

HEI

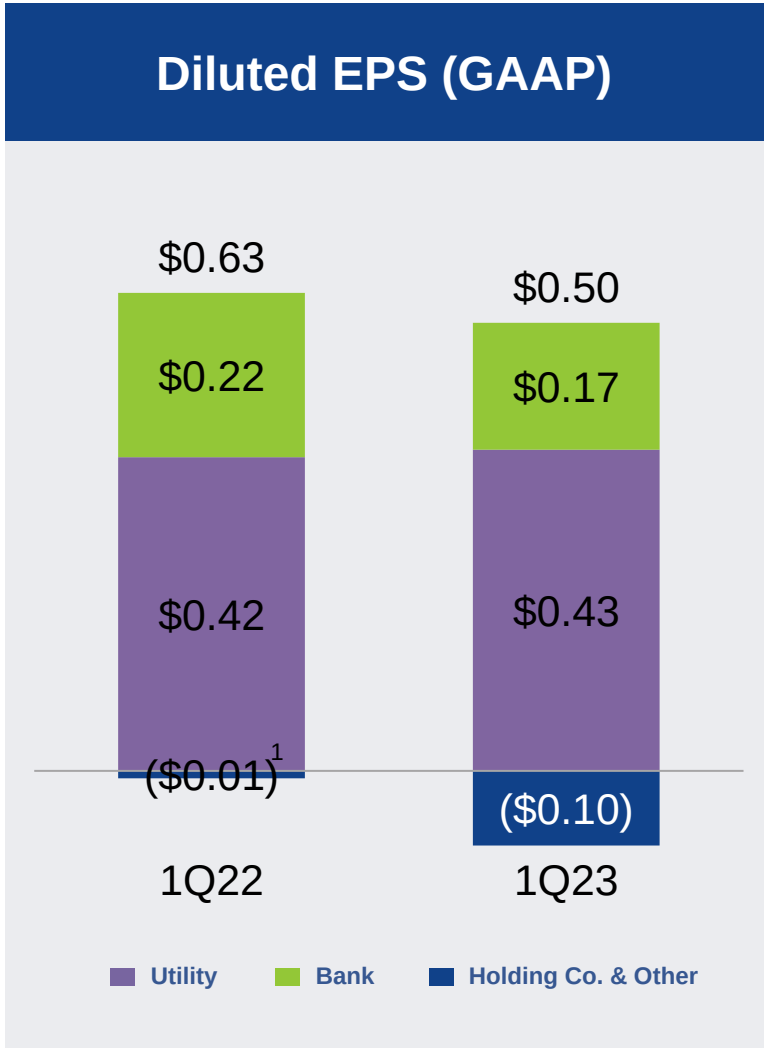
1Q23 Financial Results

May 9, 2023

Solid Performance Across the Enterprise

HEI's combination of businesses continues to deliver consistent results

- Utility
  - Continuing to grow earnings under PBR
  - Operating efficiently despite increased costs from storm activity
- Bank
  - Generated net income growth over the linked quarter
  - Conservative, low-risk and resilient business model continues to deliver steady performance



1. Includes $0.06 per share gain on sale of EverCharge equity method investment

1Q23 Utility Highlights

Continued progression of initiatives to integrate renewables while ensuring reliability and rate stability

- ✓ **Filed draft Integrated Grid Plan (IGP) March 31**
  - IGP proposes clear plan for meeting Hawaii's clean energy goals of zero net carbon emissions and 100% renewables by 2045, while keeping reliability and affordability top of mind
- ✓ **Stage 3 RFP progressing, bids received**
  - Proposals submitted in April, including utility self-build generation. Selection of final award group scheduled for late October
- ✓ **Continued deployment of renewables and the infrastructure required for reliable integration**
  - Connected Hawaii Island's first solar-plus-storage project to grid in April; another solar-plus-storage project will be in service on Oahu before year-end
  - ~250k advanced meters now deployed, servicing over 50% of total customers
  - 185 MW Kapolei Energy Storage expected to be placed in service this summer, improving system efficiency and reliability

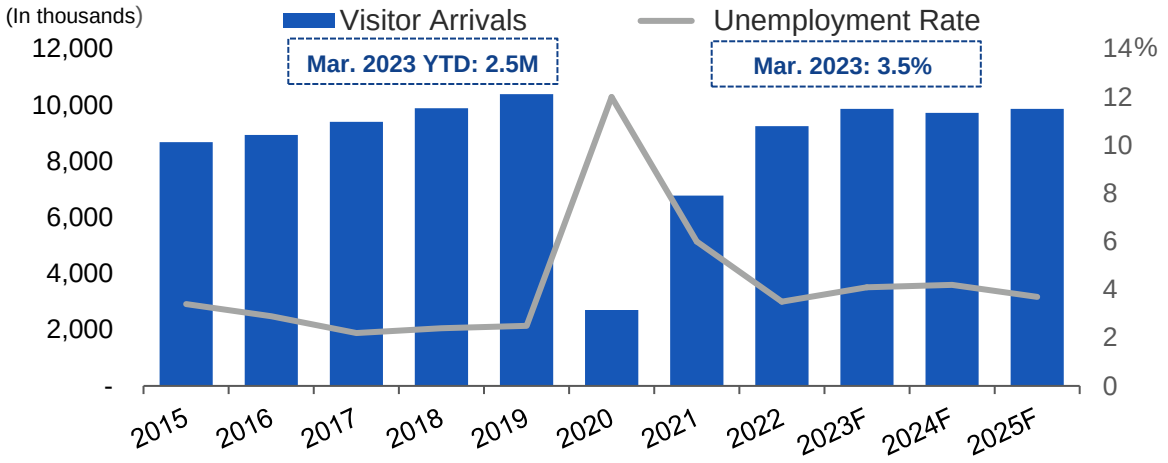
1Q23 Bank Highlights

Solid, consistent performance in a stable banking market

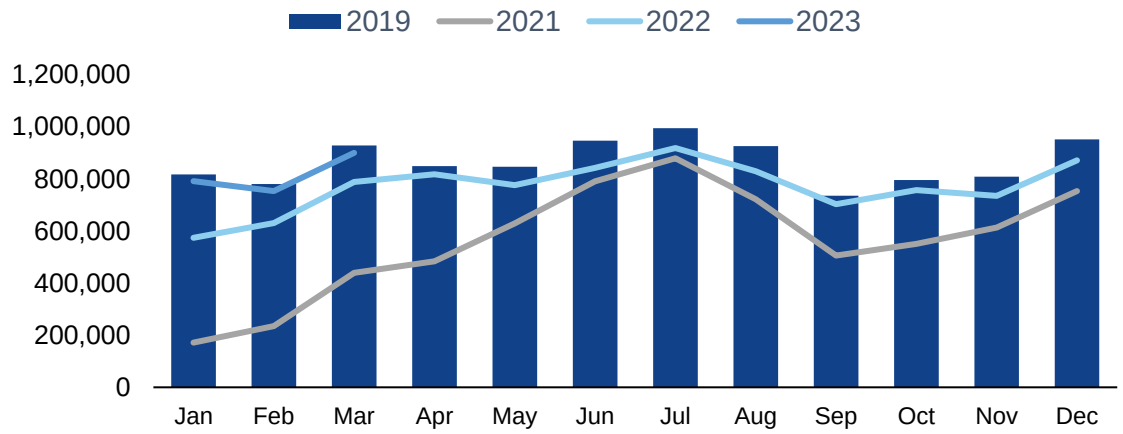
- ✓ **Well-positioned in Hawaii's unique, stable banking market**
  - Vast majority of deposits from sticky retail deposit base
  - 85% of deposits F.D.I.C. insured or fully collateralized
- ✓ **Improving credit quality**
  - Conservatively-positioned loan portfolio seeing positive credit trends
- ✓ **Strong fundamentals**
  - Strong liquidity and capital ratios
  - Consistent performer providing steady stream of dividends to HEI

Hawaii Economy Stable Across All Indicators

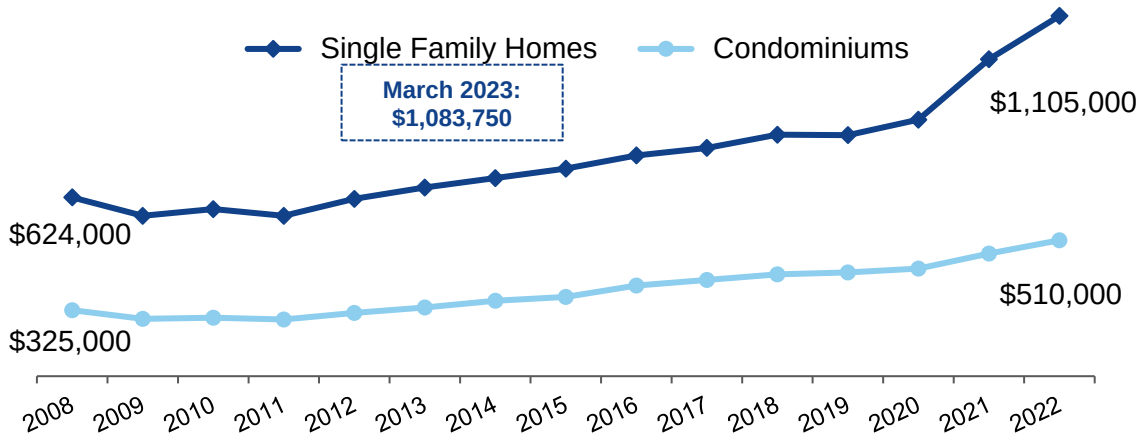
Unemployment Rate & Visitor Arrivals



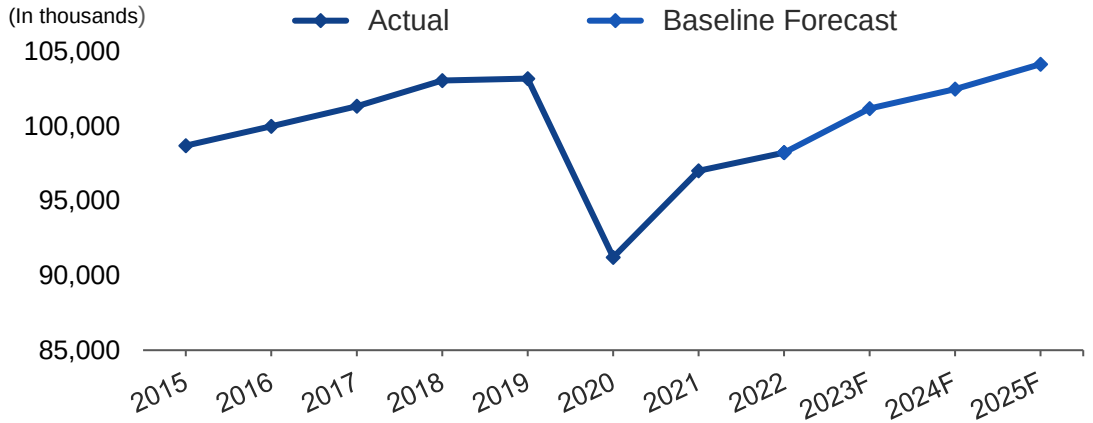
Monthly Visitor Arrivals



Oahu Single Family Home & Condo Median Price



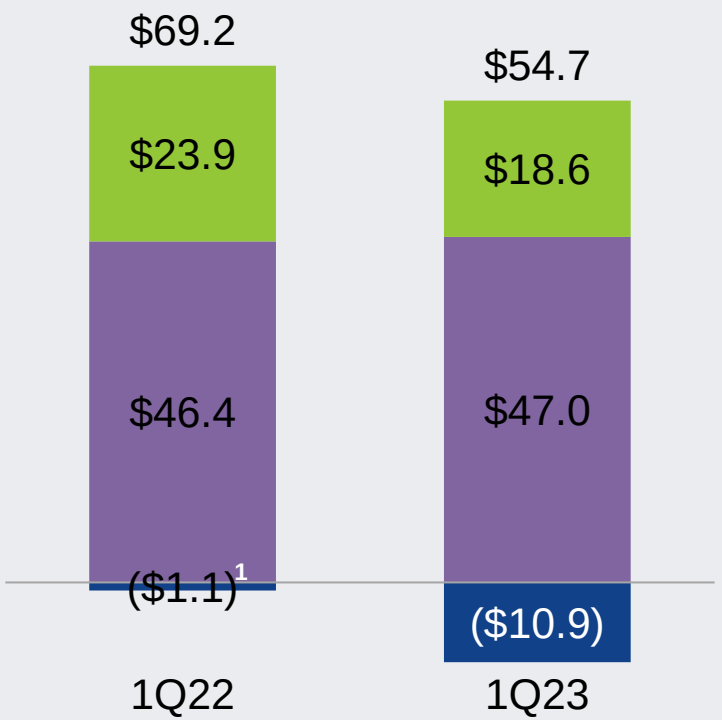
State of Hawaii Real GDP



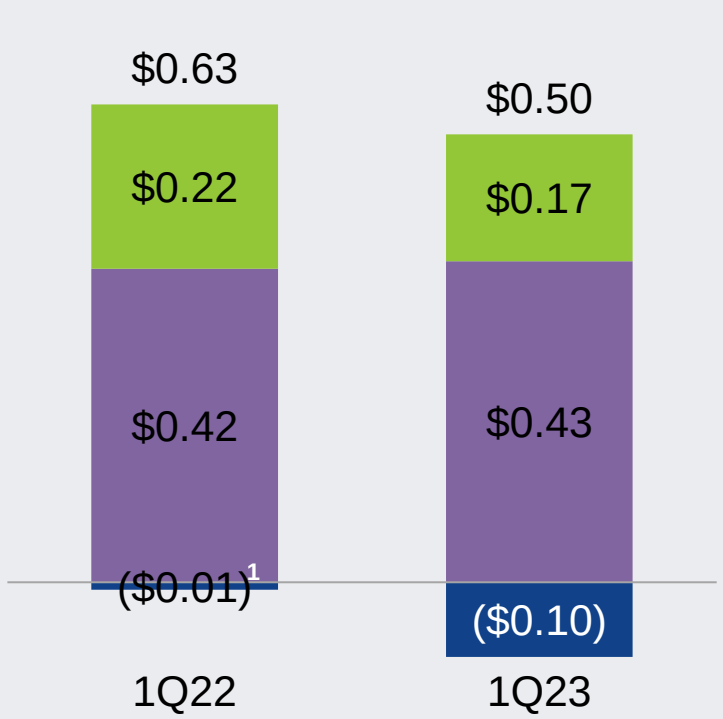
Sources: Dept. of Business, Economic Development and Tourism, Univ. of Hawaii Economic Research Organization (UHERO), U.S. Bureau of Labor Statistics, State of Hawaii Dept. of Health, and Title Guaranty Hawaii. Forecasts from UHERO March 10, 2023 report.

1Q23 Financial Performance

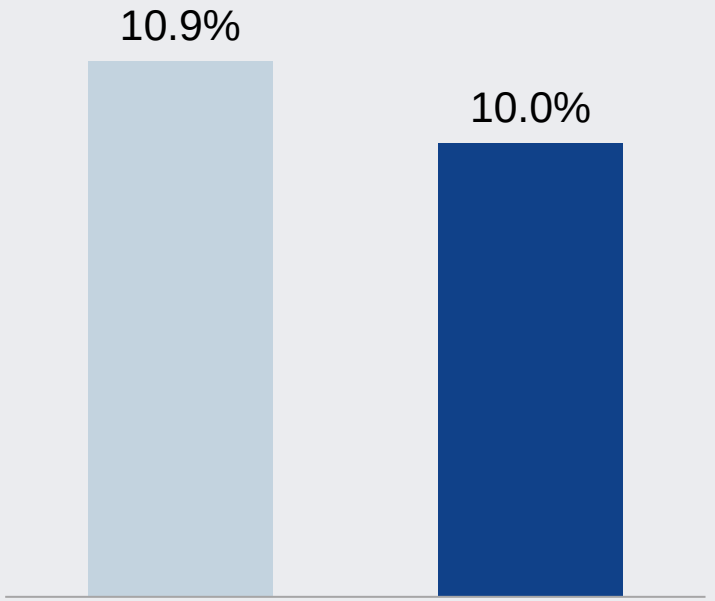
Net Income ($M)



EPS (GAAP)



Consolidated LTM ROE



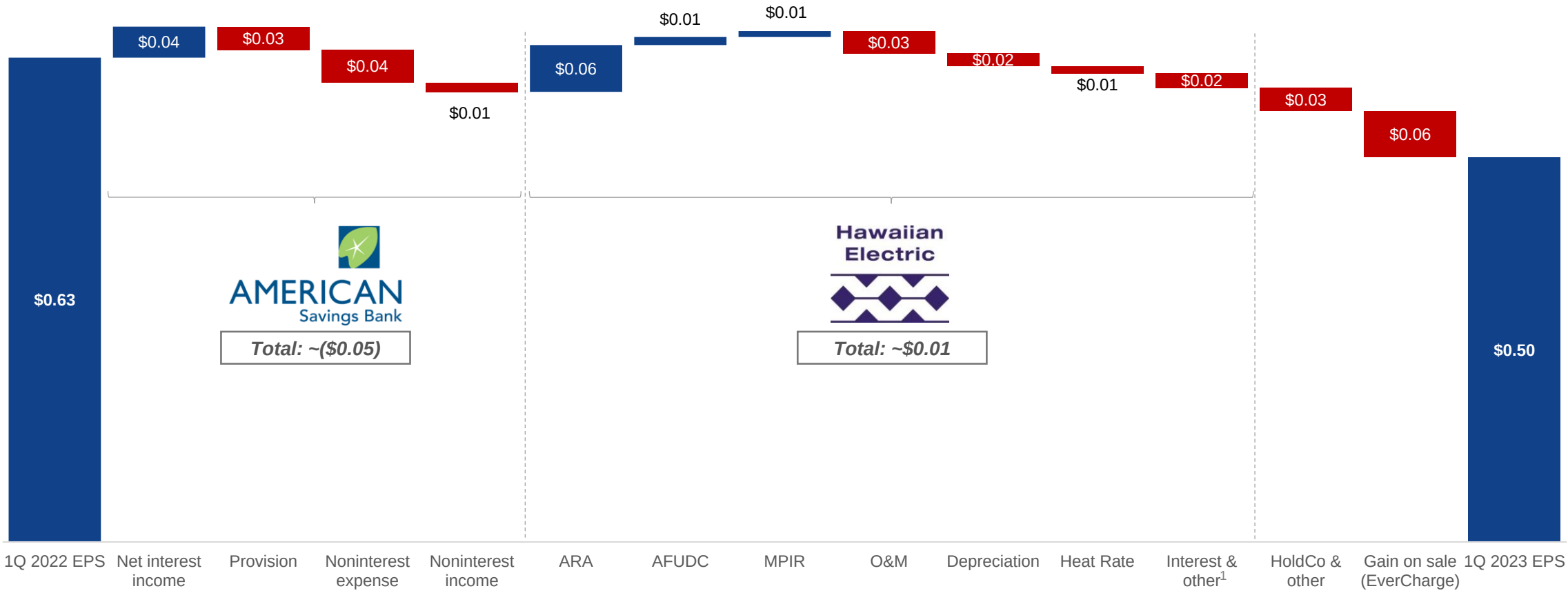
	2022	2023
Utility	8.1%	8.2%
Bank[2]	13.7%/14.4%	15.5%/13.5%

Utility Bank Holding Co. & Other

Note: Columns may not foot due to rounding.

1. Includes $0.06 per share gain on sale of EverCharge equity method investment.
2. ROEs shown in table are last quarter annualized using daily average common equity / last twelve months using a simple average of common equity. The former is more commonly reported for banks while the latter is reported for the utility and consolidated HEI.

1Q23 Financial Highlights



Note: numbers shown are post-tax earnings-per-share. Columns may not foot due to rounding.

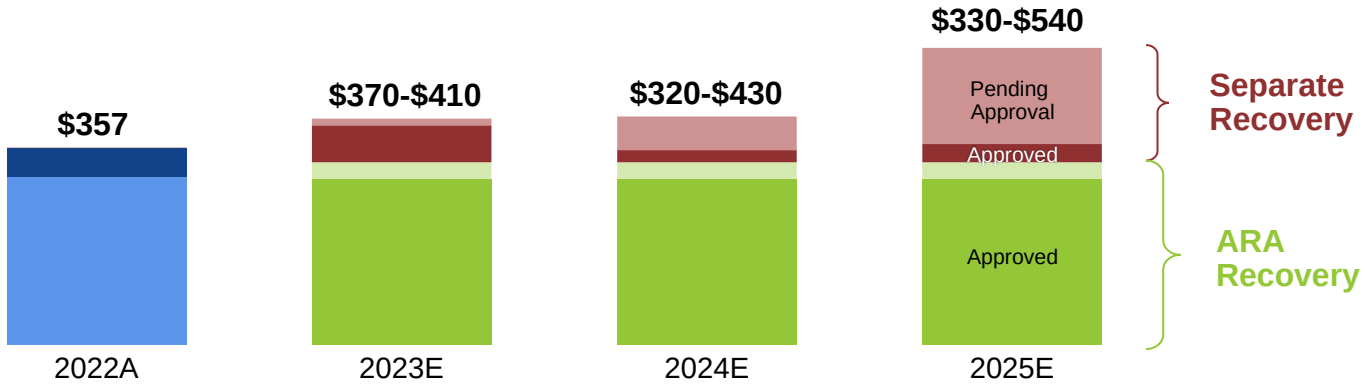
1. Includes interest expense, interest income, the impacts of higher payroll taxes and other minor variances of less than $0.5M.

Renewables, Reliability and Resilience Drive Capital Investment

Capital Expenditures Forecast *($ in millions)*

Low range includes baseline ARA capital and approved separately recovered projects.

High range includes separately recovered projects awaiting PUC approval and high end of baseline ARA capital.



Status	Key Capex Projects [1]	Actual 2022	Forecast 2023	Forecast 2024	Forecast 2025	Recovery Mechanism
Approved	Grid Mod., Phase 1 – Full Deployment	$36	$44	$4		MPIR
	Waena Switchyard / Kahului Sync Condensers	$4	$13		$2	EPRM
	Waiawa UFLS	$1				EPRM
	Army Privatization[2]	$5	$8	$18	$31	Contractual (on and of)
	Other MPIR Major Projects	$6	$2			MPIR
	Total	**$52**	**$67**	**$22**	**$33**	
Awaiting PUC approval or to be filed	Keahole BESS[3]		$1	$12	$3	EPRM
	Waena BESS[3]			$12	$82	
	Resilience Program[4]		$4	$12	$29	
	Middle Mile		$1	$4	$6	
	Public EV Charger Expansion[5]			$3	$7	
	Grid Mod., Phase 2[6]			$18	$19	
	Other EPRM Major Projects	$1	$6	$18	$29	
	Total	**$1**	**$12**	**$79**	**$175**	
ARA recovery	Baseline and Other Capex	**$304**	**$300-$330**	**$300-$330**	**$300-$330**	ARA

Note: Capital expenditure figures are net of contributions in aid of construction (CIAC). Customer-funded projects are not included in capex as they do not add to earnings or rate base.

1. Key projects listed may not sum to capex range shown on bar chart.
2. $18M for non-cash asset acquisition of Army electric distribution system not shown in bar chart as it is not classified as a capital expenditure.
3. Does not include the potential for up to 30% tax credit through the Inflation Reduction Act once the project goes into service. Credit would be refunded to customers.
4. Totals $157 million through 2027. Does not include the potential for $72 million in capex grant funding through the Infrastructure Investment and Jobs Act which would reduce the capex forecast as it would not be additive to rate base.
5. Totals $58 million through 2031.
6. Totals $98 million through 2029. Does not include the potential for $50 million in capex grant funding through the Infrastructure Investment and Jobs Act which would reduce the capex forecast as it would not be additive to rate base.

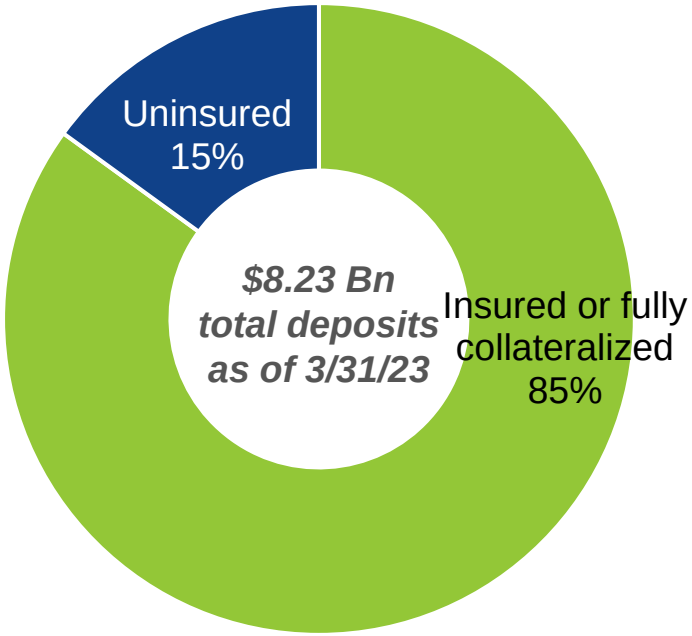
Utility Outlook Drivers

Successfully manage O&M expenses	• Continued focus on efficient operations and holding O&M increases within ARA-allowed 3.68% inflationary increase despite higher storm-related costs in the quarter
Achieve performance incentive mechanism rewards	• On track for guidance of $4 million in net PIM rewards for the year

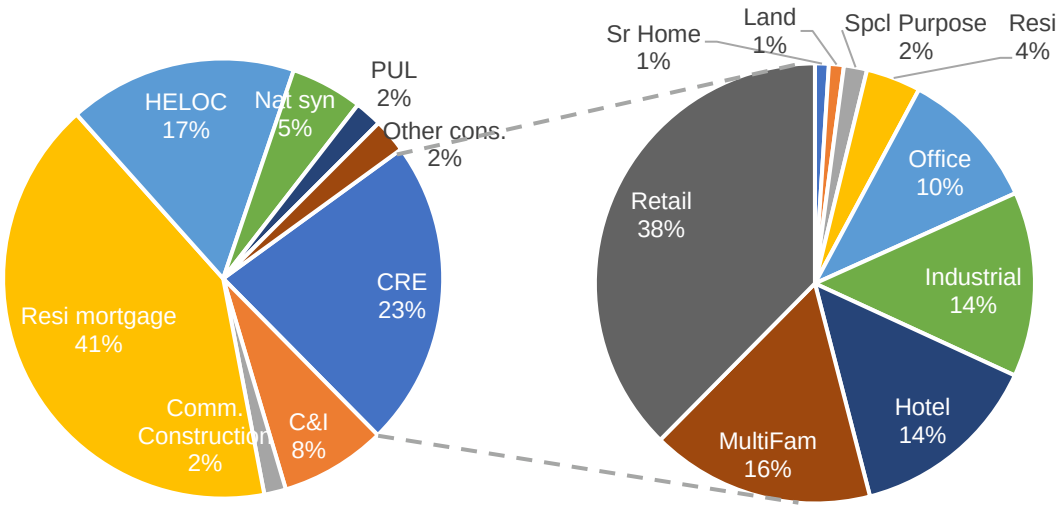
ASB: Long-tenured, and “Sticky” Retail Deposit Base

Deposit base mostly retail, largely insured

- ✓ 85% of deposits F.D.I.C. insured or fully collateralized
- ✓ 86% of deposits from retail customers
- ✓ Long-tenured retail deposits: nearly 50% with ASB 10 years or longer
- ✓ Average retail customer account balance of ~$16k



ASB: Conservative Loan Portfolio



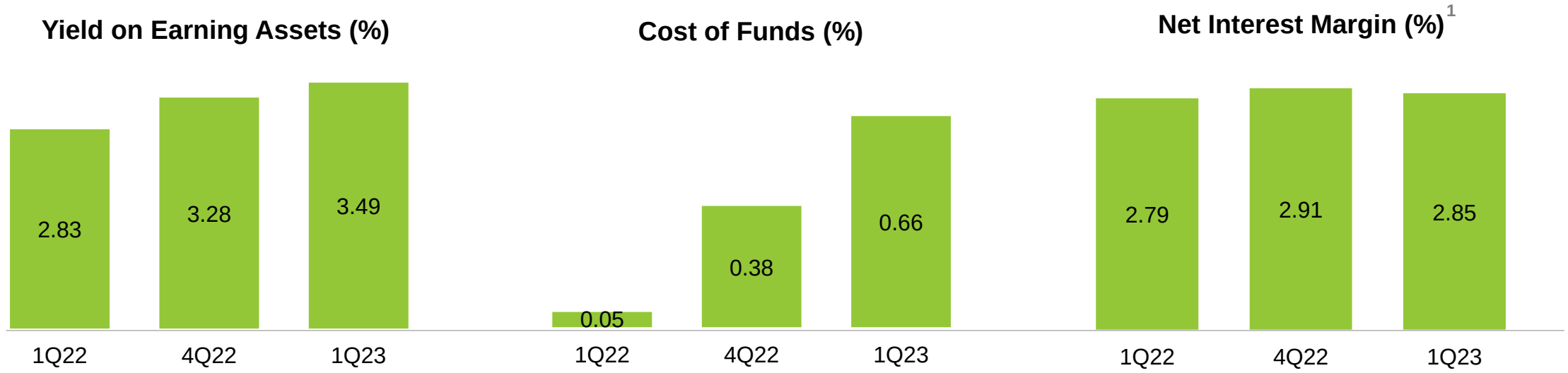
Total loan portfolio

(82% real-estate secured)

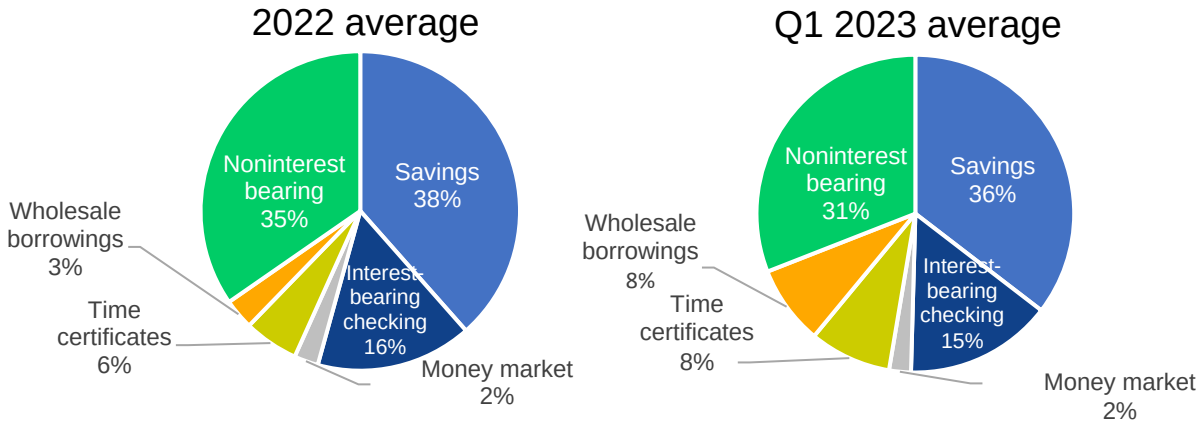
CRE loan portfolio

- ✓ **82% of loan book backed by real estate**
  - Weighted-average loan-to-values of <50% for residential and <55% for commercial
- ✓ 23% of loans are commercial real estate loans covering a **broad range of sectors**, including retail, multi-family, hotels and offices
- ✓ **Office CRE loans comprise 2% of total loans**
  - Primarily located on Oahu, where the office market has had relatively stable vacancy rates

Net Interest Margin Seeing Impacts from Higher Funding Costs but Improved from Q1 2022



Funding sources



	Actual
4Q22 Reported NIM	**2.91%**
Rate environment impact on asset yields	0.17
Rate environment impact on liability cost	(0.13)
Earning asset mix	0.04
Costing liabilities mix	(0.14)
1Q23 Reported NIM	**2.85%**

1. Net interest margin only includes interest bearing liabilities, whereas total cost of funds includes non-interest-bearing deposits.

Bank Outlook Drivers



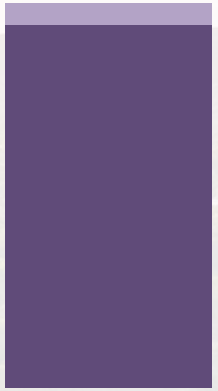
Net interest margin moderated by higher funding costs, credit trends remain positive

- Further Fed funds rate hikes provide continued benefit, but offset by higher funding costs and reduced balance sheet asset sensitivity
- Provision expectations continue to reflect strong credit quality, as well as stable economic outlook and modest loan growth expectations
- Continued focus on managing expenses

Maintaining 2023 EPS Guidance Range[1]

Hawaiian Electric

$1.75-$1.85



2023

Key Assumptions:

- Full recovery of COVID-19 expenses
- No significant fuel cost risk sharing penalty or reward assumed
- Capex of $370 - $410M
- O&M excluding pension[2] increasing at a rate below the ARA adjustment
- 2022 – 2025 earnings growth CAGR of 5%
  - Includes net PIM rewards averaging $4 - $5M annually

AMERICAN Savings Bank

$0.75-$0.85



2023

Key Assumptions:

- **NIM: 2.80% – 2.90%**
- Provision exp. $0M – $10M
- **ROA: >0.80%**
- Low single-digit loan growth
- Moderately higher non-interest expense

HEI

$2.15-$2.35



2023

Additional Assumptions:

- Holdco and other segment net loss of $0.34 - $0.36
- No equity issuances in 2023

1. As of May 9, 2023.
2. Also excludes O&M covered by surcharges or for activities billed to third parties.

Reference the cautionary note regarding forward-looking statements (FLS) accompanying this presentation, which provides additional information on important factors that could cause results to differ. The company undertakes no obligation to publicly update or revise FLS, including EPS guidance, whether as a result of new information, future events or otherwise. See also the FLS and risk factors in HEI's SEC form 10-K for the year ended Dec. 31, 2022 and HEI's other periodic reports.



Q&A

Appendix

HEI Financing Outlook 2023[1]

- Both bank and utility remain net cash flow providers to holding company
- No external equity required in 2023
- Balance sheet remains investment grade
- Two investment grade subsidiaries:

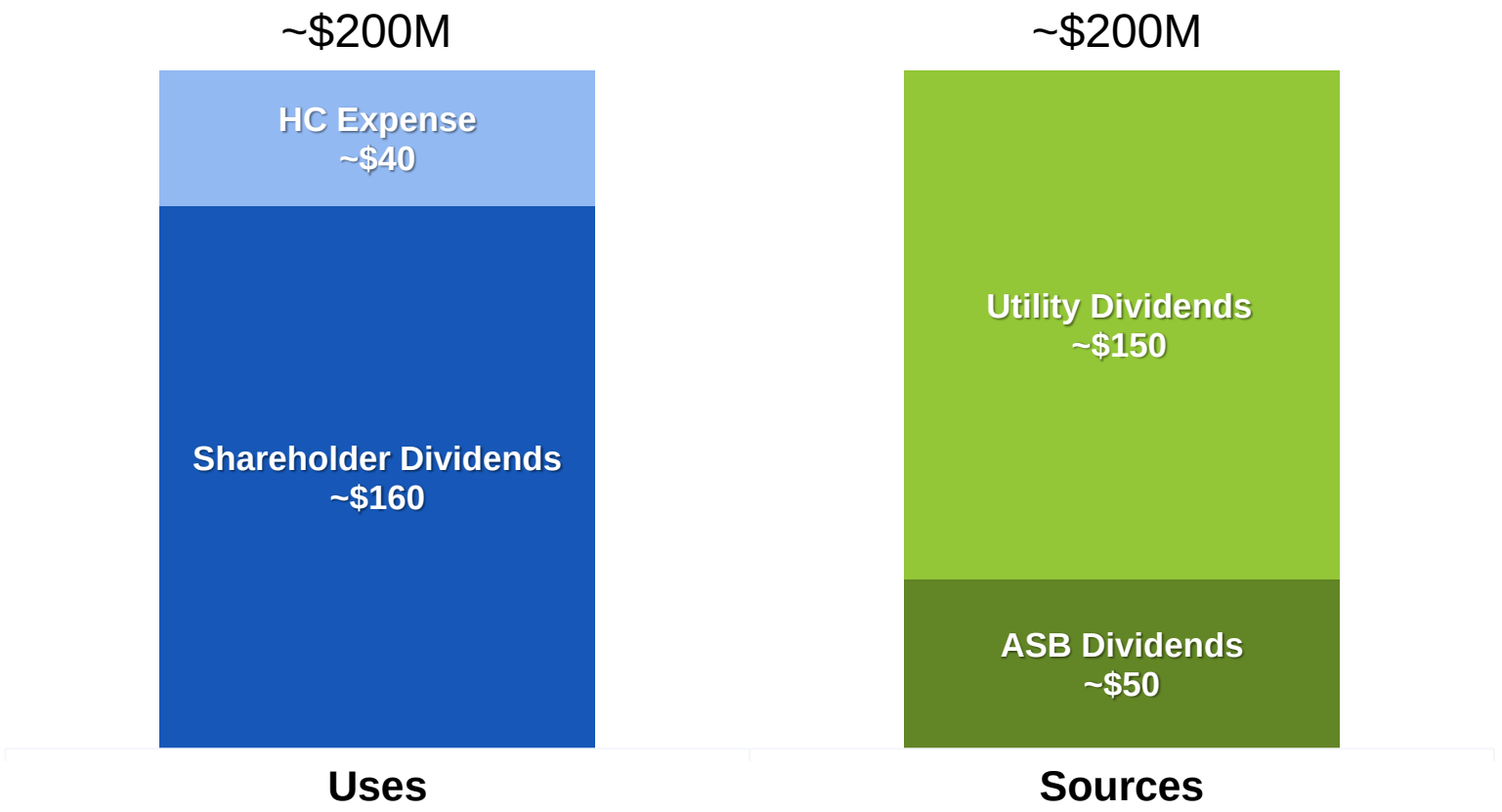
Utility

  - BBB/stable - S&P
  - Baa1/stable - Moody's
  - BBB+/positive - Fitch

Bank

  - BBB/stable - Fitch

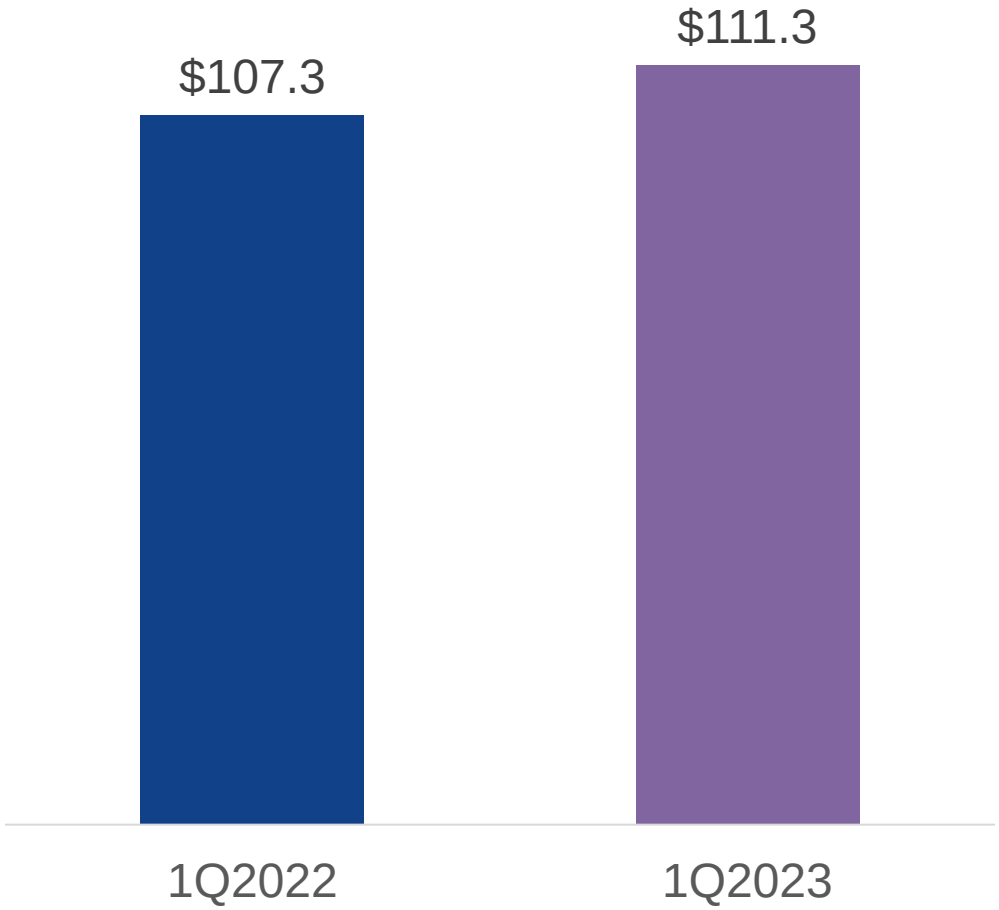
2023 Holding Company Sources & Uses of Capital ($M)



Note: Numbers in chart are rounded to nearest multiple of 5 million.

1. As of May 9, 2023.

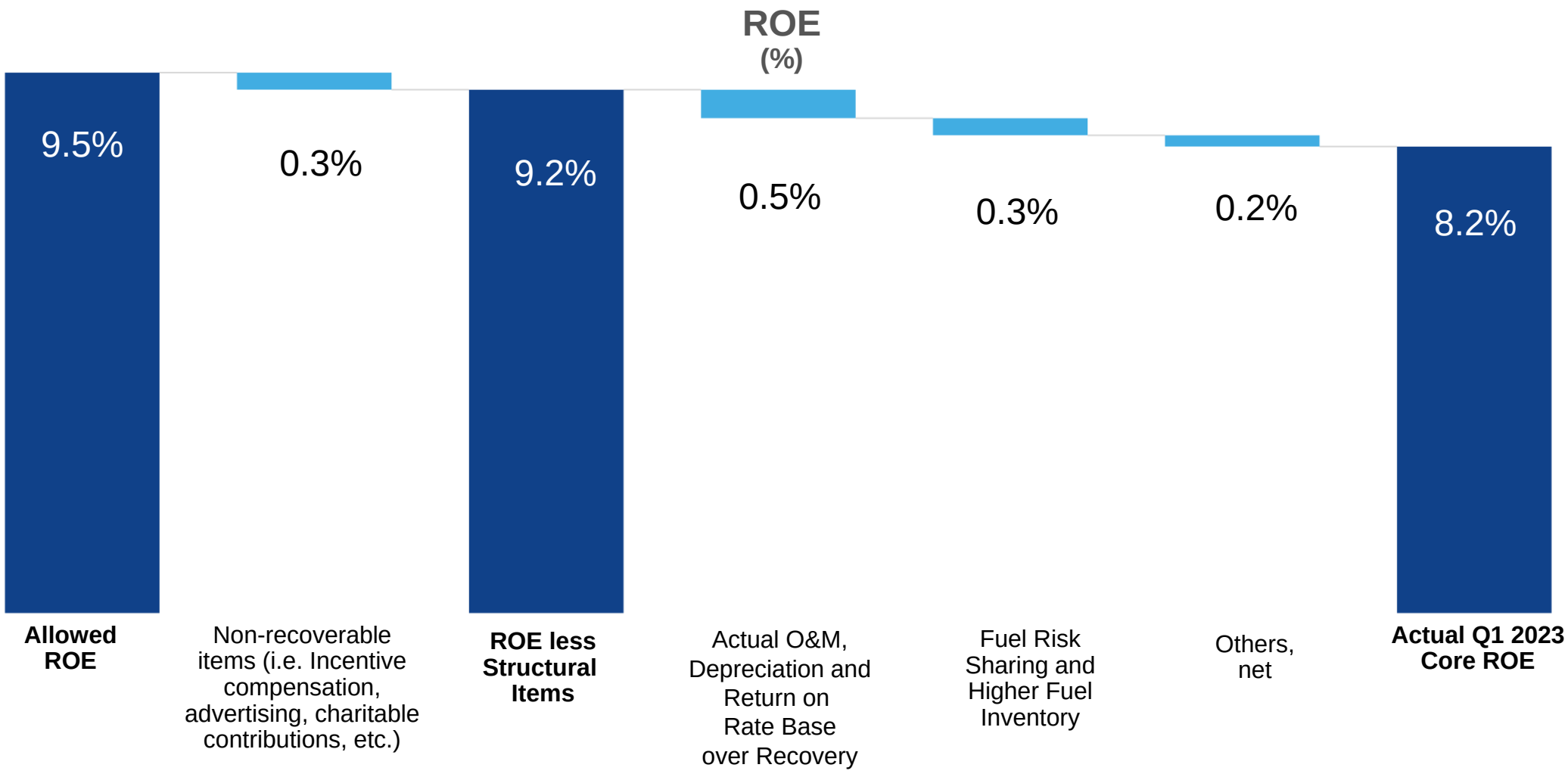
Adjusted O&M Excluding Pension (non-GAAP)



GAAP to non-GAAP reconciliation of O&M, net of exclusions ($ in millions)		
	1Q 2022	**1Q 2023**
GAAP O&M	$125.3	$128.3
(less):		
Pension[1]	12.7	12.0
Covered by surcharges	1.7	2.2
Covered by third parties	3.6	2.8
Adjusted O&M	**$107.3**	**$111.3**
Storm restoration costs	**–**	**$2.8**
Adjusted O&M excluding storm costs	**$107.3**	**$108.5**

1. Includes other post-employment benefits and excludes pension nonservice retirement benefits.

Utility LTM ROE



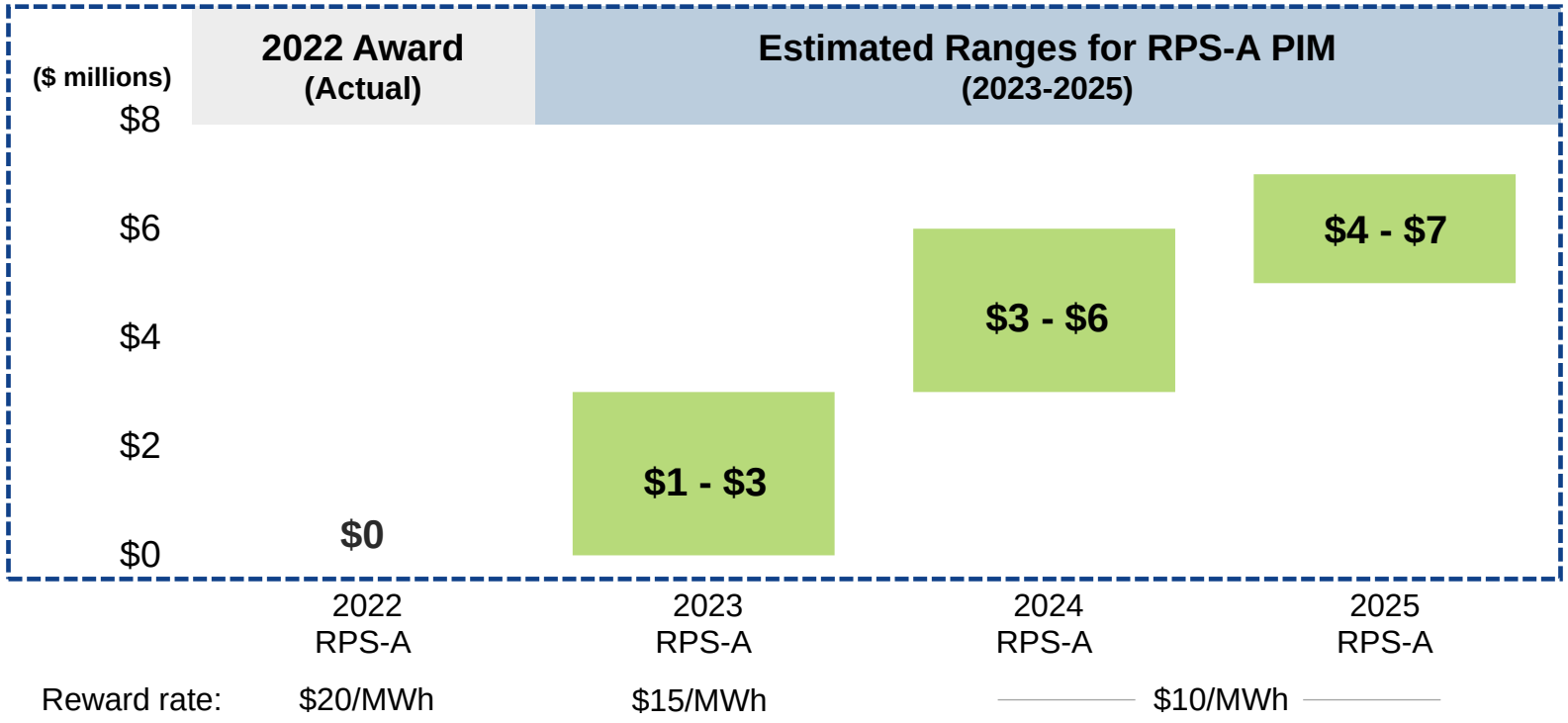
Mechanisms to Incentivize Achievement of Key Outcomes

	Metric	Opportunity
Pre-PBR	T&D SAIDI and SAIFI	($6.8M) annually
	Call Center Performance	+$1.4M / ($1.4M) annually
	Fossil Fuel Cost Risk Sharing	+$3.7M / ($3.7M) annually
	West Loch PV	Based on under/overproduction
	Heat Rate	NA
	Renewable RFP Stage I[1]	+$1.2M
	Renewable procurement SSM	Determined in future procurements
	RPS-A PIM[2]	Up to $3M in ’23, $6M in ’24, $7M in ’25
	AMI utilization PIM	+$2M annually
	LMI[3] energy efficiency PIM	+$2M annually
	Interconnection approval PIM	+$3.0M / ($0.9M) annually
	Grid services procurement PIM	+$1.5M over 3 years through December 31, 2023
	Non-wire alternative SSM	To be determined
Recently approved	Collective Shared Savings Mechanism	Measured annually, reward only, 20% of savings based on 2021 base
	Interconnection of Utility Scale Renewable Projects PIM	To be determined[4]
	Generation SAIDI and SAIFI	($1M annually)

1. Renewable RFP Stage 2 shared savings mechanism potential is immaterial due to market pricing generally higher than benchmark. Based on current assumptions and rewards already recorded, the remaining opportunity is estimated at $1.2M.
2. Renewable portfolio standard – accelerated; calculation: renewable generation / total generation.
3. Low- to moderate-income.
4. Dependent on how many projects we select in the Stage 3 RFP and the size of each.

RPS-A PIM Rewards Accelerated Renewable Energy Growth

Forecast based on March 2023 assumptions for renewable project commercial operation dates and total generation



Ranges above may change as completion timelines shift. See [Renewable Project Status Board](#) on hawaiianelectric.com for latest updates.

RPS-A PIM: (1) Annual Targets: Interpolated between statutory RPS milestones, e.g.: 32% in 2022, 33% in 2023, … , 40% in 2030, 43% in 2031, etc.; (2) Calculation: (grid scale ren. energy + customer-sited ren. energy) / (total net generation + customer ren. energy), (3) Rewards for outperformance: 2021-22 = $20/MWh, 2023 = $15/MWh, 2024+ = $10/MWh

Statutory RPS: (1) Goals: 30% by 2020, 40% by 2030, 70% by 2040, 100% by 2045; (2) In July 2022, Act 240 (HB2089) amended the RPS calculation to match the RPS-A PIM calculation. Calculation: (grid scale ren. energy + customer-sited ren. energy) / (total net generation + customer ren. energy); (3) Penalty for underperformance: $20 per MWh below RPS milestone (may be reduced at PUC discretion)

Fossil Fuel Cost Risk Sharing

- Symmetrical mechanism
- Variations in fossil fuel price above or below baseline shared 98% customers / 2% utility
- Applies to utility fossil fuel generation (not IPP generation or non-fossil fuels), includes fuel efficiency impacts
- Baseline price: January fuel prices for each fossil fuel type

	Hawaiian Electric (Oahu)	Hawaii Electric Light (Hawaii Island)	Maui Electric (Maui County)
Annual upside / downside cap	+/-$2.5 million	+/-$600,000	+/-$633,000
January 2023 fuel price ($ per bbl)			
Low Sulphur Fuel Oil (LSFO)	$148.84		
Intermediate Fuel Oil (IFO)		$85.97	$81.17
Diesel	$151.92	$151.12	$144.67

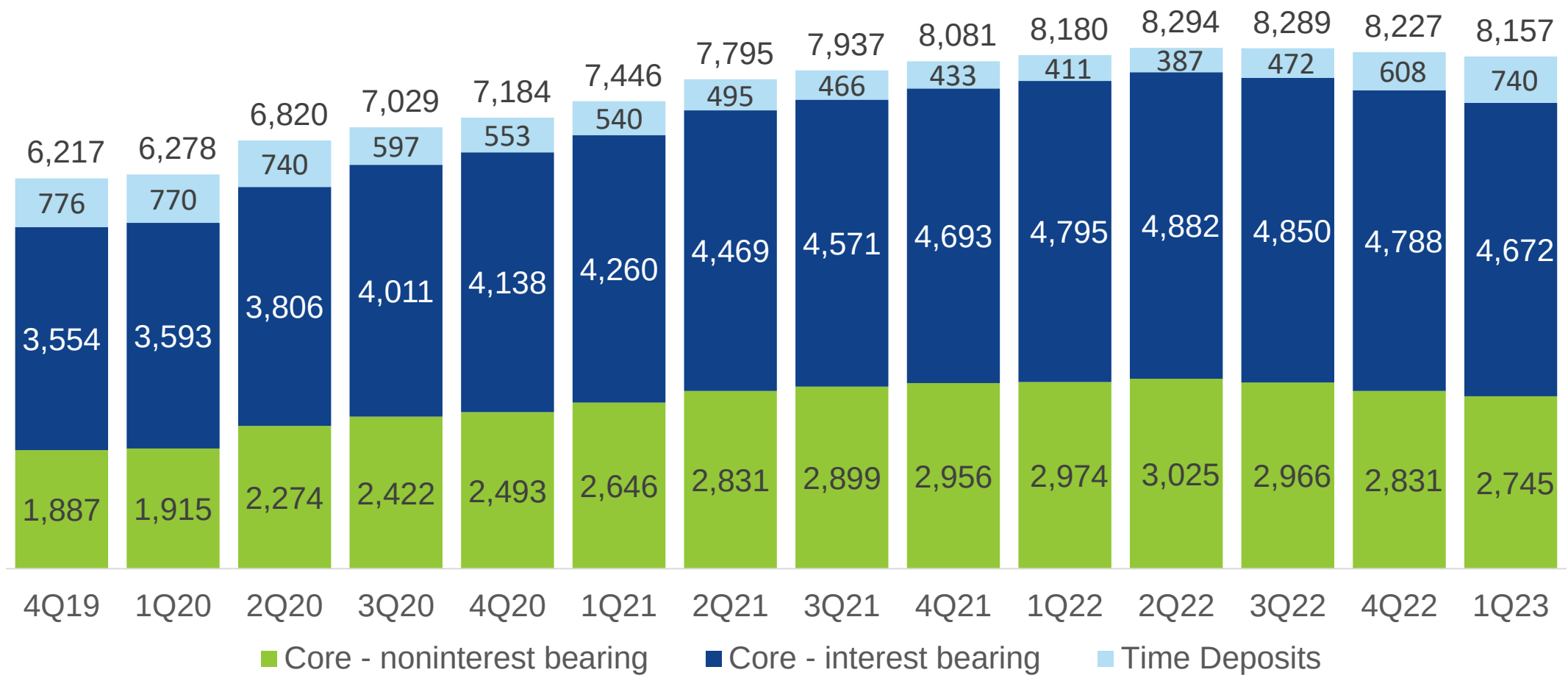
Status of Key Open Dockets

Subject and Description	Docket #	Latest Development	Next Milestone
Performance-based regulation Proceeding to evolve regulatory framework to better align with customer interests and state clean energy policy	2018-0088	PUC held a PBR Working Group coordination meeting in March 2023 to initiate subgroups around priority topics to be addressed in the near term (DER Grid Services PIM, Comprehensive Framework Review and Modification to/Evaluation of Existing PIMs)	Subgroups to schedule next meeting and develop an agenda to discuss each priority topic
Stage 3 RFP Hawaii Island seeks up to 325 GWh of energy annually and up to 65 MW of capacity. Oahu seeks at least 965 GWh of energy annually and 500-700 MW of firm capacity. Maui seeks at least 425 GWh of energy annually and at least 40 MW of firm capacity. **Interconnection** Review status and interconnection progress of renewable projects, AES Plant, Kahului Power Plant, and other fossil fuel power plant transition plans, as needed	2017-0352 2021-0024	**Stage 3 RFP** Proposals submitted in April, 2023 **Interconnection** PUC clarifying order directs utility to track costs to consumers caused by changes to project schedules and clarified PUC does not intend to, at this time, impose penalties. AES coal plant shut down Sept. 1, 2022. Mililani I Solar (PV + BESS) in service July 31, 2022. Waikoloa Solar (PV + BESS) in service April 21, 2023. Waiawa Solar (PV + BESS) in service January 11, 2023. Kamaole Solar (PV + BESS) was declared null and void on March 10, 2023.	**Stage 3 RFP** Selection of priority list to take place in July, 2023 **Interconnection** Companies continue to file monthly status updates on Stage 1 and 2 RFP and CBRE Phase 1 projects.
Integrated Grid Planning (IGP) Next phase of long-range planning, combining planning and procurement of traditional and non-traditional resources	2018-0165	Draft report filed on March 31, 2023 for public comment.	Final report expected to be filed in May 2023
Grid Modernization Plans for implementing new technologies to increase utilization of DER while improving grid reliability and resiliency	2018-0141; 2019-0327	Hawaiian Electric filed Semi Annual Status Report, projecting 200,000 cumulative AMI customers by the end of 2022	Company targeting full AMI deployment by 3Q24.
Electrification of Transportation Public EV Charger Expansion Project	2021-0173	Hawaiian Electric filed its Reply Statement of Position, completing the discovery portion of the docket.	Pending final Decision by PUC.

Status of Key Open Dockets, Continued

Subject and Description	Docket #	Latest Development	Next Milestone
Community Based Renewable Energy Phase 2 program capacity expanded to 235 MW	2015-0389	Tranche 1 RFP selections made in February. Lanai replacement project announced in July. Utility proposed to close Molokai RFP and work with the lone bidder to improve proposals for benefit of residents. Contract negotiations are ongoing.	Four-month procurement of small projects; LMI and Tranche 1 RFP contract negotiations are underway.
DER Policies Investigates Distributed Energy Resources (DER) as they relate to the Hawaiian Electric Companies	2019-0323	Utility requested approval of the Advanced Rate Design time-of-use rate schedules, including customer charges, grid access charges, and energy charges, in addition to the newly proposed bill protection for commercial customers, in April, 2023	Upon approval, Utility will file final ARD tariffs, which are currently scheduled to take effect on July 1, 2023. For Smart DER and BYOD, the Companies must file final tariffs on July 31, 2023 to be effective August 14, 2023.
COVID-19 Deferred Cost Recovery Request to recover deferred costs associated with COVID-19 pandemic through RBA rate adjustment over three-year period (Jun. 2023 – May 2026)	2022-0118	Consumer Advocate filed its statement of position in Nov. 2022, objecting to the utility's requested relief but recommending certain cost recovery alternatives and reporting requirements. Utility filed reply statement of position in Nov. 2022. In Dec. 2022, utility filed responses to information requests issued by PUC. Order 38829 issued in Jan. 2023 modified the procedural schedule to allow more time for discovery and consideration of the application and also modified the existing reporting requirements.	Utility to file the supplemental report in July 2023. Consumer Advocate's Second Supplemental Information Request ("SSIRs") and the utility's responses to SSIRs are scheduled for May 2023.
Climate Adaptation Transmission and Distribution Resilience Program Request to recover project costs through the EPRM	2022-0135	Consumer Advocate and Participants statements of position filed in March 2023. Utility filed its Reply Statement of Position in April 2023, completing the discovery portion of the docket.	Pending final Decision by PUC.
Energy Equity Investigation A proceeding to investigate how to better integrate equity and justice considerations across Commission proceedings	2022-0250	The Commission temporarily suspended the deadline for motions to intervene and participate but will set a deadline when the proceeding becomes more conclusive. Commission held Opening Conferences on March 1 and 8, 2023.	To be determined.

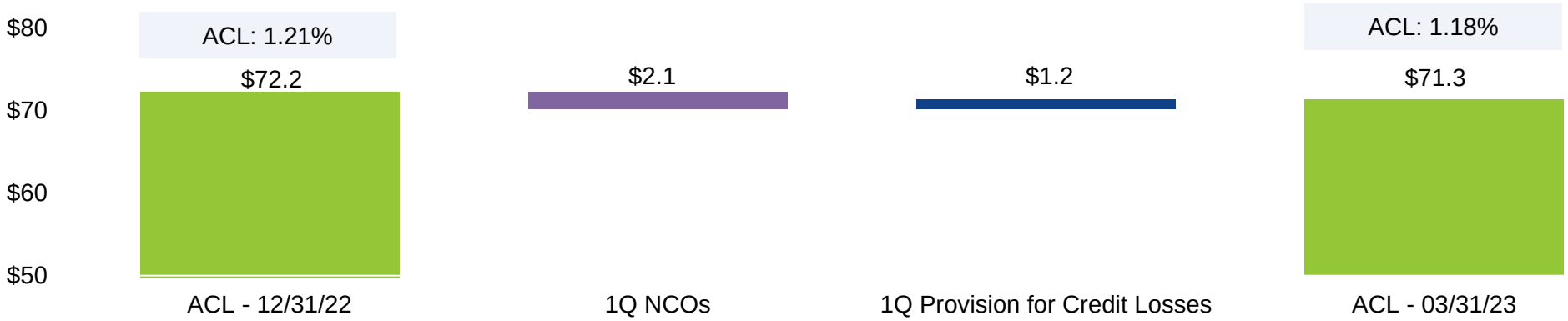
Average Core Deposits Remain Higher than Pre-pandemic Levels



Note: Columns may not foot due to rounding.

Allowance for Credit Losses Reflects Loan Growth and Continued Favorable Credit Trends

ALLOWANCE FOR CREDIT LOSSES (ACL)[1]
($ in millions)

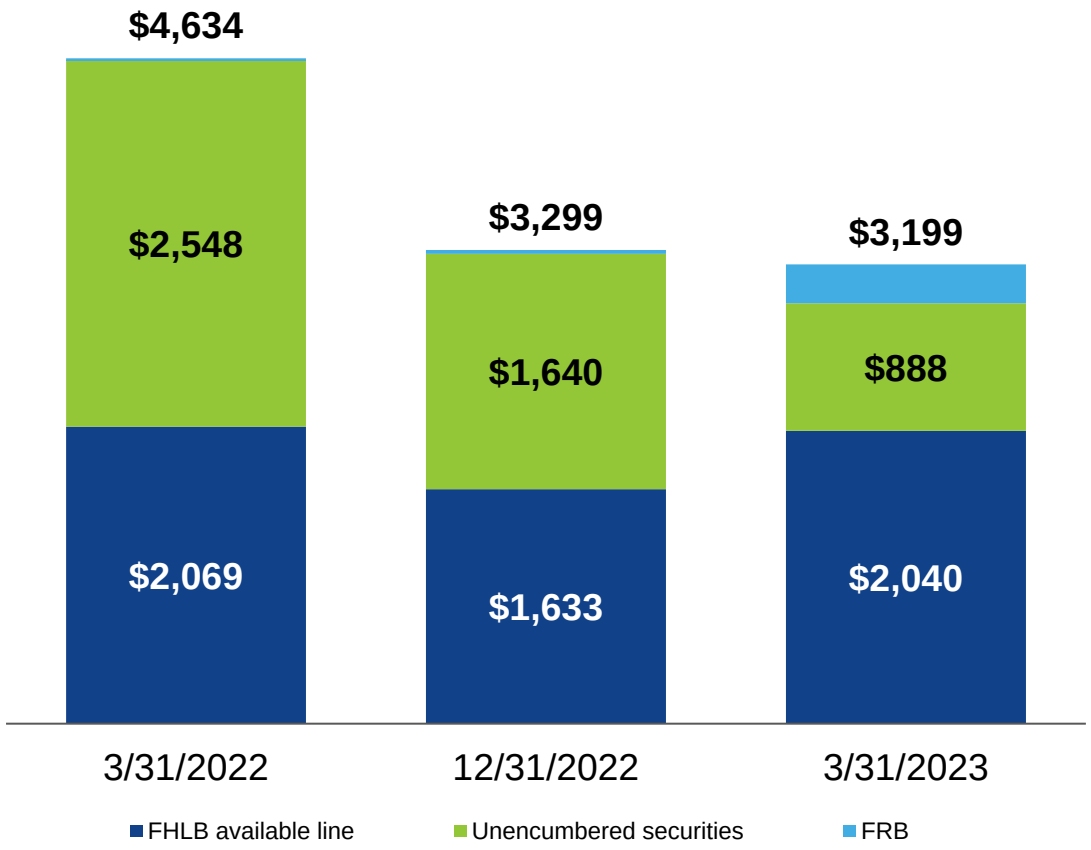


	4Q22	1Q23
Beginning ACL balance	$70.4	$72.2
Provision	$2.7	$1.2
Less: NCOs	($0.9)	($2.1)
Ending ACL balance	$72.2	$71.3

1. Excludes provision for unfunded loan commitments. The reserve for unfunded loan commitments is classified in other liabilities on the balance sheet and excluded from ACL.

Bank Liquidity and Capital Remain Strong

Secured Funding Available ($M)*

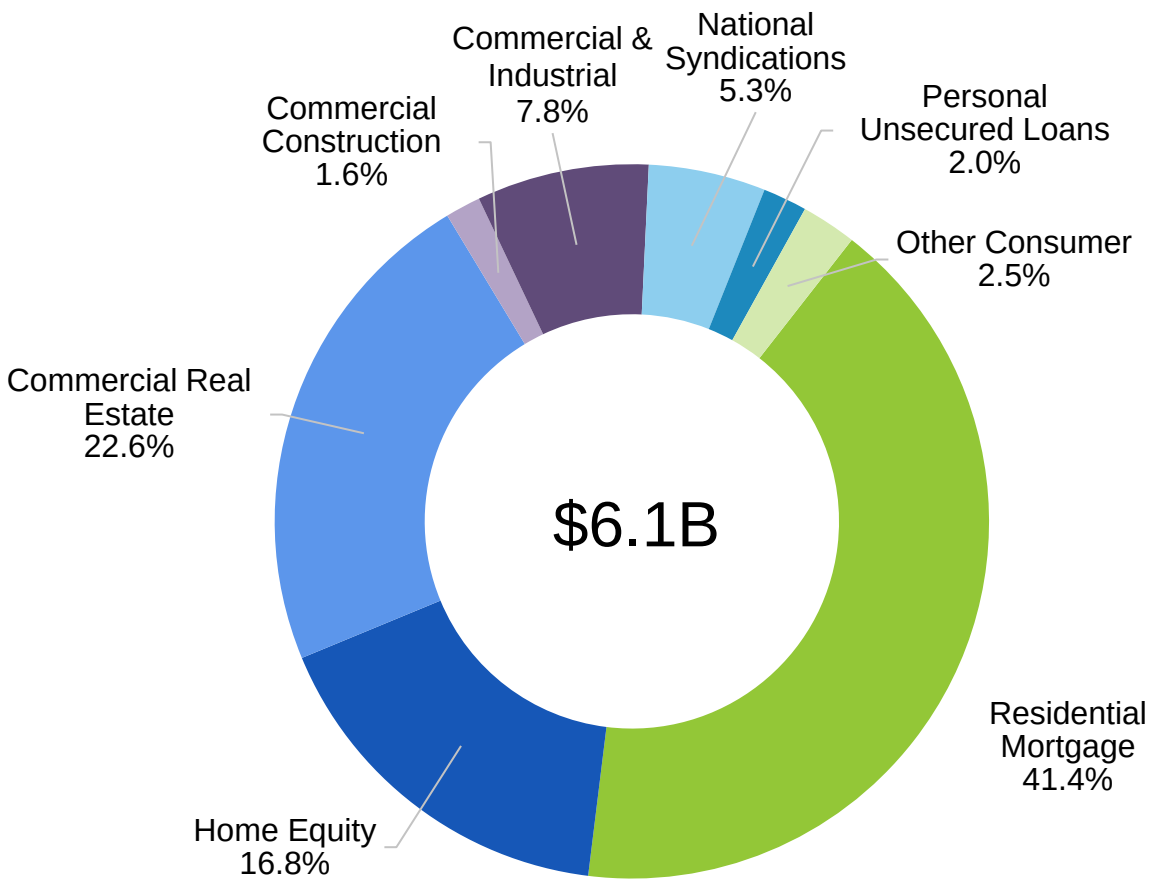


Note: FHLB bar represents borrowing capacity related to eligible loans that could be pledged and the unencumbered securities represent investment securities that could be pledged.

ASB has more than $193M of excess equity above the "well capitalized" level

Capital Ratio	Tier 1 leverage
As of 3/31/23	7.71%
"Well capitalized"	5.00%
Minimum requirements	4.00%

Bank Loan Portfolio: Conservative Profile, Concentrated in Real Estate-Secured Loans

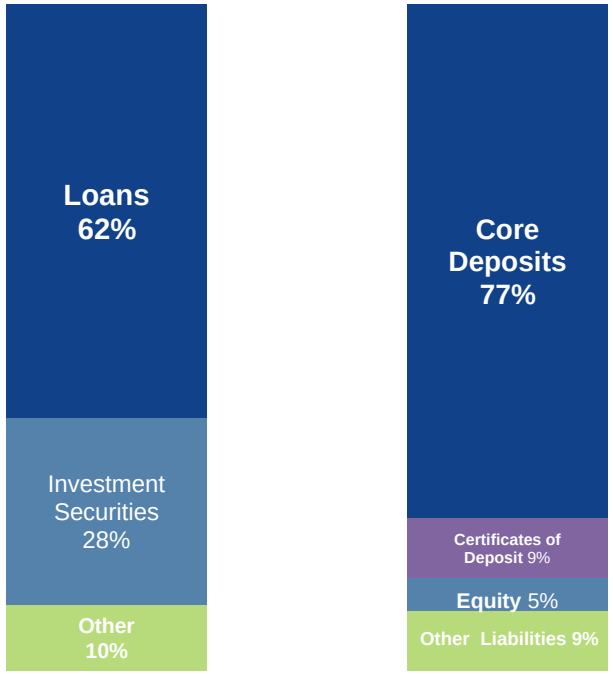


Loan portfolio characteristics		
✓ ~82% of portfolio secured by real estate * Residential Wtd Avg LTV < 50%; CRE Wtd Avg LTV < 55%		
✓ C&I represent ~8% of total loans		
✓ Personal unsecured loans represent ~2% of loans		
$ in millions	**March 31, 2023**	**% of Total Loans**
Residential Mortgage	2,520	41.4%
Home Equity	1,023	16.8%
Commercial Real Estate	1,377	22.6%
Commercial Construction	94	1.6%
Real Estate Secured	**5,014**	**82.4%**
Commercial & Industrial	477	7.8%
National Syndications	324	5.3%
Total Commercial	**801**	**13.1%**
Personal Unsecured Loans	120	2.0%
Other Consumer	153	2.5%
Total Consumer	**273**	**4.5%**
Total Loans	6,088	

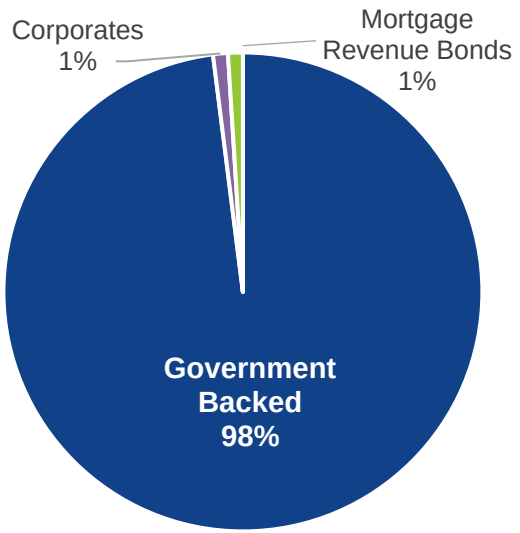
Quality Bank Balance Sheet and Loan Portfolio

ASB[1]

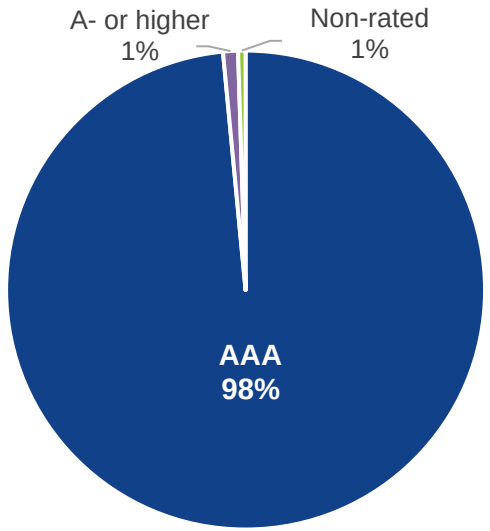
Average yield on earning assets	3.49%
Average cost of funds	0.66%
Return on average equity	15.5%



Investment Portfolio Sectors



Investment Portfolio Ratings



1. For quarter ending 03/31/23.

Cautionary Note Regarding Forward Looking Statements

- This presentation made by Hawaiian Electric Industries, Inc. (HEI) and Hawaiian Electric Company, Inc. (Hawaiian Electric) and their subsidiaries contain “forward-looking statements,” which include statements that are predictive in nature, depend upon or refer to future events or conditions and usually include words such as “will,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “predicts,” “estimates” or similar expressions. In addition, any statements concerning future financial performance, ongoing business strategies or prospects or possible future actions are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties and the accuracy of assumptions concerning HEI and its subsidiaries (collectively, the Company), the performance of the industries in which they do business and economic, political and market factors, among other things. These forward-looking statements are not guarantees of future performance and actual results and financial condition may differ materially from those indicated in the forward-looking statements.
- Risks, uncertainties and other important factors that could cause actual results to differ materially from those described in forward-looking statements and from historical results include, but are not limited to, the following:
- international, national and local economic and political conditions—including the state of the Hawaii tourism, defense and construction industries; the strength or weakness of the Hawaii and continental U.S. real estate markets (including the fair value and/or the actual performance of collateral underlying loans held by ASB, which could result in higher loan loss provisions and write-offs); decisions concerning the extent of the presence of the federal government and military in Hawaii; the implications and potential impacts of future federal government shutdowns, including the impact to our customers’ ability to pay their electric bills and/or bank loans and the impact on the state of Hawaii economy; the implications and potential impacts of U.S. and foreign capital and credit market conditions and federal, state and international responses to those conditions; the potential impacts of global and local developments (including global economic conditions and uncertainties, unrest, terrorist acts, wars, conflicts, political protests, deadly virus epidemic or other crisis); the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; and pandemics;
- the ongoing impact of the COVID-19 pandemic, including any recurrence of the COVID-19 pandemic due to new variants and the potential reinstatement of related government orders and restrictions, and the resulting impact on our employees, customers and suppliers;
- ability to adequately address risks and capitalize on opportunities related to our environmental, social and governance priority areas, which currently include decarbonization, economic health and affordability, reliability and resilience, secure digitalization, diversity, equity and inclusion, employee engagement, and climate-related risks and opportunities;
- citizen activism, including civil unrest, especially in times of severe economic depression and social divisiveness, which could negatively impact customers and employees, impair the ability of the Company and the Utilities to operate and maintain their facilities in an effective and safe manner, and citizen or stakeholder activism that could delay the construction, increase project costs or preclude the completion of third-party or Utility projects that are required to meet electricity demand, resilience and reliability objectives and renewable portfolio standards (RPS) and other climate-related goals;
- the effects of future actions or inaction of the U.S. government or related agencies, including those related to the U.S. debt ceiling or budget funding, monetary policy, trade policy and tariffs, energy and environmental policy, and other policy and regulatory changes advanced or proposed by President Biden and his administration;
- weather, natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the increasing effects of climate change, such as more severe storms, flooding, droughts, heat waves, and rising sea levels) and wildfires, including their impact on the resilience and reliability and cost of the Company’s and Utilities’ operations, collateral underlying ASB loans and the economy;
- the timing, speed and extent of changes in interest rates and the shape of the yield curve, which could result in lower portfolio yields and net interest margin, or higher borrowing costs;
- the ability of the Company and the Utilities to access the credit and capital markets (e.g., to obtain commercial paper and other short-term and long-term debt financing, including lines of credit, and, in the case of HEI, to issue common stock) under volatile and challenging market conditions, and the potential higher cost of such financings, if available;
- the risks inherent in changes in the value of the Company’s pension and other retirement plan assets and ASB’s securities available for sale, and the risks inherent in changes in the value of the Company’s pension liabilities, including changes driven by interest rates and mortality improvements;
- changes in laws, regulations (including tax regulations), market conditions, interest rates and other factors that result in changes in assumptions used to calculate retirement benefits costs and funding requirements;
- increasing competition in the banking industry from traditional financial institutions as well as from non-traditional providers of financial services, including financial service subsidiaries of commercial and manufacturing companies (e.g., increased price competition for loans and deposits, or an outflow of deposits to alternative investments or platforms, which may have an adverse impact on ASB’s net interest margin and portfolio growth);

Cautionary Note Regarding Forward Looking Statements

- the potential delay by the Public Utilities Commission of the State of Hawaii (PUC) in considering (and potential disapproval of actual or proposed) renewable energy or resilience proposals, among others, and related costs; reliance by the Utilities on outside parties such as the state, independent power producers (IPPs) and developers; supply-chain challenges; and uncertainties surrounding technologies, solar power, wind power, biofuels, environmental assessments required to meet RPS and other climate-related goals; the impacts of implementation of the renewable energy and resilience proposals on future costs of electricity and potential penalties imposed by the PUC for delays in the commercial operations of renewable energy projects;
- the ability of the Utilities to develop, implement and recover the costs of implementing the Utilities' action plans included in their updated Power Supply Improvement Plans, Demand Response Portfolio Plan, Distributed Generation Interconnection Plan, Grid Modernization Plans, and business model changes, which have been and are continuing to be developed and updated in response to the orders issued by the PUC, the PUC's April 2014 statement of its inclinations on the future of Hawaii's electric utilities and the vision, business strategies and regulatory policy changes required to align the Utilities' business model with customer interests and the state's public policy goals, and subsequent orders of the PUC;
- the ability of the Utilities to recover undepreciated cost of fossil fuel generating units, if they are required to be retired before the end of their expected useful life;
- capacity and supply constraints or difficulties, especially if generating units (utility-owned or IPP-owned) fail or measures such as demand-side management, distributed generation, combined heat and power or other firm capacity supply-side resources fall short of achieving their forecasted benefits or are otherwise insufficient to reduce or meet peak demand;
- high and/or volatile fuel prices, which increases working capital requirements and customer bills, or delivery of adequate fuel by suppliers (including as a result of the Russia-Ukraine war), which could affect the reliability of utility operations, and the continued availability to the electric utilities of their energy cost recovery clauses (ECRCs);
- the continued availability to the electric utilities or modifications of other cost recovery mechanisms, including the purchased power adjustment clauses (PPACs), annual revenue adjustment (ARA) and pension and postretirement benefits other than pensions (OPEB) tracking mechanisms, and the continued decoupling of revenues from sales to mitigate the effects of declining kilowatt-hour sales;
- the ability of the Utilities to recover increasing costs and earn a reasonable return on capital investments not covered by the ARA, while providing the customer dividend required by performance-based regulation (PBR);
- the impact from the PUC's implementation of PBR for the Utilities pursuant to Act 005, Session Laws 2018, including the potential addition of new performance incentive mechanisms (PIMs), third-party proposals adopted by the PUC in its implementation of PBR, and the implications of not achieving performance incentive goals;
- the impact of fuel price levels and volatility on customer satisfaction and political and regulatory support for the Utilities;
- unfavorable changes in economic conditions, such as sustained inflation, higher interest rates or recession, may negatively impact the ability of the Company's customers to pay their utility bills or loan payments, reduce loan production, and increase operating costs of the Utilities or Bank that cannot be passed on to, or recovered, from customers;
- the risks associated with increasing reliance on renewable energy, including the availability and cost of non-fossil fuel supplies for renewable energy generation and the operational and related cost impacts of adding intermittent sources of renewable energy to the electric grid;
- the growing risk that energy production from renewable generating resources may be curtailed and the interconnection of additional resources will be constrained as more generating resources are added to the Utilities' electric systems and as customers reduce their energy usage;
- the ability of IPPs to deliver the firm capacity anticipated in their power purchase agreements (PPAs);
- the potential that, as IPP contracts near the end of their terms, there may be less economic incentive for the IPPs to make investments in their units to ensure the availability of their units;
- the ability of the Utilities to negotiate, periodically, favorable agreements for significant resources such as fuel supply contracts and collective bargaining agreements and avoid or mitigate labor disputes and work stoppages;
- new technological developments that could affect the operations and prospects of the Utilities and ASB or their competitors such as the commercial development of energy storage and microgrids and banking through alternative channels, including use of digital currencies, which could include a central bank digital currency;
- cybersecurity risks and the potential for cyber incidents, including potential incidents at HEI, its subsidiaries (including at ASB branches and electric utility plants), its third-party service providers, contractors and customers with whom they have shared data (IPPs, distributed energy resources (DER) aggregators and customers enrolled under DER programs) and incidents at data processing centers used, to the extent not prevented by intrusion detection and prevention systems, anti-virus software, firewalls and other general IT controls;

Cautionary Note Regarding Forward Looking Statements

- failure to achieve remaining cost savings commitment related to the management audit committed savings of $33 million over the 2021 to 2025 multi-year rate period (MRP);
- federal, state, county and international governmental and regulatory actions, such as existing, new and changes in laws, rules and regulations applicable to HEI, the Utilities and ASB (including changes in taxation and tax rates, increases in capital requirements, regulatory policy changes, environmental laws and regulations (including resulting compliance costs and risks of fines and penalties and/or liabilities), the regulation of greenhouse gas emissions, governmental fees and assessments (such as Federal Deposit Insurance Corporation assessments), and potential carbon pricing or “cap and trade” legislation that may fundamentally alter costs to produce electricity and accelerate the move to renewable generation);
- developments in laws, regulations and policies governing protections for historic, archaeological and cultural sites, and plant and animal species and habitats, as well as developments in the implementation and enforcement of such laws, regulations and policies;
- discovery of conditions that may be attributable to historical chemical releases, including any necessary investigation and remediation, and any associated enforcement, litigation or regulatory oversight;
- decisions by the PUC in rate cases and other proceedings (including the risks of delays in the timing of decisions, adverse changes in final decisions from interim decisions and the disallowance of project costs as a result of adverse regulatory audit reports or otherwise);
- decisions by the PUC and by other agencies and courts on land use, environmental and other permitting issues (such as required corrective actions, restrictions and penalties that may arise, such as with respect to environmental conditions or RPS);
- potential enforcement actions by the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (FRB), the Federal Deposit Insurance Corporation (FDIC) and/or other governmental authorities (such as consent orders, required corrective actions, restrictions and penalties that may arise, for example, with respect to compliance deficiencies under existing or new banking and consumer protection laws and regulations or with respect to capital adequacy);
- the risks associated with the geographic concentration of HEI’s businesses and ASB’s loans, ASB’s concentration in a single product type (i.e., first mortgages) and ASB’s significant credit relationships (i.e., concentrations of large loans and/or credit lines with certain customers);
- changes in accounting principles applicable to HEI and its subsidiaries, including the adoption of new U.S. accounting standards, the potential discontinuance of regulatory accounting related to PBR or other regulatory changes, the effects of potentially required consolidation of variable interest entities (VIEs), or required finance lease or on-balance-sheet operating lease accounting for PPAs with IPPs;
- downgrades by securities rating agencies in their ratings of the securities of HEI and Hawaiian Electric and their impact on results of financing efforts;
- faster than expected loan prepayments that can cause a decrease in net interest income and portfolio yields, an acceleration of the amortization of premiums on loans and investments and the impairment of mortgage-servicing assets of ASB;
- changes in ASB’s loan portfolio credit profile and asset quality and/or mix, which may increase or decrease the required level of provision for credit losses, allowance for credit losses (ACL) and charge-offs;
- changes in ASB’s deposit levels, cost or mix which may have an adverse impact on ASB’s cost of funds;
- unanticipated changes from the expected discontinuance of LIBOR and the transition to an alternative reference rate, which may include adverse impacts to the Company’s cost of capital, loan portfolio and interest income on loans;
- the final outcome of tax positions taken by HEI and its subsidiaries;
- the risks of suffering losses and incurring liabilities that are uninsured (e.g., damages to the Utilities’ transmission and distribution system and losses from business interruption) or underinsured (e.g., losses not covered as a result of insurance deductibles or other exclusions or exceeding policy limits), and the risks associated with the operation of transmission and distribution assets and power generation facilities, including public and employee safety issues, and assets causing or contributing to wildfires;
- the ability of the Company’s non-regulated subsidiary, Pacific Current, LLC (Pacific Current), to achieve its performance and growth objectives, which in turn could affect its ability to service its non-recourse debt;
- the Company’s reliance on third parties and the risk of their non-performance, which has increased due to the impact from the COVID-19 pandemic supply chain issues; and
- other risks or uncertainties described elsewhere in this report and in other reports (e.g., “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K) previously and subsequently filed by HEI and/or Hawaiian Electric with the Securities and Exchange Commission.

Forward-looking statements speak only as of the date of the presentation or filing in which they are made. Except to the extent required by the federal securities laws, HEI, Hawaiian Electric, ASB, Pacific Current and their subsidiaries undertake no obligation to publicly update or revise any forward-looking statements, whether written or oral and whether as a result of new information, future events or otherwise.