



 First Hawaiian, Inc.

3rd QUARTER 2022 EARNINGS CALL

October 28, 2022



FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may”, “might”, “should”, “could”, “predict”, “potential”, “believe”, “expect”, “continue”, “will”, “anticipate”, “seek”, “estimate”, “intend”, “plan”, “projection”, “would”, “annualized” and “outlook”, or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Further, statements about the potential effects of the COVID-19 pandemic on our businesses and financial results and conditions may constitute forward-looking statements and are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and us. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, there can be no assurance that actual results will not prove to be materially different from the results expressed or implied by the forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the domestic and global economic environment and capital market conditions and other risk factors. For a discussion of some of these risks and important factors that could affect our future results and financial condition, see our U.S. Securities and Exchange Commission (“SEC”) filings, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2021, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2022 and June 30, 2022.

Q3 2022 FINANCIAL HIGHLIGHTS¹

	Q3 2022	Q2 2022
Net Income (\$mm)	\$69.0	\$59.4
Diluted EPS	\$0.54	\$0.46
Net Interest Margin	2.93%	2.60%
Efficiency Ratio	54.0%	57.3%
ROA / ROATA ²	1.10% / 1.14%	0.94% / 0.98%
ROE / ROATCE ²	12.08% / 21.53%	10.52% / 18.79%
Tier 1 Leverage Ratio	7.78%	7.54%
CET 1 Capital Ratio	11.79%	11.98%
Total Capital ratio	12.92%	13.14%
Dividend ³	\$0.26 / share	\$0.26 / share

- Net income \$69.0 mm
- Grew total loans and leases \$438 mm
- Total deposits declined \$510 mm, 24 bp cost of deposits
- Net interest margin expanded 33 bps
- Excellent credit quality. Recorded \$3.2 mm provision expense
- Well capitalized: 11.79% CET1 ratio
- Declared \$0.26 / share dividend

(1) Comparisons to Q2 2022

(2) ROATA and ROATCE are non-GAAP financial measures. A reconciliation of average tangible assets and average tangible stockholders' equity to the comparable GAAP measurements is provided in the appendix of this slide presentation.

(3) Declared on October 26, 2022. Payable December 2, 2022 to shareholders of record at close of business on November 21, 2022.

BALANCE SHEET HIGHLIGHTS

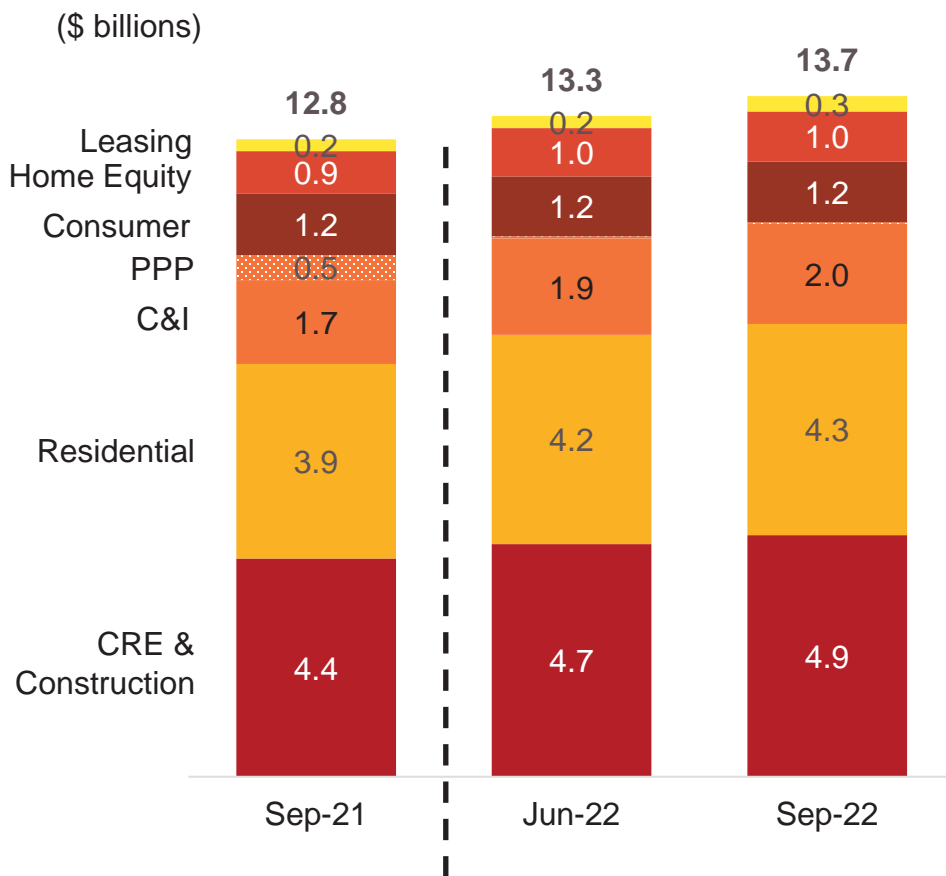
\$ in thousands	9/30/22	6/30/22
Assets		
Int-bearing Deposits in Other Banks	\$ 657.6	\$ 1,254.0
Investment Securities - AFS	3,289.2	3,967.7
Investment Securities - HTM	4,406.1	4,093.2
Loans and Leases	13,700.4	13,262.8
Total Assets	24,870.3	25,377.5
Liabilities		
Deposits	\$ 22,091.7	\$ 22,601.5
Total Stockholders' Equity	2,200.7	2,252.6

Comments

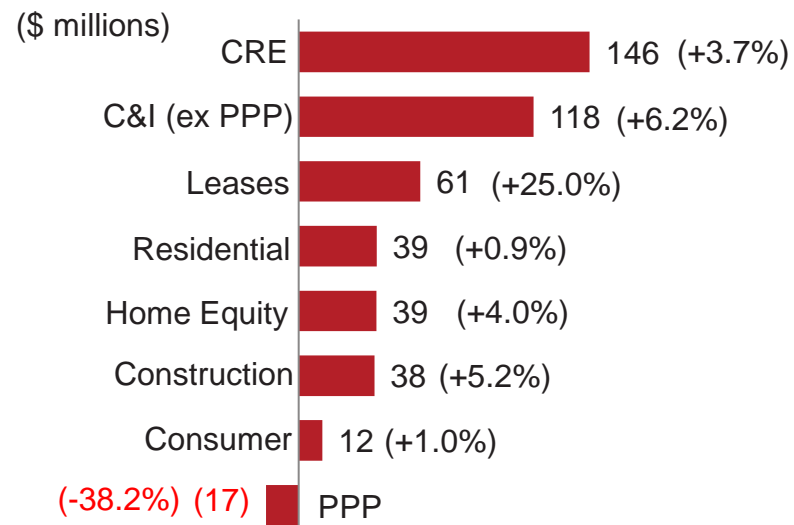
- Excess cash and investment portfolio runoff used to fund loan growth in Q3
- Reclassified approximately \$420 million of securities from available-for-sale to held-to-maturity
- Investment portfolio duration remained stable at 5.5 yrs at 9/30/22 (vs 5.6 yrs at 6/30/22)
- Loan-to-deposit ratio remains low at 62%

LOANS AND LEASES GREW \$438 MM, OR 3.3% IN Q3

Total Loans and Leases



Q3 '22 vs Q2 '22 Net Changes

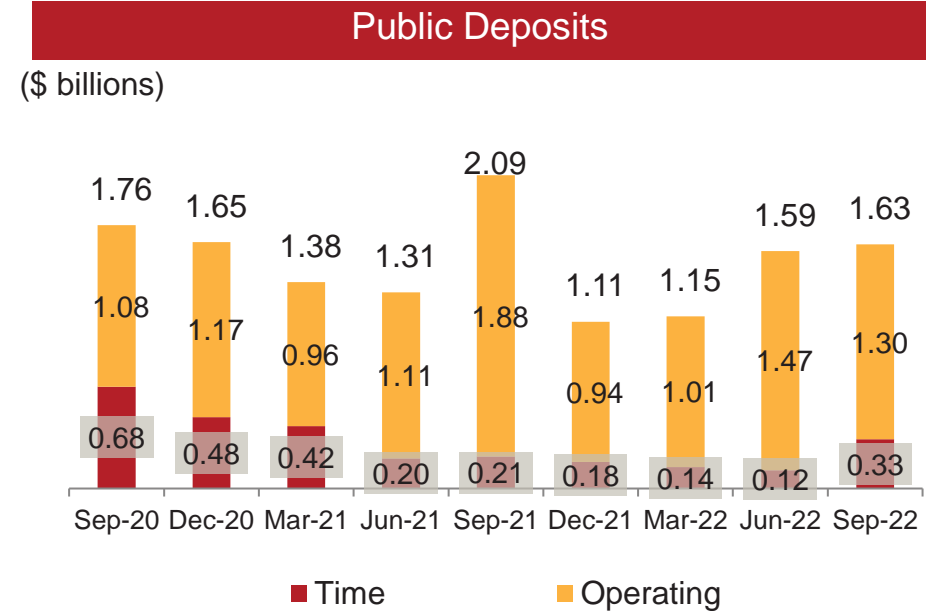
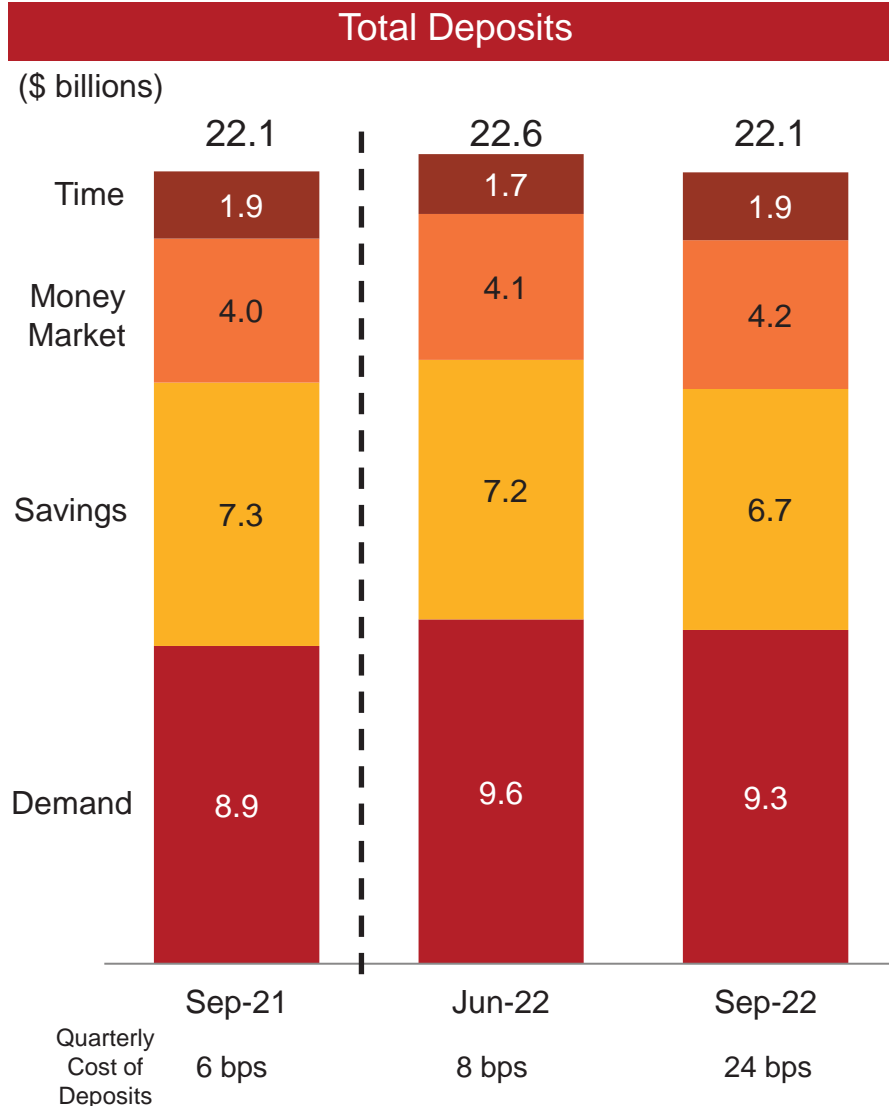


Q3 Highlights

- Total Loans: +\$438 mm
 - C&I - Dealer Flooring: +\$57 mm
- Remaining PPP loans at 9/30/22: \$26.7 mm

Note: Segments may not sum to total due to rounding

\$510 MM DECLINE IN DEPOSITS, WITH 2/3 OF DECLINE FROM 10 LARGE COMMERCIAL ACCTS



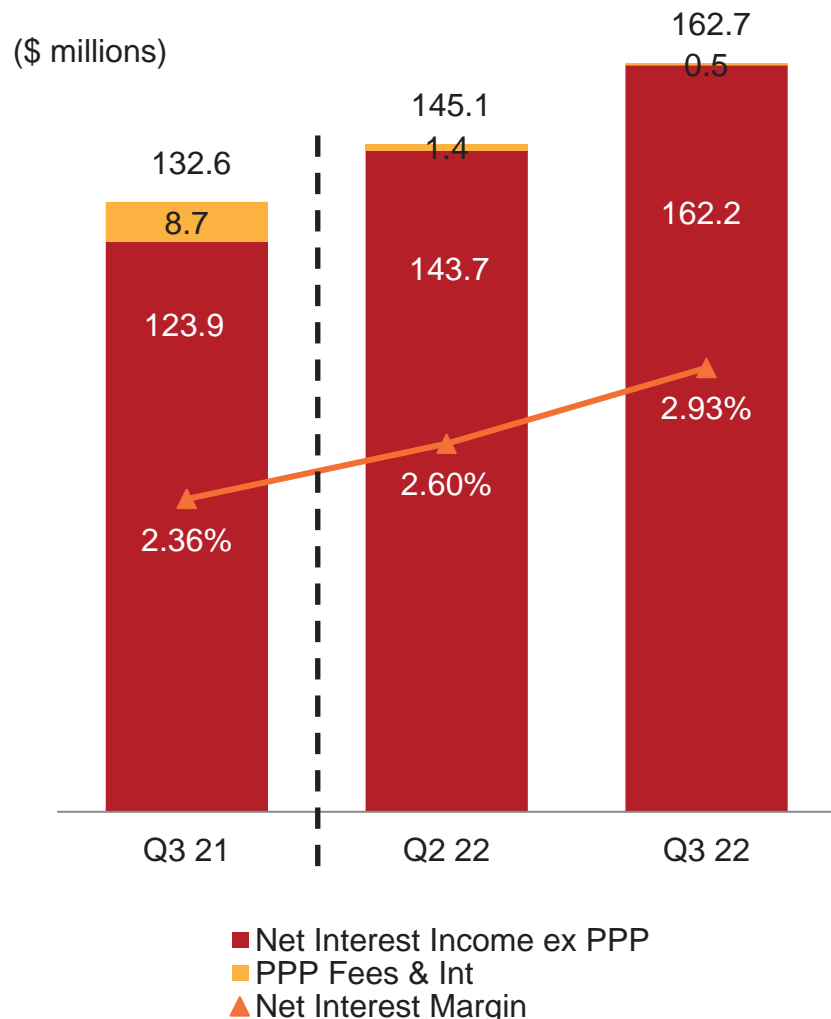
Q3 Highlights

- \$510 mm, or 2.3%, decrease in total deposits
 - Approximately 2/3 of the change was due to a \$347 mm decrease from ten commercial deposit accounts
- 24 bp cost of deposits, up 16 bp from Q2, primarily driven by money market accounts, high yield corporate accounts, and other high-balance accounts.
- Rates on core checking and savings accounts remained relatively stable

Note: Segments may not sum to total due to rounding

\$17.6 MM INCREASE IN NET INT INCOME, 33 BP INCREASE IN NIM

Net Interest Income and Net Interest Margin



Note: Segments may not sum to total due to rounding

Comments

- \$17.6 mm increase in net interest income
 - \$18.5 mm increase in net interest income ex PPP
 - PPP fees and interest declined to \$0.5 mm
- 33 basis point increase in NIM primarily due to higher rates on loans and investment securities, partially offset by higher rates on deposits
- Remaining unamortized PPP fees: \$0.4 mm

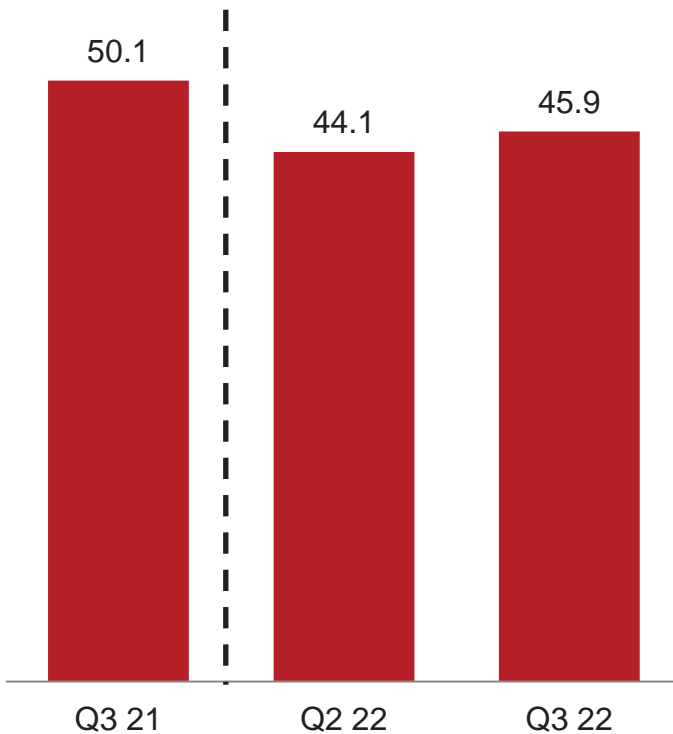
Outlook

- 10 - 15 bp increase in NIM in Q4

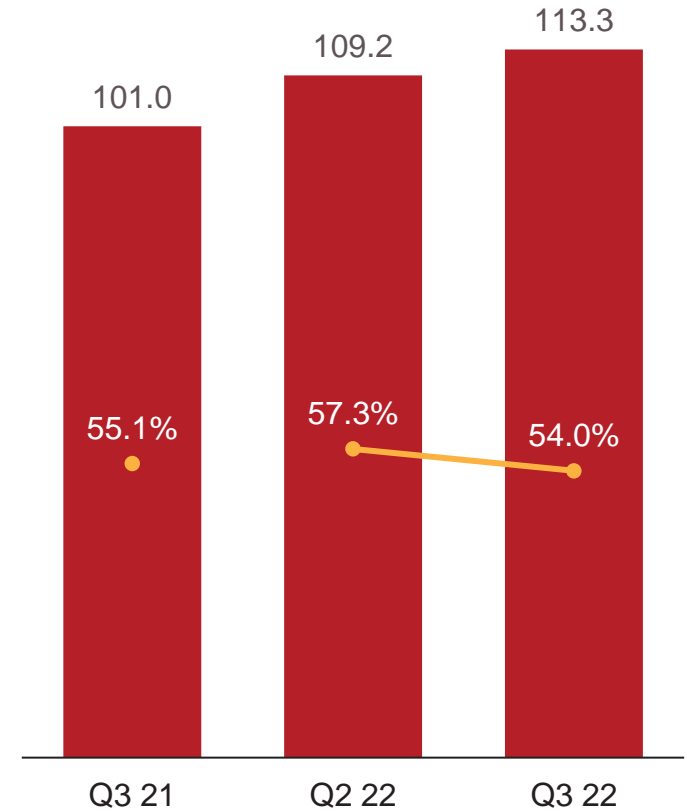
NONINTEREST INCOME

Noninterest Income

(\$ millions)



Noninterest Expense



■ Nonint Expense

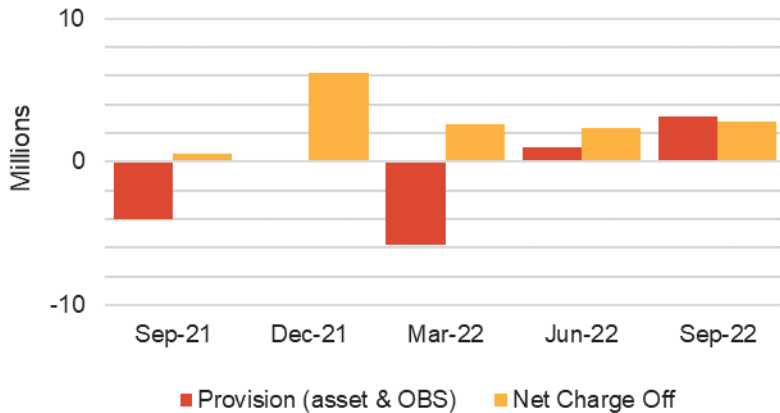
— Efficiency Ratio

- Continued improvement in activity-based revenue
- BOLI income continues to be negatively impacted by market volatility

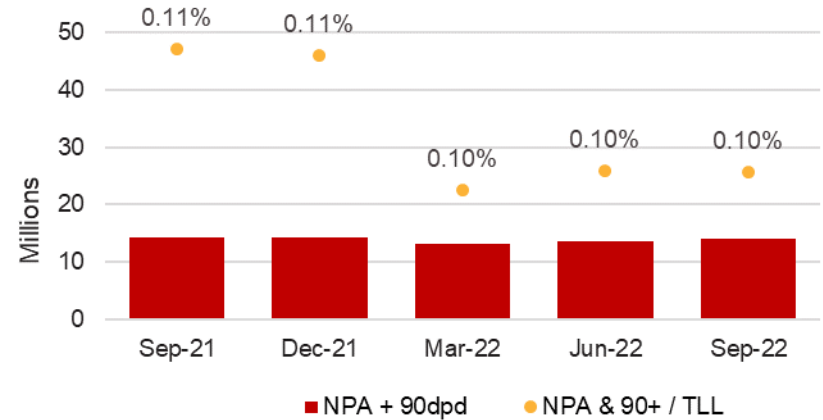
ASSET QUALITY

CONTINUED STRONG CREDIT PERFORMANCE

Provision and NCO

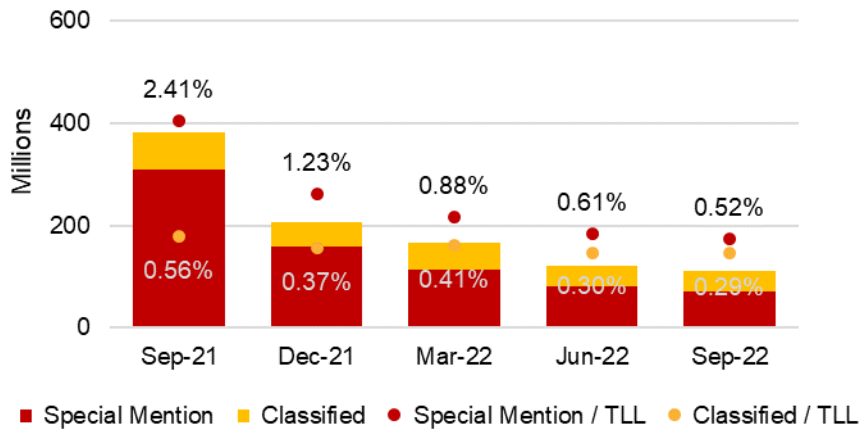


NPA and 90 Past Due

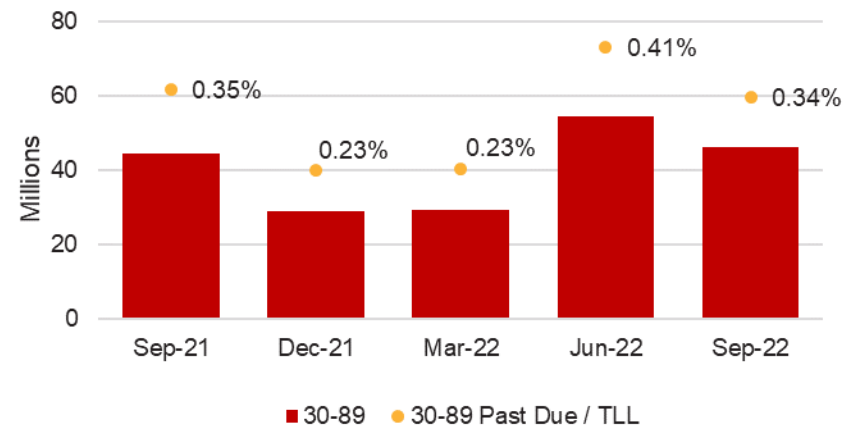


- 90 past due comprised of accruing loans
- Includes OREO

Commercial Criticized Assets



30-89 Past Due



- 30-89 past due comprised of accruing and non-accruing loans

Note: TLL - Total Loans and Leases

ALLOWANCE FOR CREDIT LOSS

RESERVE LEVELS CONTINUE TO PROVIDE FOR UNCERTAINTY

- Q3 ACL / Total Loans and Leases declined to 1.08% of all loans with improvements in asset quality offsetting needs related to portfolio growth
- The reserve continues to incorporate downside risks due to economic uncertainty and geo-political instability

Rollforward of the On-Balance Sheet Allowance for Credit Losses

(\$ in 000's)	C&I	CRE	Const	Lease	Mortgage	Home Equity	Consumer	Total
6/30/2022	15,924	44,726	5,367	1,398	33,635	4,734	43,158	148,942
Charge-offs	-328	-750	-	-	-1	-	-3,986	-5,065
Recoveries	240	-	-	-	37	356	1,653	2,286
Provision	-703	416	-643	235	248	164	2,283	2,000
9/30/2022	15,133	44,392	4,724	1,633	33,919	5,254	43,108	148,163
% of Total ACL	10.2%	30.0%	3.2%	1.1%	22.9%	3.5%	29.1%	100.0%
Total Loan Balance	2,043,807	4,103,310	765,862	305,838	4,252,041	1,010,631	1,218,885	13,700,374
ACL/Total LL	0.74%	1.08%	0.62%	0.53%	0.80%	0.52%	3.54%	1.08%

QUESTIONS



First Hawaiian, Inc.



SUMMARY INCOME STATEMENT



(\$ in millions except per share data)	Quarter ended		
	9/30/22	3/31/22	9/30/21
Net interest income	\$ 163.7	\$ 145.1	\$ 132.6
Provision for credit losses	3.2	1.0	(4.0)
Noninterest income	45.9	44.1	50.1
Noninterest expense	113.3	109.2	101.0
Pre-tax income	92.1	79.1	85.7
Tax expense	23.1	19.7	21.4
Net Income	\$ 69.0	\$ 59.4	\$ 64.3
Diluted earnings per share	\$ 0.54	\$ 0.46	\$ 0.50

Note: Totals may not sum due to rounding.

SELECTED BALANCE SHEET ITEMS



(\$ in millions except per share data)	As of		
	9/30/22	6/30/22	9/30/21
Selected Assets			
Investment securities – AFS	\$ 3,289.2	\$ 3,967.7	\$ 7,953.7
Investment securities – HTM	4,406.1	4,093.2	-
Loans and leases	13,700.4	13,262.8	12,834.3
Total assets	24,870.3	25,377.5	25,548.3
Selected Liabilities and Stockholders' Equity			
Total deposits	\$ 22,091.7	\$ 22,601.5	\$ 22,120.0
Total stockholders' equity	2,200.7	2,252.6	2,711.7
Shares Outstanding	127,357,680	127,451,087	128,255,570
Book value per share	\$ 17.28	\$ 17.67	\$ 21.14
Tangible book value per share ⁽¹⁾	9.46	9.86	13.38
Tier 1 Leverage Ratio	7.78 %	7.54 %	7.39 %
CET 1 / Tier 1	11.79 %	11.98 %	12.63 %
Total Capital Ratio	12.92 %	13.14 %	13.88 %

⁽¹⁾ Non-GAAP financial measure. A reconciliation to the directly comparable GAAP measure is provided in the appendix of this slide presentation. 13

GAAP TO NON-GAAP RECONCILIATIONS



Return on average tangible assets, return on average tangible stockholders' equity, tangible book value per share and tangible stockholders' equity to tangible assets are non-GAAP financial measures. We compute our return on average tangible assets as the ratio of net income to average tangible assets, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total assets. We compute our return on average tangible stockholders' equity as the ratio of net income to average tangible stockholders' equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders' equity. We compute our tangible book value per share as the ratio of tangible stockholders' equity to outstanding shares. Tangible stockholders' equity is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our total stockholders' equity. We compute our tangible stockholders' equity to tangible assets as the ratio of tangible stockholders' equity to tangible assets, each of which we calculate by subtracting (and thereby effectively excluding) the value of our goodwill. We believe that these measurements are useful for investors, regulators, management and others to evaluate financial performance and capital adequacy relative to other financial institutions. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP. Investors should consider our performance and capital adequacy as reported under GAAP and all other relevant information when assessing our performance and capital adequacy.

The following tables provide a reconciliation of these non-GAAP financial measures with their most directly comparable GAAP measures.

GAAP TO NON-GAAP RECONCILIATION



(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Income Statement Data:					
Net income	\$ 69,018	\$ 59,360	\$ 64,279	\$ 186,097	\$ 208,713
Average total stockholders' equity	\$ 2,267,152	\$ 2,262,654	\$ 2,738,540	\$ 2,358,195	\$ 2,719,442
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,271,660	\$ 1,267,162	\$ 1,743,048	\$ 1,362,703	\$ 1,723,950
Average total assets	\$ 24,957,042	\$ 25,250,176	\$ 25,058,085	\$ 25,095,438	\$ 24,013,691
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 23,961,550	\$ 24,254,684	\$ 24,062,593	\$ 24,099,946	\$ 23,018,199
Return on average total stockholders' equity ⁽¹⁾	12.08 %	10.52 %	9.31 %	10.55 %	10.26 %
Return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾	21.53 %	18.79 %	14.63 %	18.26 %	16.19 %
Return on average total assets ⁽¹⁾	1.10 %	0.94 %	1.02 %	0.99 %	1.16 %
Return on average tangible assets (non-GAAP) ⁽¹⁾	1.14 %	0.98 %	1.06 %	1.03 %	1.21 %
Balance Sheet Data:					
(dollars in thousands, except per share amounts)	As of September 30, 2022	As of June 30, 2022	As of December 31, 2021	As of September 30, 2021	
Total stockholders' equity	\$ 2,200,651	\$ 2,252,611	\$ 2,656,912	\$ 2,711,734	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible stockholders' equity	\$ 1,205,159	\$ 1,257,119	\$ 1,661,420	\$ 1,716,242	
Total assets	\$ 24,870,272	\$ 25,377,533	\$ 24,992,410	\$ 25,548,322	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible assets	\$ 23,874,780	\$ 24,382,041	\$ 23,996,918	\$ 24,552,830	
Shares outstanding	127,357,680	127,451,087	127,502,472	128,255,570	
Total stockholders' equity to total assets	8.85 %	8.88 %	10.63 %	10.61 %	
Tangible stockholders' equity to tangible assets (non-GAAP)	5.05 %	5.16 %	6.92 %	6.99 %	
Book value per share	\$ 17.28	\$ 17.67	\$ 20.84	\$ 21.14	
Tangible book value per share (non-GAAP)	\$ 9.46	\$ 9.86	\$ 13.03	\$ 13.38	

⁽¹⁾ Annualized for the three and nine months ended September 30, 2022 and 2021, and three months ended June 30, 2022