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; 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 (including tax 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 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 such as the commercial development of energy storage and microgrids and banking through alternative channels;
- 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 (e.g., Item 1A. Risk Factors) and in other reports 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.

HEI

Catalyst for a better Hawai'i

Hawaiian Electric Industries, Inc.
Fourth Quarter 2017 Financial Results and Outlook

February 14, 2018



2017 Highlights

2017 core financial results in line with full year expectations

Hawaiian Electric

- Returning to triennial rate case cycle
- Progressing foundational framework for 100% renewable future
- Increasing renewable resource integration
- New customer options for renewable participation

AMERICAN Savings Bank

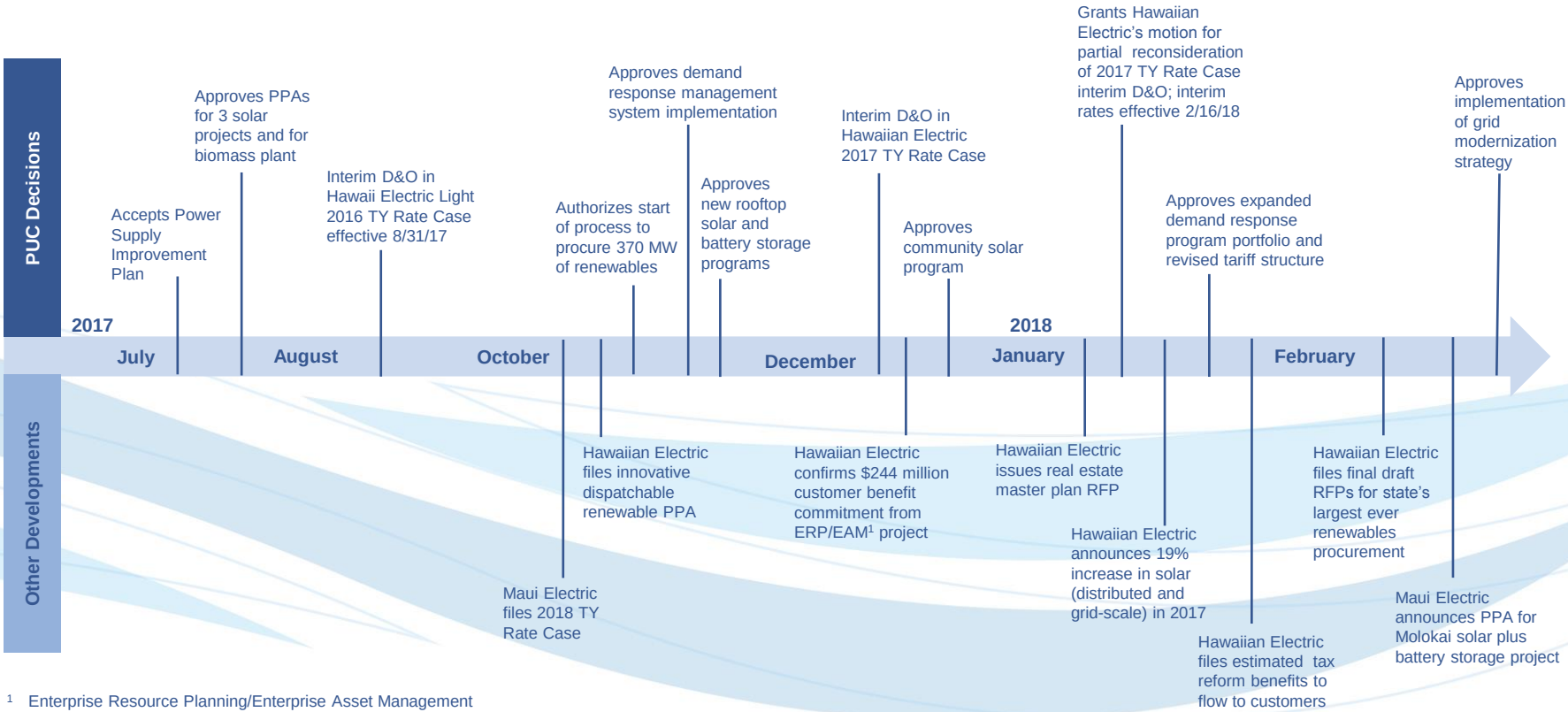
- Strong financial performance
- Higher net interest income
- Strong deposit growth
- Improving efficiency and credit quality
- Construction of new campus well underway

PACIFIC CURRENT

- Newly formed subsidiary focused on clean energy and sustainability investments
- Completed first acquisition
- Announcement pending on second project

Progress is being made at a rapid pace

- Key PUC decisions issued at increased pace
- Entering 2018 with momentum toward renewable goals



[1] Enterprise Resource Planning/Enterprise Asset Management

2017 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%
Hawaiian Electric (Oahu) 2017 Rate Case (Docket No. 2016-0328) (Order No. 35220)	▪ Interim D&O received Dec. 15, 2017 effective February 16, 2018 ▪ Rate increase of 2.3% ($36.0 million) Allowed ROE of 9.5% ▪ March 2018: Evidentiary hearings on remaining issues
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) and ROE of 10.6% ▪ May 2018: Filing of Joint Settlement Letter; July 2018: Evidentiary Hearings; August 2018: Interim decision expected

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 effective Jan. 1, 2018
	  ▪ System Average Interruption Duration Index (penalties only) and System Average Interruption Frequency Index (penalties only); approx. $6.2 million max penalty combined 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
	▪ In demand response proceeding PUC established 5% PIM to encourage rapid enrollment

Tax Reform Act	▪ Jan. 31, 2018: Filed estimated tax reform benefits ▪ Working with PUC on plan to flow net tax reform benefits to customers

Key developments in renewables, customer programs

Power Supply Improvement Plan (PSIP) Update (Docket No. 2014-0183)	▪ Comprehensive and 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 developed with stakeholders for building more resilient and renewable-ready island grids ▪ Approved for implementation February 2018
Resource Acquisition	▪ Utility authorized to open competitive bidding process for state's largest ever renewable procurement, including storage ▪ Process includes innovative renewable dispatchable generation PPA: Allows utility greater dispatch flexibility, provides more economic certainty for IPPs and maximizes value for customers ▪ Targeting 370 MW of renewables, including 40 MW of firm generation, through 2022 ▪ Filed final draft RFPs for PUC approval of variable generation on Oahu, Maui and Hawaii Island in February 2018
Demand Response (DR)	▪ DR enables customer resources (water heater, air conditioner, storage, EV, etc.) to help integrate more renewable resources on the grid while maintaining grid stability and reliability ▪ In January 2018, PUC approved the Companies' expanded DR portfolio and tariff structure ▪ To implement DR Portfolio, PUC approved surcharge recovery reconciled quarterly until costs included into base rates ▪ Established 5% PIM capped at $500,000 in 2018 to encourage rapid enrollment
Community Based Renewable Energy (CBRE)	▪ Approved by PUC ▪ Utility to file tariffs by February 20, 2018 ▪ Phase 1: 8 MW of capacity, utility to play an administrative role only; credit rates range from 15 cents/kwh (Oahu and Hawaii Island) to 26 cents/kwh (Lanai) ▪ Phase 2: 64 MW of capacity, of which 9 MW allocated to utility to develop; Phase 2 will commence upon PUC order after review of Phase 1 results

2017 saw continued strong increase in solar, up 19% from 2016

Grid-scale and distributed solar growth

- Company ended year with 695 MW of solar on grid
- 19% increase from 2016 includes additions of grid-scale and private rooftop solar
- Biggest increase in solar in 5 years, reduces annual oil consumption by 300,000 barrels
- 17% of residential customers now have rooftop solar, compared to 1% nationally
- 30% of single family homes on Oahu have installed private solar
- 135 MW of new grid-scale solar to come online through 2019

New options for residential solar

- Smart export program for rooftop solar plus battery
  Option to export power to grid during non-daylight hours at rates based on average marginal cost (~15 cents/kWh on Oahu, credit varies by island)
- Customer Grid Supply Plus *without* energy storage
  Option to export power to grid during the day at rates based on average on-peak avoided cost (10.08 cents/kWh on Oahu; credit varies by island)

Other customer service enhancements

- Introduced new mobile app, including outage map and platform for future enhancements
- Introduced first-of-its-kind online private rooftop solar interconnection tool, enabling customers to complete paperwork online, sign documents and check status of applications

Electric vehicle growth remains strong

- Hawaii 2nd in nation in electric vehicle sales per capita
- City & County of Honolulu U.S.-manufactured electric bus demonstration ongoing
- All county mayors commit to 100% renewable fuel sources for ground transportation by 2045

Hawaii's economy continues to grow

Tourism

Year-over-year change	December 2017	2017
Arrivals	+6.3%	+5.0%
Expenditures	+2.9%	+6.2%

Unemployment

- December 2017 – Hawaii: 2.0%; U.S.: 4.1%

Real Estate

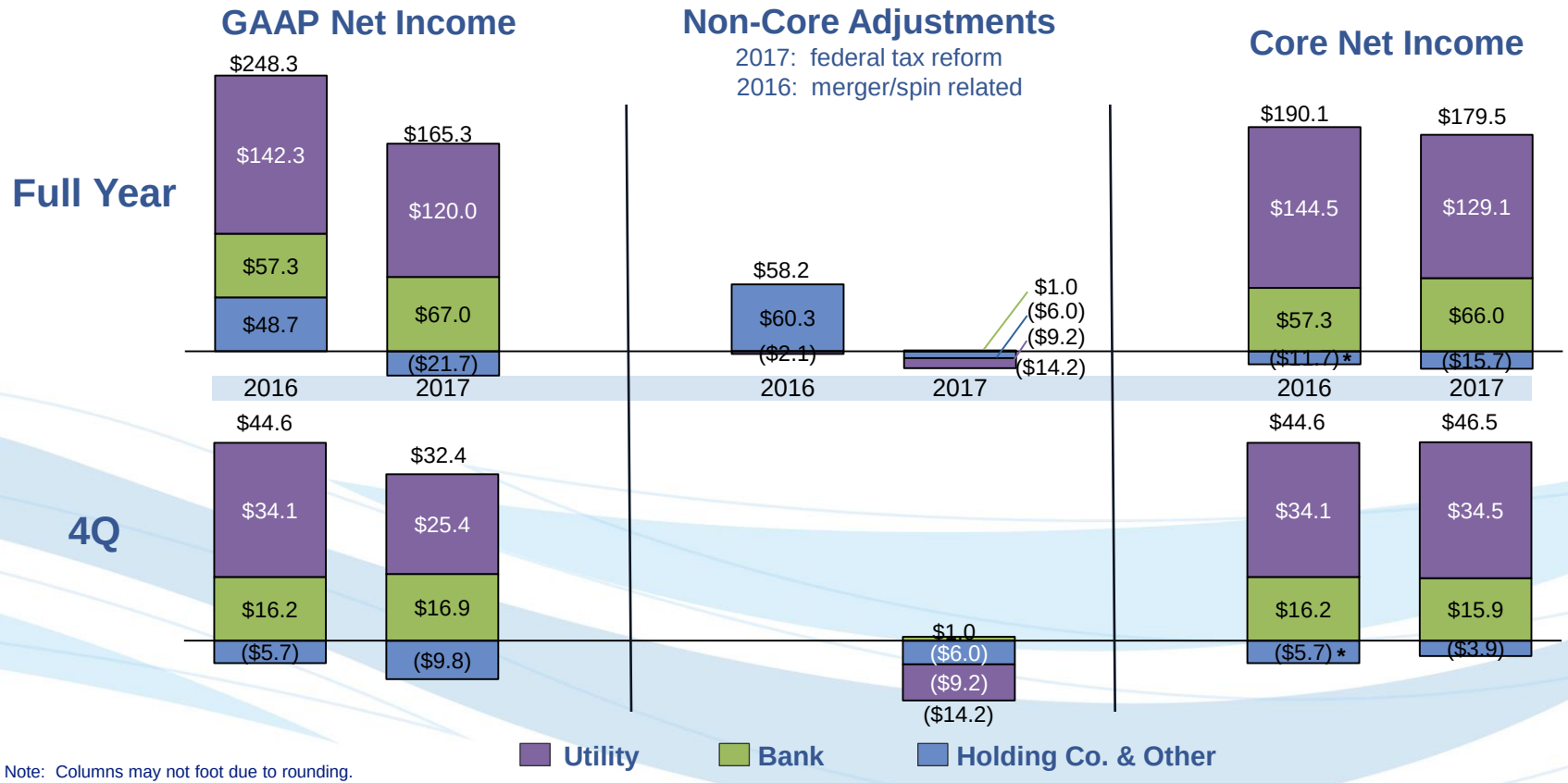
- Oahu sales volume:
  - 2017: single family homes up 6.3%, condominiums up 6.9% vs 2016
  - Jan. 2018: single family homes up 2%, condominiums down 1.1% vs Jan. 2017
- Jan. 2018 Oahu median sales prices:
  - Single family homes: $772,000, up 5.8% from the prior year
  - Condominiums: $430,000, up 13.2% from the prior year

Real State GDP

- Expected to increase 1.7% in 2018

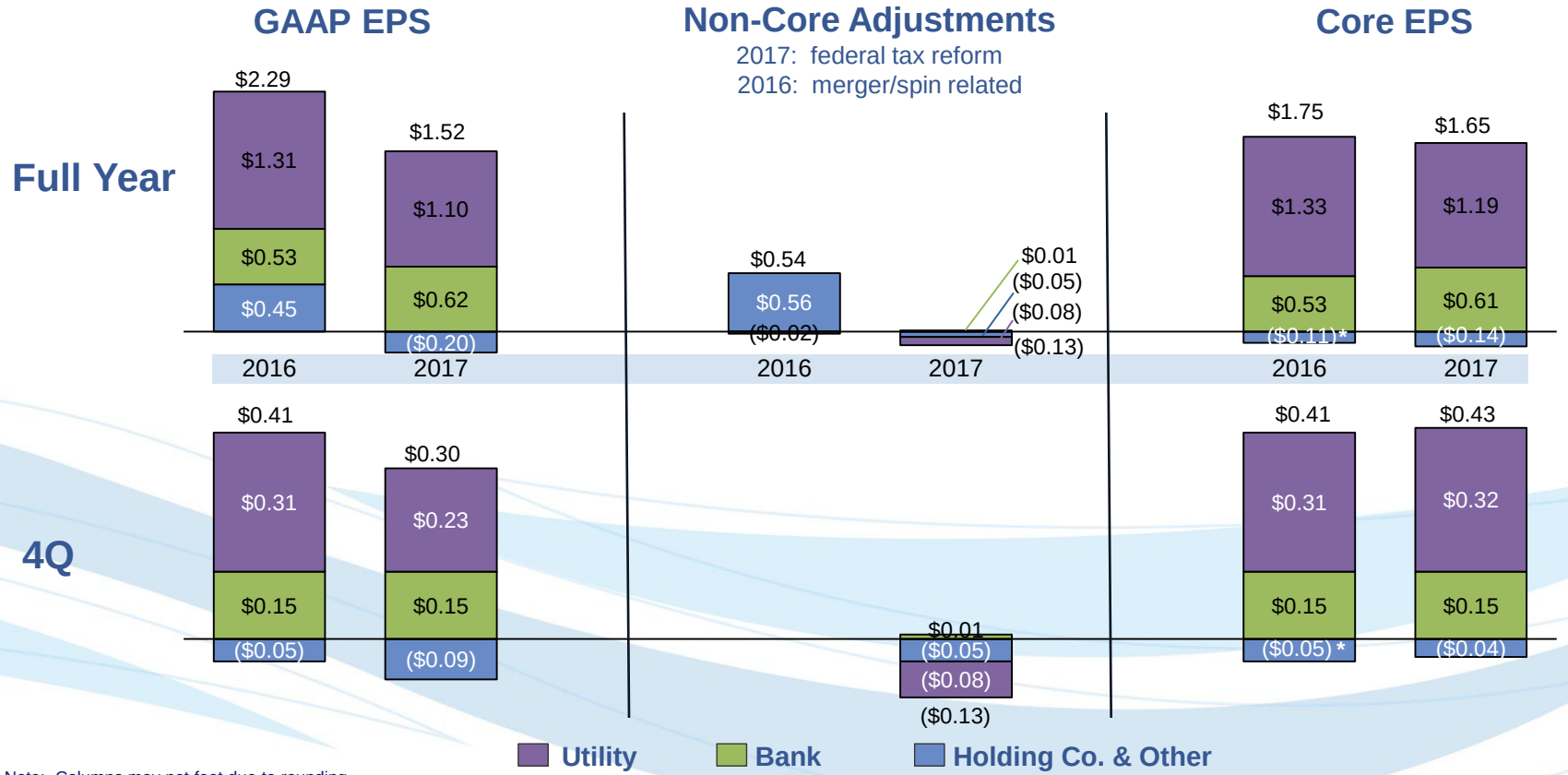
Sources: Department of Business, Economic Development and Tourism, U.S. Bureau of Labor Statistics, State of Hawaii Department of Labor and Industrial Relations, Title Guaranty Hawaii.

Consolidated Net Income 4Q and Full Year ($ millions)



Note: Columns may not foot due to rounding.
See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.
* Holding company results reflect ~$2 million adjustment to tax benefits in 4Q 2016 and ~$4 million favorable tax benefits in the full year 2016 as HEI moved out of a federal net operating loss position.

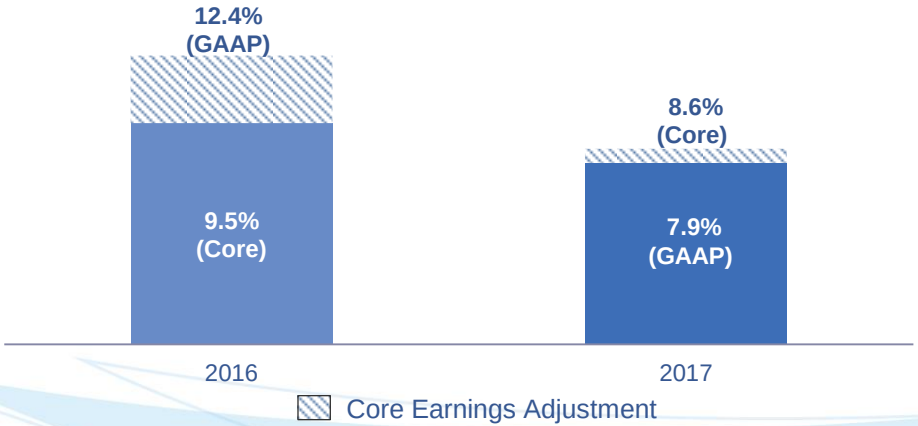
Consolidated Diluted EPS 4Q and Full Year ($ per share)



Note: Columns may not foot due to rounding.
See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.
* Holding company results reflect ~$0.02 per share adjustment to tax benefits in 4Q 2016 and ~$0.04 per share favorable tax benefits in the full year 2016 as HEI moved out of a federal net operating loss position.

HEI ROE

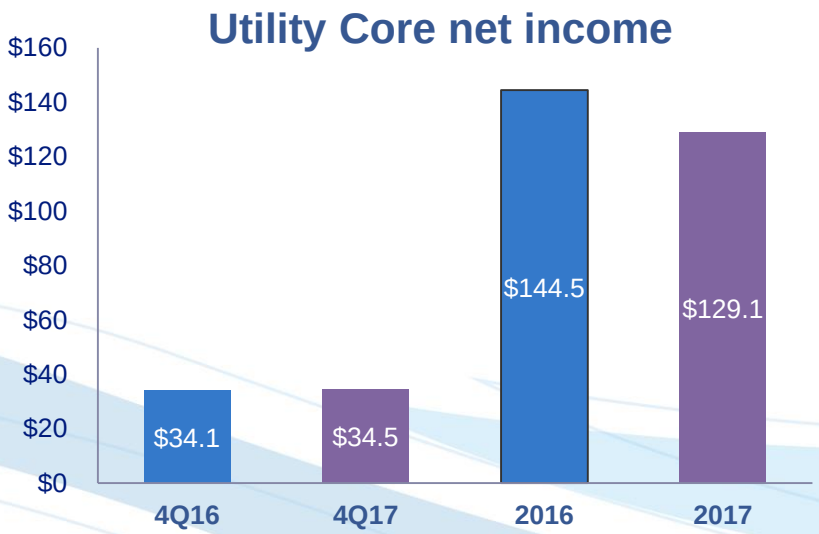
Consolidated HEI ROE
Twelve Months Ended December 31



	2016	2017
Utility	GAAP 8.1% / Core 8.2%	GAAP 6.6% / Core 7.1%
Bank	10.1%	11.3%

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

2017 utility financial highlights (in millions)



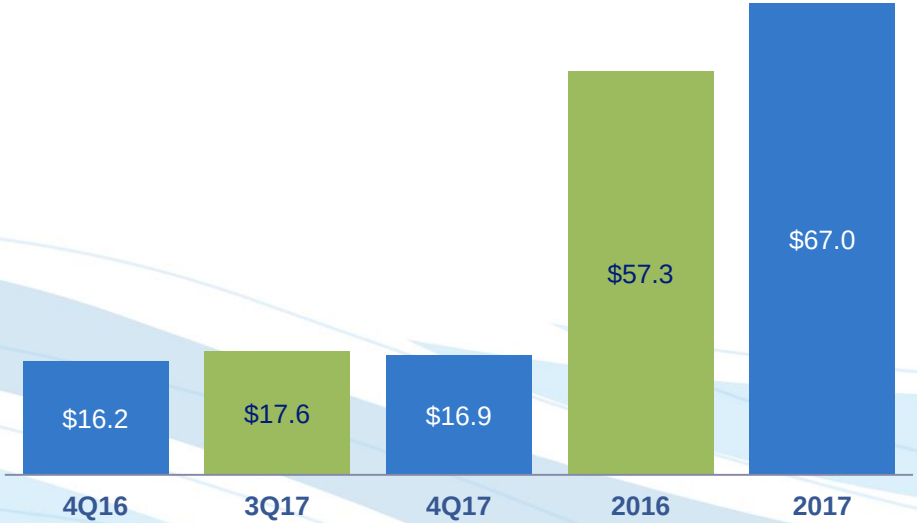
Key utility core earnings drivers, after-tax fav/(unfav)	4Q17 vs 4Q16	2017 vs 2016
Expiration of the Oahu RAM settlement	--	(11)
Higher (lower) RAM revenues	2	6
Hawaii Electric Light 2016 interim increase	1	2
Other	(1)	(2)
Net revenues*	2	(5)
O&M, excluding net income neutral items	(3)	(11)
Allowance for funds used during construction	2	5
Depreciation	(1)	(3)
Other	1	(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.
See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.

2017 bank financial highlights (in millions)

Bank net income



Key bank earnings drivers, after-tax fav/(unfav)	4Q17 vs 3Q17	4Q17 vs 4Q16	2017 vs 2016
Net interest income	--	2	11
Provision for loan losses	(2)	(1)	4
Noninterest income	--	(1)	(3)
Noninterest expense, excluding tax reform related bonuses	--	(1)	(3)
Federal tax reform impact net of related bonuses	1	1	1

Bank 2017 performance

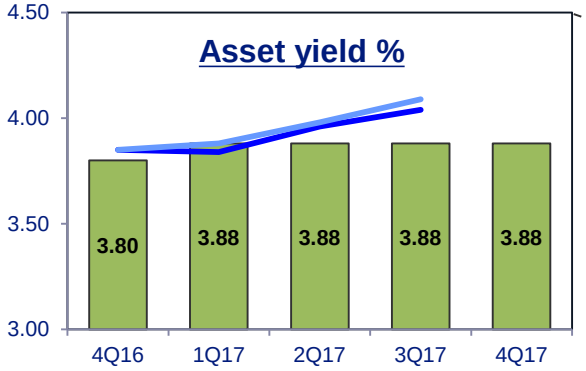


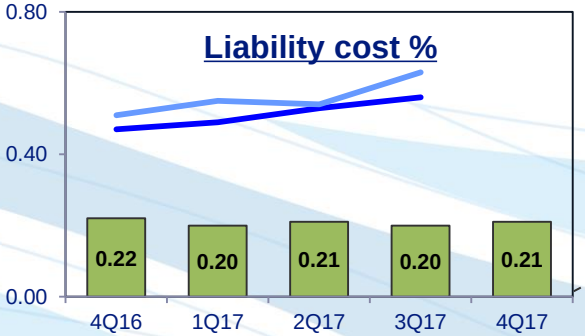
Source for peer data: SNL Financial (based upon data available as of February 13, 2018)
Note: Quarterly information is annualized

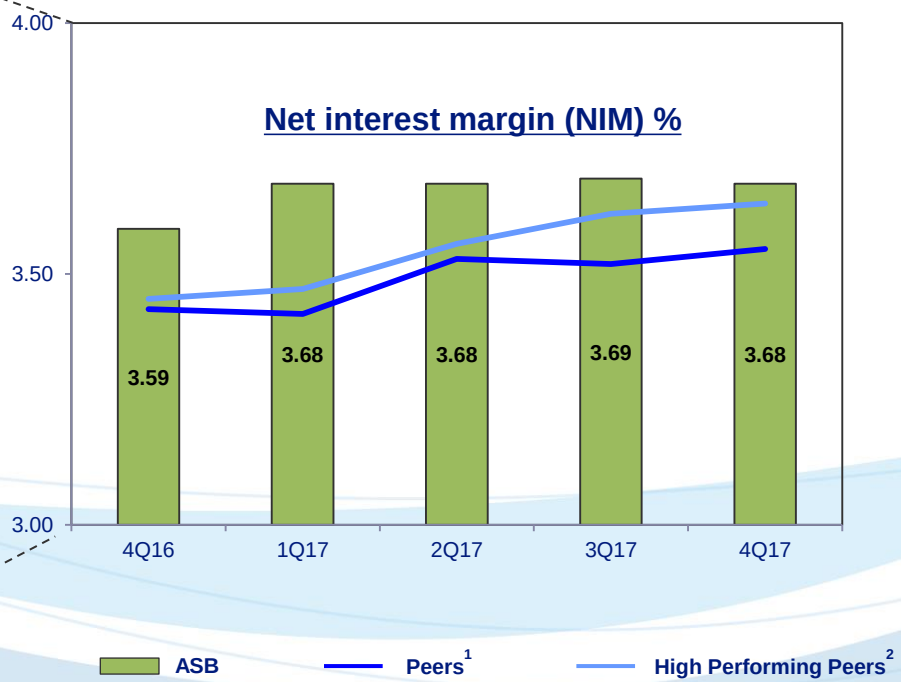
[1] Median for peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets and not subject to the Durbin Amendment caps limiting interchange fees. See ASB Peer Group – 2017.

[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



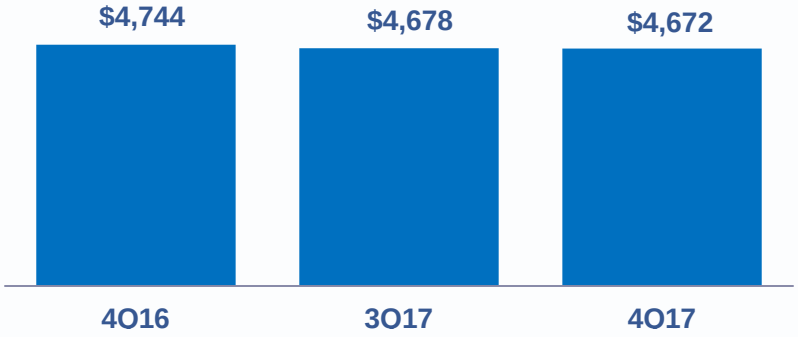




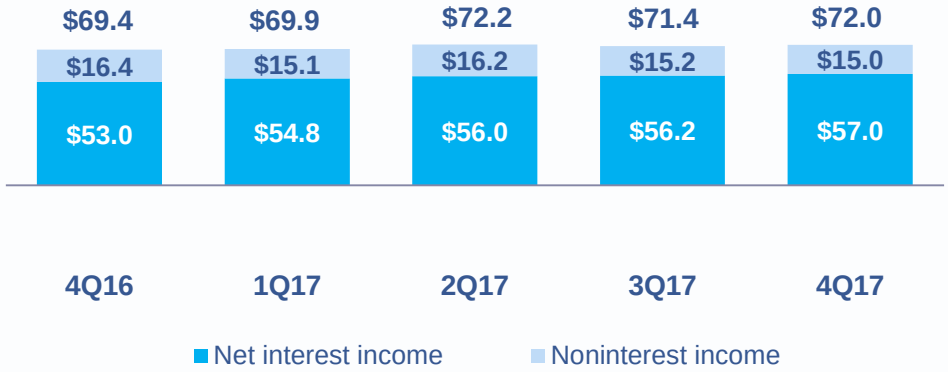
Source for peer data: SNL Financial (based upon data available as of February 13, 2018)
Asset Yield: Total interest income as a percentage of average interest-earning assets
Liability Cost: Total interest expense as a percentage of average interest-bearing and non-interest bearing liabilities
Net Interest 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

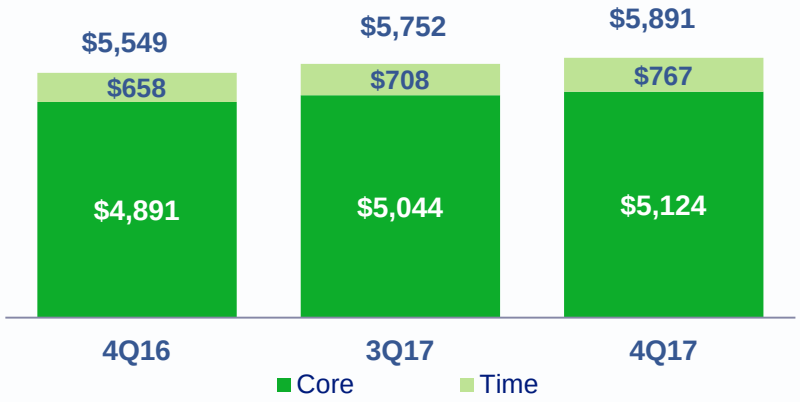


Net interest income and noninterest income



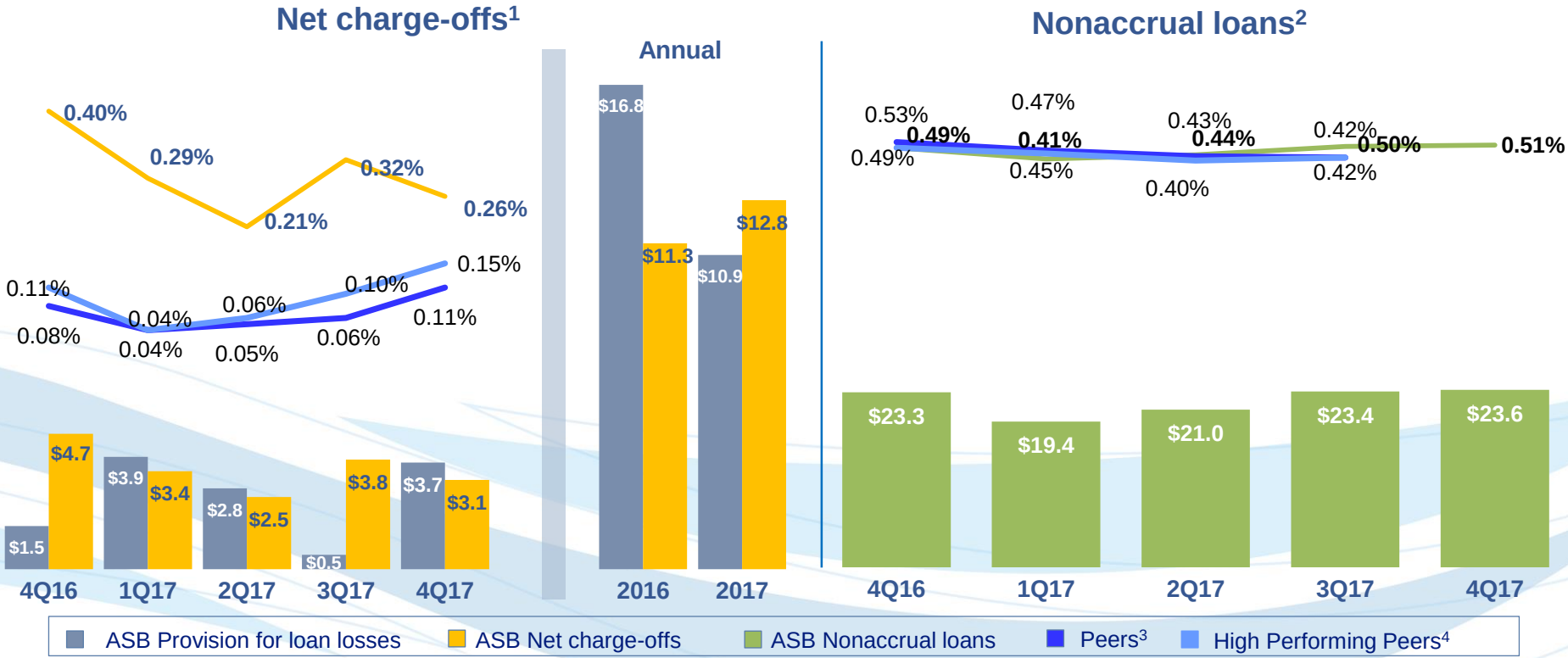
Average Interest-Earning Assets				
$5,892	$5,992	$6,089	$6,063	$6,174

Total deposits



	2016	2017
Net Interest Income	206.2	224.0
Non Interest Income	67.0	61.5
	273.2	285.5

Credit quality ($ in millions)



Source for peer data: SNL Financial (based upon data available as of February 13, 2018)

[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.

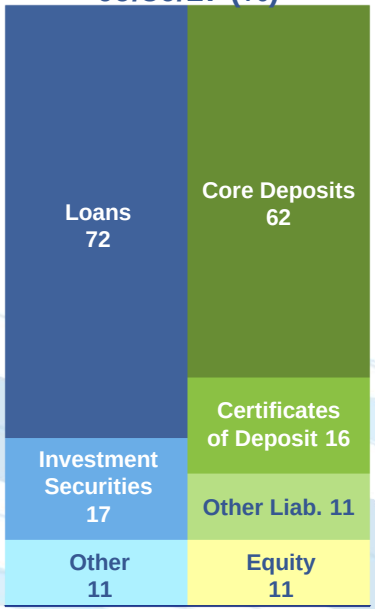
[4] Median for peer group of 16 high performing banks. See ASB Peer Group - 2017.

Quality balance sheet

- Overall loan-to-deposit ratio of 79%
- 100% of ASB loans funded with low-cost core deposits

Peer Banks[1]

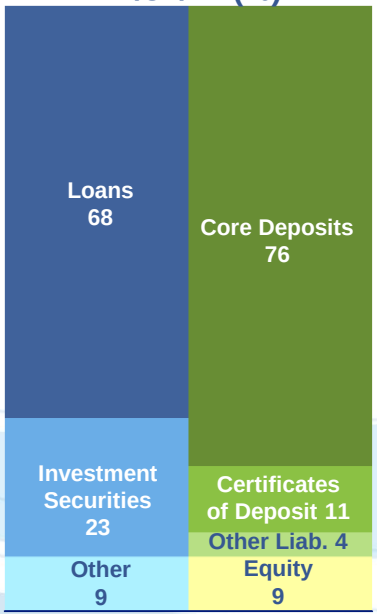
09/30/17 (%)



Peer median of avg yield
on earning assets 3Q17: 4.04%
Peer median of avg cost of funds 3Q17: 0.56%

ASB

12/31/17 (%)

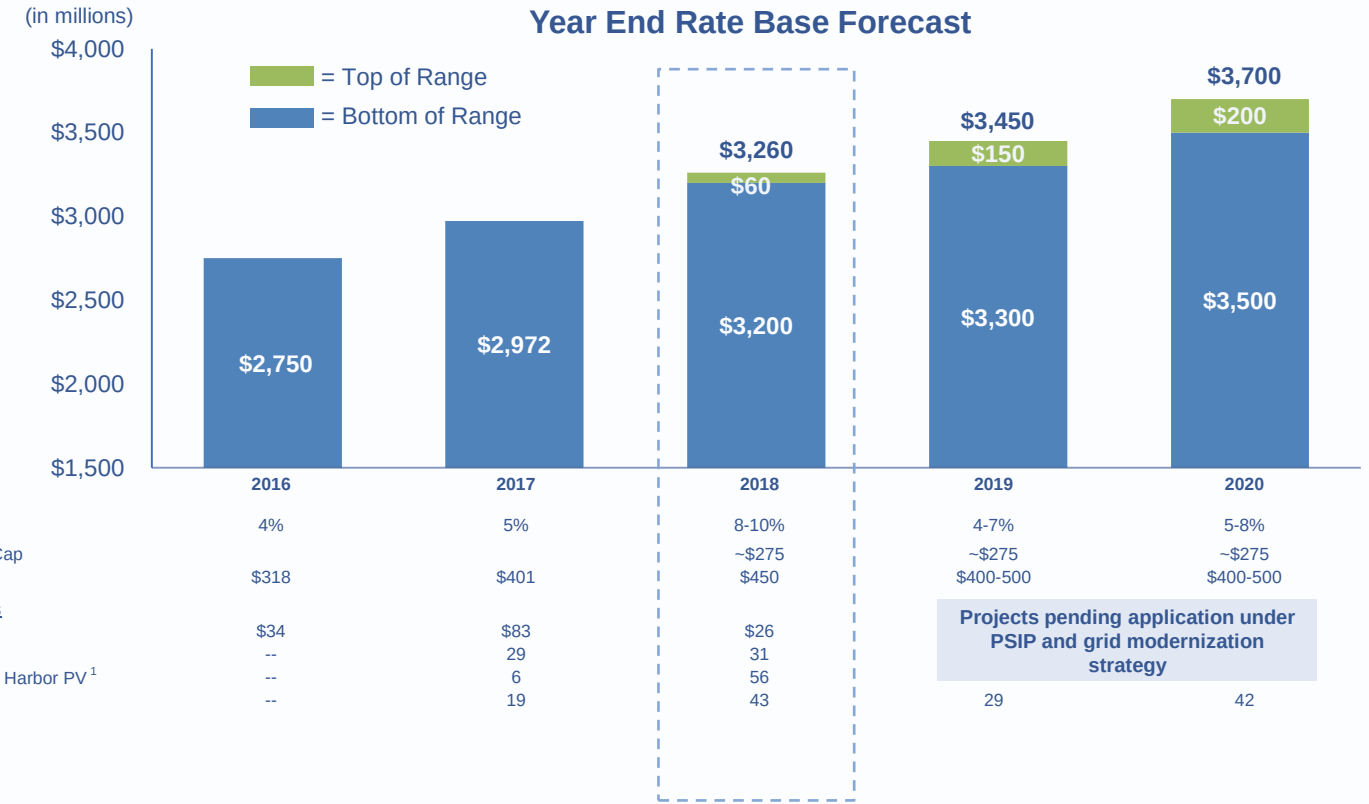


Avg yield on earning assets 4Q17: 3.88%
Avg cost of funds 4Q17: 0.21%

- Leverage ratio: 8.6%
- Tangible common equity to tangible assets: 7.8%
- Total capital ratio: 14.2%

Source for peer data: SNL Financial (based on data available as of February 13, 2018)
[1] Peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See ASB Peer Group - 2017.

Clean and reliable energy the primary driver of our capital investment strategy



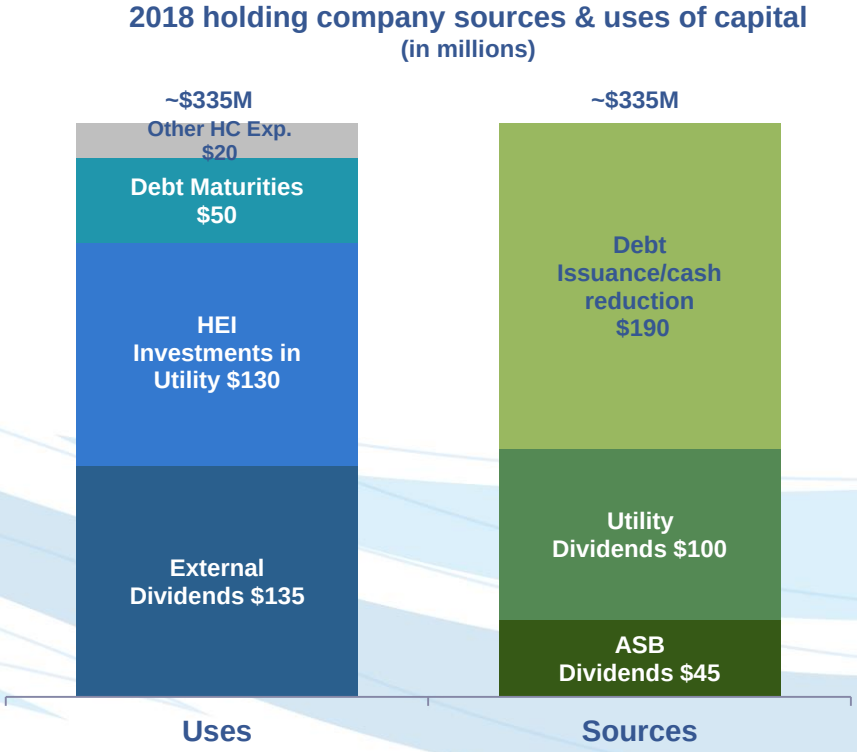
		2016	2017	2018	2019	2020
	Rate Base Growth[2]	4%	5%	8-10%	4-7%	5-8%
	RAM Plant Addition Cap			~$275	~$275	~$275
	Capex (net of CIAC)	$318	$401	$450	$400-500	$400-500
	Major Capex Projects					
[50 MW]	• Schofield [1]	$34	$83	$26		
	• ERP[1]	--	29	31		
[20 MW]	• Joint Base Pearl Harbor PV [1]	--	6	56		
	• Other Projects	--	19	43	29	42

Projects pending application under PSIP and grid modernization strategy

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 financing outlook 2018 (as of February 14, 2018)



- Intend to maintain a consolidated investment grade profile

* Based on January 2018 forecast

Overall, tax reform a net positive moving forward

	2017 one-time adjustments	Primary ongoing impacts
Hawaiian Electric	($9.2) million • Reduction of net deferred tax asset	• Benefits from lower tax rates to flow to customers • Loss of bonus depreciation increases need for financing of capex and should incrementally increase rate base going forward • Domestic Production Activities Deduction (DPAD) repealed and Contributions in Aid of Construction (CIAC) exclusion eliminated • Exempt from limit on deductibility of interest
American Savings Bank	$1 million • Reduction of deferred tax liability • Net of one-time non-executive employee bonus	• Net income increase from lower tax rates • Marginally higher cost structure due to compensation increases • Higher earnings increase capacity for dividends to holding company
Pacific Current	None	• Earnings subject to lower tax rates • Higher dividend to holding company than would otherwise occur
Holding Company and Other	($6) million • Reduction of deferred tax asset	• Net loss increases with lower tax rate • As consolidated taxpayer with subsidiaries, bank's net interest income position offsets holding company's net interest expense
Consolidated Enterprise	($14.2) million	• Modest impact due to elimination of performance-based compensation deduction under 162(m) • Consolidated impact expected to be a net positive

HEI 2018 EPS guidance (as of February 14, 2018)

HEI EPS: $1.80 - $2.00 per share	
No new equity issuances through 2018	
Utility EPS: $1.33 - $1.46	**Bank EPS: $0.68 - $0.74**
Key Assumptions: ▪ No change to decoupling or recovery mechanisms ▪ O&M[1]: forecasted at 2% above 2017 levels, excluding pension ▪ Fuel efficiency: similar to rate case levels, subject to changes due to demands on the system ▪ Rate base growth: 8% - 10% based upon 2018 capex of $450 million ▪ Equity capitalization: currently implemented rate case levels ▪ LT debt: ~$150 million of new issuances to support capex plan	Key Assumptions: ▪ Low to mid-single digit asset growth ▪ NIM: ~3.7% to 3.8% ▪ Provision expense: $14 million to $18 million ▪ ROA > 1.10%

Note: Holding company & other net loss estimated at **$0.19 - $0.21**

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

Summary

- **Tax reform results in net positive impact to consolidated enterprise due to increased earnings and dividend capacity for our bank**
- **Hawaiian Electric Company**
  - Returning to triennial rate case cycle
  - Made major progress on foundational frameworks to reach 100% RPS goal by 2045
  - Increasing resilience and reliability
  - Expanding customer options and increasing customer value
  - Promoting sustainable communities and electrification to encourage a broader clean energy vision for Hawaii
- **American Savings Bank**
  - Stronger than expected 2017 financial performance; net income strengthens with tax reform
  - Continued focus on making banking easier for customers and deepening customer relationships
  - Improving operating efficiency and credit quality
  - Building campus of the future to promote innovation and collaboration
- **Pacific Current**
  - Focused on non-regulated clean energy and sustainability investments to serve as a catalyst for a better Hawaii
  - First investment made in 2017 and accretive in 2018; additional project to be announced soon
- Attractive **dividend yield** of 3.8%[1]; continuation of uninterrupted dividends since 1901

[1] As of February 13, 2018

Appendices

Tax Reform Act Impacts

Tax Rate Reduction to 21%

- We expect benefit pass-through to utility customers in near- to mid-term / Negative cash flow impact
  - Filed estimated tax benefit with PUC on January 31; working with Consumer Advocate and the PUC on amount and timing of customer give-backs
  - Deferred taxes now at lower 21% rate, established regulatory liability to ratepayers for excess deferreds
- Deferred tax asset write-downs impacting net income in 2017
- More of Pacific Current's earnings to flow to bottom line going forward
- Holding company net loss will be increased with lower tax rate beginning 2018

Immediate Expensing and Bonus Depreciation

- Regulated public utilities do not qualify for immediate expensing / bonus depreciation
  - Will increase need for financing of capital expenditures
- For non-utility entities: Bonus depreciation expands to used property acquisitions and will start phasing out in 2023 20% each year
- Lower growth of deferred income tax offsets will incrementally increase rate base and should have positive net income effects longer-term

Tax Deductibility of Interest Expense

- Operating utilities exempt from limits on deductibility of interest expense to 30% of adjusted taxable income
- HEI (consolidated tax payer with subsidiaries) however protected by net interest income from Bank

Other Utility Impacts

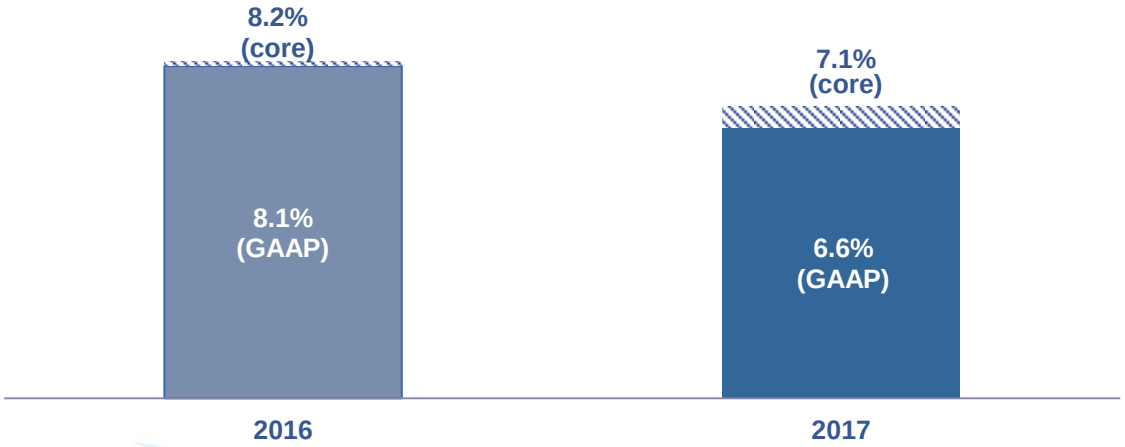
- Tax credits for solar and wind developments continue but maintains sunsetting
- Reduces deduction of NOLs; Can carry forward indefinitely but carry back eliminated
- Domestic Production Activities Deduction (DPAD) repealed and Contributions in Aid of Construction (CIAC) exclusion eliminated
- Elimination of deductibility for performance-based compensation (162(m)) incrementally reduces net income

Tax Impact on Bank

- Financial impact on Bank is long-term positive
  - Benefits substantially drop to bottom line
  - Bank is in deferred tax liability position and lower tax rate results in income gain and greater equity position
  - Bank can take advantage of immediate expensing of capital expenditure (i.e., campus items < 20 yr life)
  - Bank giveback to employees in form of $1000 per non-executive employee and increase in minimum wage and elevated pay scale through organization
  - Earnings improvement increases bank capacity for dividends to holding company
- General economic impact could be beneficial for loan growth opportunities
- Some concern of increased pricing competition for loans and deposits

Utility ROE

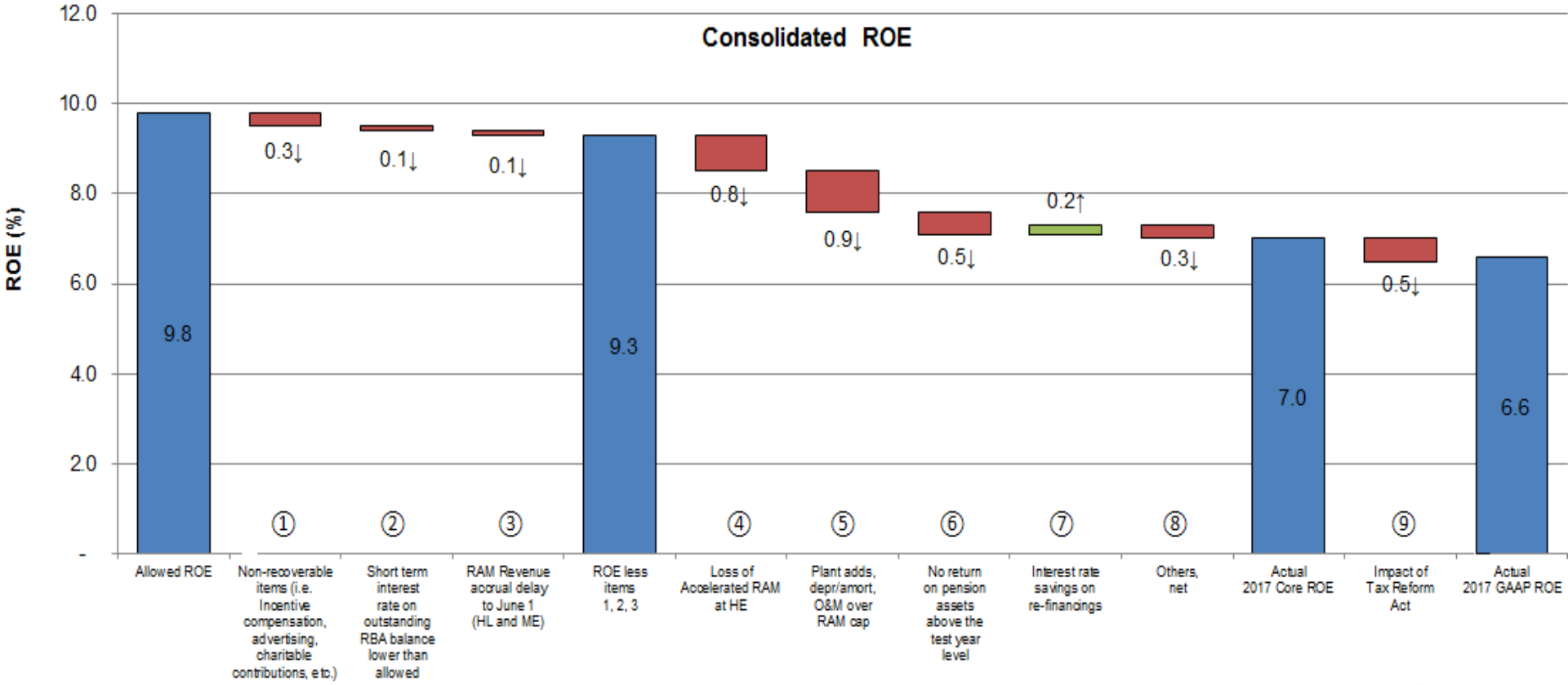
Consolidated Utility ROE
Twelve Months Ended December 31,



	Consolidated Utility	Hawaiian Electric	Hawaii Electric Light	Maui Electric
2016 GAAP	8.1%	8.3%	7.3%	8.1%
2017 GAAP	6.6%	6.5%	7.0%	6.8%
Allowed[1]	9.4%	9.5%	9.5%	9.0%

Note: Last base revenue increase: Hawaiian Electric: 2017 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 regulatory calculation and Public Utilities Commission decisions in effect on December 31, 2017

2017 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

- Implementation of grid modernization strategy approved by PUC February 2018, pending project applications
- Customer and stakeholder engagement used to define grid modernization goals; engagement to continue as implementation applications developed
- 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
- Related filings targeted for Q1 2018 include plan for executing near-term roadmap and proposed integrated grid-planning process

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)	Settlement (11/15/17)	Interim D&O (12/15/17)
Amount requested	$106.4M (6.9% increase over revenues at current effective rates) [1]	Approximately $53.7M (at 9.5% ROE)-$58.8M (at 9.75% ROE) (3.5%-3.8% increase over revenues at current effective rates) [2]	Approximately $36.0M (at 9.5% ROE) [3] (2.3% increase over revenues at current effective rates) [4]
Deprec. & amort. expenses	$130.7M	$130.7M	$130.6M
Return on average common equity	10.60% with mechanisms	9.5%-9.75% with mechanisms	9.5% With mechanisms
Common equity capitalization (%)	57.36%	57.10%	57.10%
Return on rate base	8.28%	7.57%-7.72%	7.57%
Average rate base	$2,002M	$1,990M	$1,980M
GWh sales	6,660.2	6,660.2	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.

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.

3 Interim D&O made 3 adjustments from the Settlement Letter filed by Hawaiian Electric and Consumer Advocate: (i) $6M reduction for customer benefit, (ii) $5M revenue reduction pending further examination of baseline plant additions and (iii) $5 million related to pension contributions in excess of pension expenses. PUC approved company's partial motion for reconsideration to ensure same customer benefits without requiring write off of pension regulatory asset.

4 The Company proposed interim revenue increase of $36.0M (adjusted downward from $38.4M interim) reflects the adjustment to remove the impact of the modifications to the ECAC and aligns with the change in total annual target revenues.

5 Interim rates to be effective upon PUC approval of the revised tariffs and schedules.

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.

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

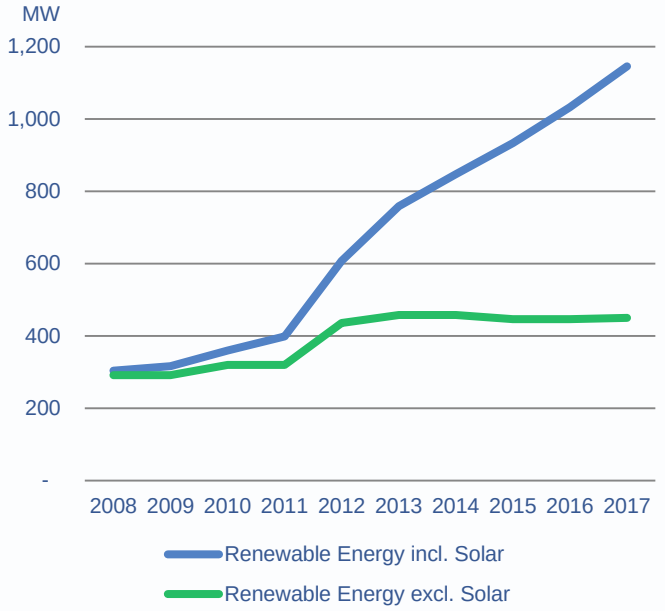
[2] Current effective rates are based on the adjusted interim D&O in the Maui Electric's 2010 test year rate case. Average rate base in that D&O was $387M.

[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.

National leader in renewable energy integration and distributed generation

Rapid growth of renewables, especially solar



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

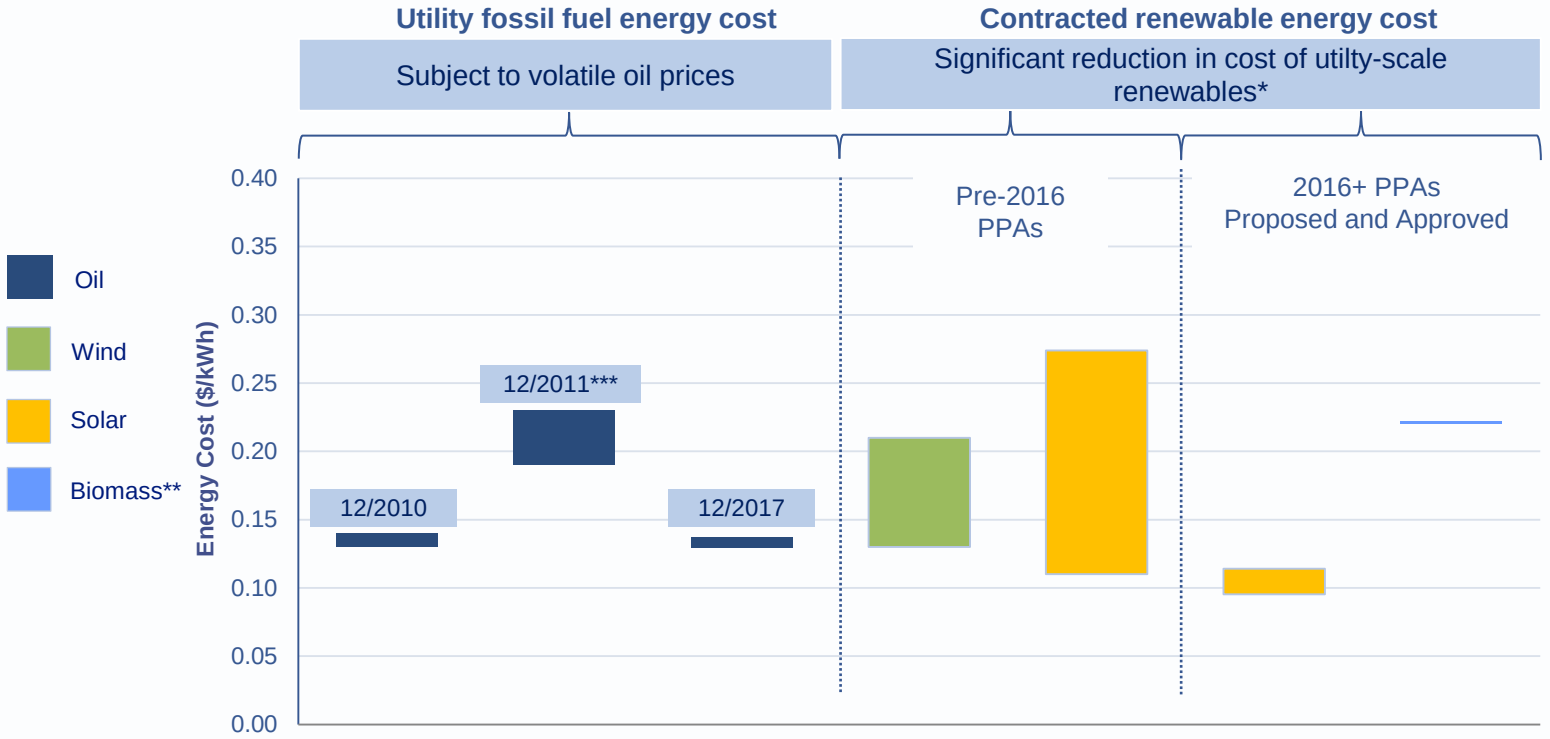
2017 Renewable Portfolio Standard[1]			
Consolidated	Oahu	Maui County	Hawaii Island
27%	**21%**	**34%**	**57%**

Energized Solar PV	2008	2014	2015	2016	2017
PV Systems	850	~50K	~60K	~70K	~74K
Megawatts	12	389	487	586	695

16% of all customers and 17% of residential customers had installed solar PV as of 4Q17

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

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



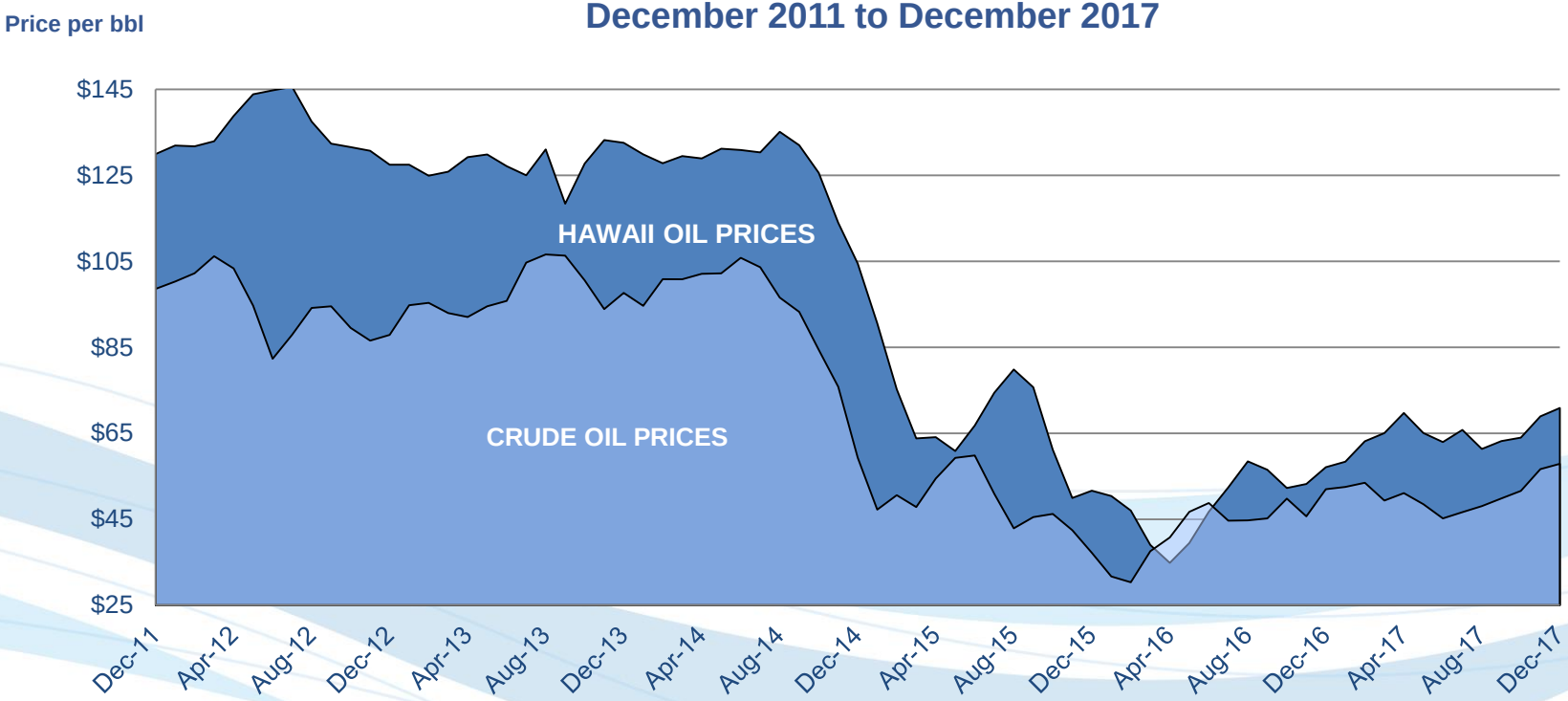
* In June 2017, the Hawai'i Public Utilities Commission (PUC) approved the 20 MW solar energy facility at Joint Base Pearl Harbor-Hickam, West Loch, the lowest cost renewable energy in the state at 9.56 cents per kWh or lower.
In July 2017, the PUC approved the purchase power agreements with NRG Energy 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

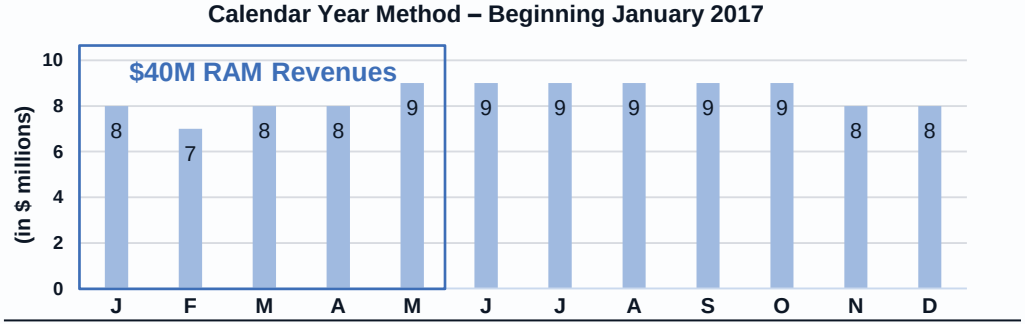
Hawaii's oil situation

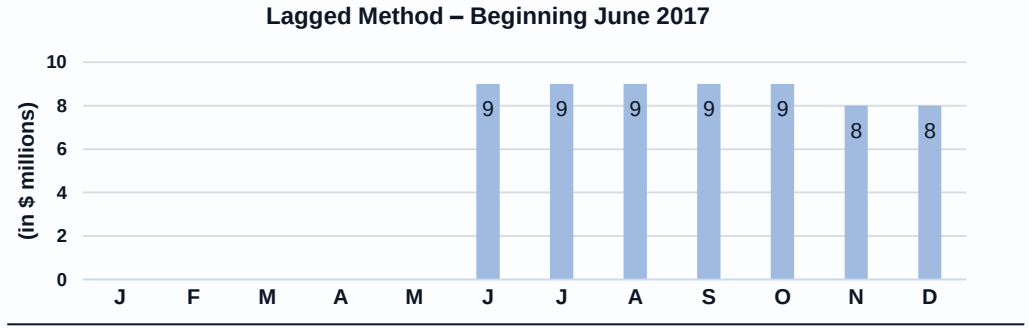
Low Sulfur Fuel Oil vs. Crude Oil
December 2011 to December 2017

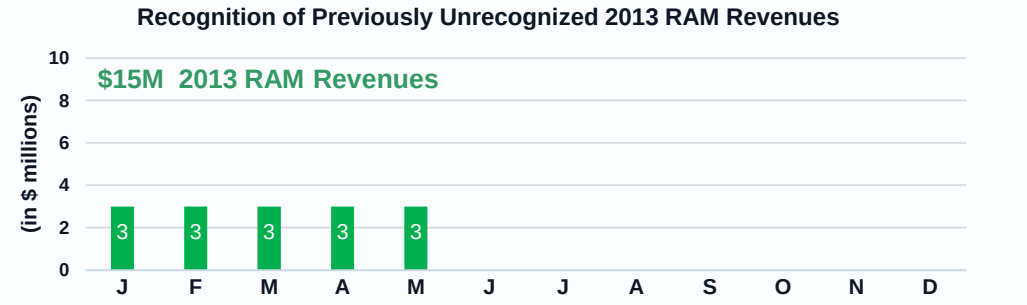


Hawaii oil prices based on Hawaiian Electric low sulfur fuel oil inventory prices
Crude oil prices based on West Texas Intermediate (WTI)

2017 Impact of Loss of January 1 RAM Revenue Recognition Method





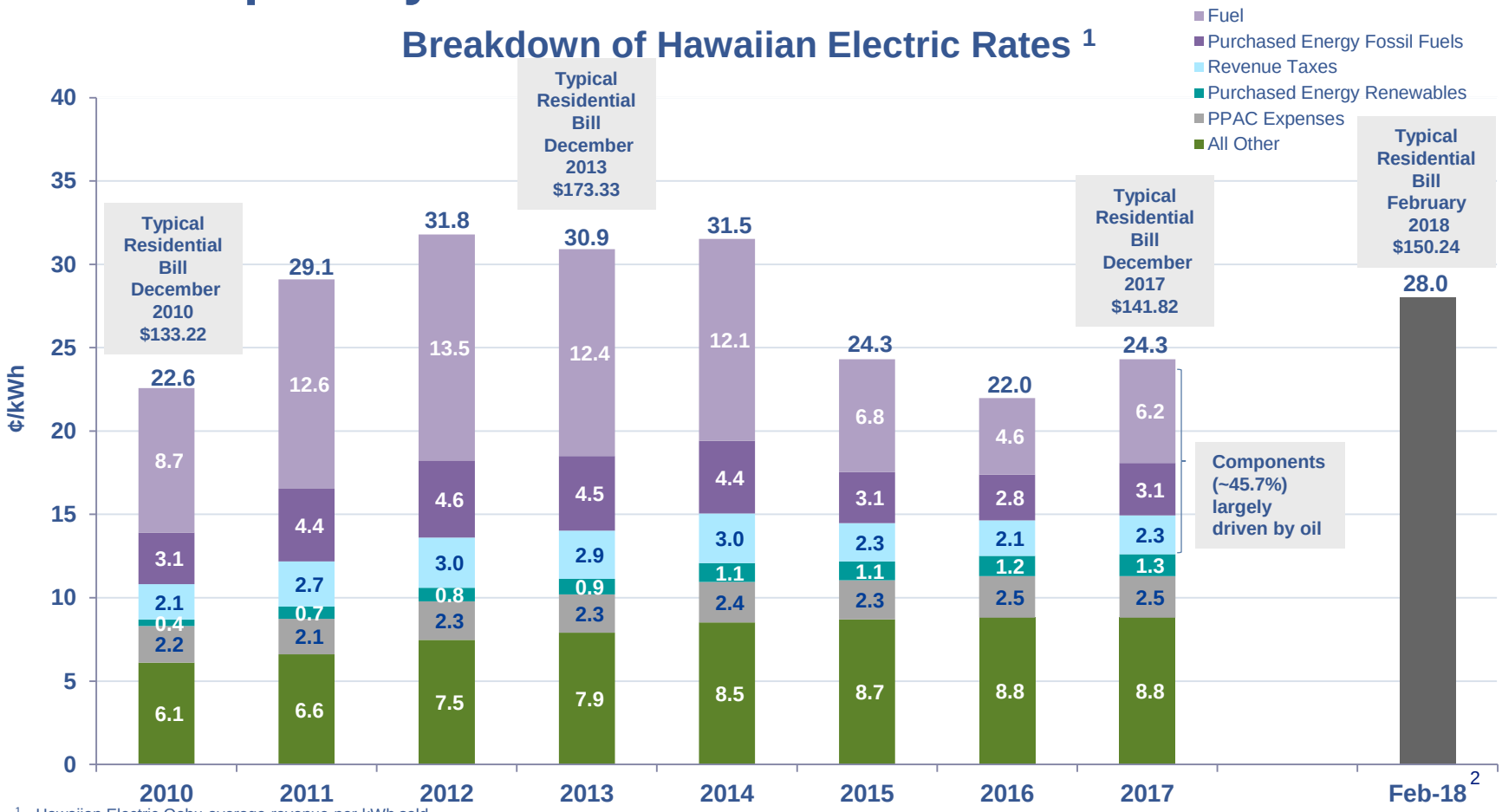


- ***Background***: *Per the Settlement Agreement with the Consumer Advocate approved by the Public Utilities Commission in 2013, Hawaiian Electric was allowed to record RAM revenues beginning January 1 ("calendar year method") for RAM years 2014 – 2016*
- *The Settlement Agreement expired on December 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)

Oil is the primary driver of rates in Hawaii



1 Hawaiian Electric Oahu average revenue per kWh sold

2 Based on the February 2018 energy cost adjustment filing for residential customers only

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 baseline plant additions between rate cases
Major Projects Interim Recovery adjustment mechanism (MPIR)	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

Components	
1. Sales decoupling via a Revenue Balancing Account (RBA)	**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:

	1Q	2Q	3Q	4Q
Hawaiian Electric (prior to 2017TY interim)	23.46%	24.75%	26.49%	25.30%
Hawaiian Electric (after 2017TY interim)	23.88%	24.45%	26.29%	25.38%
Hawaii Electric Light (prior to 8/31/17)	24.23%	24.54%	25.87%	25.36%
Hawaii Electric Light (8/31/17 thereafter)	24.74%	24.45%	25.61%	25.20%
Maui Electric	23.92%	24.77%	26.21%	25.10%

▪ 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

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

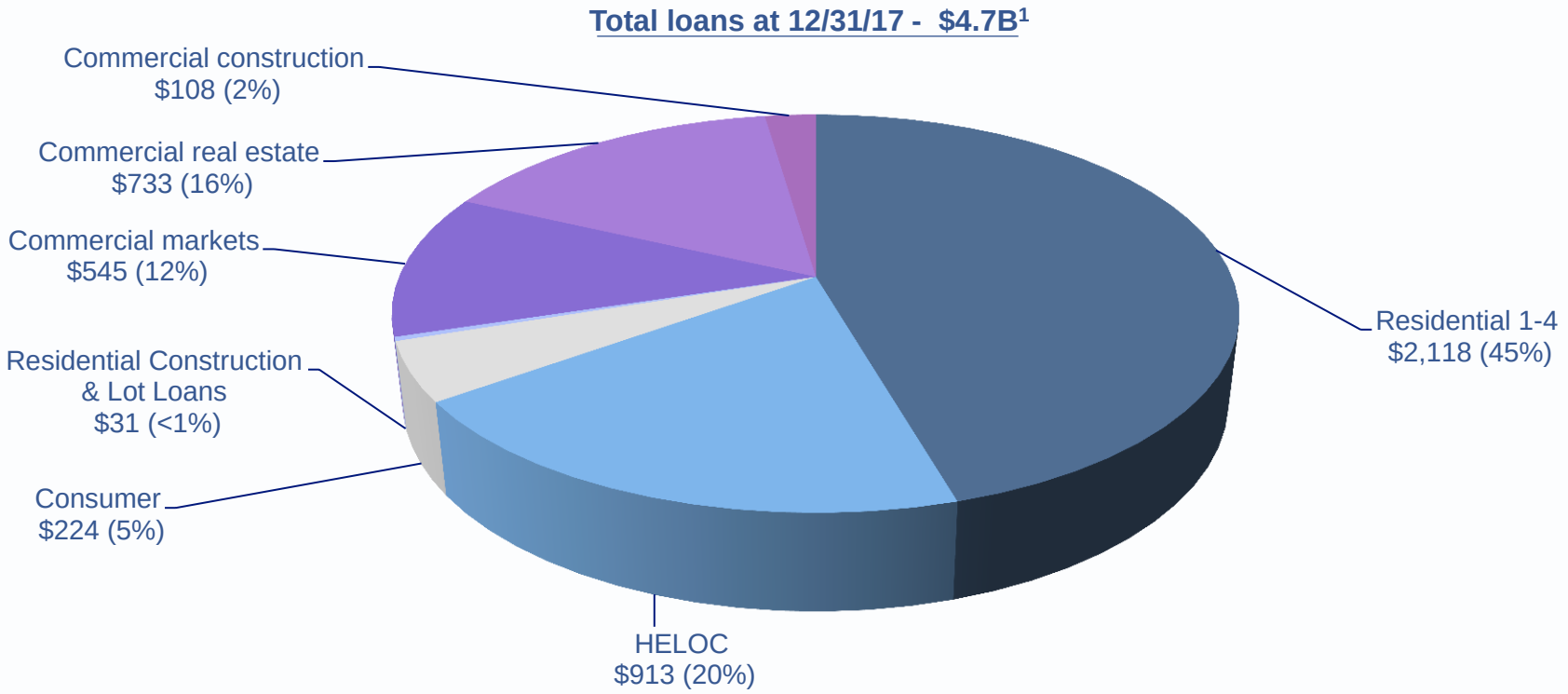
Examples of items not covered in 2a:
- Non-labor O&M increases > GDPPI
- Non-union labor expense increases
- Costs for large capital projects > PUC approved estimate
- Costs for base-level capital projects > 5-year historical average, until following year
- Investments other than plant (e.g., software 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% (through 12/2017) and 9.5% (after 12/2017) 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

Low-risk loan mix



Note: $ in millions, unless otherwise noted

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

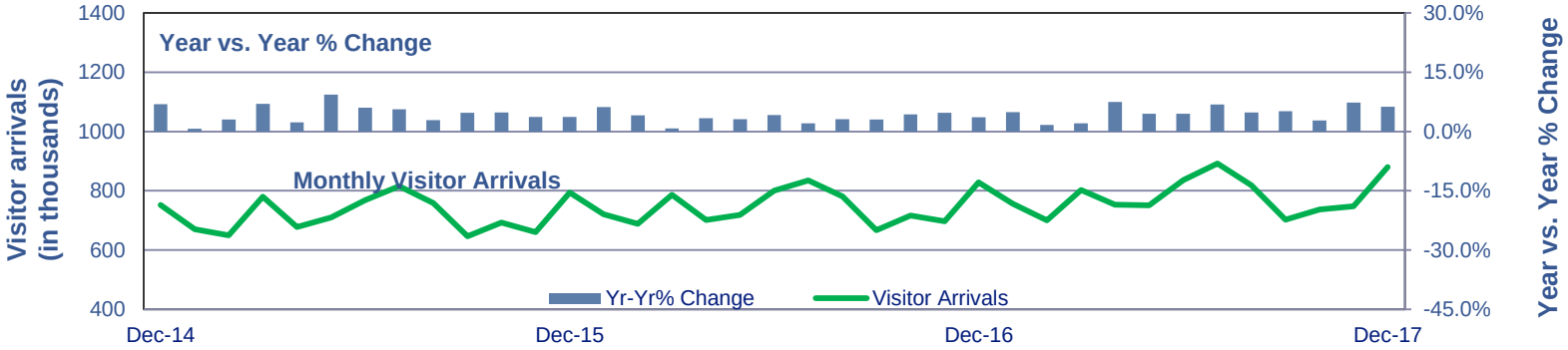
ASB peer group – 2017

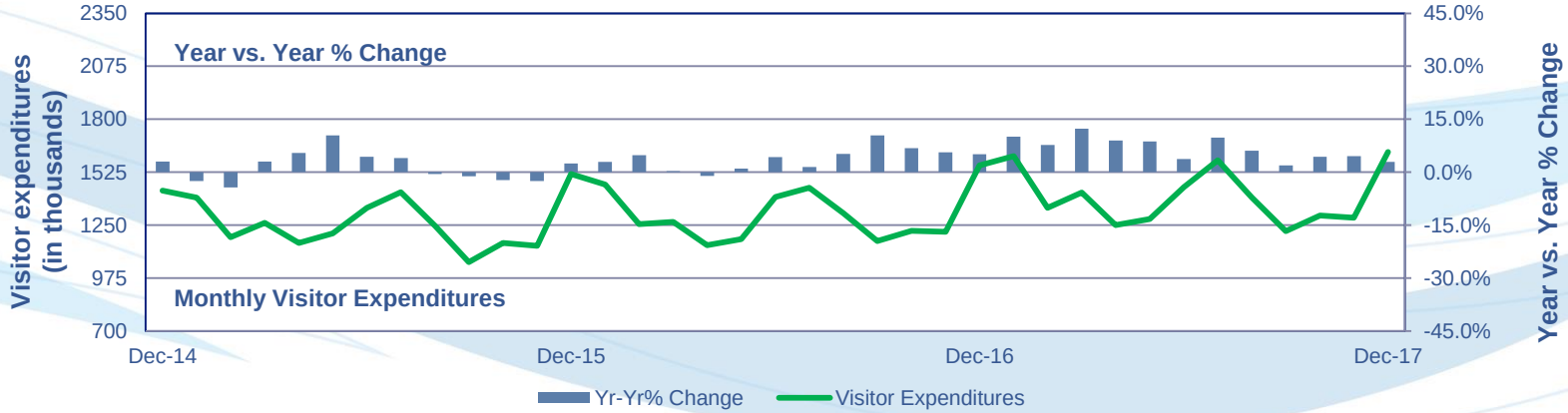
*	1st Source Corporation	SRCE
	Ameris Bancorp	ABCB
	BancFirst Corporation	BANF
	Berkshire Hills Bancorp, Inc.	BHLB
	BNC Bancorp	BNCN
*	BofI Holding, Inc.	BOFI
	Boston Private Financial Holdings, Inc.	BPFH
	Bridge Bancorp, Inc.	BDGE
	Brookline Bancorp, Inc.	BRKL
*	Cardinal Financial Corporation	CFNL
	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

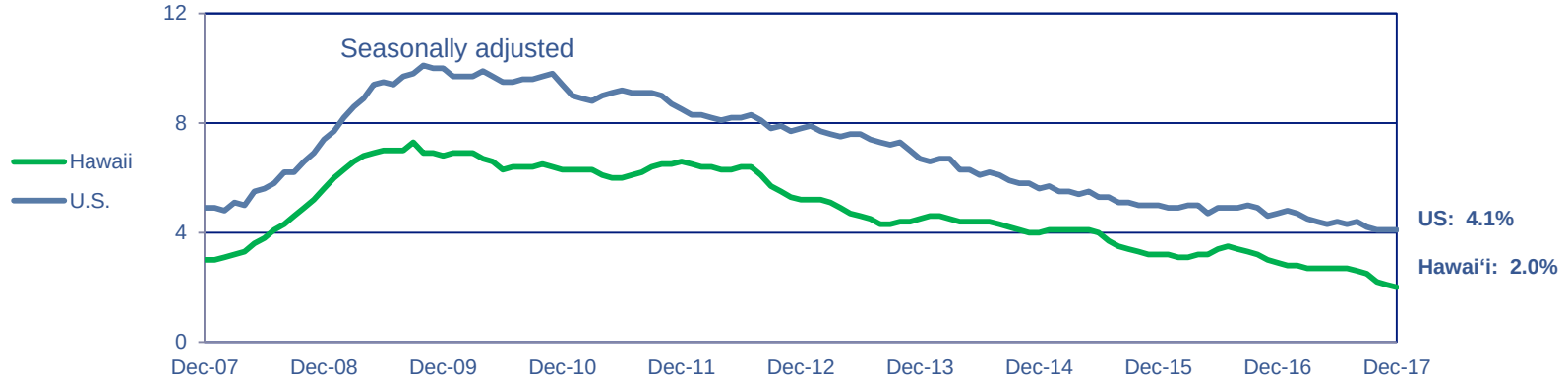
YTD Hawaii visitor arrivals up 5.0% and visitor expenditures up 6.2%

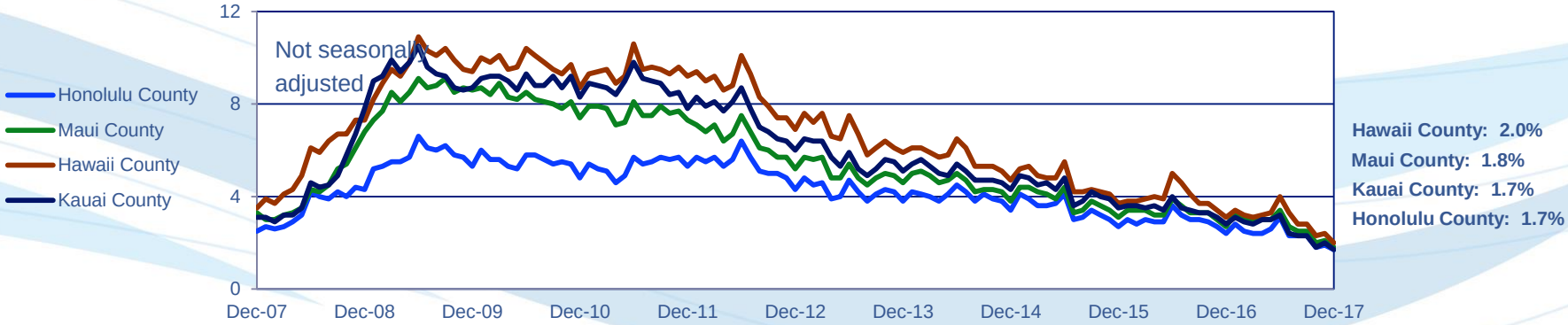




Source: State of Hawaii Department of Business, Economic Development and Tourism

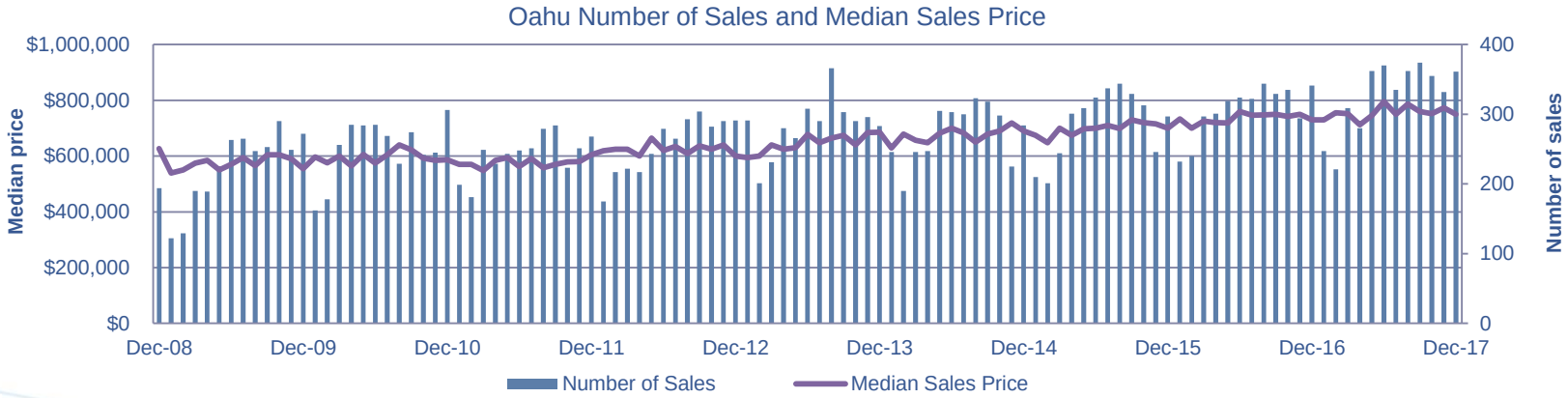
Hawaii unemployment rate remains low at 2.0%

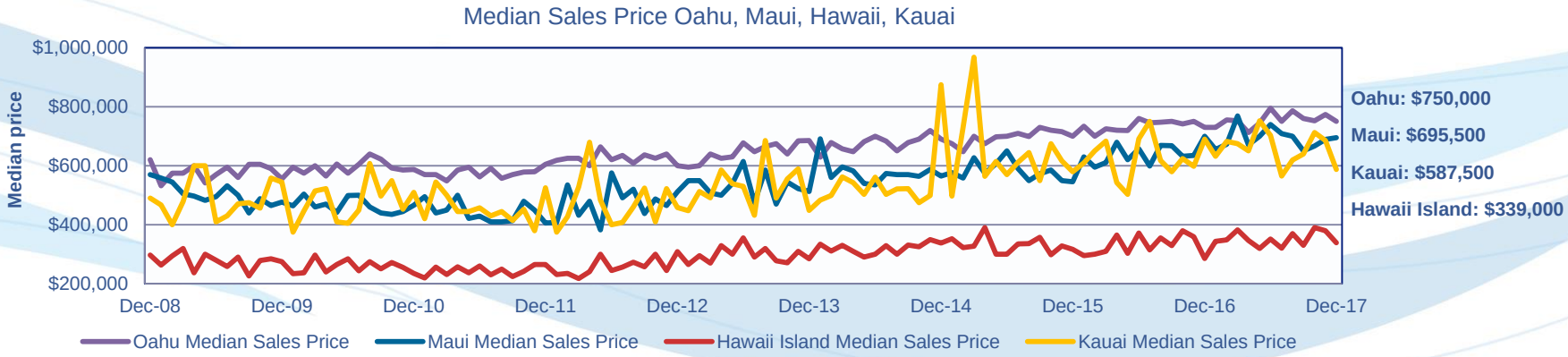




Source: U.S. Bureau of Labor Statistics and the State of Hawaii Department of Labor and Industrial Relations

Hawaii real estate (December 2008 – December 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 certain 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 include 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. In addition, the reconciling adjustments from GAAP earnings to core earnings also exclude the impact of the federal tax reform act due to the adjustment of the deferred tax balances and the $1,000 employee bonuses paid by the bank related to federal tax reform. Management does not consider these items to be representative of the company's fundamental core earnings. Management has shown adjusted non-GAAP (core) net income, adjusted non-GAAP (core) diluted earnings per common share and adjusted non-GAAP (core) ROACE in order to provide better comparability of core net income, EPS and ROACE between periods.

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

($ in millions, except per share amounts)	Three months ended December 31 2017	Three months ended December 31 2016	Years ended December 31 2017	Years ended December 31 2016
HEI CONSOLIDATED (INCOME) EXPENSES RELATED TO THE TERMINATED MERGER WITH NEXTERA ENERGY AND CANCELLED SPIN-OFF OF ASB HAWAII				
Pre-tax (income) expenses	**$ —**	**$ —**	**$ —**	**$ (84.9)**
Current income taxes (benefits)	—	—	—	24.7
After-tax (income) expenses	**$ —**	**$ —**	**$ —**	**$ (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 BONUSES[3]				
Pre-tax expenses	**$ 1.2**	**$ —**	**$ 1.2**	**$ —**
Current income taxes (benefits)	(0.5)	—	(0.5)	—
After-tax (income) expenses	**$ 0.7**	**$ —**	**$ 0.7**	**$ —**
HEI CONSOLIDATED NET INCOME				
GAAP (as reported)	**$ 32.4**	**$ 44.6**	**$ 165.3**	**$ 248.3**
Excluding special items (after-tax):				
(Income) expenses related to the terminated merger with NextEra Energy and cancelled spin-off of ASB Hawaii	—	—	—	(60.3)
Costs related to the terminated LNG contract[2]	—	—	—	2.1
Bonus related to enactment of federal tax reform[3]	0.7	—	0.7	—
Federal tax reform impacts[4]	13.4	—	13.4	—
Non-GAAP (core) net income	**$ 46.5**	**$ 44.6**	**$ 179.5**	**$ 190.1**
HEI CONSOLIDATED DILUTED EARNINGS PER COMMON SHARE				
GAAP (as reported)	**$ 0.30**	**$ 0.41**	**$ 1.52**	**$ 2.29**
Excluding special items (after-tax):				
(Income) expenses related to the terminated merger with NextEra Energy and cancelled spin-off of ASB Hawaii	—	—	—	(0.56)
Costs related to the terminated LNG contract[2]	—	—	—	0.02
Bonus related to enactment of federal tax reform[3]	0.01	—	0.01	—
Federal tax reform impacts[4]	0.12	—	0.12	—
Non-GAAP (core) diluted earnings per common share	**$ 0.43**	**$ 0.41**	**$ 1.65**	**$ 1.75**

	Years ended December 31 2017	Years ended December 31 2016
HEI CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**7.9%**	**12.4%**
Based on non-GAAP (core)[5]	**8.6%**	**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] Bonus paid by American Savings Bank related to enactment of federal tax reform

[4] Reflects the lower rates enacted by federal tax reform, primarily the adjustments to reduce the unregulated net deferred tax asset balances

[5] 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 December 31 2017	Three months ended December 31 2016	Years ended December 31 2017	Years ended December 31 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)	**$ 25.4**	**$ 34.1**	**$ 120.0**	**$ 142.3**
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
Federal tax reform impacts[3]	9.2	—	9.2	—
Non-GAAP (core) net income	**$ 34.5**	**$ 34.1**	**$ 129.1**	**$ 144.5**

	Years ended December 31 2017	Years ended December 31 2016
HAWAIIAN ELECTRIC CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**6.58%**	**8.07%**
Based on non-GAAP (core)[4]	**7.08%**	**8.19%**

($ in millions)	Three months ended December 31 2017	Three months ended December 31 2016	Years ended December 31 2017	Years ended December 31 2016
HAWAIIAN ELECTRIC CONSOLIDATED OTHER OPERATION AND MAINTENANCE (O&M) EXPENSE				
GAAP (as reported)	**$ 111.2**	**$ 107.3**	**$ 417.9**	**$ 405.5**
Excluding other O&M-related net income neutral items[5]	1.1	1.3	3.8	5.9
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)	**$ 110.1**	**$ 106.0**	**$ 414.1**	**$ 396.2**

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] Reflects the lower rates enacted by federal tax reform, primarily the adjustments to reduce the unregulated net deferred tax asset balances

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

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