



2018

Environmental Social and Governance Report



First Hawaiian, Inc.

FHB.COM

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Letter From the Chairman and CEO

Fellow First Hawaiian Stakeholders,

At First Hawaiian, we work diligently every day to build relationships, to connect people and businesses together, and to earn the trust of our stockholders, employees, customers and the communities we serve. We are committed to delivering long-term value to all of our stakeholders through responsible growth, dedication to sound governance and contributing to the economic health and well-being of our communities.

We believe that companies have an obligation to strive for sustainable profitability. This is our first Environmental Social Governance Report and we are pleased to share how our company’s adherence to sustainability practices creates value for all our stakeholders. Our commitment to corporate sustainability is embedded in our organizational culture and began with our company’s founders who believed in conducting business with integrity, trust, and fairness.

In 2018, our company celebrated its 160th Anniversary, a milestone that few companies have achieved. This achievement is testament to First Hawaiian’s sustainable business model that strategically focuses on optimal performance and leverages opportunities for long-term growth, while meeting the evolving needs of our customers and creating a positive work environment for all our employees.

As we embark on our next 160 years, we will continue to strengthen relationships, deliver exceptional customer experiences, manage enterprise risks and create opportunities for our company to grow and add long-term value for our stakeholders.

Robert S. Harrison
Chairman and Chief Executive Officer

160 Years of Sustainability through “The First Hawaiian Way”

Sustainability and commitment to our community have been a part of First Hawaiian from the very start. We are the first bank in Hawaii’s history, founded in 1858 by American businessman Charles Reed Bishop and his business partner William Aldrich who established the Bank, then known as Bishop & Co. A humble beginning, the bank took in deposits totaling a mere \$4,784.25 on its first day.

As Hawaii grew from a small whaling community, through the introduction of sugar and pineapple in the late 1880s, to the boom in tourism fueled by 50th statehood and the jet age in the 1960s, the bank has successfully operated through each era by acting as a stable engine of sustainable economic growth.

In 1969, we took on the name First Hawaiian Bank, cementing our reputation as the community leader in innovative banking and customer service. We became known as the bank that says ‘Yes!’ The company continued to grow and thrive through the 1970s, expanding our footprint to Guam and Saipan.

Nearly twenty years ago, the company merged with California-based Bank of the West, to become a wholly owned subsidiary of parent company BNP Paribas. Under private ownership, the company’s performance continued its upward trajectory. In 2016, BNP Paribas held an Initial Public Offering of First Hawaiian common stock, and after five more public offerings, fully exited its ownership in First Hawaiian in early 2019, making First Hawaiian (NASDAQ: FHB), once again, an independent company.

Today, First Hawaiian Bank is recognized as one of the top community banks in the country. It is the largest, most profitable bank in the state of Hawaii and the second oldest U.S. bank west of the Rockies. We are the leading lender to small businesses in Hawaii, a Best Places to Work, and offer an award-winning employee development program.

We accomplished all this by conducting business “The First Hawaiian Way,” a holistic approach towards business sustainability, informed by our history of growing and thriving in isolated island markets. We take a global view of the relationship between the health of the company, our people, our customers and the communities we serve. We look at each market as an ecosystem and create programs that spur the necessary short-term actions to drive profitability, while also enhancing our ability to maximize long-term growth to perpetuate profitability over generations; a way of doing business that we have successfully executed for more than 160 years.

First Hawaiian Bank ESG Business Sustainability Focus Areas

- Promoting healthy profitability through **Values-Based Governance**.
- Protecting the company and its stakeholders through **Responsible Risk Management**.
- Growing our capacity by **Investing in Company Culture**.
- Accepting our responsibility as an organization to improve our **Environmental Impact**.
- Increasing the potential of our communities by investing in programs that maximize **Social Impact**.



Section Topics:

- Board Governance Structure
- The Role of Our Board of Directors
- Board Leadership Structure
- Board Oversight Through Committees
- Senior Management Leadership

Values-Based Corporate Governance

As a community-minded bank, our approach to responsibly lead the organization through governance practices is guided by our dedication to our company’s core values. “The First Hawaiian Way” defines our organizational culture, values, and commitment to our customers, our stockholders, our employees, and the communities where we do business. Our commitment to corporate sustainability is deeply rooted in the core values that guide every decision our leaders and governing bodies make:

- **Caring:** We have a caring spirit. Our team members have a sincere compassion combined with the professional capability to help our customers, each other, and the communities that we serve.
- **Character:** We understand that our company was built upon and depends on trust. We are individuals of high integrity and are willing to do what is right for the customer (both internal or external).
- **Collaboration:** We work as one team, supporting each other in building relationships and delivering a superior customer experience.

Board Governance Structure

We believe sound corporate governance under the oversight of a strong, knowledgeable and engaged Board of Directors and senior management leadership is essential for our company’s long-term success. Our Board and Senior Management provide oversight through the development of effective policies for risk appetite, ethical business standards and long-term strategy for sustainability.

Adherence to our corporate policies creates an environment where employees act with integrity, honesty, and fairness. It is through our consistent ethical behavior that we are able to build trust with our stakeholders. A key part of our governance structure is a strong compliance program that features the following:

- Culture of compliance and tone at the top
- Strong policies, procedures and controls
- Compliance training program
- Centralized complaint monitoring
- Quality Assurance monitoring and testing program
- Regular Senior Management and Board reporting
- Regulatory tracking and monitoring
- Independent audits by our internal Audit Division

The Role of Our Board of Directors

Our Board of Directors is responsible for protecting the reputation of the company by providing oversight of management’s performance through the monitoring of strategy and execution, nominating directors, selecting the chairman and chief executive officer, setting senior management compensation, and overseeing the code of conduct and internal controls.

In nominating directors, the Board has sought directors with a diversity of views and experience. The current Board of Directors is comprised of seven members, including the Chief Executive Officer. The independent Directors are all prominent members of the local community with diverse experience leading organizations or serving on boards of publicly traded corporations with significant involvement in civic and charitable organizations.

Board Leadership Structure

The company’s Chief Executive Officer serves as the Chairman of the Board. The Board appointed Allen Uyeda as the Lead Independent Director. In that capacity, the Lead Independent Director has the following responsibilities:

- presiding at all meetings of the Board at which the Chairman and CEO is not present;
- presiding at executive sessions of the independent directors;
- reviewing and approving meeting agendas, meeting schedules and information sent to the Board;
- serving as a liaison between the Chairman and CEO and the independent directors;
- having the authority to call meetings of directors, including separate meetings or executive sessions of the independent directors; and
- being available for consultation and direct communication with stockholders, as appropriate.

Board Oversight Through Committees

The Board of Directors exercises its oversight function through regular meetings of the Board, as well as special meetings as needed. The members of the Board serve on committees to oversee and manage critical areas. These committees include an Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee and Risk Committee. The committees also have regular meetings and special meetings as needed. The full Board and each committee meets in executive session,

without management present, at least twice annually, with more frequent executive session meetings as desired by the non-management directors. Directors are kept informed between meetings as needed by the CEO working with the Lead Independent Director. To ensure transparency, all directors are invited to attend every committee meeting.

Prior to each Board or committee meeting, directors are provided with a comprehensive package of materials. Directors are free to ask questions of management and to request additional information if desired, and the Board and each committee has authority to retain independent counsel or additional advisors as they deem necessary. Continuing education opportunities are also made available to directors.



Senior Management Leadership

Our senior management team is comprised of eleven executive leadership members from across the company including the Chairman and CEO, the President and COO, the Chief Financial Officer, Chief Risk Officer, Chief Lending Officer, Chief Compliance Officer, and General Counsel. Our senior management team develops the strategic plan, oversees its execution, ensures that all business units adhere to effective risk controls, and ensures a positive work environment for all employees. Each year, senior management communicates the bank’s strategic plan initiatives to employees at a series of annual presentations in Hawaii, Guam and Saipan to help promote full engagement at all levels of the organization. Quarterly updates are provided via video to keep all employees informed of the strategic plan progress.

Section Topics

- Promoting Effective Internal Controls
- A Code and Culture of Conduct
- Transparency Through Proactive Stockholder Communications
- Data Security and Protection

Responsible Risk Management

First Hawaiian Bank’s ultimate purpose is to improve the financial lives of our customers and increase shareholder value. As part of delivering on that purpose responsibly today and into the future, we understand the importance of managing risk effectively through ethical business practices to enable responsible, sustainable growth. We accomplish this by promoting effective internal controls, our code of conduct, stockholder communication transparency, and strong data protection practices.

Promoting Effective Internal Controls

It is a critical priority of management and the Board that First Hawaiian operate under a strong system of internal controls. Our control environment reflects our corporate culture, which is set by the “tone at the top,” i.e., the behavior modeled and communicated by our CEO.

Management designs and the Board oversees our system of internal controls. Each business unit is responsible for identifying the risks associated with its business activities and for developing policies under which it will operate. There is appropriate, comprehensive training throughout the enterprise on these policies, as well as critical legal and regulatory requirements, and our policies are reviewed by the Board of Directors and updated generally on an annual basis. An enterprise-wide risk assessment is conducted annually and presented to the Risk Committee of the Board. Enterprise risk metrics are implemented and adjusted based on the results of this risk assessment and presented to the Risk Committee quarterly.

The Audit Committee has adopted an Integrity Hotline Policy, sometimes referred to as a “whistleblower policy,” that allows directors, officers and employees to report complaints through a third-party managed hotline or online, regarding accounting, internal accounting controls or auditing matters anonymously and confidentially. In addition, the Audit Committee oversees a robust internal audit function that ensures that bank personnel are operating within our policies and control framework. Moreover, we are regularly examined by, and responsible to, our regulators, including the Federal Deposit Insurance Corporation, the Hawaii Division of Financial Institutions, the Board of Governors of the Federal Reserve System, the Consumer Financial Protection Bureau, and the Securities Exchange Commission among others.

Besides these protections, our Board’s Compensation Committee has implemented controls to ensure that our compensation structure incentivizes appropriate behavior, including compliance with our system of internal controls. In connection with our annual employee evaluation, all employees, including the CEO, are evaluated for their success in meeting our audit, compliance and risk standards. In addition, compensation is structured to avoid excessive risk taking, and the Compensation Committee annually reviews incentive programs with this goal in mind. The Compensation Committee also has instituted a Clawback Policy pursuant to which improperly earned incentive compensation would be returned to the Company.

A Code and Culture of Conduct

We have taken steps to ensure that management and employees are operating within our approved policies and control framework. We have a Code of Conduct available on our employee intranet that sets forth standards our officers, employees and directors are required to meet as they conduct the Bank’s business. The Code is fundamental to the success of the Company, as it promotes honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest; full, fair, accurate, timely and understandable disclosure; compliance with applicable laws, rules and regulations; the protection of the Company’s legitimate business interests, including corporate opportunities, assets and confidential information; and the deterrence of wrongdoing.

The Code of Conduct is part of our culture here at First Hawaiian Bank and is promoted across divisions and functional areas. Officers, employees and directors must certify annually that they have read and will abide by our Code of Conduct.

Transparency Through Proactive Stockholder Communications

A critical part of our governance program is frequent and effective communication with our stockholders. We proactively communicate with all our stockholders in a variety of ways. We issue press releases as material events occur, and we file publicly available reports with the Securities and Exchange Commission. Our quarterly earnings calls are open to the public, and in connection with our annual meeting of stockholders we mail an annual report and a proxy statement to our stockholders. Annually we reach out to our largest stockholders to solicit their views with respect to our governance, and our most senior executives regularly participate in investor conferences. We also provide a means by which stockholders and any other interested parties may communicate with the Board. Any such party may send correspondence addressed to the Board or one or more specific directors at the following address: First Hawaiian, Inc., c/o the Secretary, 999 Bishop Street, 29th Floor, Honolulu, Hawaii 96813. All communications are submitted by the Secretary to the relevant director or directors as addressed.

We have also taken actions to improve stockholder democracy. With stockholder approval, we amended our Certificate of Incorporation to eliminate certain supermajority voting requirements. In addition, the Board of Directors amended

our Bylaws to include a “proxy access” provision that permits a stockholder, or a group of up to 20 stockholders, owning at least 3% of our outstanding common stock continuously for at least three years to nominate and include in our annual meeting proxy materials director nominees constituting the greater of two or 20% of the total number of directors, subject to certain requirements.

Data Security and Protection

Safeguarding the confidentiality and integrity of our customers’ information is accomplished through an information security governance program that includes a “defense in depth” security approach. This approach leverages multiple levels of cybersecurity tools and controls, rigorous systems testing, special training for IT staff, and a security awareness program for all employees.

In 2018, we developed a multi-year strategic plan for cybersecurity improvements and have adopted the NIST Cybersecurity Framework as our governance framework and maturity assessment tool. We continuously assess our program and report this information to management and the board. Our information security plan is based on this framework in order to continuously mature our security program and improve our security posture.

Every employee is responsible for protecting and securing data. Internal programs that fall within the guidance of the framework include access management, vulnerability management, incident response, business continuity planning, malware defense, email and web filtering, intrusion detection, testing and training programs for employees.

The FHB Incidence Response Team is responsible for coordinating our response to emerging cybersecurity situations like Distributed Denial of Service (DDOS) attacks, phishing, or 3rd party breaches. We conduct cybersecurity exercises twice a year to improve our response readiness in the event of a cyber intrusion or disruptions of our services. These exercises help ensure that our staff, including executive management, understands their roles and responsibilities and are prepared to act should a significant incident occur.

First Hawaiian Bank is dedicated to meeting the ever-increasing customer desire for services through our digital and mobile platforms. This demand requires industry leading security safeguards that protect our customers’ information and a program of continuous security monitoring and reporting.

Section Topics

- Training & Career Development
- Award Winning Leadership Development
- Community Stewardship
- Community Volunteerism

Investing in Our Employees & Supporting Our Communities - “The First Hawaiian Way”

Our success as a company is a direct result of the character and talent of our employees. As such, an essential part of our mission is to care for our employees like family. It is only with their dedication and commitment that we can serve our customers, generate long-term value for our shareholders and make lasting contributions to our communities. In our highly competitive market for talent, our ability to recruit, develop, retain and reward a talented and diverse workforce is critical to our long-term business sustainability.



We were voted one of the “Best Places to Work in Hawaii” for the past eight consecutive years by our employees who enjoy being a valued part of our team working toward shared goals. We believe that people join and remain at our organization because we offer a compelling mission and vision, career development opportunities and a differentiating work culture that embodies our core values of caring, character and collaboration.

Training & Career Development

The driving goal of our human capital strategy is to develop and retain a high-performing, diverse workforce for today and for the future. To do so, we made substantial investments in tools and training programs to help employees build their knowledge, skills and experiences. Our training consists of targeted, high-impact programs that promote growth in core competency areas, encourage networking, provide role models and address relevant issues to support career advancement. We provide our employees with a wide range of meaningful developmental opportunities.

Each year, employees can also apply for up to **\$3,000** of tuition reimbursement for continued education or learning opportunities.

Our ability to develop employees based on business requirements, to create opportunities for collaboration, and to enable our workforce with better analytics, are all benefits of a strategic talent development program that helps to drive innovation and business success. Creating highly skilled internal talent pools help our company achieve today’s objectives while building bench strength for succession pipelines and prepares our leaders to take on evolving challenges in the years ahead.

We are the **first company in Hawai‘i**

to be recognized with the industry’s most coveted and prestigious “ATD BEST” award.

We offer development opportunities to all 2,200+ employees, through our e-learning platform which offers over 100+ classes in categories such as Communications, Customer Service, Sales, Leadership, Teamwork, Time Management, Microsoft Office, and industry-related topics. In addition, we offer technical training such as Teller School to provide hands-on instruction and skill building.

For all front line bankers in retail banking, business banking and private banking, we also invested in a formal training program in 2018. Through this new training management process, we improved our current relationship banking strategy and built on our culture of caring for our clients. Our team members have a better

understanding of our clients’ needs and now have better tools to provide more targeted financial solutions to fulfill customer needs.

Each year, employees can also apply for up to \$3,000 of tuition reimbursement for continued education, conferences, forums, workshops, webinars, and specialized courses. Additionally, employees have the opportunity to attend prestigious graduate banking schools to learn strategies and tactics to tackle the most pressing banking issues. First Hawaiian Bank has proudly sponsored over 100 premier banking school graduates.

Award Winning Leadership Development

We prioritize continuous learning through a comprehensive leadership development strategy at multiple levels to increase employee engagement, improve efficiencies and enhance productivity in our workplace. To develop leaders from the inside out and to ensure leadership continuity, we created an Advanced Leaders Program for Vice Presidents and Senior Vice Presidents and an Emerging Leaders Program for individuals up to Assistant Vice President who are interested in supervisory roles.

We also invested in live training workshops that included High Performance Leadership, Accountability, Collaboration, Critical Thinking, Emotional Intelligence, Dialogue, Change Leadership, Power of Trust, Innovation, Generational Differences and Workplace Civility. These programs give our workforce more confidence to create conducive environments for employees to contribute their best work while becoming the leaders that others want to follow.

In October 2018, the Association for Talent Development (ATD), a national talent development organization, honored companies from around the world that are leveraging the best employee talent development strategies. IBM, Haier, Hitachi, MGM, TELUS, Verizon and First Hawaiian Bank were among the companies recognized. We are the first company in Hawaii in ATD’s 18-year history to be recognized with the industry’s most coveted and prestigious “ATD BEST” award.

Community Stewardship

First Hawaiian Bank has a long history of contributing to the communities in which we live and work. We aspire to be part of something bigger than ourselves and our employees take pride in our company’s mission-driven commitment to contribute to the well-being of our communities. For the third year in a row, 99% of all First Hawaiian Bank employees and more than 200 retirees contributed to our annual employee

giving campaign called Kokua Mai. First Hawaiian Bank covers all administrative costs so that 100% of our employees’ and retirees donations go to their charities of choice. Since the program’s inception in 2007, employees and retirees have contributed more than \$7.7 million to charities in Hawaii, Guam and Saipan.

Community Volunteerism

Working for the greater good is deeply ingrained in our First Hawaiian Bank culture. All year long, our employees donate their time and talents through a wide variety of activities via our Community Care Program. In 2018, our employees volunteered over 7,000 hours serving on non-profit boards and participating in many community service events sponsored by our Bank.

Examples of activities include:

- Clearing of invasive seaweed and cutting back mangroves to restore and preserve an ancient Hawaiian fishpond that promotes sustainable fish cultivation.
- Beach clean ups at several locations on Oahu, Kauai and in Guam were conducted to remove trash and micro-plastic that pollute the ocean and harm marine life.
- Collection of clothing and household goods to benefit Big Brothers Big Sisters of Hawaii — recycling these items reduces waste and avoids filling landfills.
- Promotion of sustainability through outdoor garden learning opportunities at various elementary schools to trim trees in fruit orchards, install irrigation lines and refurbish campus garden beds.



While our social contributions strengthen the economic well-being of our communities, these corporate volunteer programs also have a positive impact on employee engagement. Creating a workplace that allows employees to feel pride for the company they work for and the work they do helps both retention and recruitment. Being involved in charitable causes that are important to employees give them a sense of purpose that leads to increased collaboration, productivity and higher workplace morale.

Section Topics

- Energy Efficient Facilities
- Transportation Alternatives
- Local Sourcing

Environmental Impact

First Hawaiian is committed to its role as a steward of the environment. We actively maintain energy efficient facilities, reduce waste, participate in sustainable practices and look for ways to minimize our impact wherever possible. Conservation and preservation of our island’s natural resources are an integral part of living and working in an island community. When it comes to climate change and environmental sustainability, we recognize that we are all in this together. Everyone must do his or her part to steward the environment.

Operating 60 branch locations spread out across five main islands of Oahu, Maui, Kauai, Lanai, and Hawaii Island, as well as in the island communities of Guam and Saipan, we have unique logistical challenges of doing business in island communities where a majority of our food, building materials, and consumer goods must be shipped in from across the Pacific Ocean.

Energy Efficient Facilities

Hawaii has the highest electricity rates in the nation and Hawaii is fortunate to be at the forefront of alternative energy research that is looking to harness wind, wave, sun, and thermal power resources. First Hawaiian’s long-standing commitment to energy savings is driven by our energy conservation practices and cost reduction measures. Our bank’s headquarters, the tallest building in downtown Honolulu, was built over 22 years ago in 1996 to Energy Star standards.

At both our First Hawaiian headquarters and at a separate large operations facility, we have upgraded lighting systems to higher efficiency LED technology with motion sensors that help further reduce energy usage. We are currently testing high efficiency window tint and replacing air conditioning equipment with technology to increase cooling efficiency and sustainability. In our branch network, we have integrated energy saving features which include photovoltaic systems to harness solar energy. Increasing our use of alternative energy options is carefully evaluated on a case-by-case basis to ensure we are able to balance energy usage while maximizing cost containment.

Transportation Alternatives

Supporting alternative transportation options is an important component of sustainability and one that First Hawaiian Bank has embraced for many years through its employee bus pass subsidization program and providing free bicycle parking facilities within the First Hawaiian Center. We also recently installed electric charging stations in the First Hawaiian Center parking garage and offer one hour of free charging to encourage electric vehicle use.

Local Sourcing

With the majority of our food shipped into the islands, our locally grown food sources provide a sustainable alternative. All of our company’s three dining facilities regularly purchase locally grown fruits and vegetables. To encourage employees to also purchase locally grown produce, last year a group of employees partnered with a local farm for a pilot program making boxes of fresh produce available to employees on a weekly subscription basis for convenient delivery and pick up at the First Hawaiian Center.



**When it comes to climate change
and environmental sustainability, we
recognize that we are all in this together.
Everyone must do his or her part to
steward the environment.**

Section Topics

- Investing in Our Community
- Increase Potential Through Education
- The Value of Financial Literacy
- Connecting Communities Through Arts and Culture
- Building a Safety Net for Our Community
- Helping Small Businesses to Thrive
- Commitment to Community Development
- Strengthening the Community Through Home Ownership

The First Hawaiian Bank, its Foundation and its employees

contribute
\$4.25 million

annually to non-profit organizations in Hawaii, Guam and Saipan.

Social Impact

As the first bank to be established in the Hawaiian islands in 1858, our bank’s success and longevity has been the result of our focused efforts on improving the financial health of our customers and contributing to the well-being of the communities we serve. In addition to a comprehensive suite of financial products and services designed to empower our customers for financial success, our philanthropic efforts, which include financial contributions, sponsorships, and employee giving and volunteerism, also empower our communities to thrive.

Caring for the community is a 160-year tradition that began in 1858 and it’s a commitment to one of the bank’s core values that all employees share. We believe that together we can make a significant difference in our community through financial contributions, and volunteering our time, talents, and resources to help individuals and families.

Investing in Our Community

First Hawaiian’s approach to community giving involves investing in non-profit organizations to help them develop sustainable solutions that meet the needs of the community. Through these strategic investments and productive partnerships we believe we are making meaningful contributions that create vibrant communities.

The First Hawaiian Bank, its Foundation and its employees contribute \$4.25 million annually to non-profit organizations in Hawaii, Guam and Saipan. We are one of Hawaii’s largest corporate contributors to charity. We invest in programs and services that are dedicated to solving our community’s challenges, extending opportunities for young and old, and enriching lives throughout Hawaii, Guam and Saipan. Hawaii Business Magazine has recognized First Hawaiian Bank as the top corporate contributor to charities in Hawaii for six consecutive years.

The First Hawaiian Bank Foundation makes financial grants to over 100 non-profit organizations each year and focuses its philanthropic investments on non-profit partnerships that strengthen and develop communities through:

- Educational opportunities for our youth and financial literacy to build economic self-reliance
- Improving community health and well-being
- Supporting art and culture activities that connect people and communities together

Increase Potential Through Education

Supporting education initiatives has always been a primary focus for the bank’s Foundation because we believe education is the key that unlocks opportunity and can lead to economic independence and financial empowerment. A few of the programs we have supported:

- **Teach For America** The First Hawaiian Bank Foundation was one of the original sponsors that introduced the Teach For American program to Hawaii in 2006. With Hawaii public school student performance traditionally trailing much of the rest of the country and the shortage of teachers, there was an urgent need to find a solution. Teach for America in partnership with the

Hawaii State Department of Education and local companies, helps the state place college graduates into the classroom of underserved communities. This nation-wide program is a two-year commitment that matches college graduates considering teaching as a possible career path, with schools needing teachers in low income areas on Oahu and the Hawaii Island.

- Hawaii High School Auto Academy** The State Department of Education reduced its auto mechanic classes in public schools due to budget cuts at a time when the auto industry was in need of auto mechanics. First Hawaiian Bank partnered with Cutter Auto dealership and Honolulu Community College to form the Automotive Academy to address this workforce issue. This six-week summer program for high school students provides hands-on training, internships and college credits for high school seniors interested in the auto industry. Successful Automotive Academy graduates have gone on to complete their degree and have been hired to be Master Mechanics.
- Culinary Arts Program** The bank operates two employee dining facilities and a private dining center. Every summer, Waipahu High School Culinary Arts students participate in a six-week mentorship and hands on training, participating in serving, cooking, baking, and menu development. These students create one dish that is featured on the menu for our dining room guests. This six-week hands-on training has made it possible for many students to continue their culinary education and to find jobs in the food industry.
- University of Hawaii** First Hawaiian Bank continues to be a strong supporter. Our Chairman and CEO and President and COO are both active participants on the Shidler College of Business Advisory Council. The bank established two First Hawaiian Bank Endowment Funds for the Distinguished Professor of Management and Leadership which supports the Dean’s position and the Distinguished Professorship in Banking.

The Value of Financial Literacy

As a community bank, First Hawaiian believes it has an obligation to improve the financial well-being of the communities we serve. We do this through a number of community partnerships that focus on improving awareness and financial knowledge including:

- MyMoney Financial Literacy Program** First Hawaiian is committed to integrating financial literacy into school

classrooms through the use of innovative technology. The MyMoney program is an online interactive financial education program for public high schools that primarily serve low- to moderate-income students. First Hawaiian was the first Hawaii bank to offer this program at no cost to schools. The program teaches high school students about budgeting, financing a college education, and other basic financial education topics. Since the program’s inception, there has been a dramatic increase in awareness and financial knowledge among the students completing the program.

- Adult Friends for Youth** The bank annually hosts the Adult Friends for Youth financial literacy workshop in which at-risk youth are invited to the bank’s headquarters in downtown Honolulu to meet with bankers who teach them the basics of banking.
- Junior Achievement of Hawaii and Guam** Bankers are paired up with students to provide coaching on the basics of starting a company including writing a business plan, product development, sales and marketing. Junior Achievement is the world’s largest organization dedicated to educating students about work readiness, entrepreneurship, and financial literacy through experiential, hands-on programs.
- Teach Children to Save** First Hawaiian participates in the national American Bankers Association annual Teach Children to Save program where bankers volunteer their time and provide financial education at low- to moderate-income schools that had 50% or more of their students receiving free or reduced lunches. Bankers present lesson plans to educate children on how saving money could give them a head start for a successful financial future.

Connecting Communities Through Arts and Culture

Living in an island community with a myriad of ethnicities and cultures is one of the things that make Hawaii unique. The Foundation makes grants to non-profit organizations whose mission is to perpetuate the culture and arts.

- The Honolulu Museum of Art** When people walk into the First Hawaiian Bank Main Banking Center in the heart of downtown Honolulu, they can do their banking transactions and then take a walk through an expansive revolving art exhibit curated by The Honolulu Museum of Art. The bank’s headquarters

was designed to accommodate this partnership with the museum to provide the community with access to free art exhibits year-round. A majority of the exhibits showcase the works of local artists, giving them gallery space to display different mediums including paintings and sculpture.

- **Bishop Museum** In celebration of the bank’s 160th Anniversary, the First Hawaiian Bank Foundation made a \$160,000 donation to the Bishop Museum. Charles Reed Bishop who founded First Hawaiian Bank, later went on to establish The Bishop Museum as a tribute to his wife, the late Hawaiian Princess Bernice Pauahi Bishop. The museum contains artifacts from the Hawaiian monarchy and preserves Hawaii’s rich cultural heritage for future generations to enjoy.

Building a Safety Net for Our Community

When hurricanes, typhoons, flooding and volcanic eruptions occur, First Hawaiian’s branch networks become community donation collection points, raising awareness and much needed funds to support relief and recovery efforts.

The Bank also stands by its customers, providing relief options that help them get through unexpected hardships due to natural disasters or other emergencies. Our bankers provide customized solutions so that customers can get their lives back to normal as quickly as possible.

If a customer requires access to cash for emergency supplies, repairs to homes and vehicles, FHB offers quick access to cash through its loan assistance programs. We will also work with existing loan customers needing forbearance, fee waivers or extensions on their loans.

Recent disaster relief and recovery efforts include:

- **Aloha for Hawaii Fund** In May 2018, FHB established this fund to support relief efforts for the Kilauea Volcano eruption on the Big Island of Hawaii and flood recovery efforts on Kauai and in East Oahu. 100% of the donated funds supported The Salvation Army’s emergency disaster services in Hawaii providing direct assistance to the affected communities.
- **In-kind Donations** FHB employees collected toiletries, cosmetics and cosmetic bags, dental care products, totes, and clothes to assist with disaster relief efforts in Kauai and Pahoehoe. In addition to other corporate donations made towards the disaster relief efforts,

FHB employees donated money towards purchasing food for the Hawaii Foodbank food drive to go towards relief efforts in the hard hit areas.

- **Service Activities** FHB provided various opportunities for employees to provide disaster relief assistance for the Kauai and East Oahu flooding and the Big Island volcanic eruption disasters by volunteering for The Salvation Army, for the Aloha Kauai Fundraising Event, and assisting with flood recovery efforts in East Oahu.

Helping Small Businesses to Thrive

Small businesses make up a majority of businesses and are the driving force behind economic growth and job creation in our community. As a community bank, our bankers help small businesses with the financial assistance they need to grow their companies.

In 2017 and 2018, the U.S. Small Business Administration Hawaii chapter awarded First Hawaiian its SBA Lender of the Year – Category 1. The Bank was also recognized for hosting Small Business Resource Days in our branches which made it convenient for small business owners to receive 30 minute confidential consultations on a diverse range of available resources.

Our bankers understand the challenges that small business owners face today and can customize any number of services to offer products and services to meet the specific needs of small business customers from business checking and credit cards to business loans, lines of credit and merchant services that make it easy for the business owner to focus on growing their businesses.

Commitment to Community Development

First Hawaiian Bank is committed to financial inclusion by working to meet the credit and financial services needs of the entire community it services. The Bank received a rating of “Outstanding” in its most recent evaluation by the Federal Deposit Insurance Corporation (FDIC) for its performance under the Community Reinvestment Act (CRA). This act encourages banks to support the borrowing needs of all of its communities, including the low-and-moderate income areas, consistent with safe and sound operation of the institution. This marked the ninth consecutive evaluation, dating back to 1995, in which First Hawaiian Bank had received an “Outstanding” rating.

First Hawaiian is a leader in providing community development services in Hawaii, Guam, and Saipan and our activity continues to reflect our employees’ commitment to the communities in which we do business. In 2017, employees provided 7,842 service hours and in 2018, 9,270 hours. Community development service hours include services that further affordable housing, community service for low- and moderate-income individuals and communities, economic development, and the revitalization/ stabilization of low- or moderate-income areas.

Strengthening the Community Through Home Ownership

With the growing need of affordable housing in our community, FHB participates in various affordable housing activities.

- Hawaii Individual Development Account Program**
FHB created this Individual Development Account Program which has evolved to help low- to moderate-income and/or low-wealth families within the Native Hawaiian community expand their financial knowledge, increase short and long-term savings, improve credit scores over time, and obtain homeownership education with the eventual goal of homeownership. The Individual Development Account Programs provided matching funds for down payments on home purchases.
- Hawaii Homeownership Center Down Payment Assistance Loan Program (DPAL)** This DPAL program resulted from a \$50,000 grant provided by First Hawaiian Bank to the Hawaii Homeownership Center in 2005 for the purpose of creating an affordable and flexible loan product for low- to-moderate income first-time home buyers while also creating a mortgage broker program to enhance Hawaii Homeownership Center’s self-sufficiency. Homebuyer financial education and counseling from a HUD-approved counseling agency is required prior to closing.
- City and County (C&C) of Honolulu Down Payment Loan (DPL)** This DPL Program is part of the C&C’s effort to promote homeownership and create a stronger community. The second mortgage down payment assistance loan program provides interest free loans to assist eligible borrowers to meet down payment requirements to qualify for a first mortgage loan.
- Participating Lender** FHB is a participating lender in various condominium projects with affordable housing units.



