

Bank of Hawaii Corporation
first quarter 2022
financial report

April 25, 2022

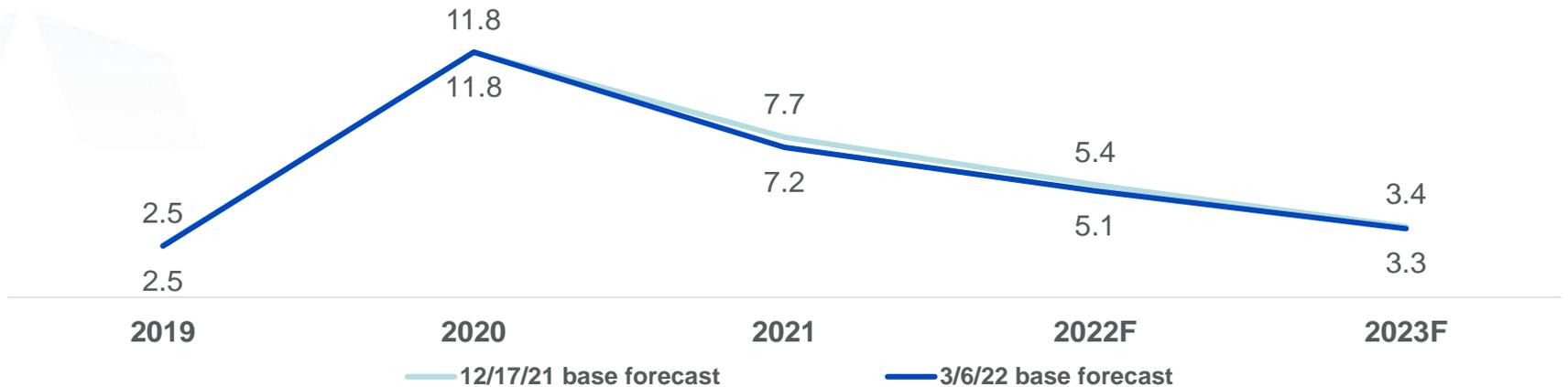
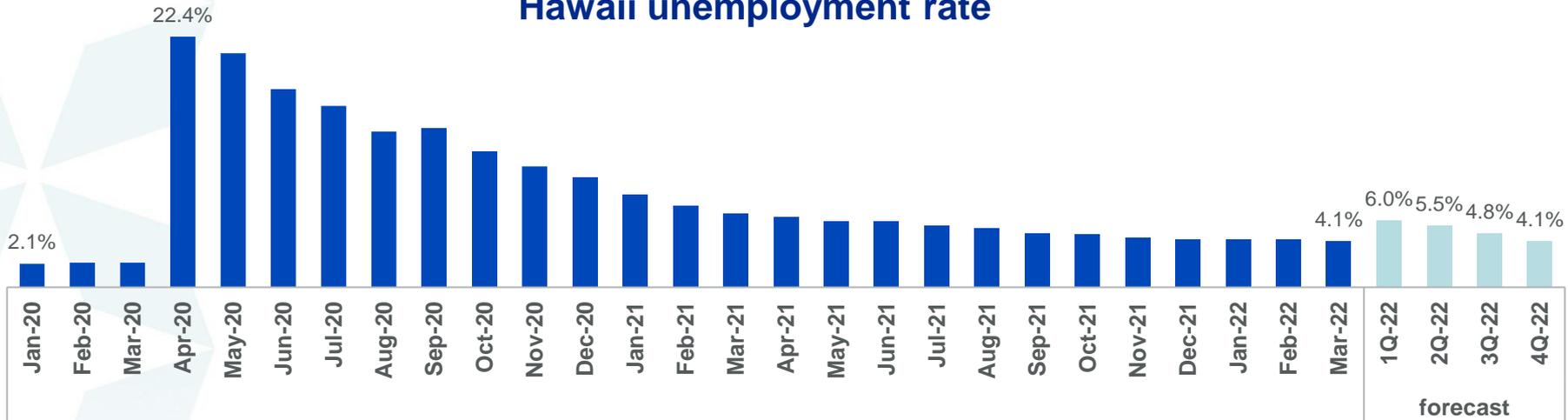
forward-looking statements

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

unemployment

experience & forecast

Hawaii unemployment rate



Oahu real estate

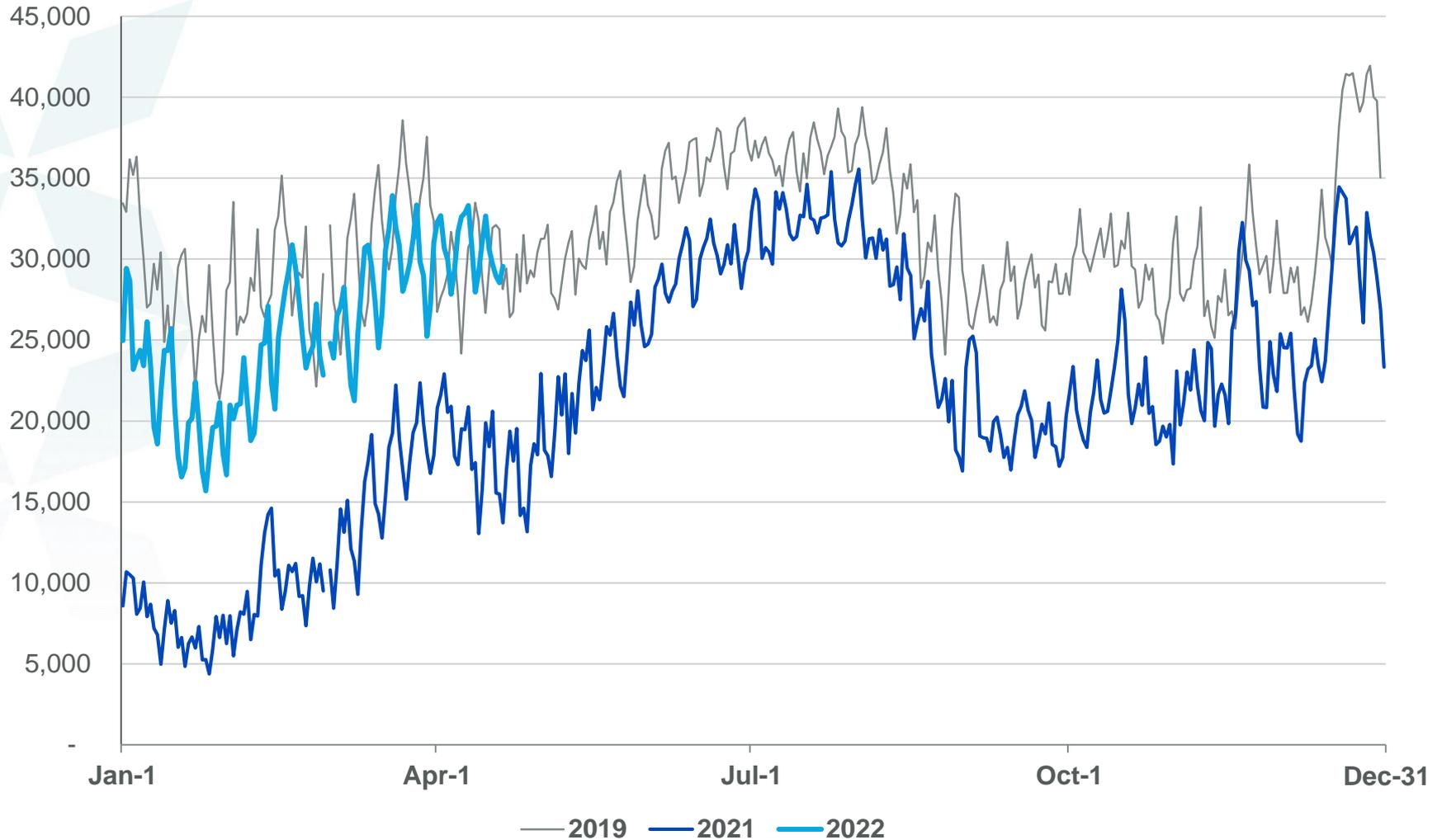
Oahu market indicators – 2022 vs 2021

continued strength in Oahu real estate

	single family homes				condominiums			
	<u>2022 YTD</u>		<u>Mar 2022</u>		<u>2022 YTD</u>		<u>Mar 2022</u>	
closed sales	888	 -2.6%	321	 -11.1%	1,710	 16.8%	672	 7.3%
median sales price (000s)	\$1,100	 20.2%	\$1,150	 21.1%	\$510	 12.1%	\$516	 14.3%
median days on market	11	 22.2%	9	— 0.0%	11	 -35.3%	9	 -35.7%

daily arrivals

*total passenger count**



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



1Q financial update

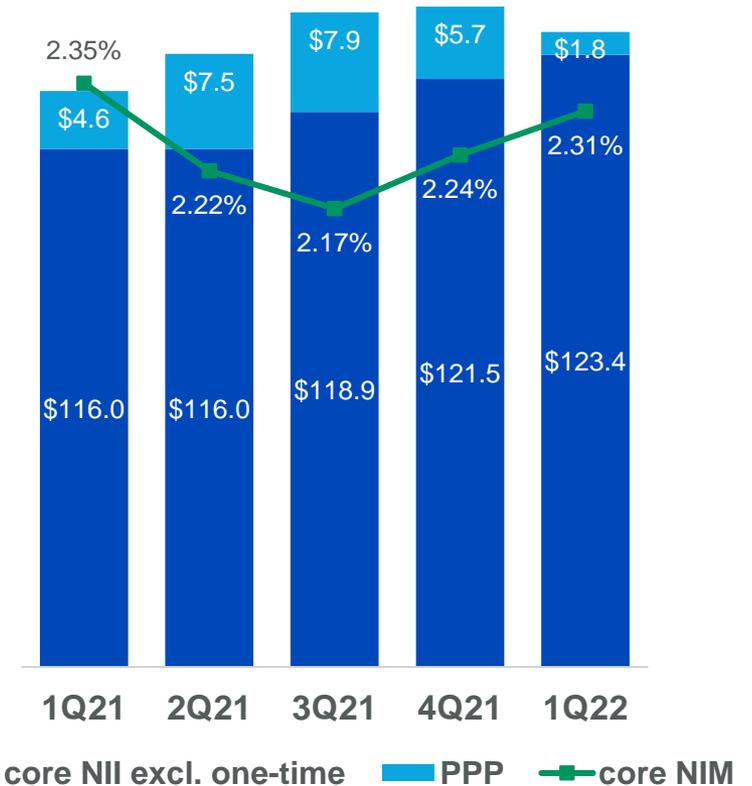
core loan and NII growth

strong core loan and steady NII growth excluding PPP continues

core loan growth



net interest income

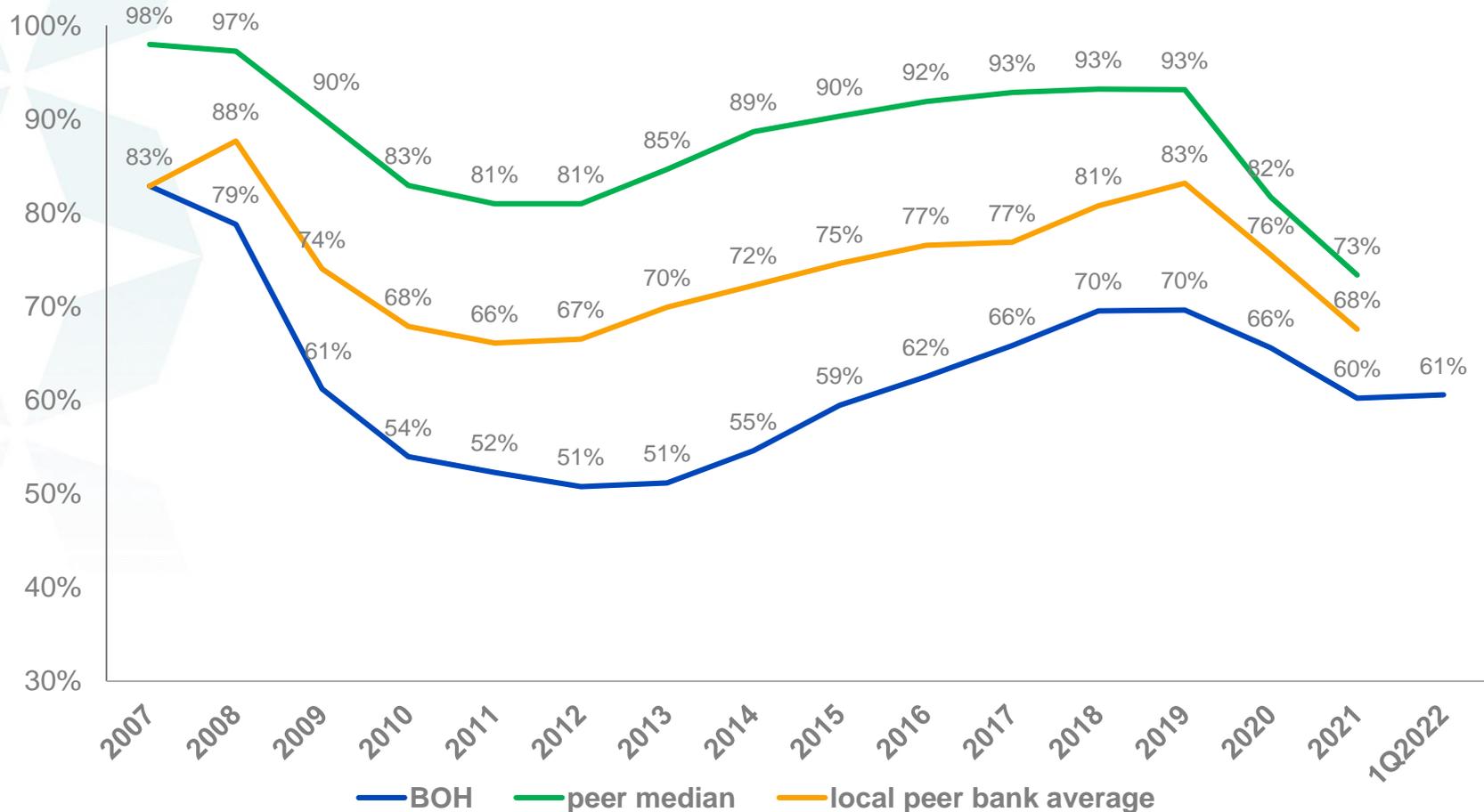


note: core loans excludes PPP balances. core NII and NIM excludes all fees and interest income generated by PPP and one-time items (including 4Q21 \$0.9MM deferred mortgage loan fee adjustment)

ample liquidity

loan to deposit ratio compared with peers

strong liquidity to fund continued growth



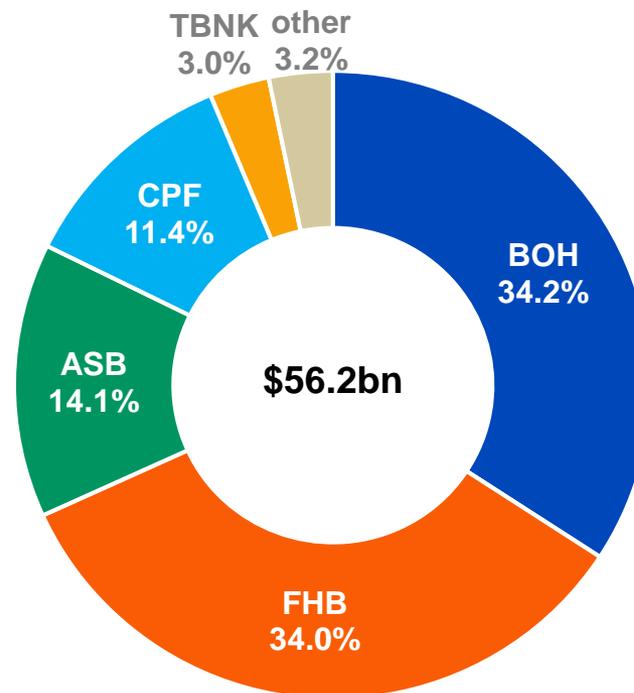
note: S&P Regional Banking Index excluding banks greater than \$50bn as of 1/4/22

local peer bank average contains BOH, FHB, CPB, ASB, and TBNK; data unavailable for ASB prior to 2008 and FHB prior to 2011

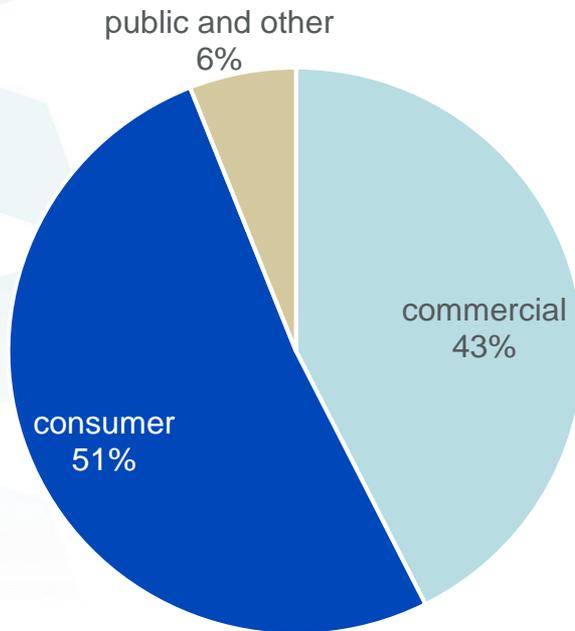
unique deposit market

FDIC Summary of Deposits as of June 30, 2021

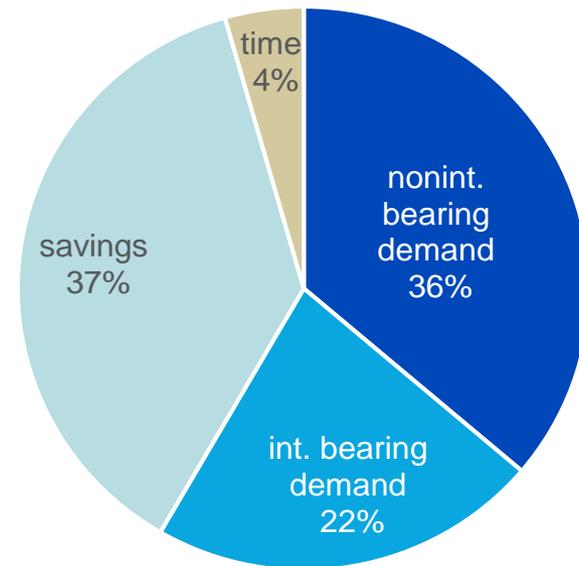
top 5 local banks account for 96.8% of market



strong core deposit base



94% core consumer and commercial customers

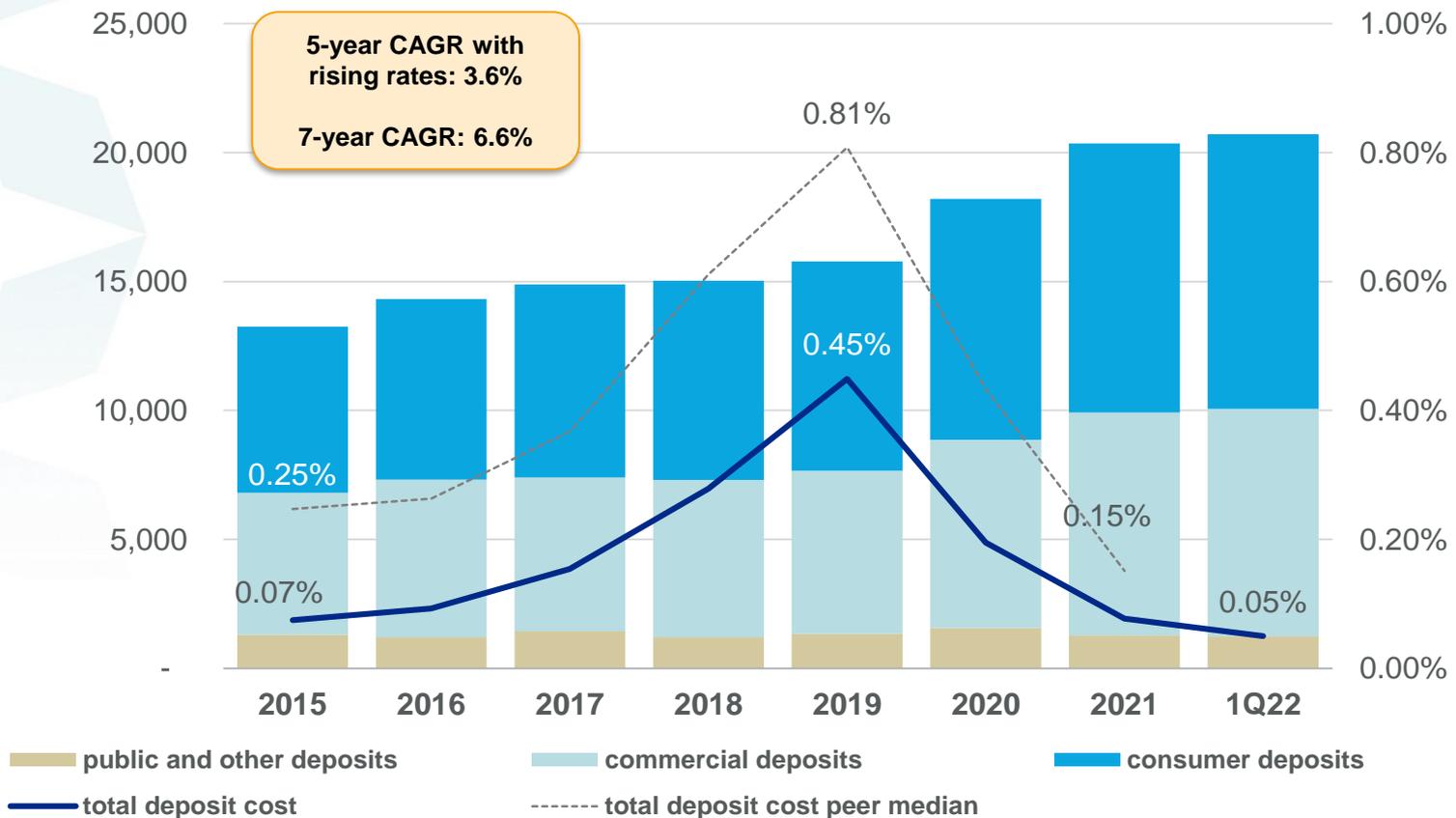


96% core checking and savings deposits

attractive funding costs

\$ in millions

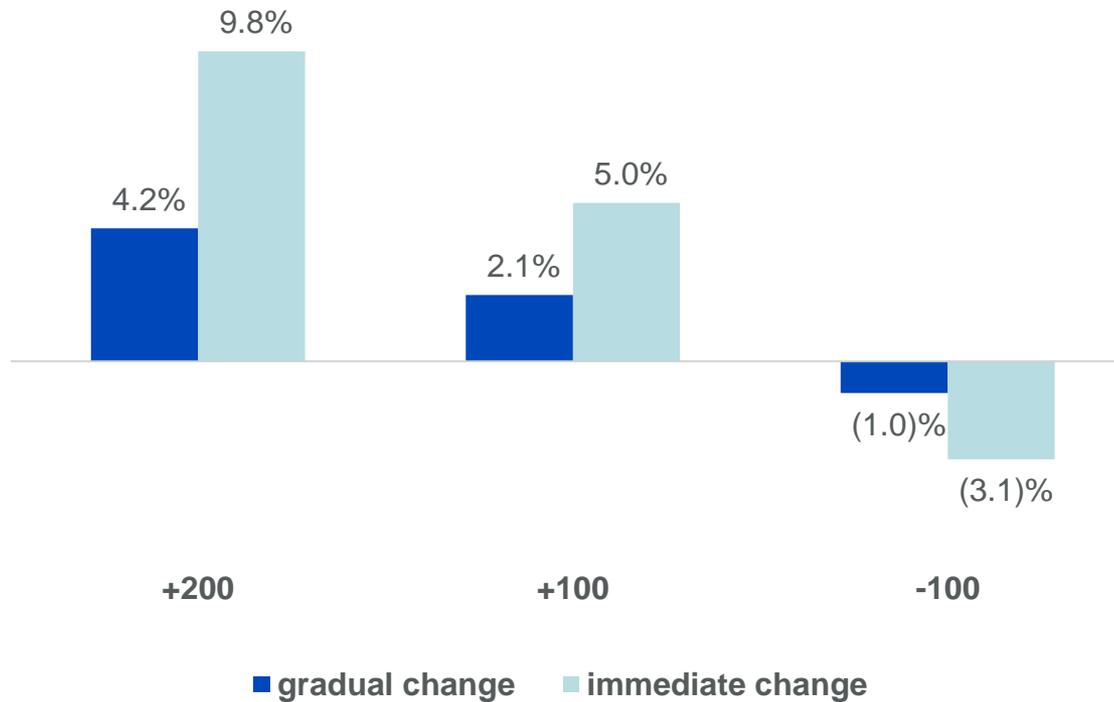
strong low cost, long duration core deposit base helps to mitigate rising rates



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

asset sensitive

estimated impact on future annual NII



financial summary

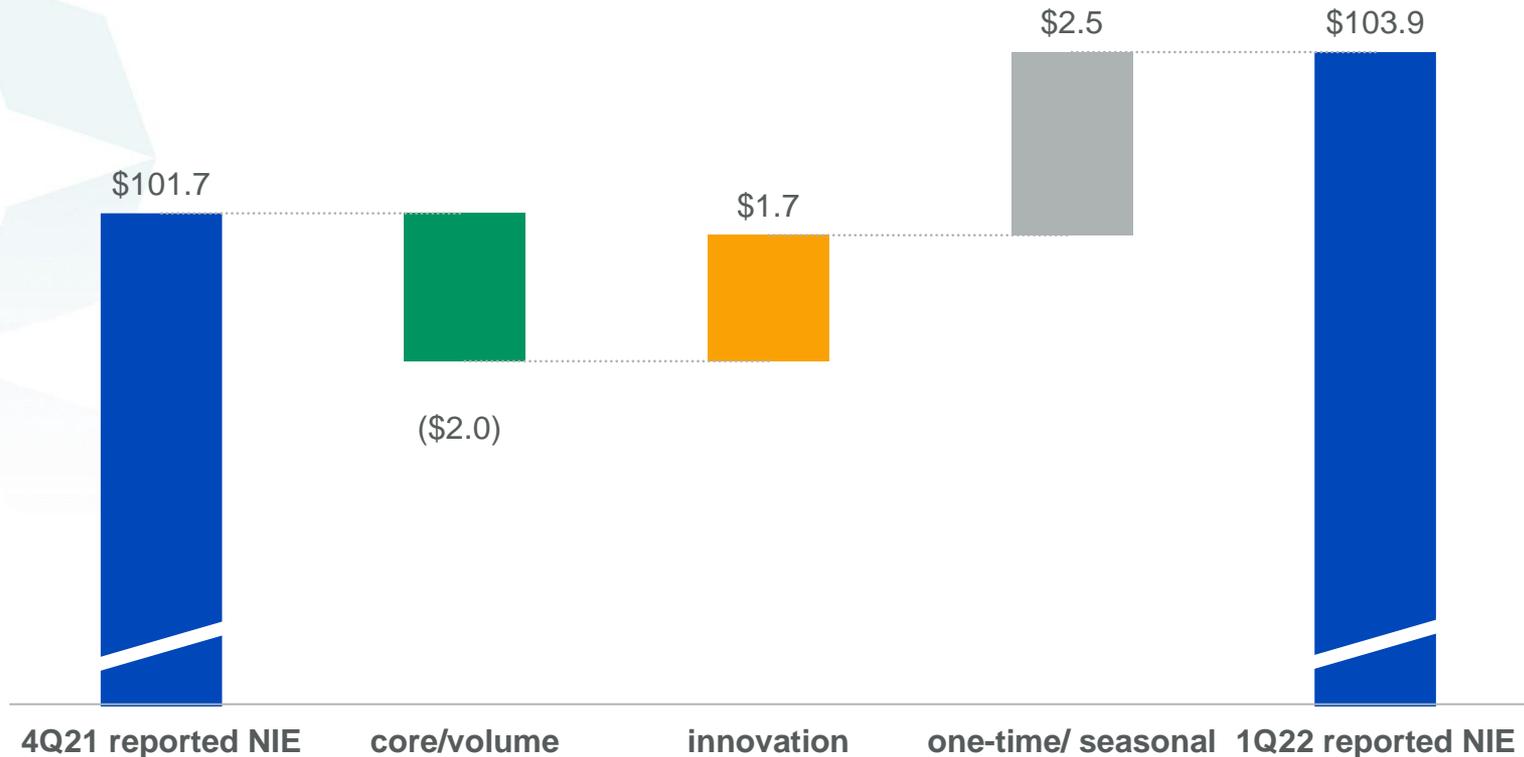
\$ in millions, except per share amounts

	<u>1Q 2022</u>	<u>4Q 2021</u>	<u>1Q 2021</u>	<u>Δ 4Q 2021</u>	<u>Δ 1Q 2021</u>
net interest income	\$ 125.3	\$ 126.4	\$ 120.6	\$ (1.1)	\$ 4.7
noninterest income	43.6	42.6	43.0	1.0	0.6
total revenue	168.8	169.0	163.5	(0.1)	5.3
noninterest expense	103.9	101.7	98.9	2.2	5.0
operating income	64.9	67.3	64.7	(2.3)	0.3
credit provision	(5.5)	(9.7)	(14.3)	4.2	8.8
income taxes	15.6	13.1	19.0	2.5	(3.4)
net income	\$ 54.8	\$ 63.8	\$ 59.9	\$ (9.0)	\$ (5.1)
net income available to common	52.9	61.9	59.9	(9.0)	(7.1)
diluted EPS	\$ 1.32	\$ 1.55	\$ 1.50	\$ (0.23)	\$ (0.18)
<u>end of period balances</u>					
investment portfolio	\$ 8,748	\$ 8,971	\$ 7,489	(2.5) %	16.8 %
loans and leases	12,544	12,259	12,141	2.3	3.3
loans and leases excl. PPP	12,487	12,132	11,415	2.9	9.4
total deposits	20,716	20,360	19,557	1.7	5.9
shareholders' equity	1,449	1,612	1,360	(10.1)	6.5

disciplined expenses

\$ in millions

normalized expenses remained flat as continued innovation spend offset by savings in core expenses



note: numbers may not add up due to rounding

4Q21 one-time items include \$1.2 million related to increase in vacation carryover limits; 1Q22 seasonal expenses of \$3.7 million

performance metrics

	<u>1Q 2022</u>	<u>4Q 2021</u>	<u>1Q 2021</u>	<u>Δ 4Q 2021</u>	<u>Δ 1Q 2021</u>
return on assets	0.97 %	1.12 %	1.15 %	(0.15)%	(0.18)%
return on common equity	15.44	17.40	17.65	(1.96)	(2.21)
net interest margin	2.34	2.34	2.43	-	(0.09)
efficiency ratio	61.53	60.18	60.45	1.35	1.08
CET1 capital ratio	11.83 %	12.12 %	12.35 %	(0.29)%	(0.52)%
tier 1 capital ratio	13.22	13.56	12.35	(0.34)	0.87
tier 1 leverage ratio	7.30	7.32	6.61	(0.02)	0.69



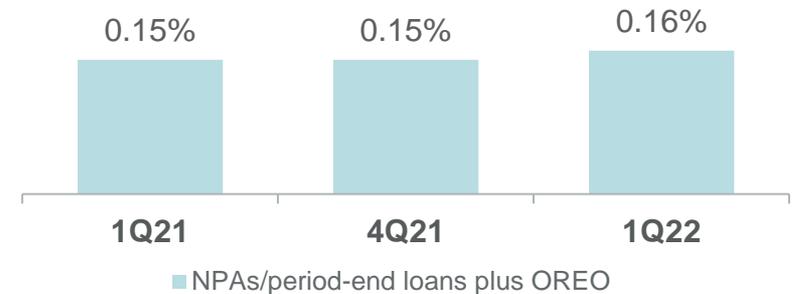
1Q credit update

credit quality

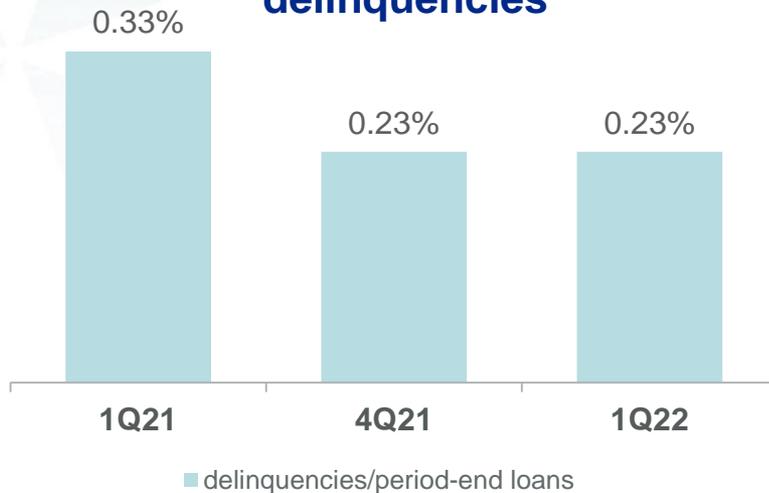
net charge-offs



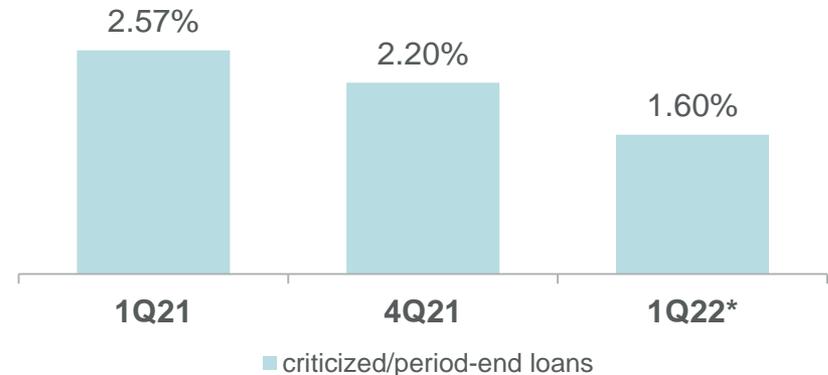
non-performing assets



delinquencies



criticized



* 72% of total criticized in CRE with 58% wtd avg LTV

1Q22 - production quality

commercial

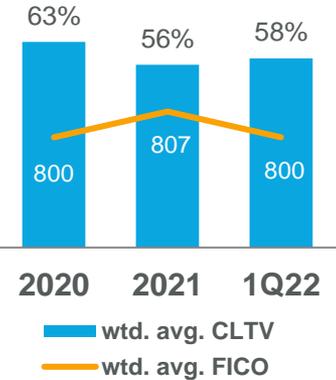
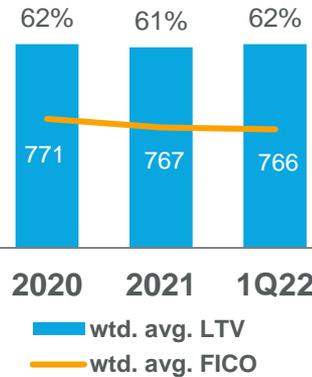
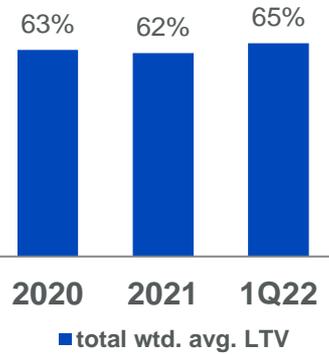
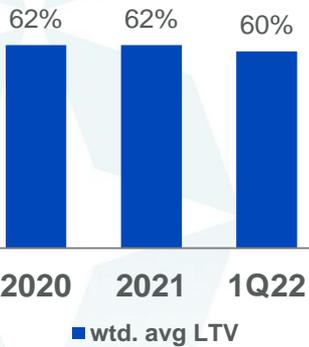
consumer

comm. mortg.

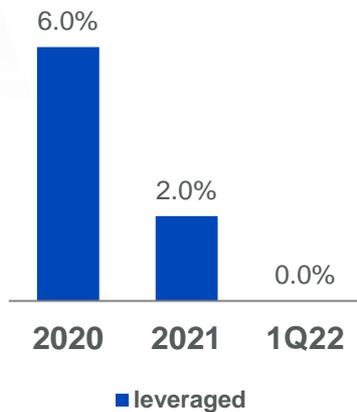
construction

resi. mortgage

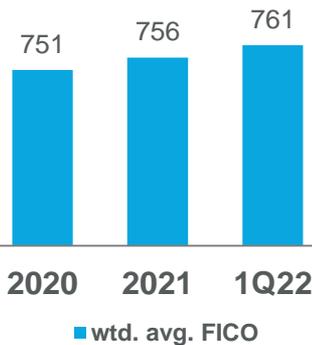
home equity



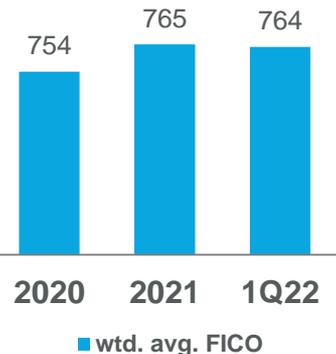
C&I (excl. PPP)



indirect



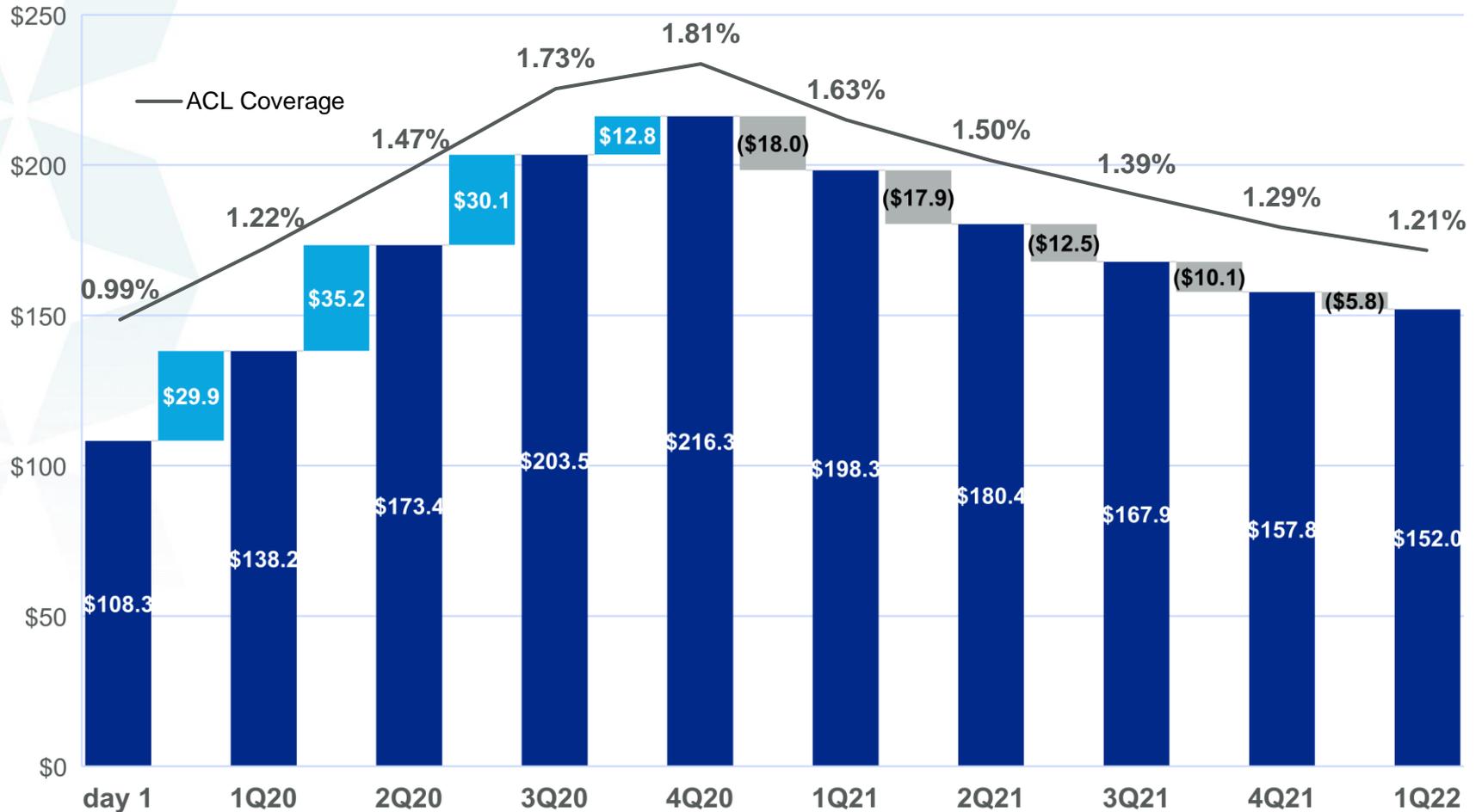
installment



reserve trend

\$ in millions

allowance for credit losses



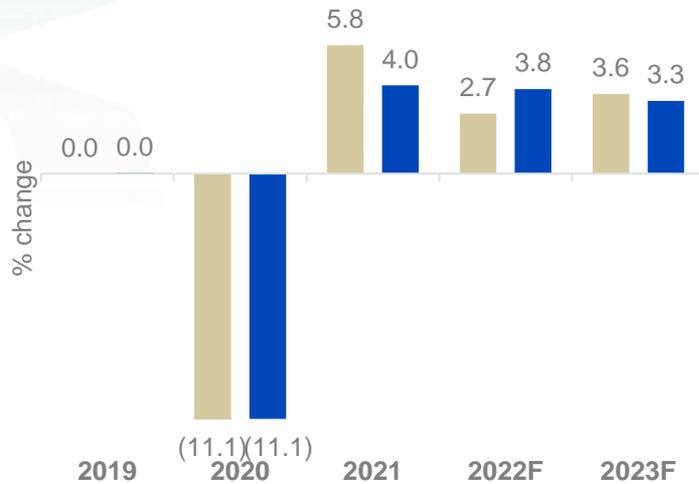
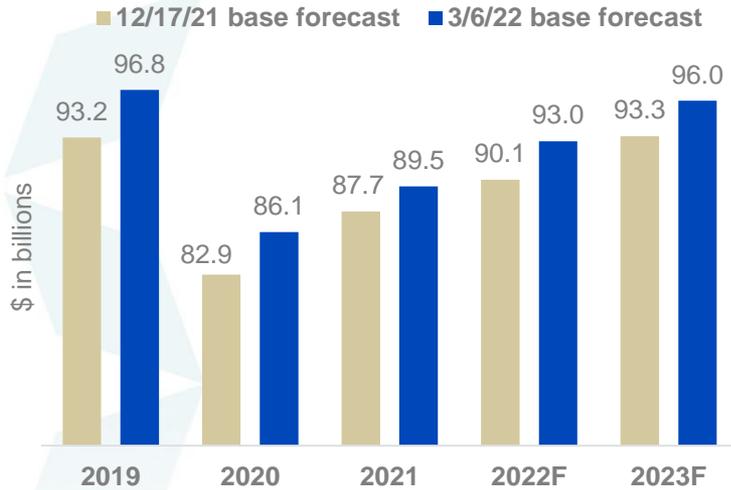
note: balances and coverage ratio based on allowance for credit losses – loans and leases

Q & A

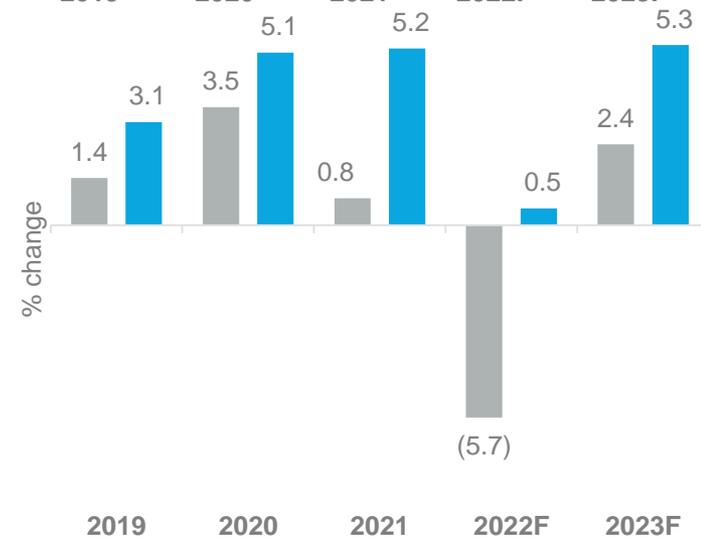
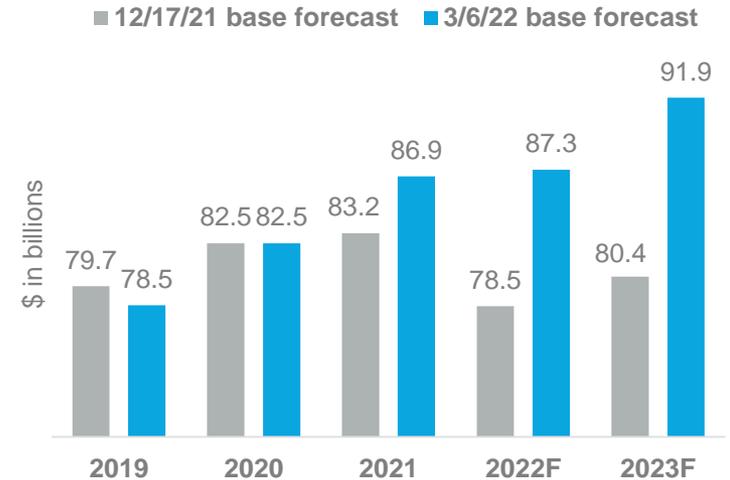
appendix

economic forecast

real GDP

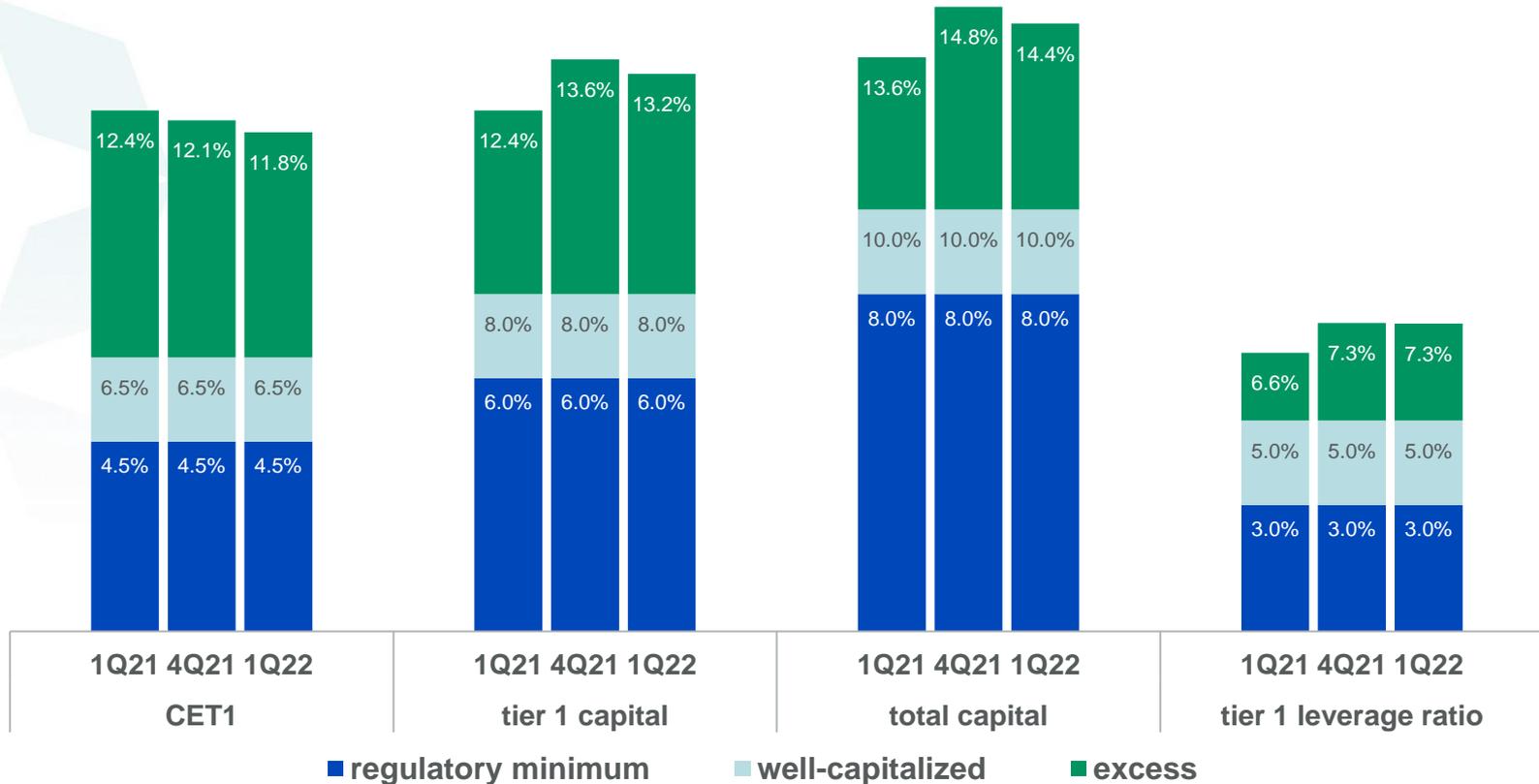


personal income



fortress capital position

strong risk-based capital

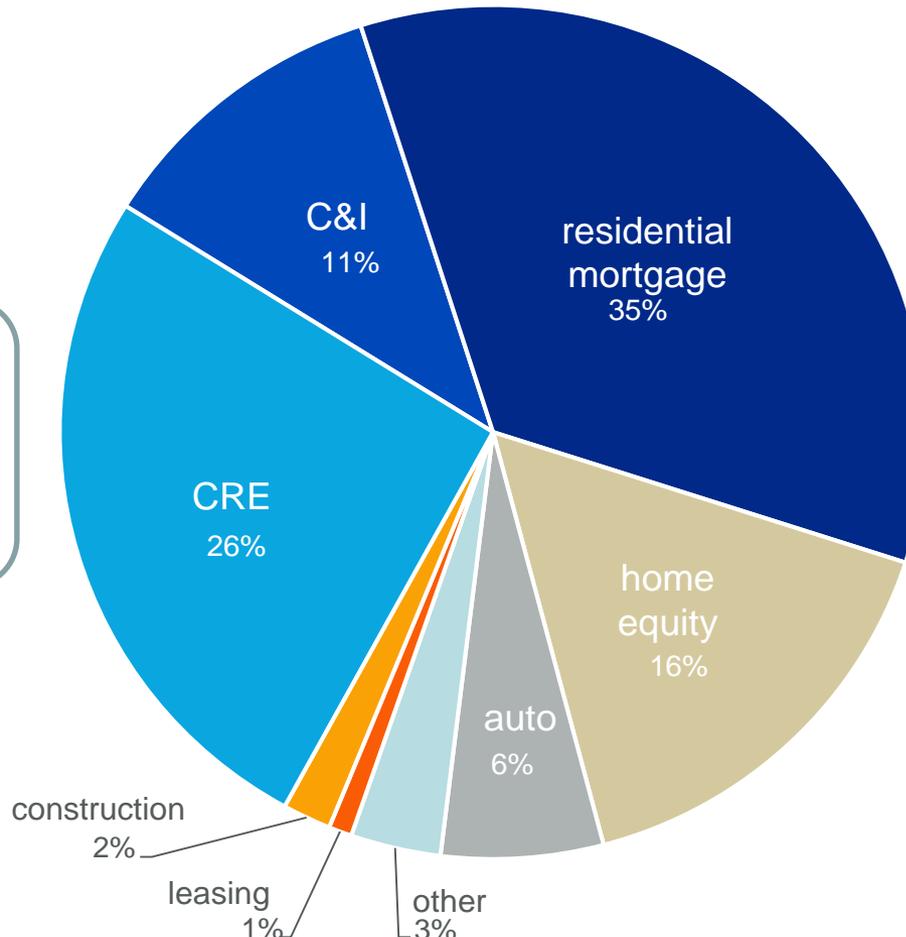


note: 1Q22 regulatory capital ratios are preliminary

loan portfolio

excluding PPP

**79% of portfolio secured with quality real estate
with combined weighted average loan to value of 56%**



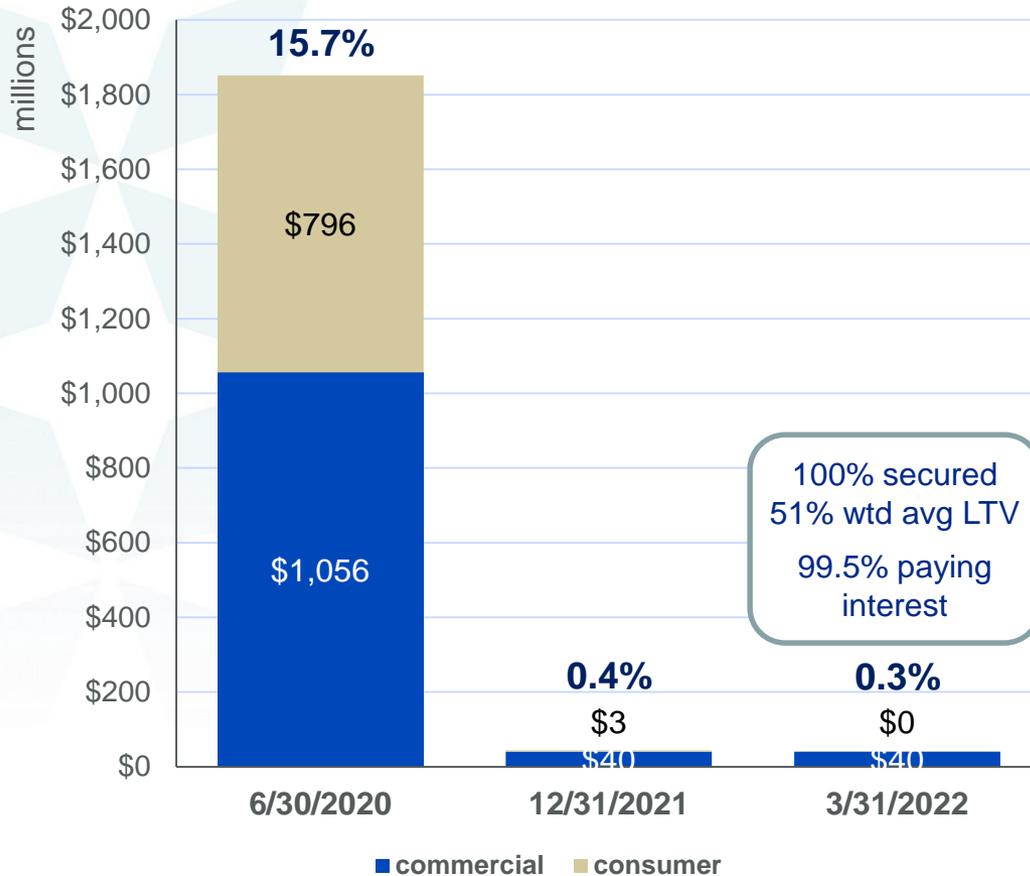
40% commercial
71% real estate secured
wtd avg LTV 57%
57% w/ BOH ≥ 10 yrs
avg balance \$0.6MM

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

note: excludes \$59MM in PPP loan balances including deferred costs and fees

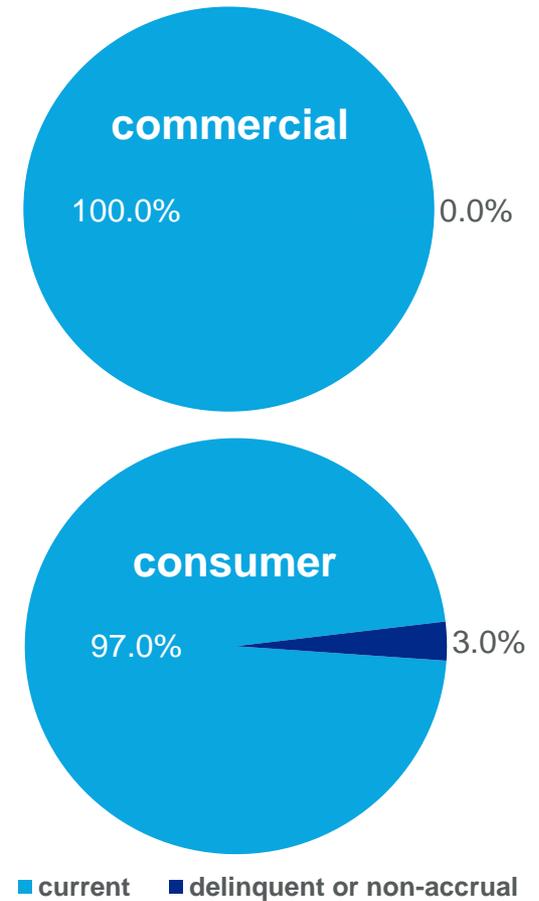
customer relief update

outstanding deferrals



97.8% decline in deferrals since June 30, 2020

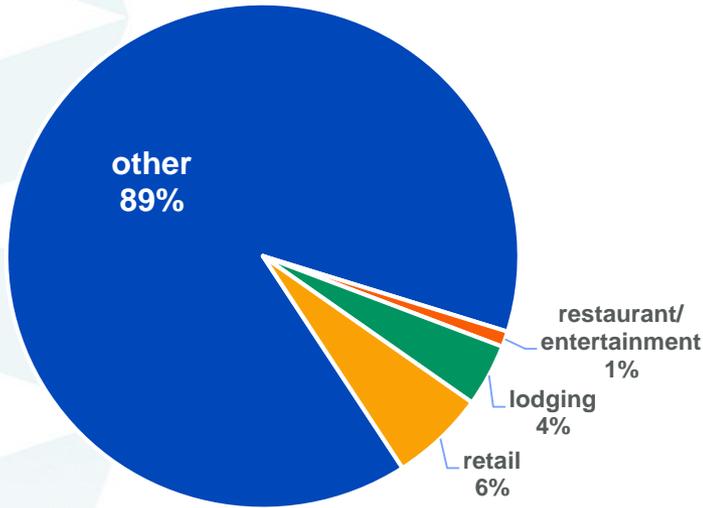
returned to payment



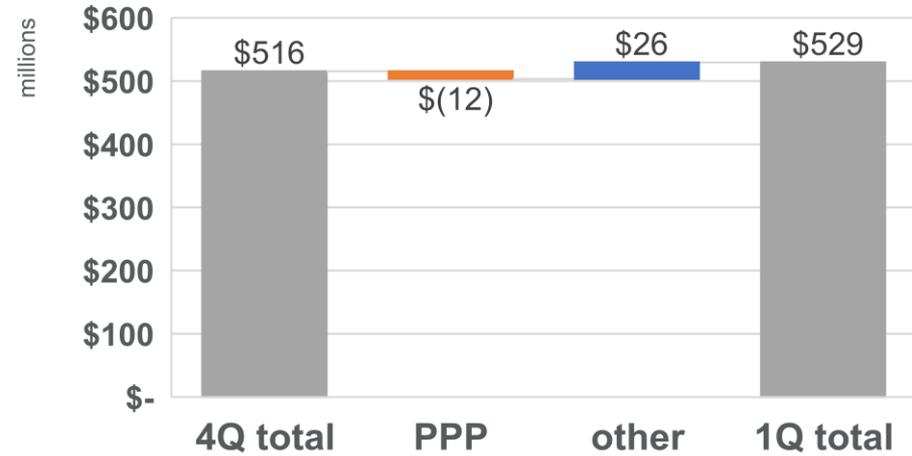
98.9% of former deferrals are current

high risk industries

\$1,381 million (11%) / \$1,349 million (11%) excluding PPP



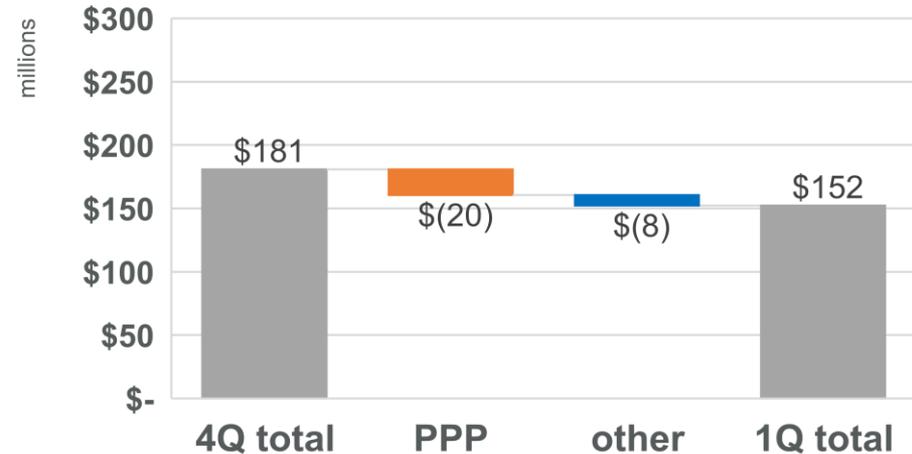
lodging balance increase (1Q v 4Q)



retail balance decline (1Q v 4Q)



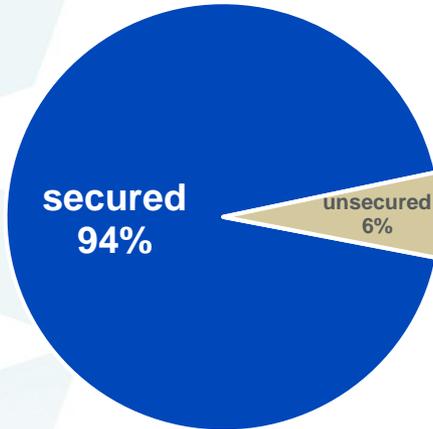
restaurant/entertainment balance decline (1Q v 4Q)



retail

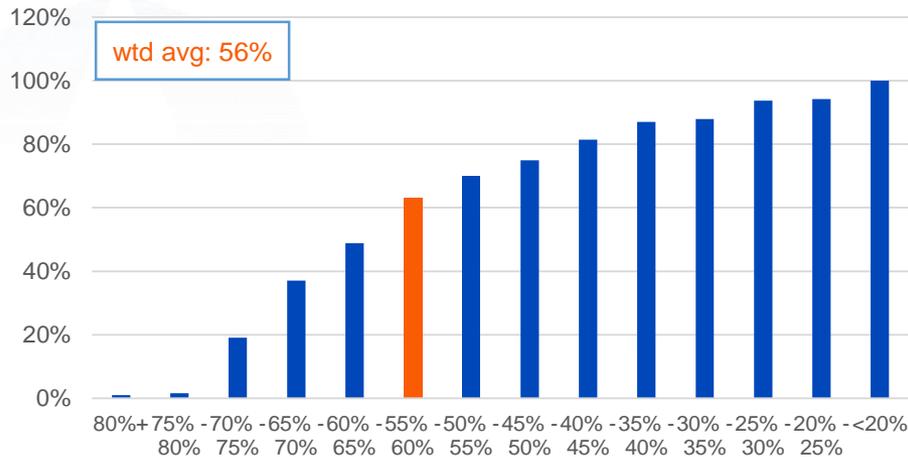
\$698 million (6%) – excluding PPP

real estate secured



- 94% real estate secured
 - 56% wtd avg LTV
 - average exposure \$3.7MM
 - largest exposure \$39MM
 - 63% of portfolio has an LTV ≤ 65%
- 99% is secured or has essential anchor
- 0% unsecured and deferred
- 100% secured or paying interest

secured LTV distribution

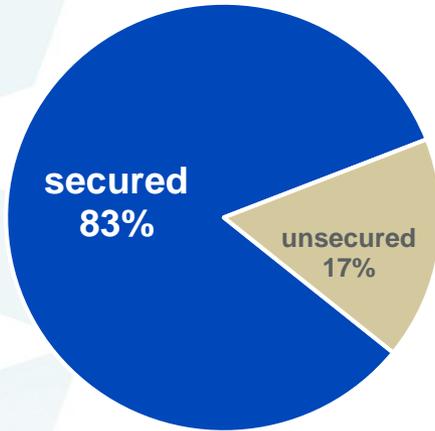


		deferred		total
		yes	no	
secured	yes	0.9%	92.7%	93.6%
	no	0.0%	6.4%	6.4%
	total	0.9%	99.1%	100.0%

lodging

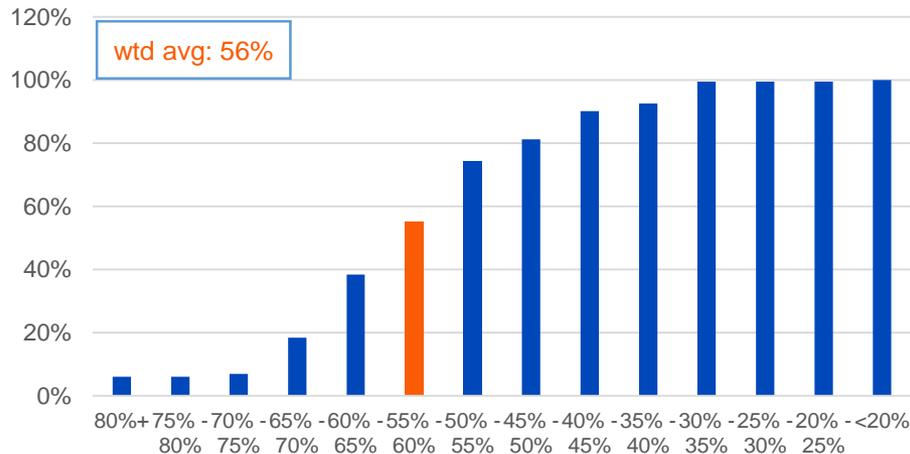
\$514 million (4%) – excluding PPP

real estate secured



- 83% real estate secured
 - 56% wtd avg LTV
 - average exposure \$9.6MM
 - largest exposure \$40MM
 - 82% of portfolio has an LTV ≤ 65%
- 94% of unsecured outstandings to global hotel and timeshare brands
- 0% unsecured and deferred
- 100% secured or paying interest

secured LTV distribution

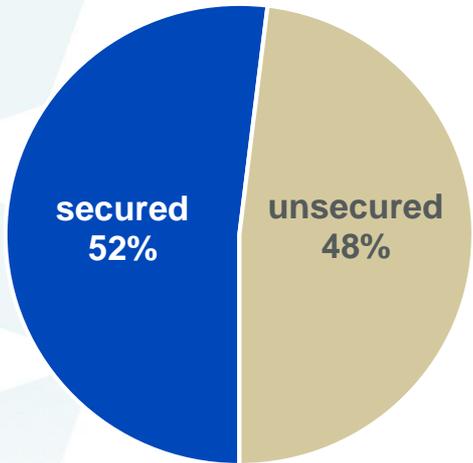


		deferred		
		yes	no	total
secured	yes	5.8%	77.4%	83.2%
	no	0.0%	16.8%	16.8%
	total	5.8%	94.2%	100.0%

restaurant / entertainment

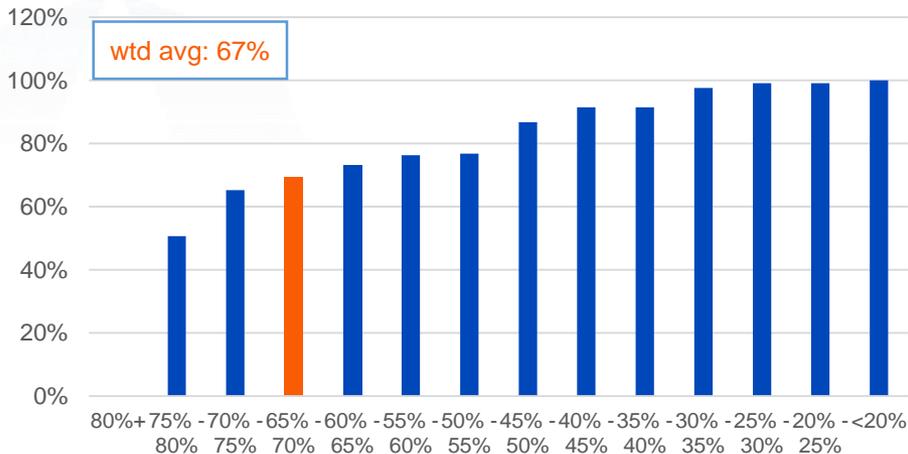
\$137 million (1%) – excluding PPP

real estate secured



- 52% real estate secured
 - 67% wtd avg LTV
 - average exposure \$2.1MM
 - largest exposure \$29MM
 - 31% of portfolio has an LTV ≤ 65%
- 0.1% unsecured and deferred
- 100% secured or paying interest

secured LTV distribution



		deferred		total
		yes	no	
secured	yes	0.0%	51.9%	51.9%
	no	0.1%	48.0%	48.1%
	total	0.1%	99.9%	100.0%