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.

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 U.S. and foreign capital and credit market conditions and federal, state and international responses to those conditions; and the potential impacts of global developments (including global economic conditions and uncertainties; the effects of the United Kingdom's referendum to withdraw from the European Union; unrest; the conflict in Syria; the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; terrorist acts by ISIS or others; potential conflict or crisis with North Korea; and potential pandemics);
- the effects of future actions or inaction of the U.S. government or related agencies, including those related to the U.S. debt ceiling, monetary policy and policy and regulation changes advanced or proposed by President Trump and his administration;
- weather and natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the potential effects of climate change, such as more severe storms and rising sea levels), including their impact on the Company's and Utilities' operations and the economy;
- the timing and extent of changes in interest rates and the shape of the yield curve;
- 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 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;
- changes in laws, regulations, market conditions and other factors that result in changes in assumptions used to calculate retirement benefits costs and funding requirements;
- the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) and of the rules and regulations that the Dodd-Frank Act requires to be promulgated;
- increasing competition in the banking industry (e.g., increased price competition for deposits, or an outflow of deposits to alternative investments, which may have an adverse impact on ASB's cost of funds);
- the impacts of the termination of the Merger with NextEra Energy, Inc. (NEE) and the resulting loss of NEE's resources, expertise and support (e.g., financial and technological), including potentially higher costs and longer lead times to increase levels of renewable energy and to complete projects like Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) and smart grids, and a higher cost of capital;
- 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 proposals and related costs; reliance by the Utilities on outside parties such as the state, independent power producers (IPPs) and developers; and uncertainties surrounding technologies, solar power, wind power, biofuels, environmental assessments required to meet renewable portfolio standards (RPS) goals and the impacts of implementation of the renewable energy proposals on future costs of electricity;
- 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 (PSIPs), 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 in April 2014, its April 2014 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;
- capacity and supply constraints or difficulties, especially if generating units (utility-owned or IPP-owned) fail or measures such as demand-side management (DSM), distributed generation (DG), 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;
- fuel oil price changes, delivery of adequate fuel by suppliers and the continued availability to the electric utilities of their energy cost adjustment clauses (ECACs);
- the continued availability to the electric utilities or modifications of other cost recovery mechanisms, including the purchased power adjustment clauses (PPACs), rate adjustment mechanisms (RAMs) 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 kilowatthour sales;
- the impact of fuel price volatility on customer satisfaction and political and regulatory support for the Utilities;

- 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 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;
- new technological developments that could affect the operations and prospects of the Utilities and ASB or their competitors;
- new technological developments, such as the commercial development of energy storage and microgrids, that could affect the operations of the Utilities;
- cyber security risks and the potential for cyber incidents, including potential incidents at HEI, ASB and the Utilities (including at ASB branches and electric utility plants) and incidents at data processing centers they use, to the extent not prevented by intrusion detection and prevention systems, anti-virus software, firewalls and other general information technology controls;
- 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, 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 “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 ability of the Utilities to recover increasing costs and earn a reasonable return on capital investments not covered by RAMs;
- 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, the Utilities and ASB, including the adoption of new U.S. accounting standards, the potential discontinuance of regulatory accounting and the effects of potentially required consolidation of variable interest entities (VIEs) or required capital lease accounting for PPAs with IPPs;
- changes by securities rating agencies in their ratings of the securities of HEI and Hawaiian Electric and the results of financing efforts;
- faster than expected loan prepayments that can cause 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 which may increase or decrease the required level of provision for loan losses, allowance for loan losses and charge-offs;
- changes in ASB’s deposit cost or mix which may have an adverse impact on ASB’s cost of funds;
- the final outcome of tax positions taken by HEI, the Utilities and ASB;
- 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
- 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 (SEC).

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 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.

Hawaiian Electric Industries, Inc.

Third Quarter 2017 Financial Results and Outlook

November 2, 2017



YTD 2017 Highlights

- Third quarter financial results in line with full year expectations

Hawaiian Electric

- Hawaii Electric Light 2016 Test Year Interim D&O
- Filed Maui Electric 2018 Test Year Rate Case
- Hawaii Public Utilities Commission accepts the Power Supply Improvement Plan update
- Filed grid modernization strategy with the PUC

AMERICAN Savings Bank

- Strong financial performance
- Higher net interest income
- Strong deposit growth
- Improving efficiency and credit quality

Foundational Framework for Hawaii's Renewable Future

Power Supply Improvement Plan (PSIP) Update (Docket No. 2014-0183)

- Comprehensive & flexible roadmap for Hawaii's 100% renewable future
- Details a proposed five-year action plan through 2021
- Accepted July 2017

Grid Modernization Strategy (Docket No. 2016-0226)

- Tangible vision for building more resilient and renewable-ready island grids
- Filed August 2017 and public comment period closed

Resource Acquisition

- Utility authorized to open competitive bidding process to procure largest amount of renewable resources, including storage, ever to be developed in Hawaii
- Targeted renewable resources through 2022
  Oahu: 220 MW *Maui*: 100 MW (incl. 40 MW firm generation) *Hawaii Island*: 50 MW

Demand Response Management System (DRMS)

- Costs recovered through Renewable Energy Infrastructure Program (REIP) until included in base rates

Rates and Recovery Mechanism Developments

Hawaii Electric Light 2016 Rate Case (Docket No. 2015-0170)

- Interim Decision and Order (D&O) effective Aug. 31, 2017
  Rate increase of 3.4% ($9.9 million) Allowed ROE of 9.5%
- *Sept. 20, 2017:* Filed briefs supporting a 9.75% ROE for the final award
- No statutory deadline for a final D&O

Hawaiian Electric (Oahu) 2017 Rate Case (Docket No. 2016-0328)

- *Nov.15, 2017*: Joint Settlement Agreement submitted (if reached)
- *Nov.17, 2017*: Statement of Probable Entitlement Filing
- *Dec.15, 2017*: PUC tentatively scheduled Interim D&O
  - Interim D&O expected no later than April 2018

Maui Electric 2018 Rate Case (Docket No. 2017-0150)

- *Oct. 12, 2017*: Filed 2018 test year rate case
- Requested 9.3% rate increase ($30.1 million)
- Interim decision expected 2H2018

Major Projects Interim Recovery (MPIR) Adjustment Mechanism

- Requested recovery via MPIR of the following projects:
  - Schofield Barracks 50 MW Generating Station: expected in service in 2Q 2018
  - West Loch Annex at Joint Base Pearl Harbor-Hickam 20 MW Solar Facility: expected in service 4Q 2018

Performance Incentive Mechanisms (PIMs)

- *Sep. 2017*: PIM tariffs proposed to become effective Jan. 1, 2018
  - System Average Interruption Duration Index (penalties only) and System Average Interruption Frequency Index (penalties only); approximately $6 million maximum penalty combined in total for all three utilities
  - Call Center Performance (penalty or incentive); approximately $1.2 million maximum penalty or incentive in total for all three utilities
- First reward or penalty to be incorporated in 2019 annual decoupling filing

Residential Solar and Other Customer Developments

RESIDENTIAL SOLAR (DER 2.0)

New "Advanced Inverter" Functions

- Authorizes activation of new "advanced inverter" functions in PV and storage systems
- Advanced inverters provide support to the electric grid during different types of grid disturbances
- Activating these functions in the new Smart Export and CGS+ systems helps to maintain a stable and reliable grid

Smart Export Program

- New option for rooftop PV plus battery
- Option to export power back to the grid during the evening, overnight and early morning
- Credit rates for electricity: less than the full retail rate and based on average marginal cost (14.97 cents/kWh on Oahu; credit varies by island)

Controllable Customer Grid Supply (CGS+)

- PV-only system *without* energy storage
- Option to export power back to the grid during the day
- Credit rates for electricity: less than the full retail rate and based on the average on-peak avoided cost (10.08 cents/kWh on Oahu; credit varies by island)

Existing Customers

- Existing Net Energy Metering (NEM) customers allowed to add to their systems under new programs and maintain NEM benefits for their currently existing systems
  - Decision clarifies that existing NEM customers can add "non-export" systems and retain their status in the NEM program for their exporting systems
- Existing Customer Grid Supply (CGS) program customers grandfathered for next five years
  - Oahu customers are currently credited at ~15 cents /kWh for excess energy sent to the grid

Other Customer Service Developments

- New mobile app, including outage map and platform for future customer service enhancements
- Introduced first-of-its-kind online private rooftop solar interconnection tool, enabling customers to fill out paperwork online, sign documents and check the status of applications.
- Opened 12th utility-owned fast charger for electric vehicles

Hawaii's economy continues to grow

Tourism

Year-over-year change	September 2017	YTD September 2017
Arrivals	+5.1%	+4.9%
Expenditures	+1.9%	+7.1%

Unemployment

- September 2017 – Hawaii: 2.5%; U.S.: 4.2%

Real Estate

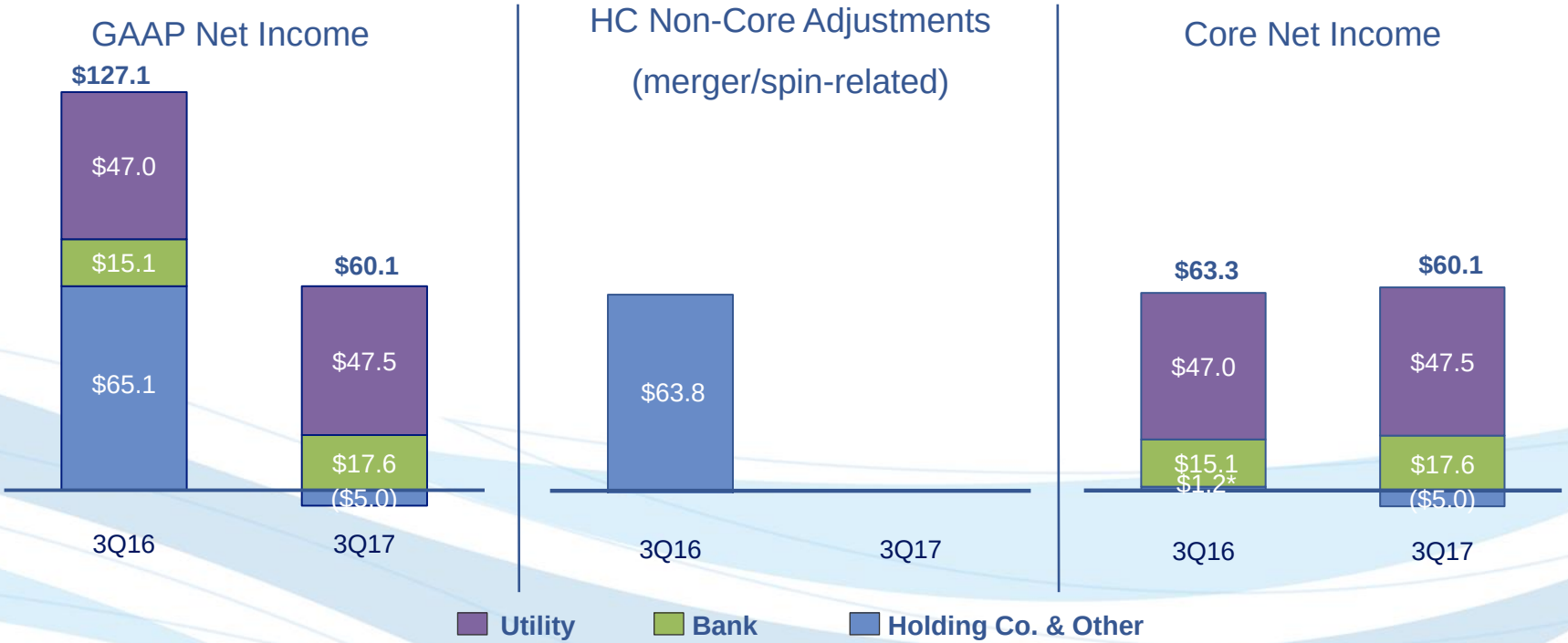
- Oahu sales volume YTD September 2017 compared to the prior year:
  - Oahu single family homes: up 5.0%
  - Condominiums: up 5.8%
- Oahu median sales prices in September 2017:
  - Single family homes: $760,000 up 1.3% from the prior year
  - Condominiums: $425,000 up 10.9% from the prior year

Real State GDP

- Expected to increase 0.6% in 2017 (UHERO)

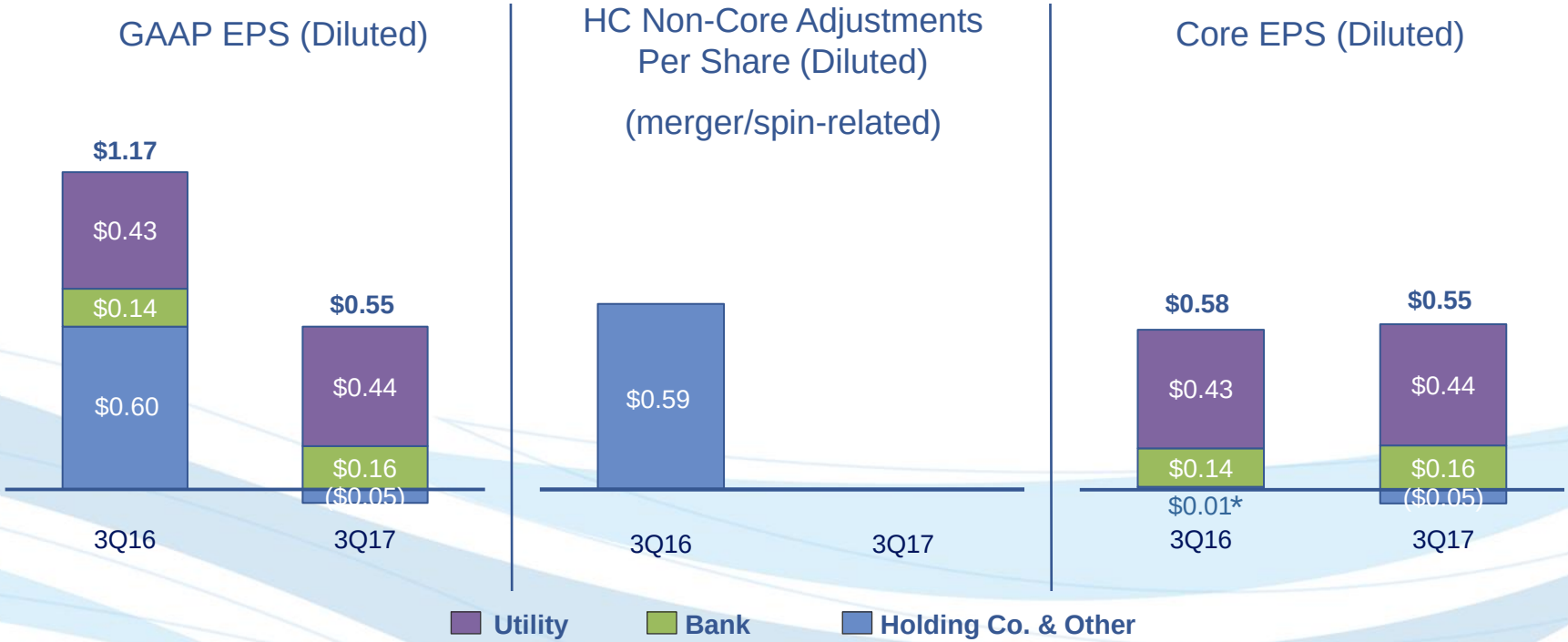
Sources: Department of Business, Economic Development and Tourism, U.S. Bureau of Labor Statistics and the state of Hawaii Department of Labor and Industrial Relations. 2017 estimate from the University of Hawaii Economic Research Organization (UHERO) September 29, 2017 report.

Consolidated 3Q Earnings – Net Income ($ millions)



* 3Q16 holding company includes $6 million favorable tax benefits as HEI moved out of a federal net operating loss position
Note: Columns may not foot due to rounding
See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.

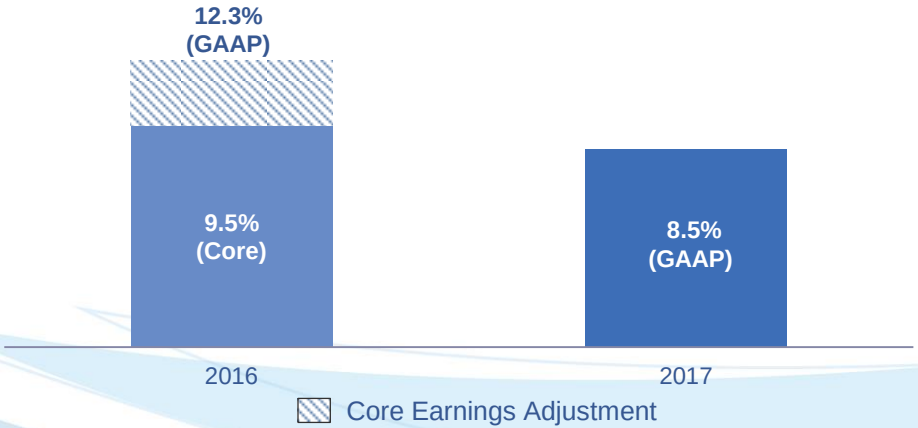
Consolidated 3Q Earnings – EPS ($ per share)



* 3Q16 holding company includes $0.06 per share favorable tax benefits as HEI moved out of a federal net operating loss position
Note: Columns may not foot due to rounding
See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.

HEI ROE

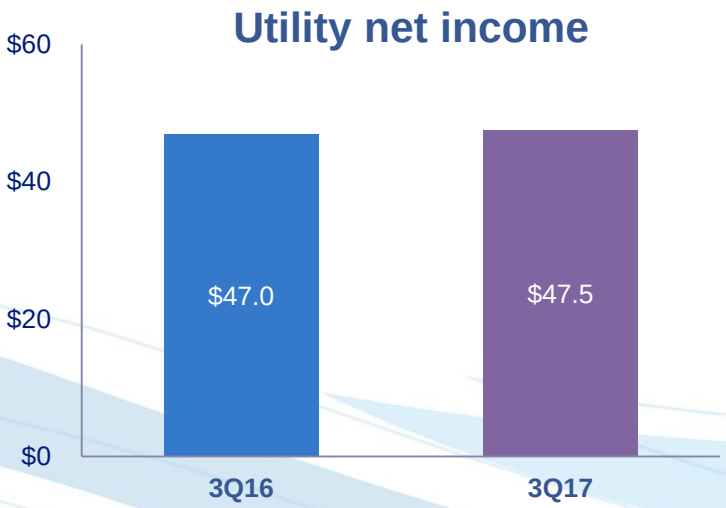
Consolidated HEI ROE
Twelve Months Ended September 30



GAAP	2016	2017
Utility	8.1%	7.2%
Bank	9.8%	11.2%

See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.
Note: All ROEs calculated using net income divided by average GAAP common equity, simple average method

3Q17 utility financial highlights (in millions)



Key utility core earnings drivers, after-tax fav/(unfav)	3Q17 vs 3Q16
Higher RAM revenues	2
Hawaii Electric Light 2016 interim rate increase	<1
Net revenues*	2
O&M, excluding net income neutral items	(4)
Allowance for funds used during construction	2
Depreciation	(1)
Other	1

*Net revenues is “Revenues” less the following expenses: “fuel oil,” “purchased power,” and “taxes, other than income taxes”

Note: Columns may not foot due to rounding

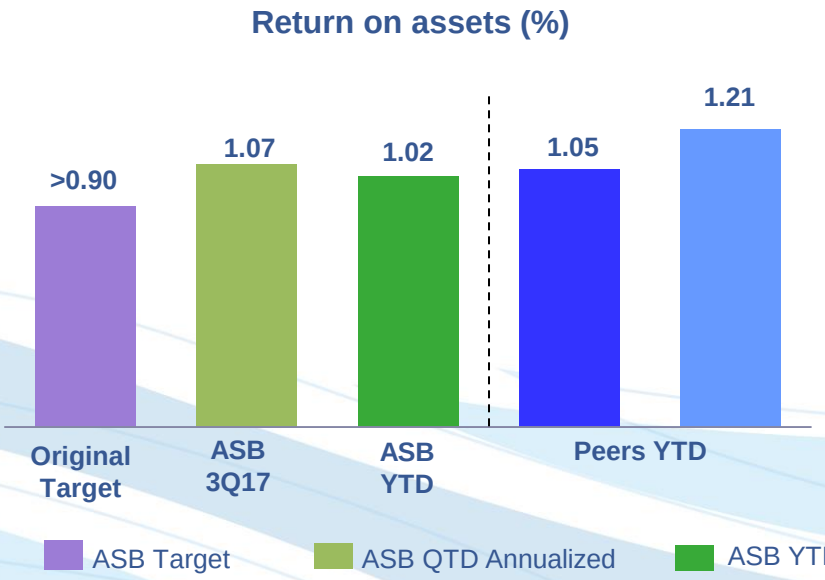
3Q17 bank financial highlights (in millions)

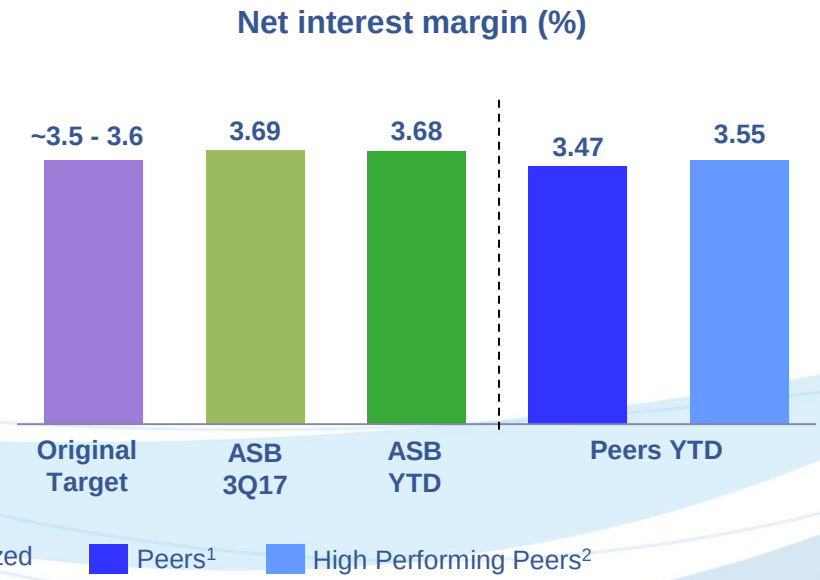
Bank net income



Key bank earnings drivers, after-tax fav/(unfav)	3Q17 vs 2Q17	3Q17 vs 3Q16
Net interest income	--	3
Provision for loan losses	1	3
Noninterest income	(1)	(2)
Noninterest expense	--	(1)

Bank 3Q17 performance



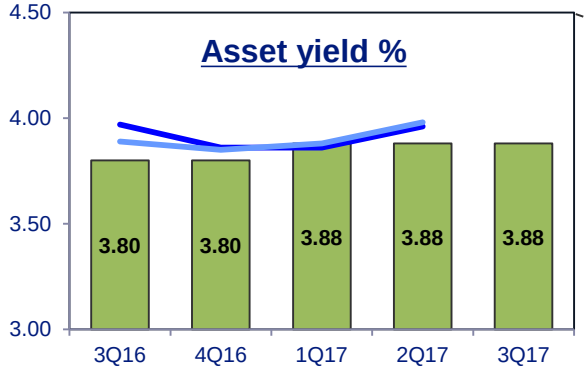


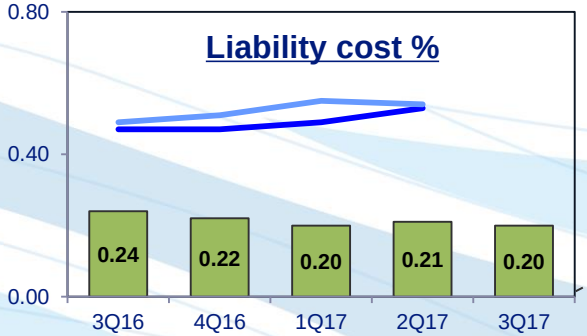
Source for peer data: SNL Financial (based upon data available as of October 31, 2017)
Note: Quarterly and YTD information are annualized

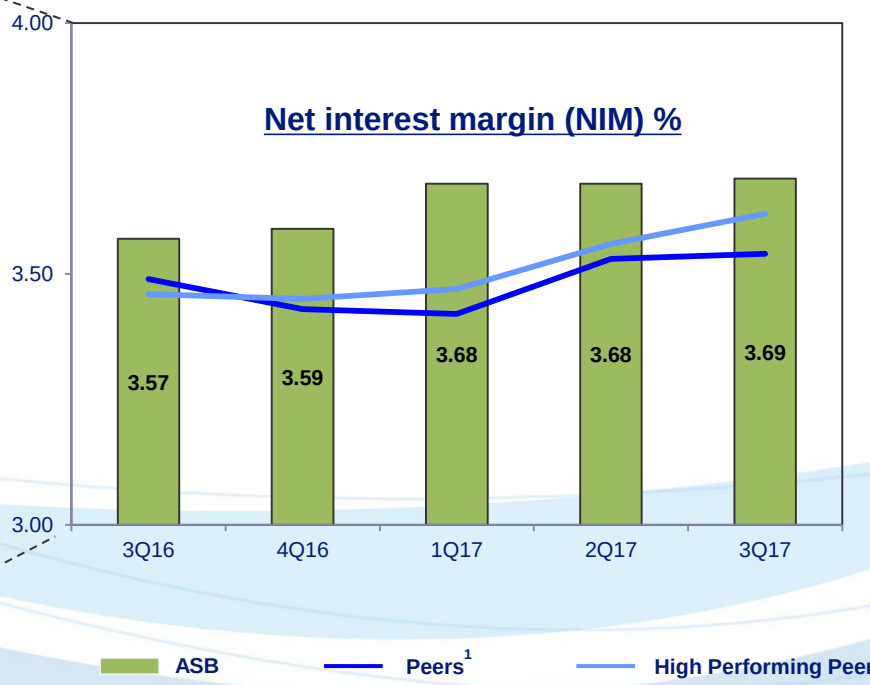
[1] Median for peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets and not subject to the Durbin Amendment caps limiting interchange fees. See ASB Peer Group – 2017.

[2] Median for peer group of 18 high performing banks and not subject to the Durbin Amendment caps limiting interchange fees. See ASB Peer Group - 2017.

Net interest margin



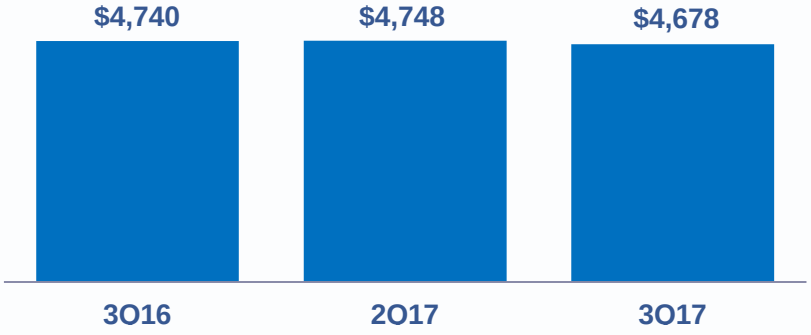




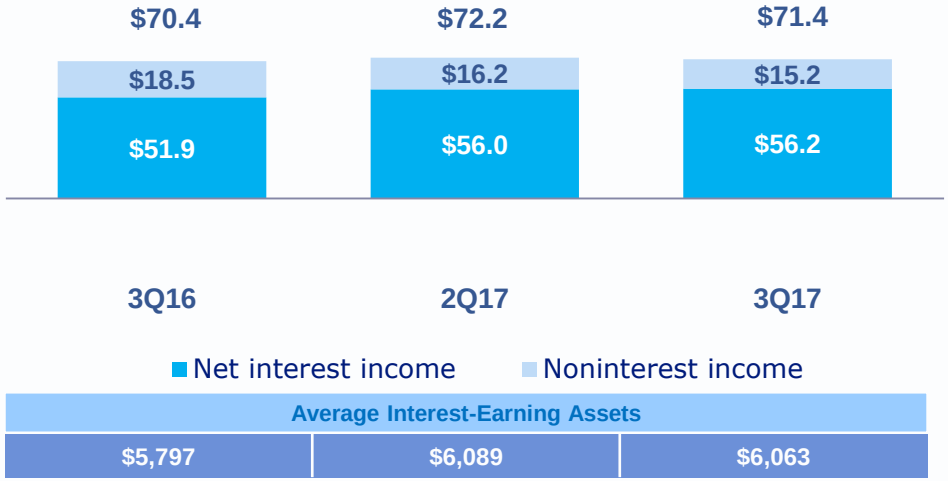
Source for peer data: SNL Financial (based upon data available as of October 31, 2017)
Asset Yield: Total interest income as a percentage of average interest-earning assets
Liability Cost: Total interest expense as a percentage of average interest-bearing and non-interest bearing liabilities
Net Interest Margin: Net interest income as a percentage of average interest-earning assets
[1] Median for peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See appendix.
[2] Median for peer group of 18 high performing banks. See appendix.

Revenue growth driven primarily by net interest income ($ in millions)

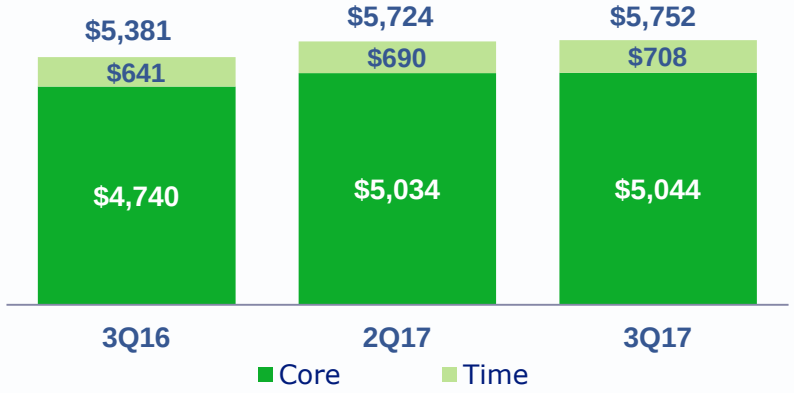
Total loans



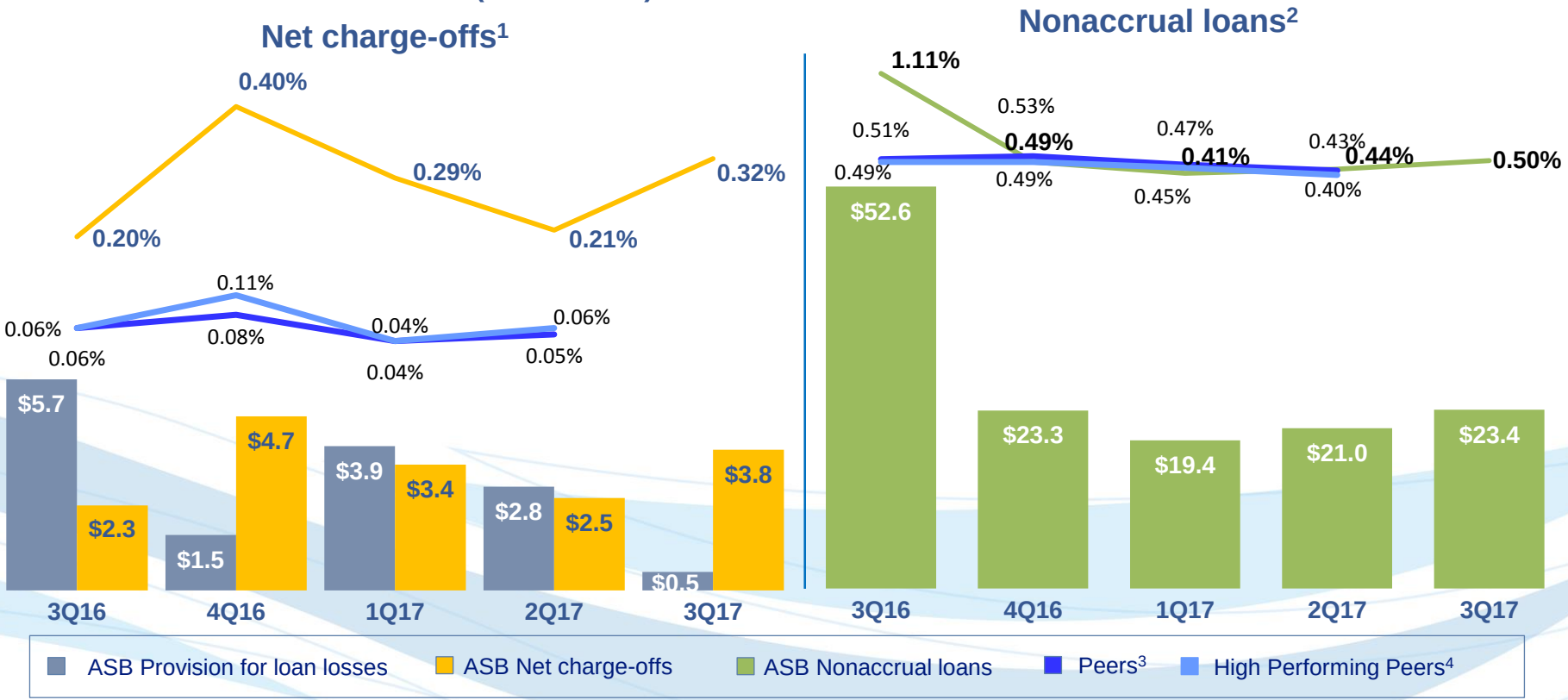
Net interest income and noninterest income



Total deposits



Credit quality improving: significant reductions in nonaccrual loans ($ in millions)



Source for peer data: SNL Financial (based upon data available as of October 31, 2017)

[1] Quarterly net charge-off ratio reflected as a percentage of average loans held during the period

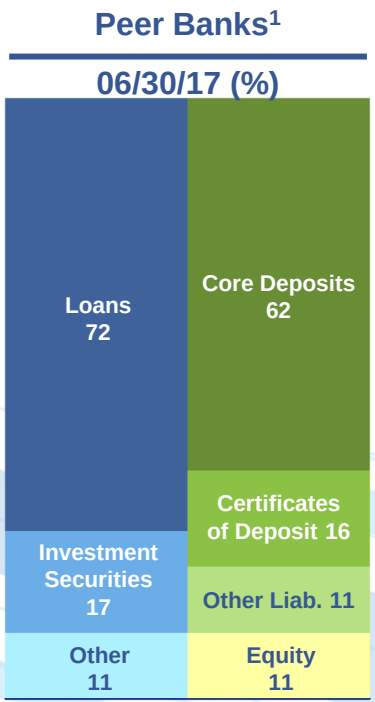
[2] Quarterly nonaccrual loans ratio reflected as a percentage of total loans

[3] Median for peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See ASB Peer Group - 2017.

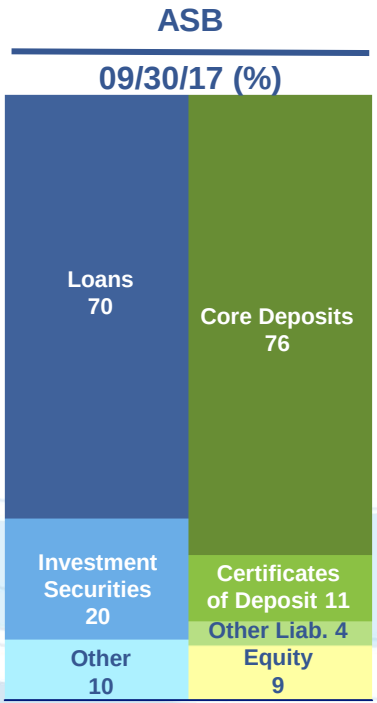
[4] Median for peer group of 16 high performing banks. See ASB Peer Group - 2017.

Quality balance sheet

- Overall loan-to-deposit ratio of 81%
- 100% of ASB loans funded with low-cost core deposits



Peer median of avg yield on earning assets 2Q17: 3.96%
Peer median of avg cost of funds 2Q17: 0.53%

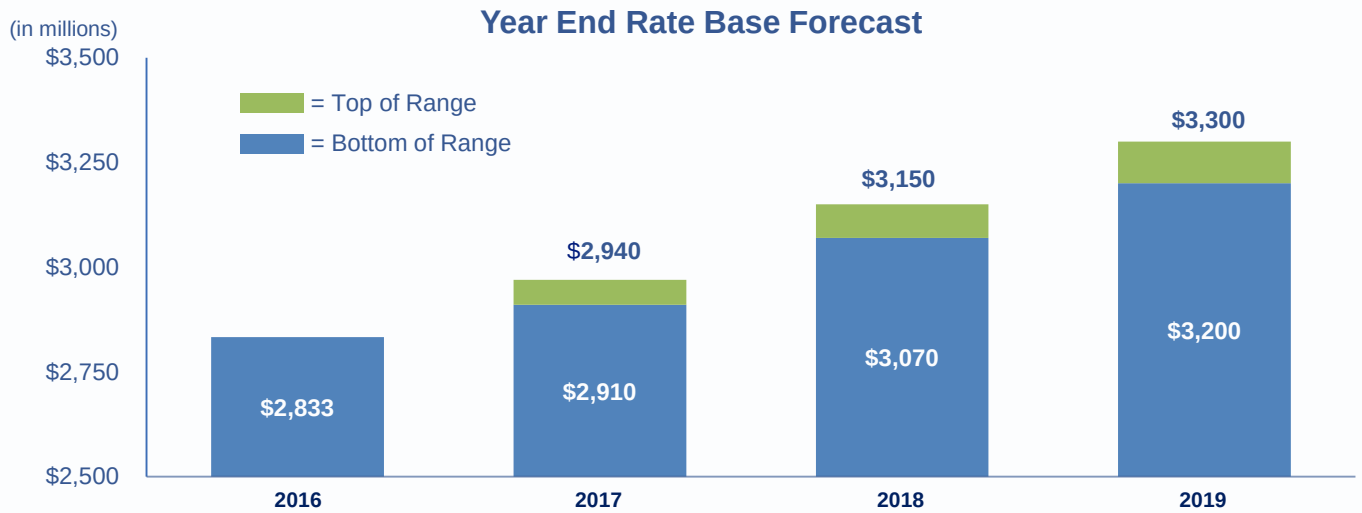


Avg yield on earning assets 3Q17: 3.88%
Avg cost of funds 3Q17: 0.20%

- Leverage ratio: 8.7%
- Tangible common equity to tangible assets: 8.0%
- Total capital ratio: 13.9%

Source for peer data: SNL Financial (based on data available as of October 31, 2017)
[1] Peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See ASB Peer Group - 2017.

Clean energy and reliability projects drive capital investments



		2016	2017	2018	2019
	Rate Base Growth[2]	3%	3-4%	6-8%	3-6%
	RAM Plant Addition Cap		~$275	~$275	~$275
	Capex (net of CIAC)	$318	$400	$450	$450
	PUC Approved Selected Major Capex Projects				
[50 MW]	• Schofield [1]		$89	$21	--
	• ERP[1]		30	30	--
[20 MW]	• Joint Base Pearl Harbor PV [1]		3	59	--
	Other Major Projects				
	• PUC Approved		21	21	7
	• Pending PUC Approval		1	7	39

1 Schofield Generating Station (Schofield), Enterprise Resource Planning (ERP) system, and Joint Base Pearl Harbor PV forecasted to be placed into service in 2018

2 Rate base is impacted primarily by plant additions but also includes other items (i.e. unamortized contributions in aid of construction, accumulated deferred income taxes, certain regulatory assets, etc.)

HEI 2017 EPS guidance (as of November 2, 2017)

HEI EPS: $1.55 - $1.70 per share

No new equity issuances through 2018

Utility EPS: $1.17 - $1.27

Key Assumptions:

- Decoupling model: March 2015 Decision & Order
- 2013 Settlement Agreement expiration resets 2017 RAM revenue recognition to June 1 (~$0.13 EPS impact for 2017)
- O&M[1]: forecasted at 2% above 2016 levels
- Fuel efficiency: similar to rate case levels, subject to changes due to demands on the system
- Rate base growth: 3% - 4% based upon 2017 capex of $400 million
- Equity capitalization: currently implemented rate case levels
- LT debt: ~$50 million of new issuances to support capex plan

Bank EPS: $0.58 - $0.60

Key Assumptions:

- Net interest income: mid-single digit asset growth
- NIM: ~3.6% to 3.7%
- Provision expense: $11 million to $14 million
- Net charge-offs: 23 bps to 29 bps
- ROA of > 0.95%

Note: Holding company & other net loss estimated at **$0.13 - $0.15**

1 Excludes operations and maintenance (O&M) expenses covered by surcharges or by third parties that are neutral to net income

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 2016 SEC Form 10-K and SEC Form 10-Q for the quarter ended September 30, 2017.

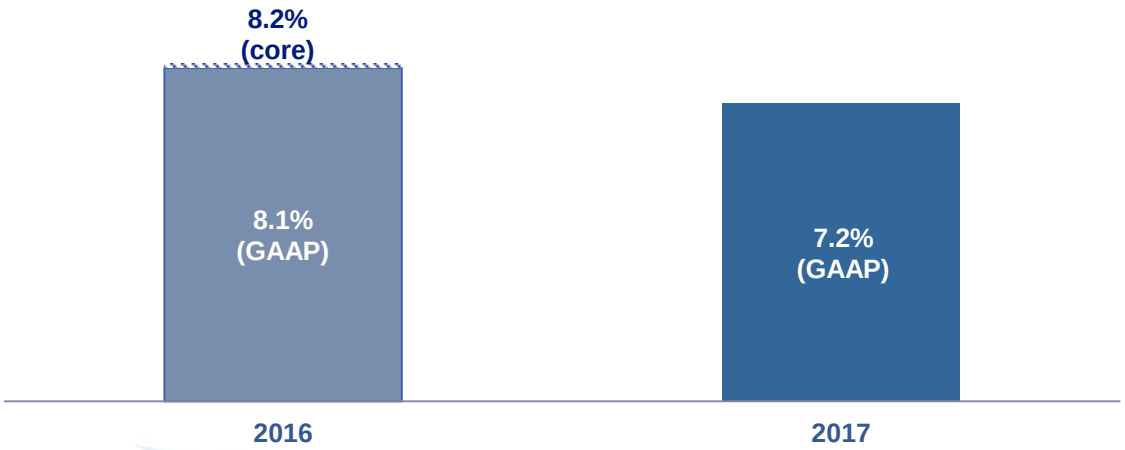
- **HEI remains a strong company that is well-positioned to achieve its goals of providing long-term value for our customers, community, employees and shareholders**
- **Hawaiian Electric Company**
  - Expanding our renewable energy portfolio to reach 100% RPS goal by 2045
  - Modernizing grid to increase resilience, reliability and promote sustainable communities
  - Focused on expanding customer options and increasing customer value
  - Promote electrification to encourage a broader clean energy vision for Hawaii
- **American Savings Bank**
  - Focused on profitability
  - Deepening customer relationships
  - Improving operating efficiency
  - Enhancing asset quality
- Attractive **dividend yield** of 3.4%[1]; dividends paid for 116 years

[1] As of November 1, 2017

Appendices

Utility ROE

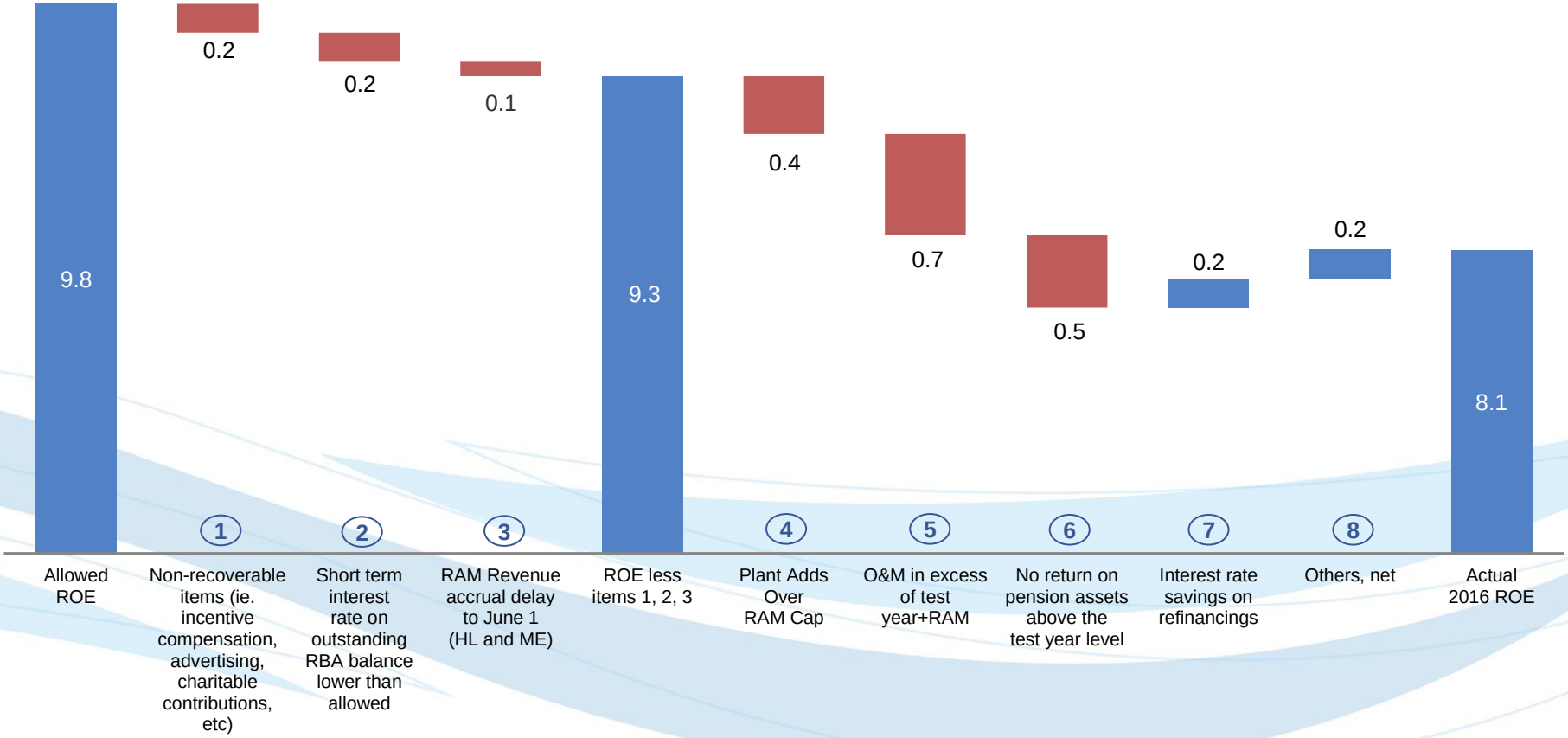
Consolidated Utility ROE
Twelve Months Ended September 30,



GAAP	Consolidated Utility	Hawaiian Electric	Hawaii Electric Light	Maui Electric
2016	8.1%	7.9%	8.5%	8.4%
2017	7.2%	7.3%	6.5%	7.0%
Allowed[1]	9.8%	10.0%	9.5%	9.0%

Note: Last base revenue increase: Hawaiian Electric: 2011 test year; Hawaii Electric Light: 2016 test year; Maui Electric: 2012 test year
Note: All ROEs calculated using net income divided by average GAAP common equity, simple average method
[1] Based on Public Utilities Commission decisions in effect on September 30, 2017

2016 consolidated utility ROE lag



Power supply improvement plan (PSIP) update

Hawaii PUC Docket No. 2014-0183 (closed)
Accepted on July 14, 2017

- Accelerates achievement of key milestones, including reaching a 48% Renewable Portfolio Standard[1] by 2020; mandated goal is 30%
- Anticipates reaching 100% Renewable Portfolio Standard[1] by 2040, 5 years ahead of mandate
- Describes a greater and faster expansion of the companies' renewable energy portfolio than in the previous plan filed in April 2016
- Plan stresses the need to stay flexible and not crowd out future technological advances
- Focus on near-term actions (2017 - 2021)
- Near-term plans to incorporate Distributed Energy Resources, Community-Based Renewable Energy, Demand Response and Energy Efficiency programs
- Includes continued growth of private rooftop solar to an estimated total of 165,000 private systems by 2030, more than double 2016's total of ~79,000
- Includes an addition of ~360 megawatts of grid-scale solar, ~157 megawatts of grid-scale wind and ~115 megawatts from Demand Response (DR) programs
- Describes grid and generation modernization work needed to reliably integrate renewable energy resources while strengthening resilience
- By March 1, 2018, the utilities must file with the PUC a report that details their planning approach and schedule for the next round of resource planning

1 Electrical energy generated using renewable resources as a percentage of total sales

Grid Modernization Strategy update

Hawaii PUC Docket No. 2017-0226

- Final grid modernization strategy filed with PUC in August 2017
- Customer and stakeholder engagement and interview process used to define grid modernization goals
- Enables grid to interconnect DER levels consistent with the accepted PSIP
- Provides customer choice through DER options and customer portal
- Uses new technologies to increase utilization of DER while improving reliability and resiliency of the grid
- $205 million in upgrades and enhancements to the grid over the next six years included in current capex forecast
- PUC opened Grid Modernization Docket (Docket No. 2017-0226) in August 2017 as a repository for public comment by September 13, 2017.
- Next steps to be determined by the PUC

Maui Electric Rate Case: 2018 Test Year

Hawaii PUC Docket No. 2017-0150

	Application (10/12/17)
Amount requested	$30.1M (9.3% increase over revenues at current effective rates) [1]
Deprec. & amort. expenses	$24.6M
Return on average common equity	10.60% with mechanisms
Common equity capitalization (%)	56.94%
Return on rate base	8.05%
Average rate base	$473.3M
GWh sales	1,047.0

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Adjustment Clause (ECAC): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

1 Revenues at current effective rates include revenues based on the Final rates approved in Maui Electric Company's 2012 test year rate case and revenues from the ECAC, PPAC, the estimated RAM Revenue Adjustment for the 2018 RAM period, and the RBA and other operating revenues.

Hawaiian Electric Rate Case: 2017 Test Year

Hawaii PUC Docket No. 2016-0328

	Application (12/16/16)
Amount requested	$106.4M (6.9% increase over revenues at current effective rates) [1]
Deprec. & amort. expenses	$130.7M
Return on average common equity	10.60% with mechanisms
Common equity capitalization (%)	57.36%
Return on rate base	8.28%
Average rate base	$2,002.4M
GWh sales	6,660.2

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Adjustment Clause (ECAC): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

1 Revenues at current effective rates include revenues based on the Final rates approved in Hawaiian Electric Company's 2011 test year rate case and revenues from the ECAC, PPAC, the estimated RAM Revenue Adjustment for the 2017 RAM period, and the RBA and other operating revenues.

Hawaii Electric Light Rate Case: 2016 Test Year

Hawaii PUC Docket No. 2015-0170

	Application (9/19/16)	Settlement (7/11/17)	Interim D&O (eff. 8/31/17)
Amount requested	$19.3M (6.5% increase over revenues at current effective rates) [1]	Approximately $9.9M (at 9.5% ROE)-$11.1M (at 9.75% ROE)[2] (3.4%-3.8% increase over revenues at current effective rates)	Approximately $9.9M (at 9.5% ROE)[3] (3.4% increase over revenues at current effective rates)
Deprec. & amort. expenses	$37.8M	$37.8M	$37.8M
Return on average common equity	10.60% with mechanisms	9.5%-9.75% With mechanisms	9.5% With mechanisms
Common equity capitalization (%)	57.12%	56.69%	56.69%
Return on rate base	8.44%	7.80%-7.94%	7.80%
Average rate base	$478.8M	$482.1M	$482.1M
GWh sales	1,040.7	1,040.7	1,040.7

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Adjustment Clause (ECAC): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

1 Revenues at current effective rates include revenues based on the Final rates approved in Hawaii Electric Light's 2010 test year rate case and revenues from the ECAC, PPAC, the RAM Revenue Adjustment for the 2016 RAM period, and the RBA and other operating revenues.

2 In Settlement Agreement, Parties settled on all issues except whether the ROE of 9.75% should be reduced by up to 25 basis points for the impact of decoupling. Parties filed separate statements of probable entitlement on July 21, 2017.

3 On August 21, 2017, the Commission issued Interim Decision and Order No. 34766. On August 23, 2017, Hawai'i Electric Light filed revised tariff sheets and the interim rate increase became effective on August 31, 2017. Parties filed separate opening and reply briefs on September 20, 2017 and October 5, 2017, respectively.

Hawaiian Electric Rate Case: 2011 Test Year

Hawaii PUC Docket No. 2010-0080

	Application (7/30/10)	Interim D&O (eff.7/26/11)	Adjusted Interim D&O (eff.5/21/12)	Final D&O (eff.9/1/12)
Base Request New Programs	$74M (4.3% increase) $40M (2.3% increase)	$53.2M[2] (3.1% increase)	$58.8M[2,3] (3.4% increase)	$58.1M[4] (3.4% increase)
Deprec. & amort. expenses	$90.1M	$87.5M	$88.8M	$88.8M
Return on average common equity	10.75% with mechanisms	10.00% with mechanisms	10.00% with mechanisms	10.00% with mechanisms
Common equity capitalization (%)	56.29%	56.29%	56.29%	56.29%
Return on average rate base	8.54%	8.11%	8.11%	8.11%
Average rate base amount[1]	$1.569B[1]	$1.354B[2]	$1.386B[2]	$1.386B[2]
GWh sales	7,469.5	7,469.5	7,469.5	7,469.5

Existing Balancing Accounts, Trackers and/or Surcharges

Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchased Power Adjustment Clause.

1 Current effective rates are based on the Interim D&O and a subsequent Order Granting Hawaiian Electric's Motion to Adjust Interim Increase in Hawaiian Electric 2007 test year rate case and the Interim D&O in Hawaiian Electric's 2009 test year rate case. Average rate base in those D&Os were $1.16B and $1.25B, respectively.

2 Current effective rates are based on the Final D&O in Hawaiian Electric's 2009 test year rate case and also includes the impact of $15M (0.9%) in annual revenues which were being recovered through the decoupling Revenue Adjustment Mechanism. Average rate base in that D&O was $1.25B.

3 On February 24, 2012, the Commission ordered the Company to include the ERP/EAM system evaluation costs into base rates. On March 13, 2012, the Commission approved a decrease of $0.5M to the interim rate relief for modifications to the composite income tax rate, DSM and regulatory commission expenses. On March 29, 2012, the Commission approved an upward adjustment of $5.5M to the interim for remaining EOTP costs. On May 14, 2012, the Commission approved the interim relief of $58.8M which included these adjustments.

4 On June 29, 2012, the Commission issued the final D&O for the Hawaiian Electric 2011 TY rate case. The final D&O reduced the revised interim increase by $0.7M to reflect the removal of certain costs. Final rates became effective as of September 1, 2012.

Maui Electric Rate Case: 2012 Test Year

Hawaii PUC Docket No. 2011-0092

	Application (7/22/11)	Interim D&O (eff.6/1/12)	Final D&O (eff.8/1/13)
Base Request	$27.5M[1] (6.7% increase)	$13.1M[3] (3.2% increase)	$5.3M[4] (1.3% increase)
Depr. & amort. expenses	$19.8M without mechanisms	$19.7M with mechanisms	$19.7M with mechanisms
Return on average common equity	11.00%	10.00%	9.00%
Common equity capitalization (%)	56.85%	56.86%	56.86%
Return on average rate base	8.72%	7.91%	7.34%
Average rate base amount[2]	$393M	$393M	$393M
GWh sales	1,201.8	1,201.8	1,201.8

Existing Balancing Accounts, Trackers and/or Surcharges

Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause.

[1] Increase consists of:

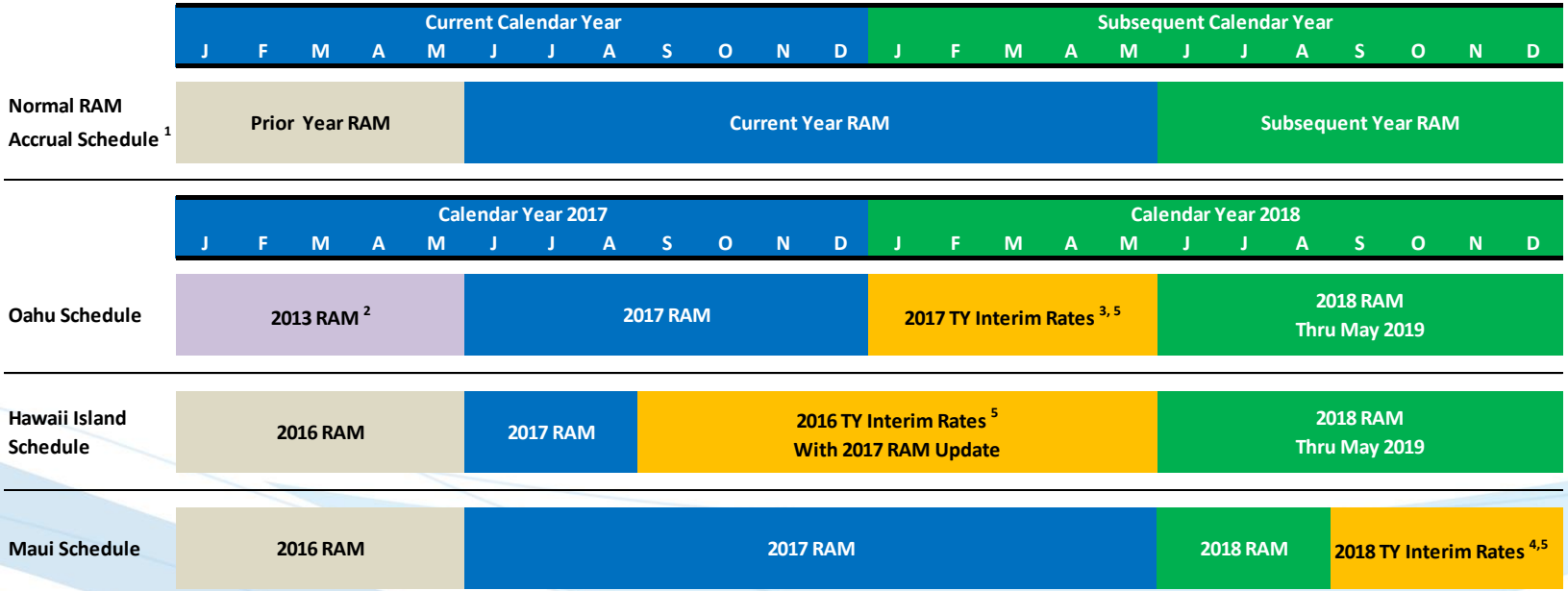
- Return on rate base $ 3.0 M
- O&M $19.5 M
- Other, net $ 5.0 M

[2] Current effective rates are based on the adjusted interim D&O in the Maui Electric's 2010 test year rate case. Average rate base in that D&O was $387M.

[3] Based on updated settlement which included the implementation of final rates in the 2010 test year rate case. On May 21, 2012, the Commission issued an interim D&O which approved interim rates effective on June 1, 2012.

[4] On May 31, 2013, the Commission issued the final D&O for the Maui Electric 2012 TY rate case. On June 17, 2013, Maui Electric filed the revised results of operations, supporting schedules and tariff sheets and refund plan, which the Commission approved. Final rates became effective as of August 1, 2013. Maui Electric refunded $9.7 million (which includes interest and related revenue taxes since June 1, 2012) to customers from September to October 2013. On July 2, 2013, the Commission denied Maui Electric's motion for partial reconsideration of the 9.00% ROE in the final D&O but allowed the deferral of IRP costs incurred from June 1, 2012 until the Commission determines the level and method of recovery in the IRP docket.

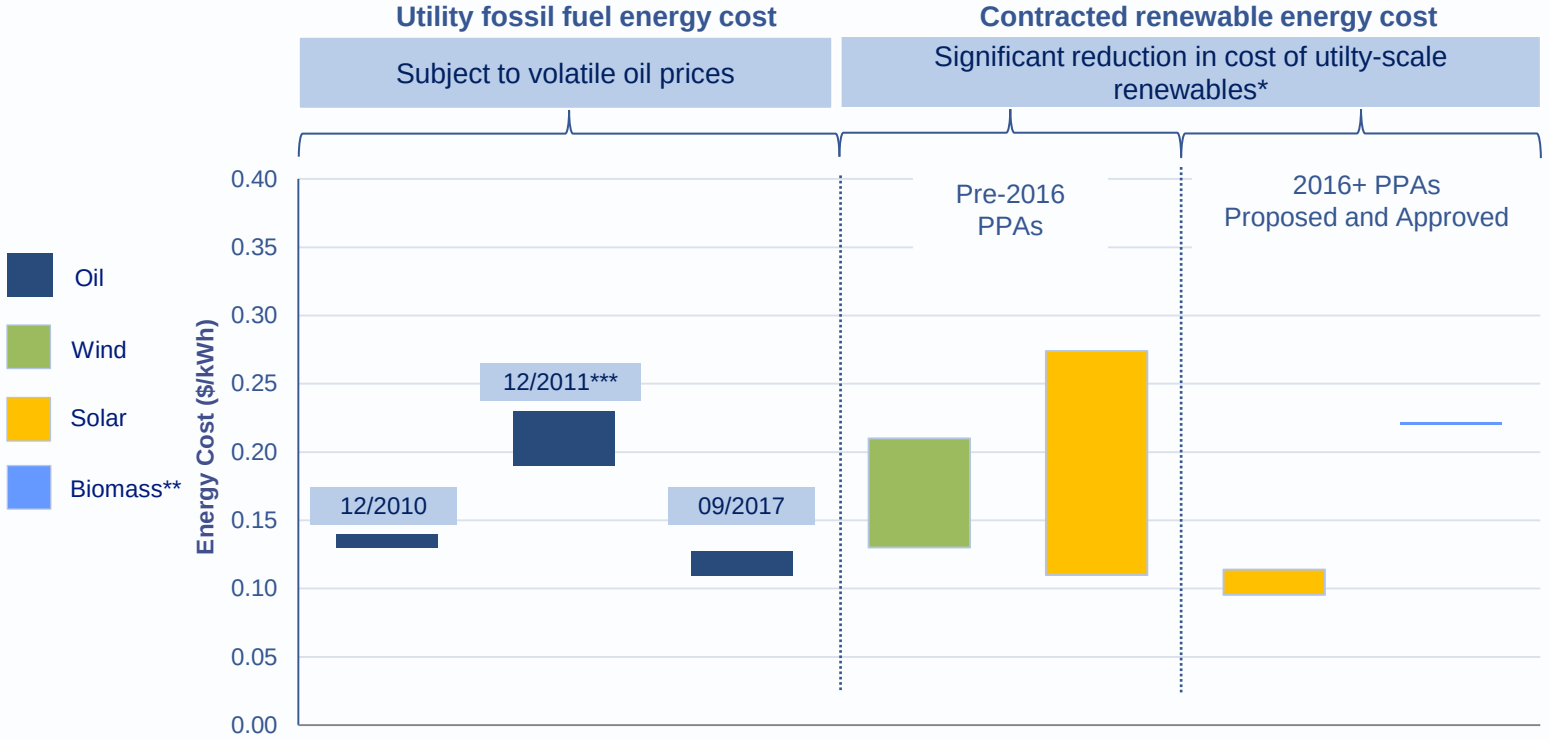
RAM Accrual Schedules



1 Approved by the PUC in March 2011
2 2013 partial RAM revenues recognized in 2017 for the 2013 settlement expiration adjustment
3 Per the PUC's Procedural Order, an interim decision and order is tentatively scheduled for December 15, 2017
4 Maui Electric filed its 2018 test year rate case application on October 12, 2017 which would result in an interim decision and order by September 2018
5 No statutory deadline for final rates

Note: Timing of rate case interim rates are estimated based on filing dates and expected decision dates. Timing of Oahu 2017 test year interim rates and Maui 2018 test year interim rates are dependent upon deemed filing dates for each rate case.

Renewable energy can be cost competitive in Hawaii depending on oil price volatility

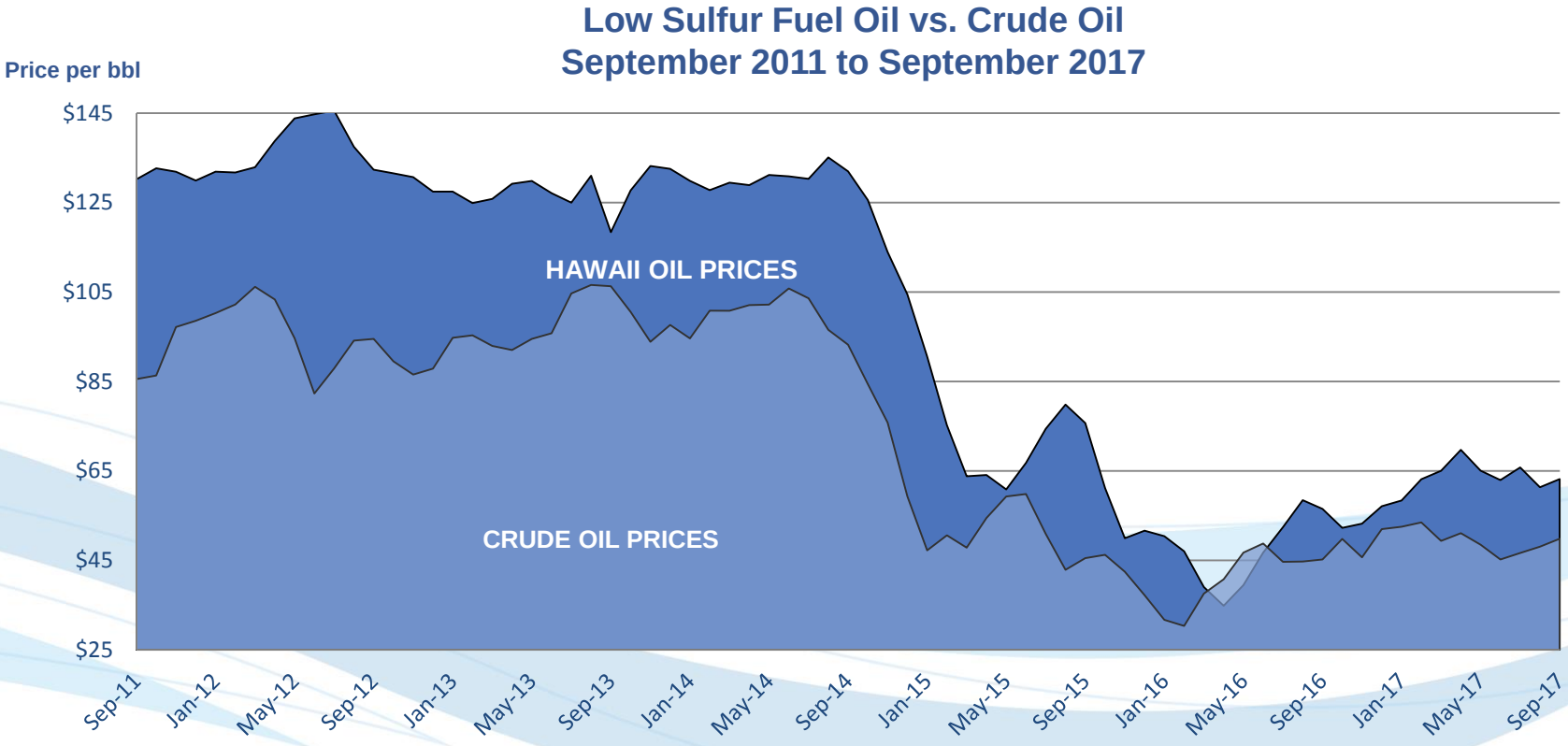


* In June 2017, the Hawai'i Public Utilities Commission (PUC) approved the 20 MW solar energy facility at Joint Base Pearl Harbor-Hickam, West Loch, the lowest cost renewable energy in the state at 9.56 cents per kWh or lower.
In July 2017, the PUC approved the purchase power agreements with NRG Energy for 3 solar plants: (i) 14.7 MW (11.4 cents/kWh), (ii) 45.9 MW (10.4 cents/ kWh); and (iii) 49 MW (which would be the state's largest) (10.99 cents/kWh); pricing includes the Hawaii State Tax Credit

** Represents the revised contract with Hu Honua at 22.1 cents/kWh as approved by the PUC

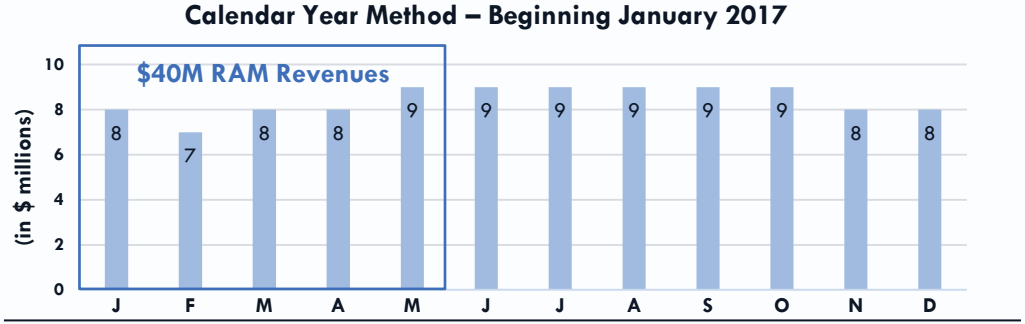
*** The 2011 fuel oil increase was largely driven by the nuclear disaster of the Fukushima power plant in March 2011 which then increased the price of oil we paid in Hawaii as our fuel oil purchases are largely driven by the Asia Pacific market

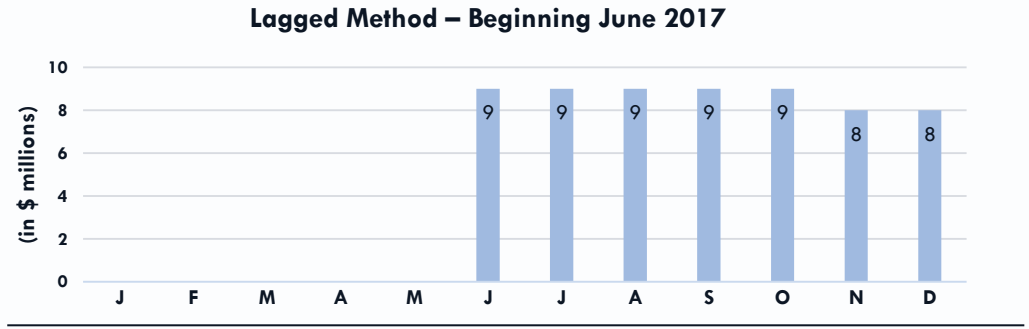
Hawaii's oil situation

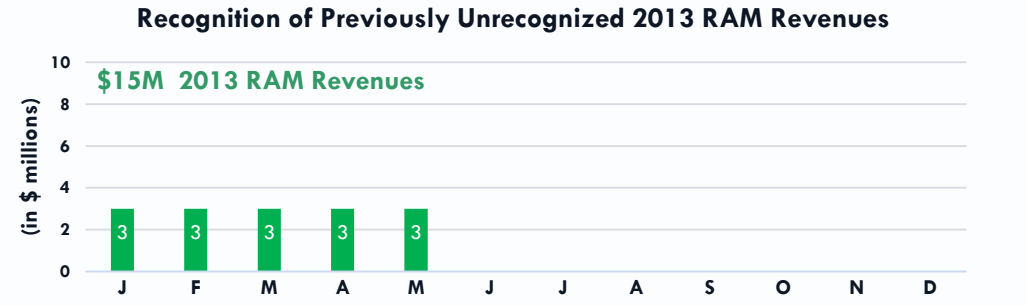


Hawaii oil prices based on Hawaiian Electric low sulfur fuel oil inventory prices
Crude oil prices based on West Texas Intermediate (WTI)

2017 Impact of Loss of January 1 RAM Revenue Recognition Method







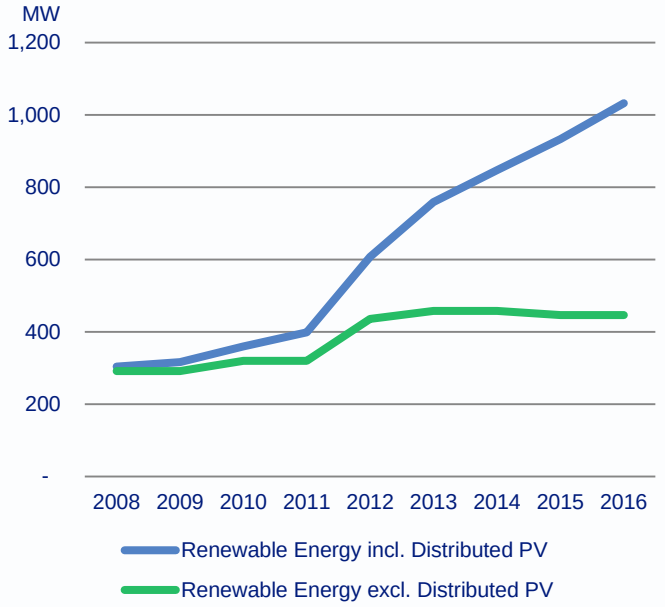
- ***Background***: *Per the Settlement Agreement with the Consumer Advocate approved by the Public Utilities Commission in 2013, Hawaiian Electric was allowed to record RAM revenues beginning January 1 ("calendar year method") for RAM years 2014 – 2016*
- *The Settlement Agreement expired on December 31, 2016, and the Company has reverted back to the lagged method whereby RAM revenues are recorded beginning June 1 of each year through May 31 of the subsequent year in line with when they are collected on a cash basis from customers.*
- ***No change to cash collections***
- *As part of transitioning back to the lagged method, the Company will recognize five months of the 2013 RAM revenues that were previously collected, but not recognized. Recognition will occur over the January through May 2017 period.*
- *2017 RAM revenues in the months following the issuance of a Hawaiian Electric rate case interim decision are subject to change.*

2017 Net Income Impact of RAM Revenues

Jan – May	Revenue	After Tax
2017 Calendar Year Method	($40M)	
Previously Unrecognized RAM Revenues	15M	
2017 Impact	($25M)	($14M)

National leader in renewable energy integration and distributed generation

Rapid growth of renewables and distributed generation



Committed to achieving Hawaii's 100% renewable goal by 2045

2016 Renewable Portfolio Standard[1]			
Consolidated	Oahu	Maui County	Hawaii Island
26%	19%	37%	54%

16% of customers had solar PV as of 3Q17

Energized Systems	2008	2014	2015	2016	3Q17
Residential & Commercial PV Systems	850	~50K	~60K	~70K	~73K
Megawatts	12	389	487	586	680

Renewable energy amounts reflect firm generated and contracted capacity
Distributed PV includes Net Energy Metering (NEM), Standard Interconnection Agreements (SIA), Feed-in-Tariff (FIT), Purchase Power Agreement (PPA), non-SIA, and utility owned
[1] Electrical energy generated using renewable resources as a percentage of total sales

Utility regulatory mechanisms provide financial stability during renewable transition

Mechanisms	What they do
Sales decoupling	Provides predictable revenue stream by fixing net revenues at level approved in last rate case (revenues not linked to kWh sales)
Revenue adjustment mechanism (RAM)	Annually adjusts revenue to recover general “inflation” of operations and maintenance expenses and plant additions between rate cases
Major Projects Interim Recovery adjustment mechanism (MPIR)	NEW: Permits recovery through the RBA of costs (net of benefits) for major capital projects including but not restricted to projects to advance transformational efforts
Energy cost and purchased power adjustment clauses	Allow recovery of fuel and purchased power costs
Pension and post-employment benefit trackers	Allow tracking of pension and post-employment benefit costs and contributions above or below the cost included in rates in a separate regulatory asset/liability account
Renewable energy infrastructure program	Permits recovery of renewable energy infrastructure projects through a surcharge

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274
Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

<table>
<tr><th>Components</th><th></th></tr>
<tr><td>1. Sales decoupling via a Revenue Balancing Account (RBA)</td><td>
Delinks utility revenues from electricity usage

GAAP revenue = revenue approved in the last rate case (interim or final)

Recorded revenues adjusted monthly in the RBA
Target (decoupling) revenues will be allocated as follows:

<table>
<tr><th></th><th>1Q</th><th>2Q</th><th>3Q</th><th>4Q</th></tr>
<tr><td>Hawaiian Electric</td><td>23.46%</td><td>24.75%</td><td>26.49%</td><td>25.30%</td></tr>
<tr><td>Hawaii Electric Light (prior to 8/31/17)</td><td>24.23%</td><td>24.54%</td><td>25.87%</td><td>25.36%</td></tr>
<tr><td>Hawaii Electric Light (8/31/17 thereafter)</td><td>24.74%</td><td>24.45%</td><td>25.61%</td><td>25.20%</td></tr>
<tr><td>Maui Electric</td><td>23.92%</td><td>24.77%</td><td>26.21%</td><td>25.10%</td></tr>
</table>
On a cash basis, RBA annually trued-up in rates beginning June of the following year; interest recorded monthly by multiplying average of beginning and ending month balance in RBA net of deferred tax times (1.75% for Hawaiian Electric, 3.25% for Hawaii Electric Light, 1.25% for Maui Electric) divided by 12

</td></tr>
</table>

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274
Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components	
2. RAM Revenue Adjustment Allowed (Order No. 32735*)	**Lesser of:** ▪ **2a** - RAM Revenue Adjustment based on the RAM provisions in place prior to Order No. 32735** -or- ▪ **2b** - RAM Revenue Adjustment Cap ("RAM Cap")
2a. RAM Revenue Adjustment Determined According to Tariffs and Procedures Prior to Order No. 32735 (2 components)	**Base Expenses (O&M) – Component 1** ▪ Base expenses = expense levels in the last approved rate case (interim or final), adjusted for annual indexed increases, and excluding expenses covered by a separate tracking mechanism[1] and increases in labor expenses for merit employees since the last approved rate case ▪ Union labor escalation rate = rate per the union labor agreement less 0.76% productivity factor ▪ Non-labor escalation rate = consensus estimated annual change in GDPPI per the Blue Chip Economic Indicators published each February ▪ O&M in excess of the last rate case level and/or the indexed increases, is not covered by the RAM ▪ Annually, O&M RAM adjustment filed by 3/31 and adjusted rates commence on 6/1 for following 12 month period, if not suspended

* Order No. 32735 issued by the PUC on March 31, 2015
** With the exception of the 90% limitation on the incremental rate base RAM
[1] Includes fuel, purchased power, DSM, pension, other post employment benefits, approved projects under the renewable energy infrastructure surcharge.

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274
Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components	
2a. RAM Revenue Adjustment Determined According to Tariffs and Procedures Prior to Order No. 32735	**RAM for Rate Base – Component 2** ▪ **Change in rate base compared to test year levels in last rate case, for certain items including annual adjustment for plant additions, associated rate base items and depreciation expense** Rate Base RAM - Return on Investment Adjustment (ROIA) ▪ Major Capital Projects (> $2.5M): average annual amount based on prior year ending balance (at project amounts not to exceed amounts approved by the PUC) and projected ending balance for the current year (based on approved projects scheduled to be in service by Sep 30th of the current year, at amounts approved by the PUC) ▪ Baseline Capital Projects (≤ $2.5M): average annual amount based on the prior year ending balance (actual) and projected ending balance for the current year (based on simple average of preceding 5 years) ▪ Offset by avg balances for accumulated depreciation, contributions in aid of construction and plant related deferred income taxes ▪ Rate Base RAM - Return on Investment Adjustment (ROIA) (i.e., ROR times the change in rate base from the last rate case) Depreciation & Amortization: Recovery of incremental depreciation and contributions in aid of construction amortization compared to test year levels in last rate case ▪ Annually, rate base RAM adjustment filed by 3/31 and adjusted rates commence on 6/1 for following 12 month period, if not suspended

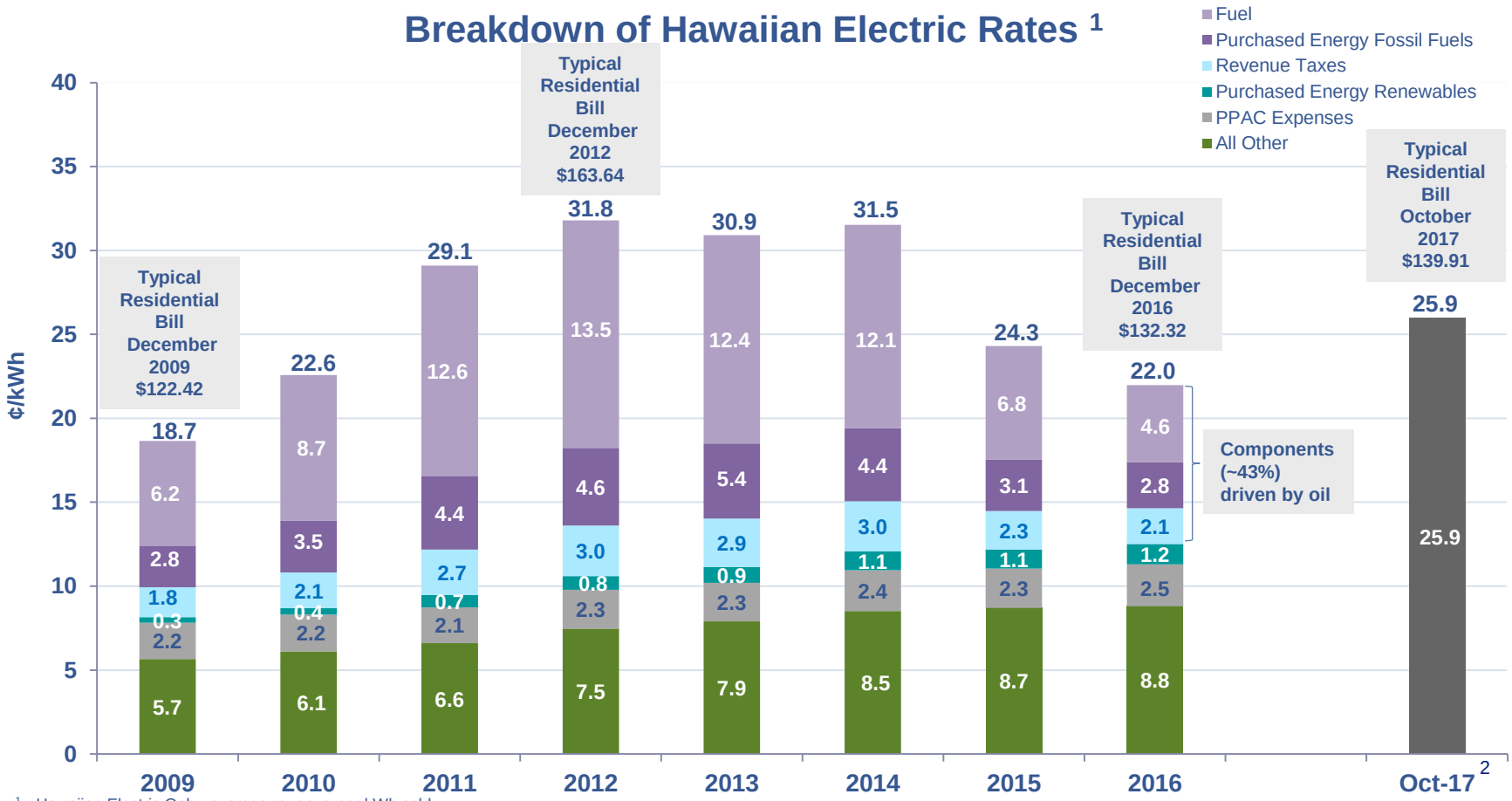
Examples of items not covered in 2a:
- Non-labor O&M increases > GDPPI
- Non-union labor expense increases
- Costs for large capital projects > PUC approved estimate
- Costs for base-level capital projects > 5-year historical average, until following year
- Investments other than plant (e.g., software projects, fuel inventory)

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274
Hawaii PUC Docket No. For the decoupling review: 2013 - 0141

Components	
2b. RAM Revenue Adjustment Cap (Order No. 32735)	**Cumulative RAM for 2017 RAM Revenue Adjustment –** ▪ Prior year RAM Cap Target Revenues times GDPPI (2.0% for 2017) + prior year RAM Cap Revenue Adjustment
3. Earnings Sharing Credit	**Sharing of earnings with customers for ratemaking ROE > 10% for Hawaiian Electric; 10% (through 8/2017) and 9.5% (after 8/2017) for Hawaii Electric Light; 9% for Maui Electric** ▪ First 100 bps = 25% sharing with customers ▪ Next 200 bps = 50% sharing with customers ▪ Exceeding 300 bps = 90% sharing with customers

Oil is the primary driver of rates in Hawaii

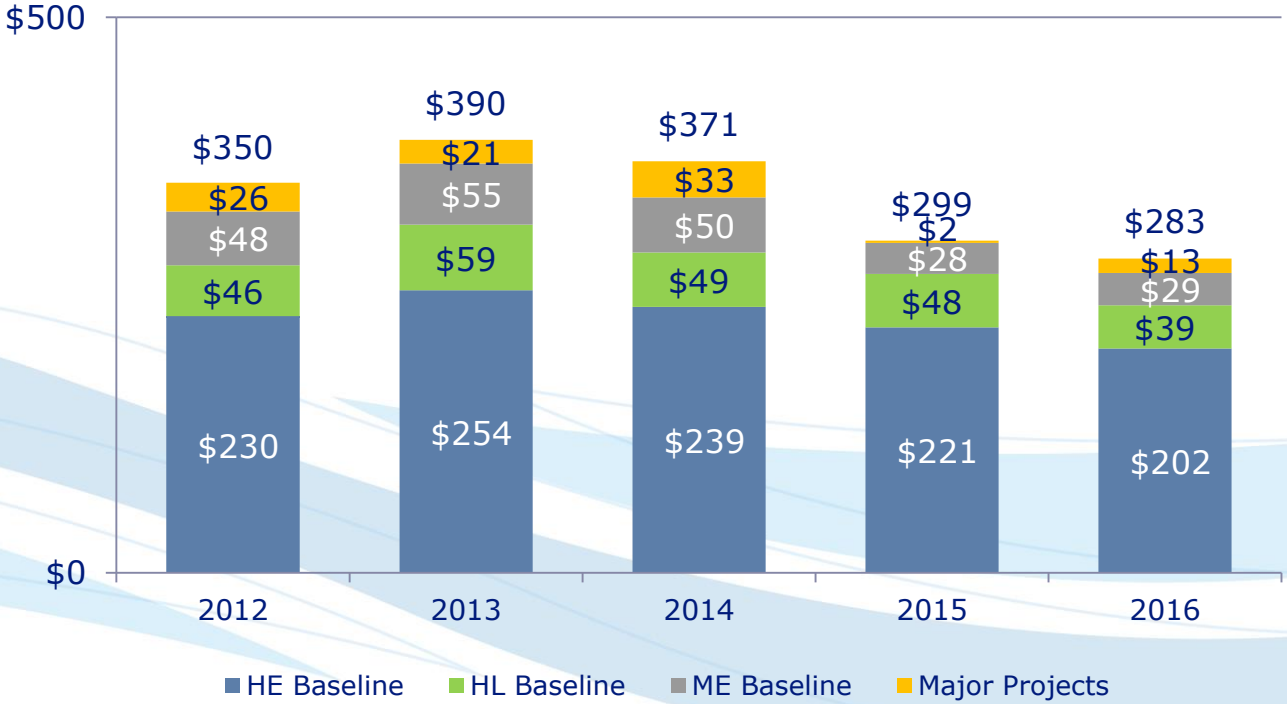


1 Hawaiian Electric Oahu average revenue per kWh sold

2 Based on the October 2017 energy cost adjustment filing for residential customers only

Plant Additions – Baseline by company & Consolidated Major Projects (in millions)

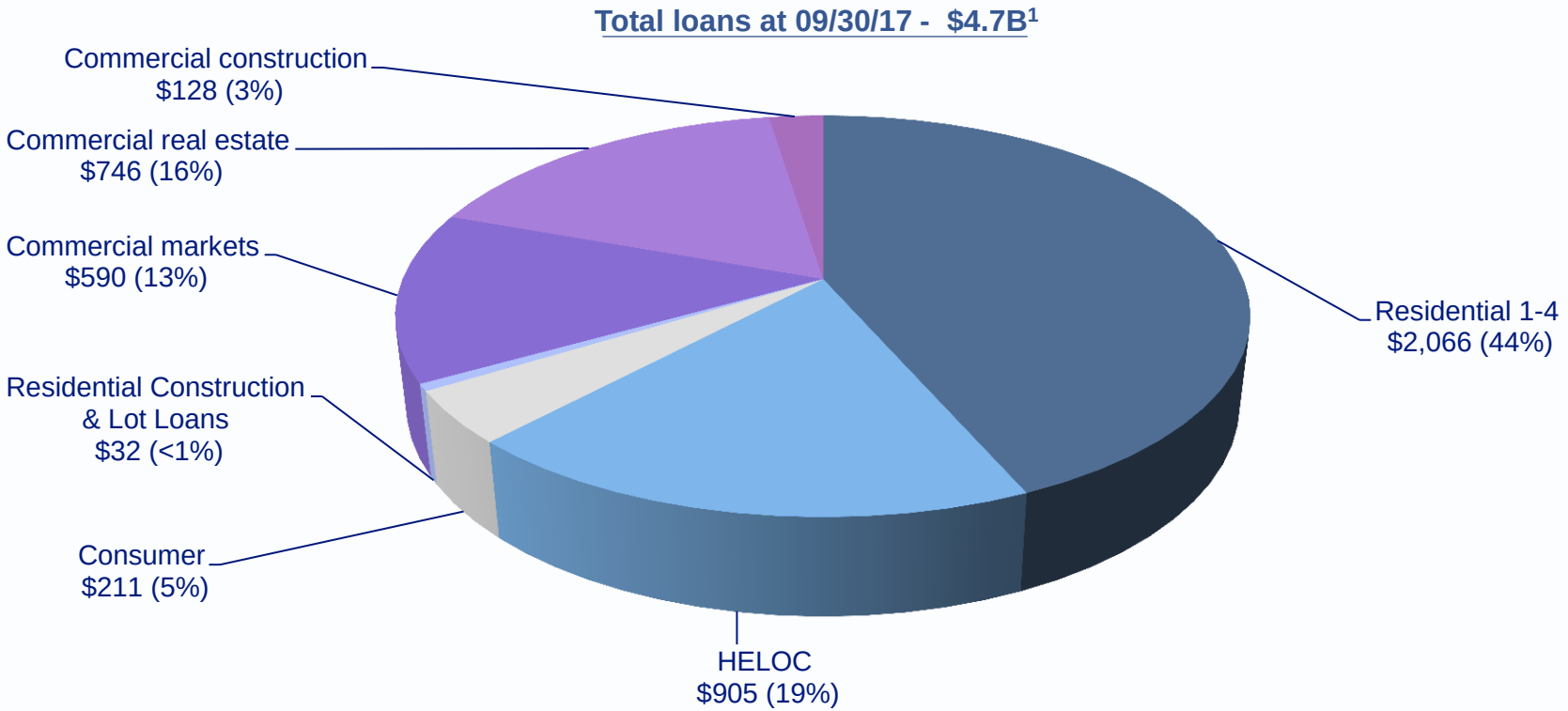
Major projects = PUC approved projects > $2.5 million



5-year (2012-2016) historical average baseline projects:	
HE:	$229
HL:	48
ME:	42
Total	$319

Note: Columns may not foot due to rounding
Beginning in 2015, the rate base RAM is limited to the lesser of the RAM revenue adjustment based on the RAM provision in place prior to Order No. 32735 issued in March 2015 or the RAM Revenue Adjustment Cap (see components of Decoupling slides in the Appendix)

Low-risk loan mix



Note: $ in millions, unless otherwise noted

[1] Before deferred fees, discounts and allowance for loan losses

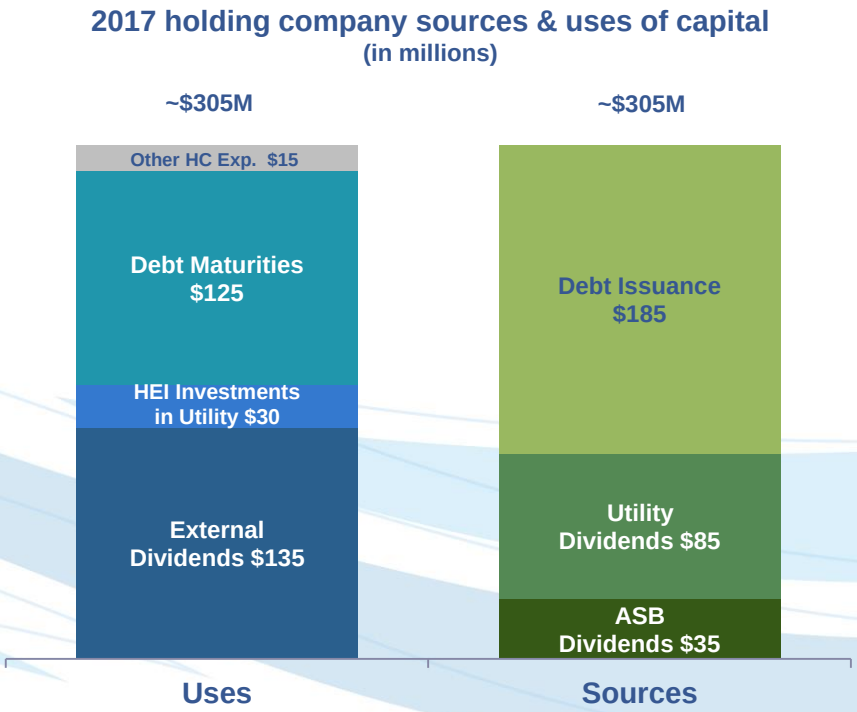
ASB peer group – 2017

*	1st Source Corporation	SRCE
	Ameris Bancorp	ABCB
	BancFirst Corporation	BANF
	Berkshire Hills Bancorp, Inc.	BHLB
	BNC Bancorp	BNCN
*	BofI Holding, Inc.	BOFI
	Boston Private Financial Holdings, Inc.	BPFH
	Bridge Bancorp, Inc.	BDGE
	Brookline Bancorp, Inc.	BRKL
*	Cardinal Financial Corporation	CFNL
	CenterState Banks, Inc.	CSFL
	Central Pacific Financial Corp.	CPF
	Century Bancorp, Inc.	CNBKA
*	City Holding Company	CHCO
*	Community Trust Bancorp, Inc.	CTBI
	ConnectOne Bancorp, Inc.	CNOB
	Dime Community Bancshares, Inc.	DCOM
*	Eagle Bancorp, Inc.	EGBN
	Enterprise Financial Services Corp	EFSC
*	Farmers & Merchants Bank of Long Beach	FMBL
	Fidelity Southern Corporation	LION
	Financial Institutions, Inc.	FISI
	First Bancorp	FBNC
	First Busey Corporation	BUSE
	First Commonwealth Financial Corporation	FCF
*	First Financial Bankshares, Inc.	FFIN
*	First Merchants Corporation	FRME
	Flushing Financial Corporation	FFIC
*	Great Southern Bancorp, Inc.	GSBC
	Green Bancorp, Inc.	GNBC
*	Hanmi Financial Corporation	HAFC
	Heritage Financial Corporation	HFWA
	HomeStreet, Inc.	HMST
	Independent Bank Corp.	INDB
	Independent Bank Group, Inc.	IBTX
	Kearny Financial Corp.	KRNY
	Lakeland Bancorp, Inc.	LBAI
*	Lakeland Financial Corporation	LKFN
	MainSource Financial Group, Inc.	MSFG
	Meridian Bancorp, Inc.	EBSB
	Meta Financial Group, Inc.	CASH
	National Bank Holdings Corporation	NBHC
	Northfield Bancorp, Inc.	NFBK
	OceanFirst Financial Corp.	OCFC
	Opus Bank	OPB
*	Oritani Financial Corp.	ORIT
	Pacific Premier Bancorp, Inc.	PPBI
*	Park National Corporation	PRK
	Republic Bancorp, Inc.	RBCAA
*	S&T Bancorp, Inc.	STBA
	Sandy Spring Bancorp, Inc.	SASR
	Seacoast Banking Corporation of Florida	SBCF
*	ServisFirst Bancshares, Inc.	SFBS
	Southside Bancshares, Inc.	SBSI
	State Bank Financial Corporation	STBZ
	Tompkins Financial Corporation	TMP
	TowneBank	TOWN
	TriCo Bancshares	TCBK
	TriState Capital Holdings, Inc.	TSC
	TrustCo Bank Corp NY	TRST
	United Financial Bancorp, Inc.	UBNK
	Univest Corporation of Pennsylvania	UVSP
*	Washington Trust Bancorp, Inc.	WASH
*	Westamerica Bancorporation	WABC
	WSFS Financial Corporation	WSFS
	Yadkin Financial Corporation	YDKN

Note: Based on year-end 2016 data of publicly traded banks and thrifts between $3.5 billion and $8.0 billion in assets (based upon data available in SNL as of January 26, 2017). The peer group is updated annually in December and banks that no longer report as a separate entity (e.g., mergers, acquisitions, failed banks, etc.) are not included in the median calculations from the time of the transaction or failure.

* Subset of 18 banks representing ASB's high performing peer group, based on a 3-year average return on average assets rank above the 70th percentile

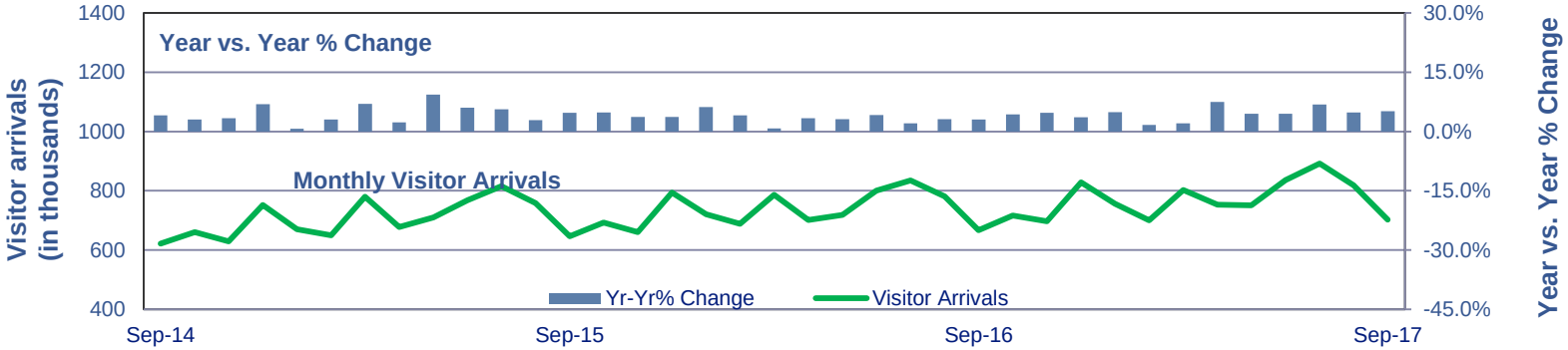
HEI financing outlook 2017* (as of November 2, 2017)

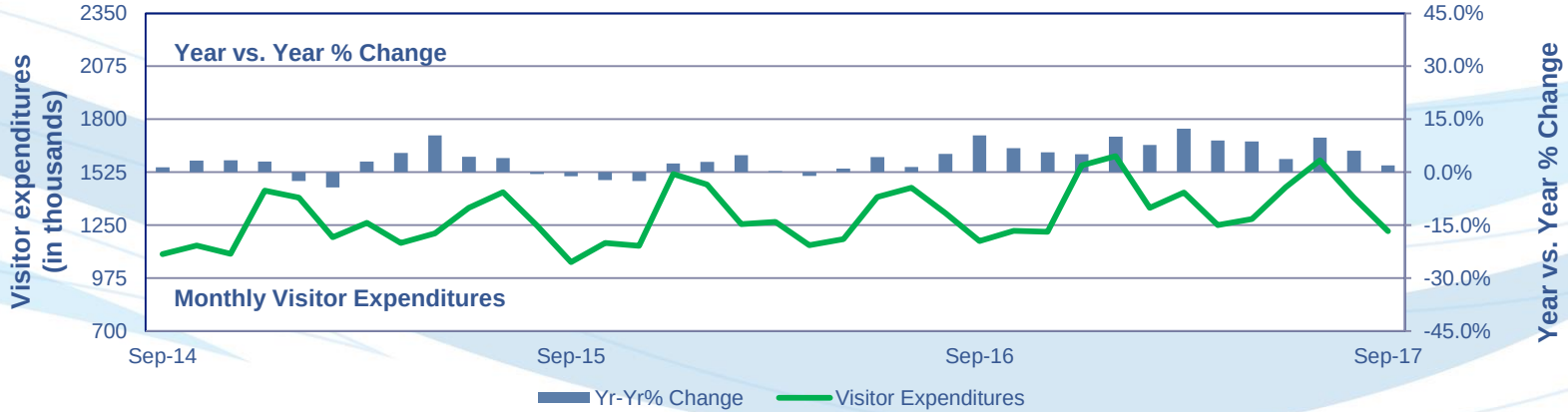


- Expect to maintain strong capital structure above 50% consolidated common equity to total capitalization in 2017

* Does not include the equity investment for the announced purchase of the Hamakua Energy Partners plant which is expected to close by yearend.

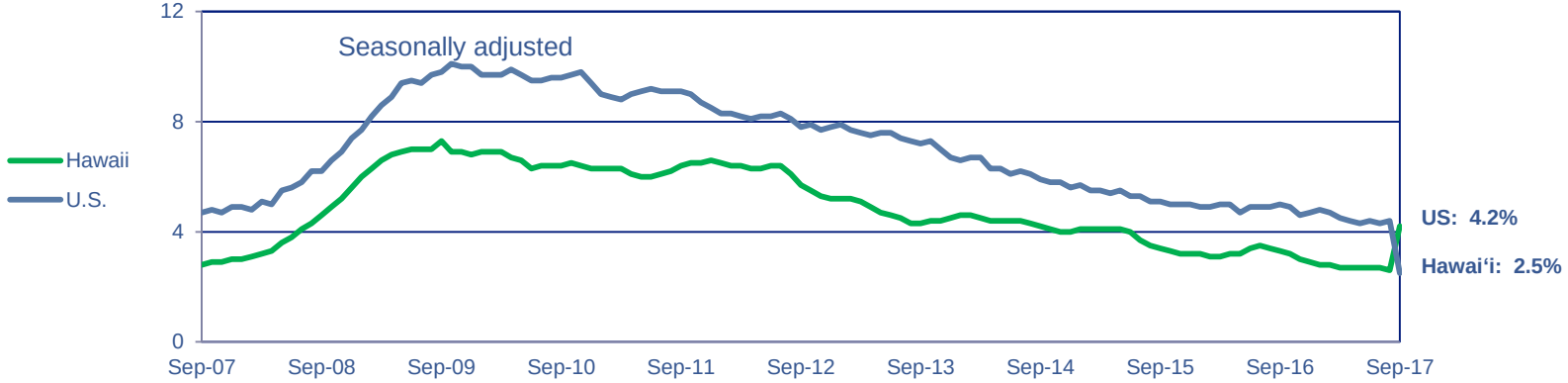
YTD Hawaii visitor arrivals up 4.9% and visitor expenditures up 7.1%

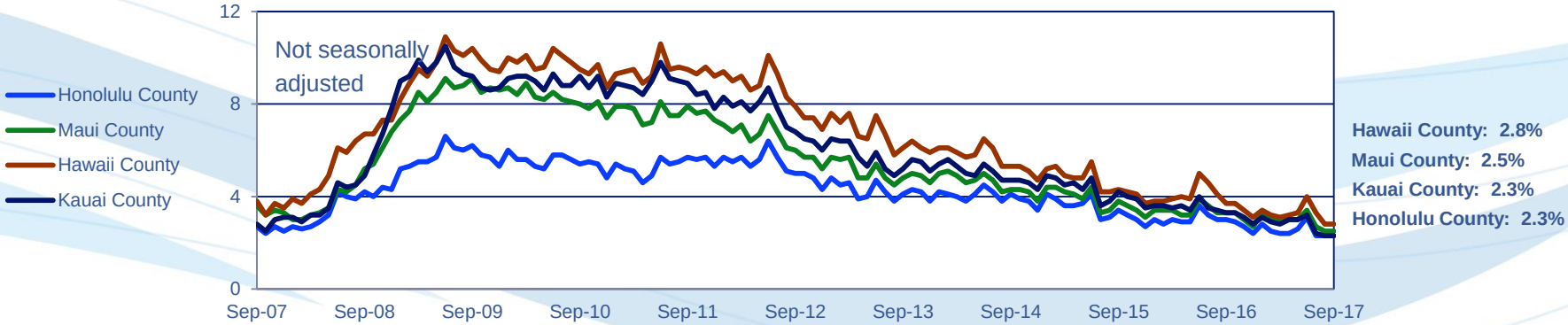




Source: State of Hawaii Department of Business, Economic Development and Tourism

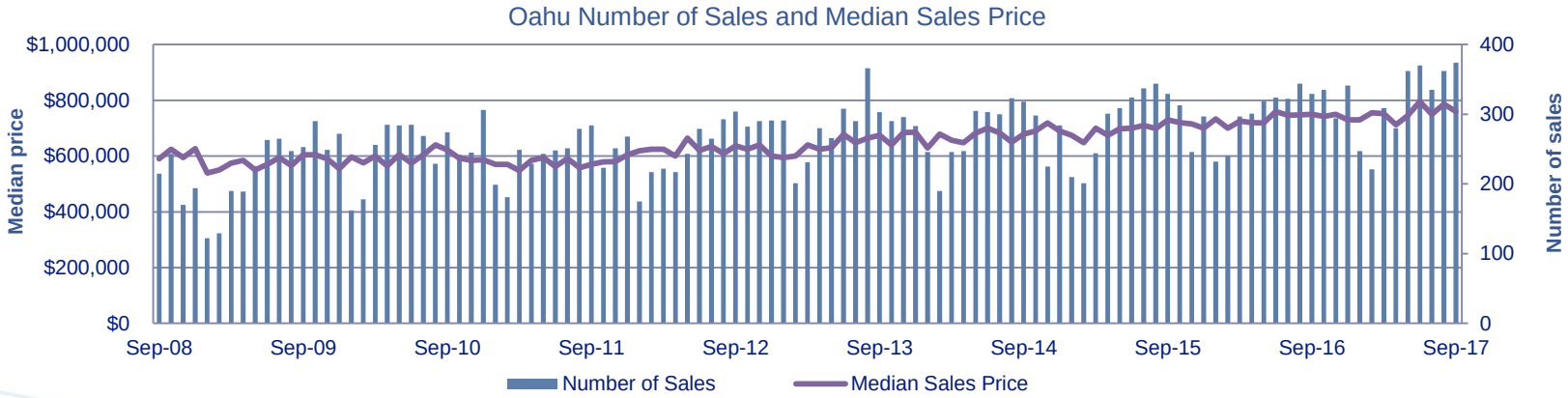
Hawaii unemployment rate remains low at 2.5%

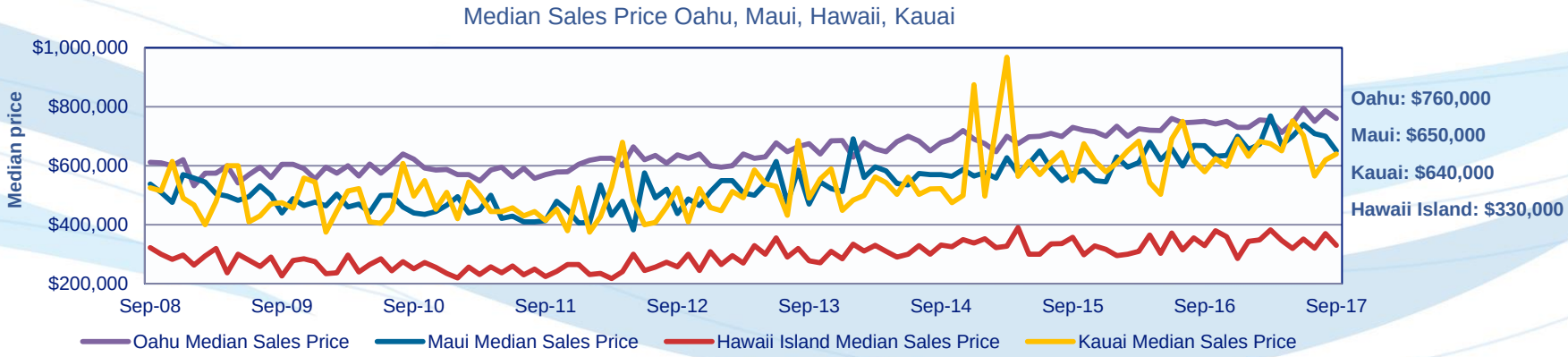




Source: U.S. Bureau of Labor Statistics and the State of Hawaii Department of Labor and Industrial Relations

Hawaii real estate (September 2008 – September 2017)





Source: Title Guaranty (2008 - current)

Hawaiian Electric Industries, Inc.



EXPLANATION OF HEI'S USE OF CERTAIN UNAUDITED NON-GAAP MEASURES

HEI and Hawaiian Electric Company management use certain non-GAAP measures to evaluate the performance of HEI and the utility. Management believes these non-GAAP measures provide useful information and are a better indicator of the companies' core operating activities given the non-recurring nature of these items. Core earnings and other financial measures as presented here may not be comparable to similarly titled measures used by other companies. The accompanying tables provide a reconciliation of reported GAAP[1] earnings to non-GAAP core earnings and the adjusted return on average common equity (ROACE) for HEI and the utility.

The reconciling adjustments from GAAP earnings to core earnings are limited to income, costs and associated taxes related to the terminated merger between HEI and NextEra Energy, Inc., the cancelled spin-off of ASB Hawaii, Inc., and the termination of the liquefied natural gas (LNG) contract which required the Hawaii Public Utilities Commission approval of the merger with NextEra Energy, Inc. For more information on the transactions, see HEI's Form 8-K filed on July 18, 2016 and HEI's Form 8-K filed on July 19, 2016. Management does not consider these items to be representative of the company's fundamental core earnings.

The accompanying table also provides the calculation of utility GAAP other operation and maintenance (O&M) expense adjusted for costs related to the terminated merger discussed above. "O&M-related net income neutral items" which are O&M expenses covered by specific surcharges or by third parties have also been excluded. These "O&M-related net income neutral items" are grossed-up in revenue and expense and do not impact net income.

RECONCILIATION OF GAAP[1] TO NON-GAAP MEASURES

Hawaiian Electric Industries, Inc. and Subsidiaries (HEI)

Unaudited	Three months ended September 30		Nine months ended September 30	
($ in millions, except per share amounts)	**2017**	**2016**	**2017**	**2016**
HEI CONSOLIDATED (INCOME) EXPENSES RELATED TO THE TERMINATED MERGER WITH NEXTERA ENERGY AND CANCELLED SPIN-OFF OF ASB HAWAII				
Pre-tax (income) expenses	**$ —**	**$ (88.5)**	**$ —**	**$ (84.9)**
Current income taxes (benefits)	—	24.7	—	24.7
After-tax (income) expenses	**$ —**	**$ (63.8)**	**$ —**	**$ (60.3)**
HEI CONSOLIDATED LNG CONTRACT COSTS[2]				
Pre-tax expenses	**$ —**	**$ —**	**$ —**	**$ 3.4**
Current income taxes (benefits)	—	—	—	(1.3)
After-tax (income) expenses	**$ —**	**$ —**	**$ —**	**$ 2.1**
HEI CONSOLIDATED NET INCOME				
GAAP (as reported)	**$ 60.1**	**$ 127.1**	**$ 132.9**	**$ 203.6**
Excluding special items (after-tax):				
(Income) expenses related to the terminated merger with NextEra Energy and cancelled spin-off of ASB Hawaii	—	(63.8)	—	(60.3)
Costs related to the terminated LNG contract[2]	—	—	—	2.1
Non-GAAP (core) net income	**$ 60.1**	**$ 63.3**	**$ 132.9**	**$ 145.4**
HEI CONSOLIDATED DILUTED EARNINGS PER COMMON SHARE				
GAAP (as reported)	**$ 0.55**	**$ 1.17**	**$ 1.22**	**$ 1.88**
Excluding special items (after-tax):				
(Income) expenses related to the terminated merger with NextEra Energy and cancelled spin-off of ASB Hawaii	—	(0.59)	—	(0.56)
Costs related to the terminated LNG contract[2]	—	—	—	0.02
Non-GAAP (core) diluted earnings per common share	**$ 0.55**	**$ 0.58**	**$ 1.22**	**$ 1.34**

	Twelve months ended September 30	
	2017	**2016**
HEI CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**8.5%**	**12.3%**
Based on non-GAAP (core)[3]	**8.5%**	**9.5%**

Note: Columns may not foot due to rounding

[1] Accounting principles generally accepted in the United States of America

[2] The LNG contract was terminated as it was conditioned on the merger with NextEra Energy closing

[3] Calculated as core net income divided by average GAAP common equity

RECONCILIATION OF GAAP[1] TO NON-GAAP MEASURES

Hawaiian Electric Company, Inc. and Subsidiaries

Unaudited

($ in millions)	Three months ended September 30 2017	Three months ended September 30 2016	Nine months ended September 30 2017	Nine months ended September 30 2016
HAWAIIAN ELECTRIC CONSOLIDATED COSTS RELATED TO THE TERMINATED MERGER WITH NEXTERA ENERGY				
Pre-tax expenses	**$ —**	**$ —**	**$ —**	**$ 0.1**
Current income tax benefits	—	—	—	—
After-tax expenses	**$ —**	**$ —**	**$ —**	**$ 0.1**
HAWAIIAN ELECTRIC CONSOLIDATED LNG CONTRACT COSTS[2]				
Pre-tax expenses	**$ —**	**$ —**	**$ —**	**$ 3.4**
Current income tax benefits	—	—	—	(1.3)
After-tax expenses	**$ —**	**$ —**	**$ —**	**$ 2.1**
HAWAIIAN ELECTRIC CONSOLIDATED NET INCOME				
GAAP (as reported)	**$ 47.5**	**$ 47.0**	**$ 94.6**	**$ 108.2**
Excluding special items (after-tax):				
Costs related to the terminated merger with NextEra Energy	—	—	—	0.1
Costs related to the terminated LNG contract[2]	—	—	—	2.1
Non-GAAP (core) net income	**$ 47.5**	**$ 47.0**	**$ 94.6**	**$ 110.3**

	Twelve months ended September 30 2017	Twelve months ended September 30 2016
HAWAIIAN ELECTRIC CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**7.16%**	**8.11%**
Based on non-GAAP (core)[3]	**7.16%**	**8.24%**

($ in millions)	Three months ended September 30 2017	Three months ended September 30 2016	Nine months ended September 30 2017	Nine months ended September 30 2016
HAWAIIAN ELECTRIC CONSOLIDATED OTHER O&M EXPENSE				
GAAP (as reported)	**$ 100.1**	**$ 94.8**	**$ 306.7**	**$ 298.3**
Excluding other O&M-related net income neutral items[4]	0.7	1.4	2.7	4.6
Excluding costs related to the terminated merger with NextEra Energy	—	—	—	0.1
Excluding costs related to the terminated LNG contract[2]	—	—	—	3.4
Non-GAAP (Adjusted other O&M expense)	**$ 99.4**	**$ 93.4**	**$ 304.0**	**$ 290.2**

Note: Columns may not foot due to rounding

[1] Accounting principles generally accepted in the United States of America

[2] The LNG contract was terminated as it was conditioned on the merger with NextEra Energy closing

[3] Calculated as core net income divided by average GAAP common equity

[4] Expenses covered by surcharges or by third parties recorded in revenues