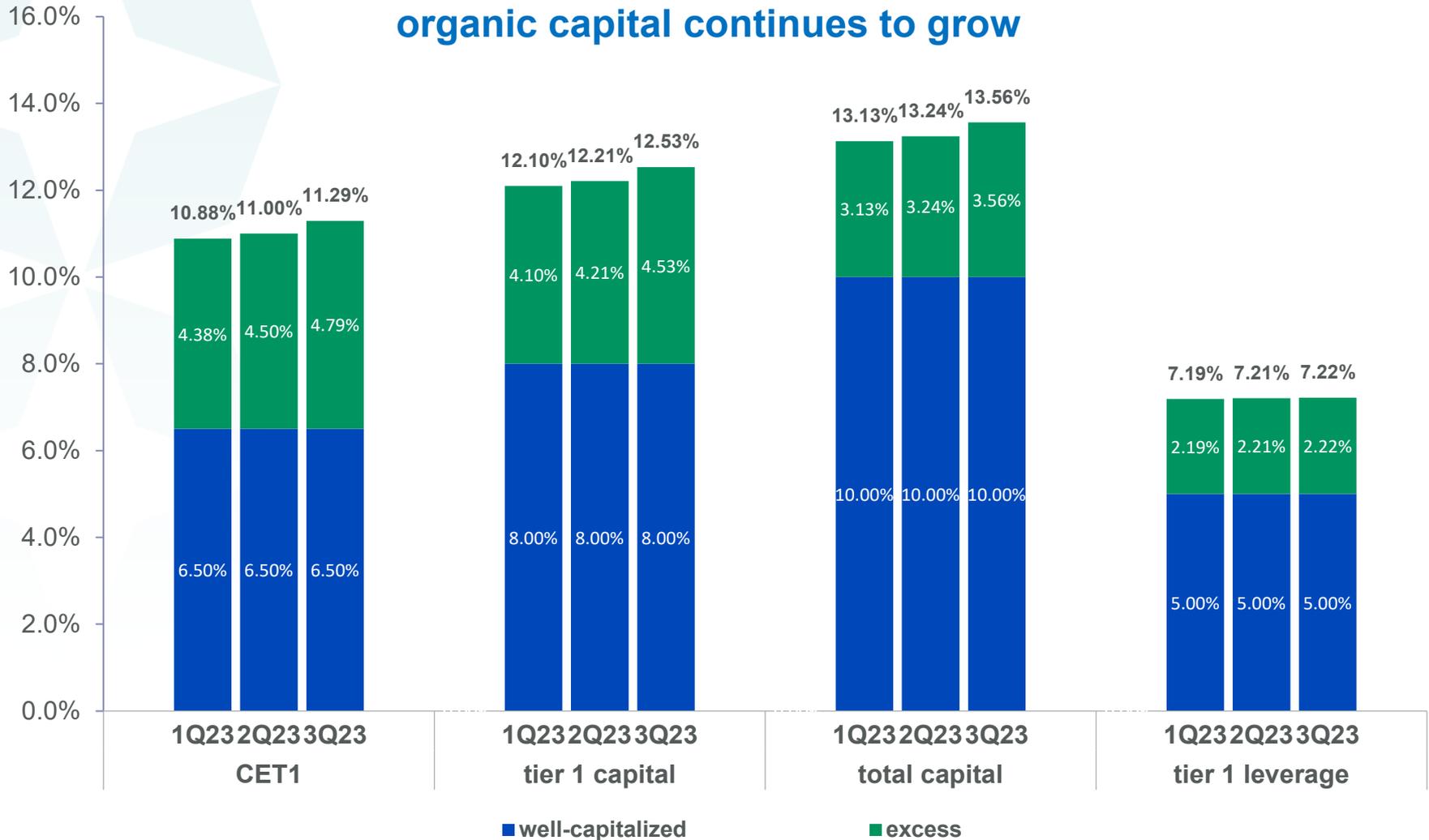
# financial summary

*\$ in millions, except per share amounts*

	<u>3Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2022</u>	<u>Δ 2Q 2023</u>	<u>Δ 3Q 2022</u>
net interest income	\$ 120.9	\$ 124.3	\$ 141.7	\$ (3.4)	\$ (20.7)
noninterest income	50.3	43.3	30.7	7.1	19.7
<b>total revenue</b>	<b>171.3</b>	<b>167.6</b>	<b>172.3</b>	<b>3.7</b>	<b>(1.0)</b>
noninterest expense	105.6	104.0	105.7	1.6	(0.1)
operating income	65.7	63.6	66.6	2.1	(0.9)
credit provision	2.0	2.5	-	(0.5)	2.0
income taxes	15.8	15.0	13.8	0.8	2.0
<b>net income</b>	<b>\$ 47.9</b>	<b>\$ 46.1</b>	<b>\$ 52.8</b>	<b>\$ 1.8</b>	<b>\$ (4.9)</b>
<b>net income available to common</b>	<b>\$ 45.9</b>	<b>\$ 44.1</b>	<b>50.8</b>	<b>\$ 1.8</b>	<b>\$ (4.9)</b>
<b>diluted EPS</b>	<b>\$ 1.17</b>	<b>\$ 1.12</b>	<b>\$ 1.28</b>	<b>\$ 0.05</b>	<b>\$ (0.11)</b>
return on assets	0.78 %	0.77 %	0.91 %	0.01 %	(0.13) %
return on common equity	15.38	14.95	16.98	0.43	(1.60)
net interest margin	2.13	2.22	2.60	(0.09)	(0.47)
efficiency ratio	61.66	62.07	61.37	(0.41)	0.29
<b>end of period balance</b>					
shareholders' equity	\$ 1,364	\$ 1,358	\$ 1,282	0.4 %	6.4 %

# capital

## organic capital continues to grow



note: 3Q23 regulatory capital ratios are preliminary

# takeaways

- ✓ unique and competitively advantageous deposit market
- ✓ high quality deposit base
- ✓ market leading cost of deposits
- ✓ high quality assets
- ✓ exceptional credit quality
- ✓ strong risk-based capital

# Q & A

# appendix

# Hawai'i economy

*\$ in billions*

## 2022 Hawai'i GDP by industry

