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, trade policy and tariffs, and other 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, the PUC's April 2014 statement of its inclinations on the future of Hawaii's electric utilities and the vision, business strategies and regulatory policy changes required to align the Utilities' business model with customer interests and the state's public policy goals, and subsequent orders of the PUC;
- capacity and supply constraints or difficulties, especially if generating units (utility-owned or IPP-owned) fail or measures such as demand-side management, distributed generation, combined heat and power or other firm capacity supply-side resources fall short of achieving their forecasted benefits or are otherwise insufficient to reduce or meet peak demand;
- 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 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).

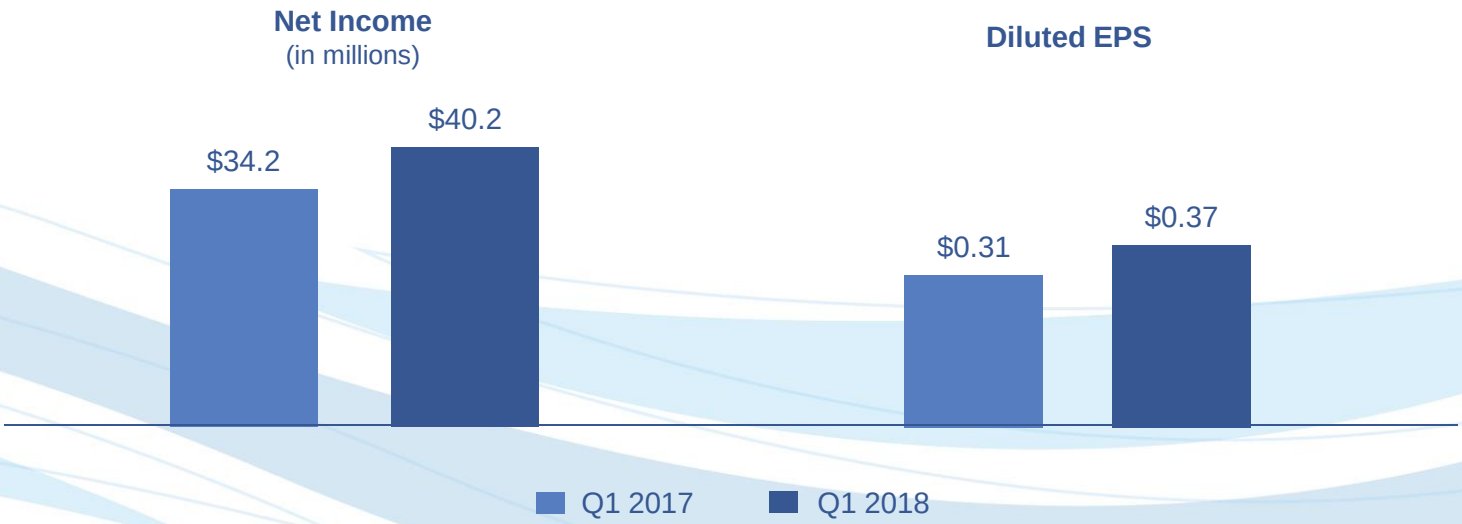
Forward-looking statements speak only as of the date of the presentation or filing in which they are made. Except to the extent required by the federal securities laws, HEI, Hawaiian Electric, ASB and their subsidiaries undertake no obligation to publicly update or revise any forward-looking statements,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

Hawaiian Electric Industries, Inc.
First Quarter 2018 Financial Results and Outlook
May 10, 2018



1Q 2018 consolidated earnings results

- In line with full year expectations
- Includes highest quarterly net income in bank's history



Continued progress on utility initiatives; PBR docket opened

Hawaiian Electric Highlights

- Providing net benefits of tax reform to customers as we continue our transition back to a triennial rate case cycle
- Filed Electrification of Transportation (EoT) Strategic Roadmap
- On track to meet or exceed 2020 RPS goal of 30%
- Performance-based ratemaking PUC docket opened
  - Provides measured process for PBR development with stakeholder input over next two years
  - Phase 1 will assess existing regulatory mechanisms
  - In Phase 2, PUC said it *"…intends to work collaboratively with stakeholders to: streamline and/or refine elements of the existing regulatory framework; develop incentive mechanisms to better address specific objectives or areas of utility performance; and explore regulatory frameworks that result in more incentive-neutral utility investment decisions between capital- and service-based solutions."*

Hawaiian Electric

Solid bank performance; growing Pacific Current

American Savings Bank Highlights

- Continued strong financial performance
- Good fundamentals coupled with positive tax reform impact
- Honolulu campus on track; completion expected this year

Pacific Current Highlights

- Announced second investment – solar + storage systems at 5 University of Hawaii campuses; in construction phase
- Initial project cash flow helping fund Pacific Current start-up costs

Hawaii's economy continues to grow

Tourism

Year-over-year change	March 2018	YTD 2018
Arrivals	+12.5%	+9.4%
Expenditures	+13.5%	+10.1%

Unemployment

- March 2018 – Hawaii: 2.1%; U.S.: 4.1%

Real Estate

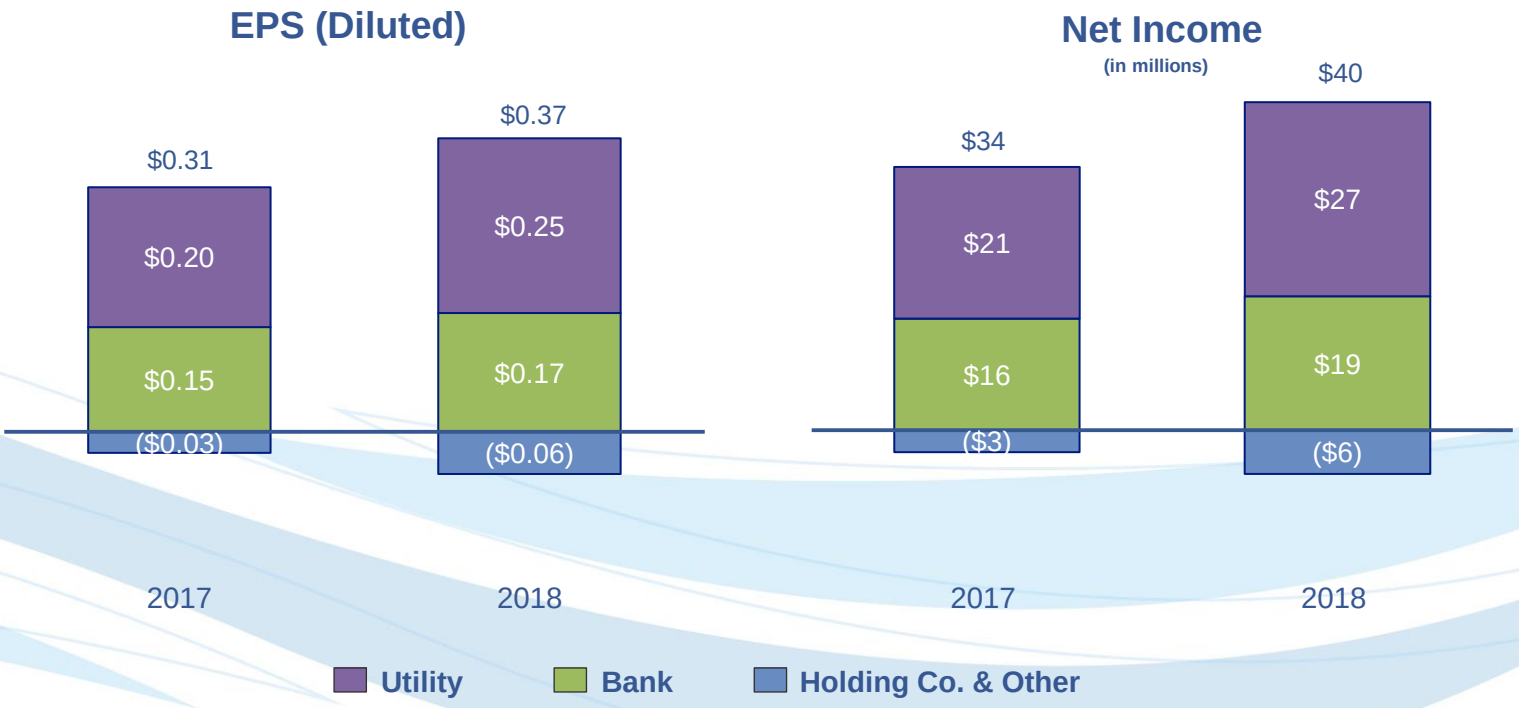
- YTD April 2018 Oahu sales volume:
  - Single family homes, up 0.6% from the prior year
  - Condominiums, up 4.1% from the prior year
- YTD April 2018 Oahu median sales prices:
  - Single family homes: $773,750, up 4.6% from the prior year
  - Condominiums: $425,000, up 7.5% from the prior year

Real State GDP

- Expected to increase 1.8% 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. 2018 real state GDP estimate from the University of Hawaii Economic Research Organization (UHERO) May 4, 2018 report.

Q1 2018 earnings by segment



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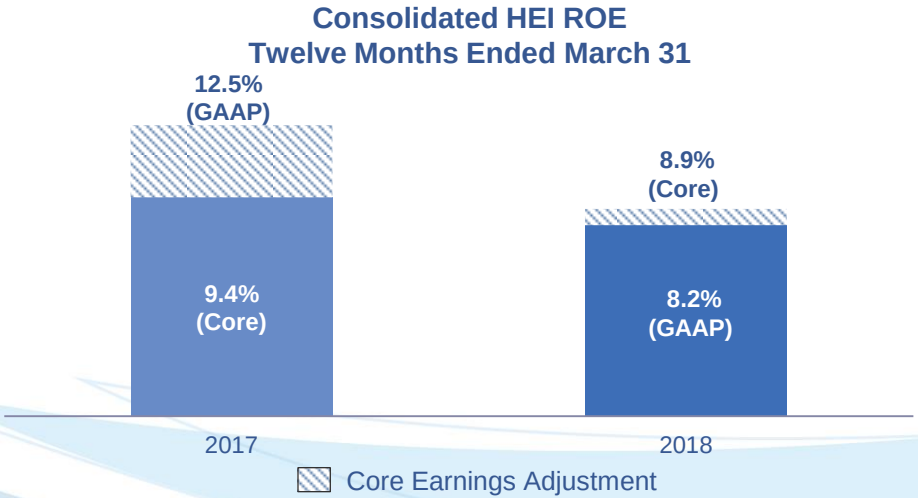
HEI LTM ROE

- GAAP and Core LTM 3/31/18 ROE reflect continued transition to triennial rate case cycle
- GAAP LTM 3/31/18 ROE includes 4Q17 tax reform impact
- Continued expansion of bank ROE due to tax reform and growth in net interest income

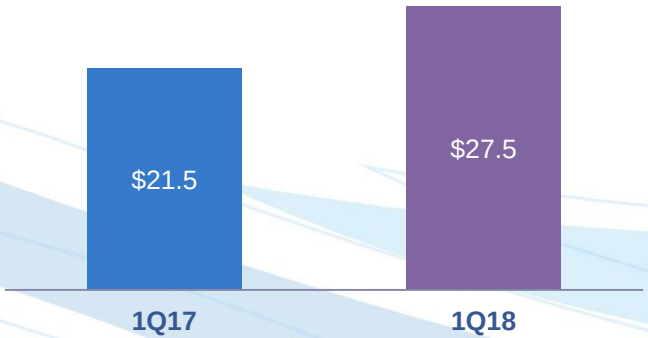


	2017	2018
Utility	GAAP 7.8% / Core 7.9%	GAAP 6.9% / Core 7.4%
Bank	10.4%	11.8%

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

1Q18 utility financial highlights ($ in millions)

Utility net income



Key utility earnings drivers, after-tax fav/(unfav)	1Q18 vs 1Q17
RAM revenues	11 (a)
Interim rate relief for Hawaiian Electric and Hawaii Electric Light	5
Operation & maintenance, excluding net income neutral items	(7)
Depreciation	(2)
Allowance for funds used during construction	1
Other	(2)

(a) See Appendix for more information on the impact of the return, beginning in 2017, to recording Oahu RAM revenues from June 1 to May 31, compared to recording such revenues on a calendar year basis.

Note: Columns may not foot due to rounding

Strong bank financial results ($ in millions)

- Highest quarterly net income in bank's history
- Driven by higher net interest income and net positive impact of tax reform

Bank net income



Key bank earnings drivers, after-tax fav/(unfav)	1Q18 vs 4Q17	1Q18 vs 1Q17
Net interest income	1	3
Provision for loan losses	--	--
Noninterest income	(1)	(1)
Noninterest expense	1	(2)
Impact of tax reform	1	3

Solid bank profitability

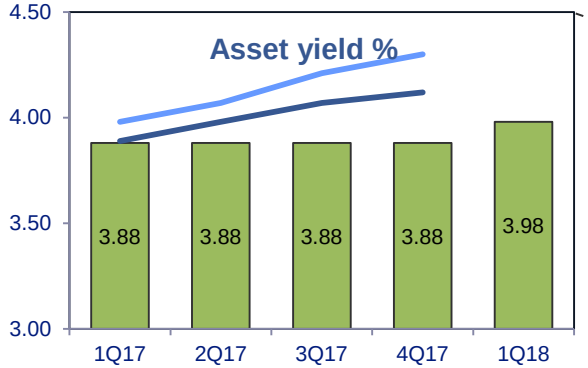


Source for peer data: SNL Financial (based upon data available as of May 9, 2018)
Note: Quarterly information is annualized

[1] Median for peer group based on publicly traded banks and thrifts between $4B and $9B in total assets and not subject to the Durbin Amendment caps limiting interchange fees. See ASB Peer Group – 2018.

[2] Median for peer group of 17 high performing banks and not subject to the Durbin Amendment caps limiting interchange fees. See ASB Peer Group - 2018.

Higher net interest margin



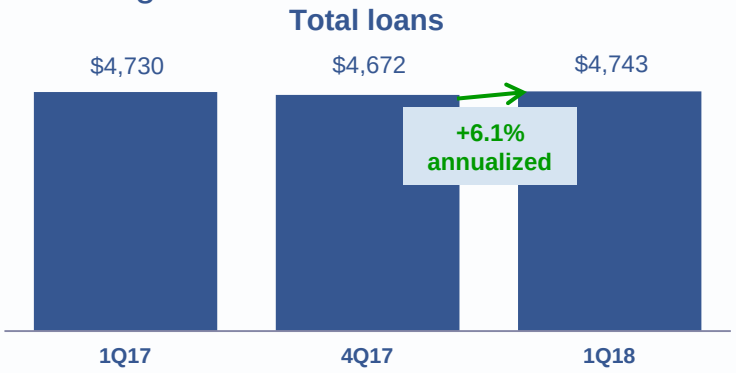


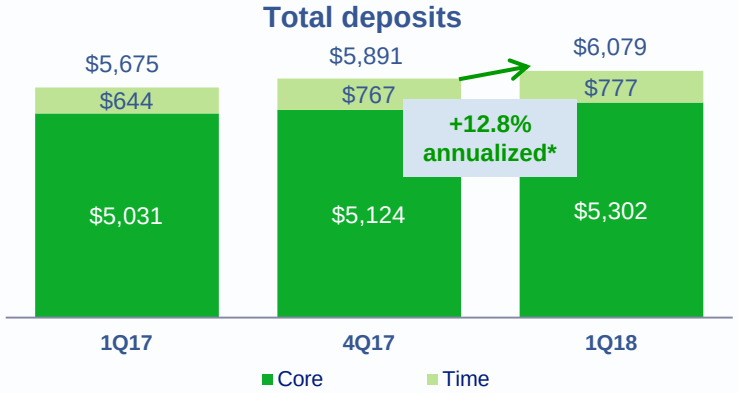


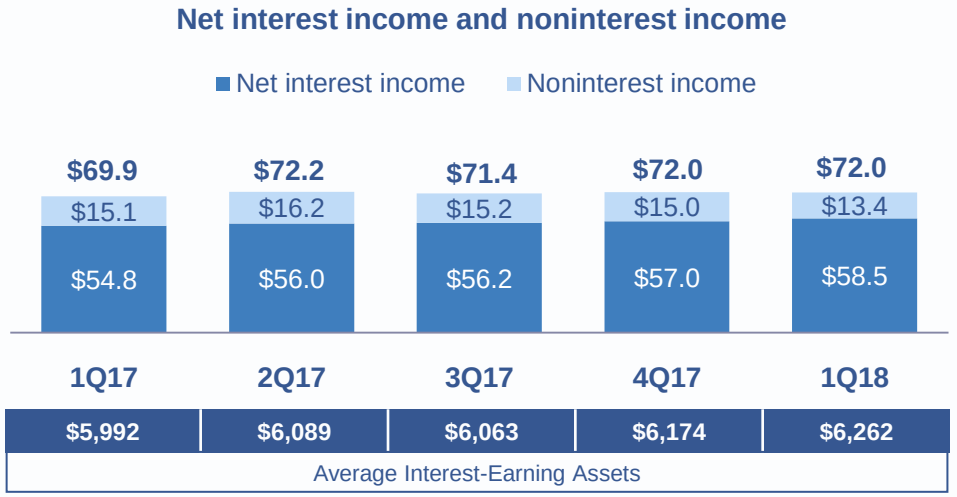
Source for peer data: SNL Financial (based upon data available as of May 9, 2018)
Asset Yield: Total interest income as a percentage of average interest-earning assets
Liability Cost: Total interest expense as a percentage of average interest-bearing and non-interest bearing liabilities
Net Interest 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 $4B and $9B in total assets. See appendix.
[2] Median for peer group of 17 high performing banks. See appendix.

Net interest income growth ($ in millions)

- Driven by higher yields on earning assets and strong deposit growth that funded earning asset growth



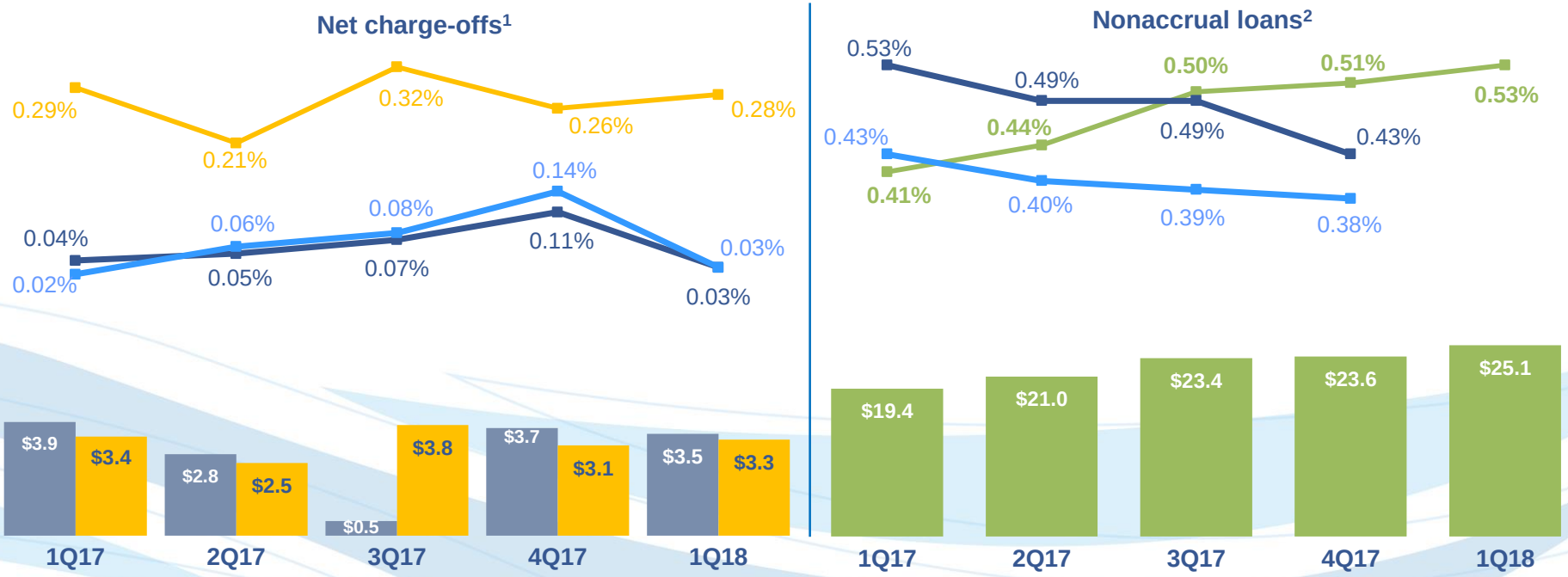




Note: Columns may not foot due to rounding

* Including approximately $100 million in repurchase agreements that were transferred into deposit accounts. Excluding such transfers, deposit growth was 6.0% annualized.

Credit quality ($ in millions)



Source for peer data: SNL Financial (based upon data available as of May 9, 2018)

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

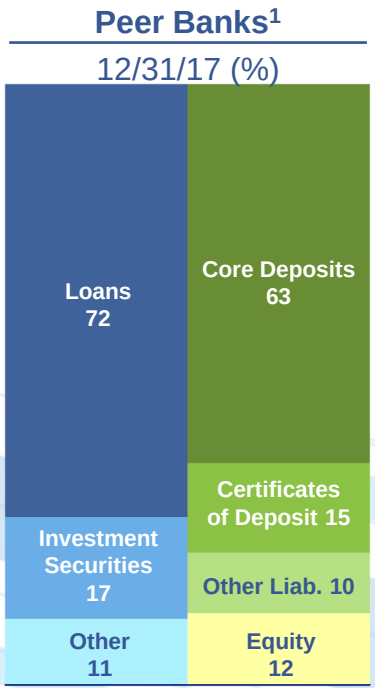
[2] Quarterly nonaccrual loans ratio reflected as a percentage of total loans

[3] Median for peer group based on publicly traded banks and thrifts between $4B and $9B in total assets. See ASB Peer Group - 2018.

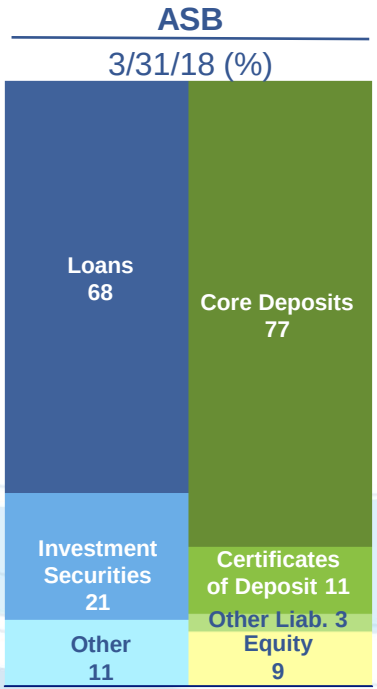
[4] Median for peer group of 17 high performing banks. See ASB Peer Group - 2018.

Quality balance sheet

- 100% of ASB loans funded with low-cost core deposits



Peer median of avg yield
on earning assets 4Q17: 4.12%
Peer median of avg cost of funds 4Q17: 0.59%



Avg yield on earning assets 1Q18: 3.98%
Avg cost of funds 1Q18: 0.23%

Leverage ratio:	8.6%
Tangible common equity to tangible assets:	7.7%
Total capital ratio:	14.0%

Source for peer data: SNL Financial (based on data available as of May 9, 2018)
[1] Peer group based on publicly traded banks and thrifts between $4B and $9B in total assets. See ASB Peer Group - 2018.

HEI 2018 EPS guidance (as of May 10, 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 earning 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-K for the year ended December 31, 2017 and SEC Form 10-Q for the quarter ended March 31, 2018.

Summary

- **Focused on enterprise-wide mission to be a catalyst for a better Hawaii**

- **Hawaiian Electric**
  - Providing net benefits of tax reform to utility customers
  - On track to meet or exceed state's target of 30% renewable energy by 2020
  - Performance-based ratemaking docket opened
  - Creating resilient, sustainable communities through technology, smart use of resources, building partnerships and providing more value to customers

- **American Savings Bank**
  - Solid quarterly earnings and profitability
  - Continued focus on making banking easier for customers, deepening customer relationships and improving efficiency and credit quality
  - Building campus of the future to promote efficiency, innovation and collaboration

- **Pacific Current**
  - Supporting and investing in initiatives that advance Hawaii's clean energy and sustainability goals
  - Second investment made in Q1 2018; expected to be accretive in 2020, first full year of operations
  - Initial project cash flow helping fund Pacific Current start-up costs

- Attractive **dividend yield** of 3.7%[1]; uninterrupted dividends since 1901

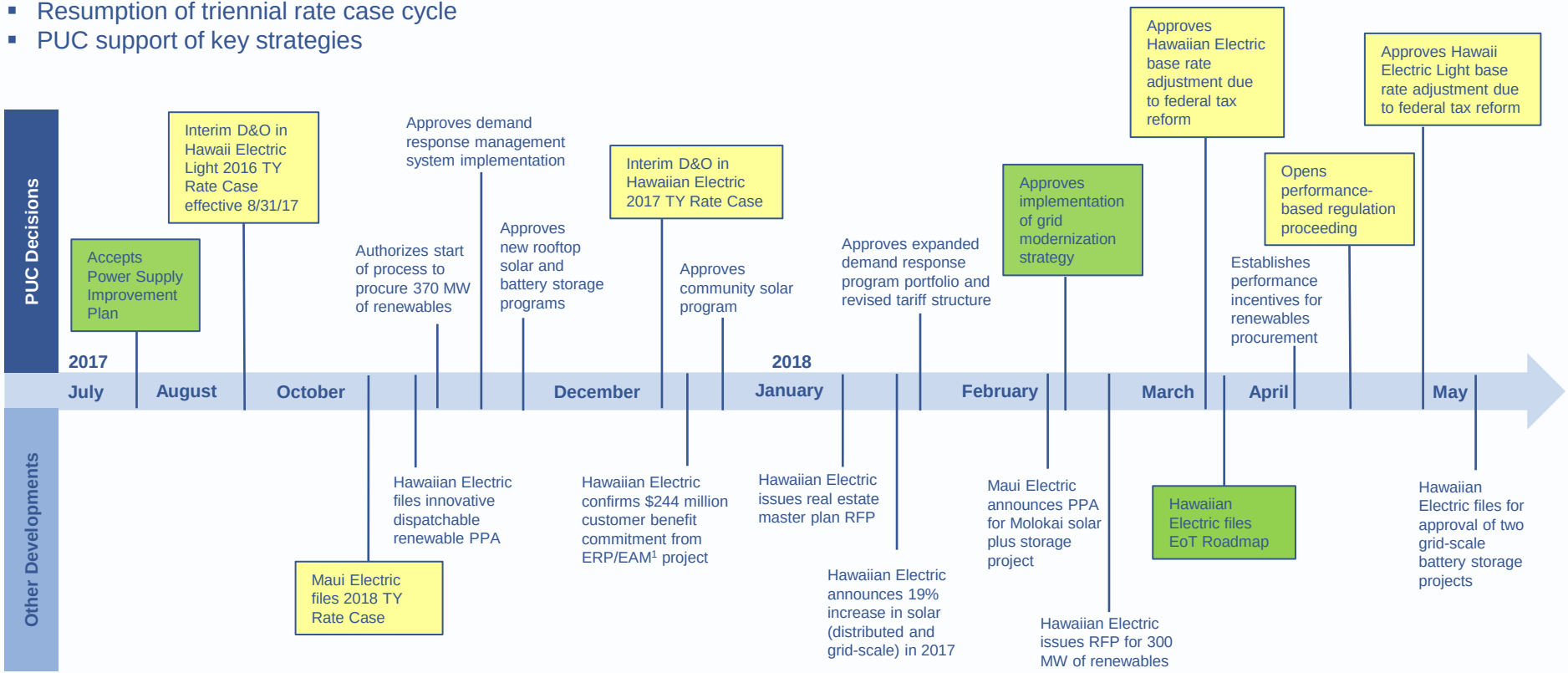
[1] As of May 9, 2018


HEI
Catalyst for a better Hawai'i

Appendices

Regulatory progress is being made at a rapid pace

- Resumption of triennial rate case cycle
- PUC support of key strategies



[1] Enterprise Resource Planning/Enterprise Asset Management

Performance-based regulation (PBR) proceeding

Hawaii PUC Docket No. 2018-0088 (opened 4/18/18)

- Aspects of traditional PBR already in effect include decoupling, 3-year rate case cycle, performance incentives relating to reliability, customer service, demand response and renewable energy procurement
- Commission objectives:
  - Enhance alignment between utility and customer interests
  - Greater cost control and reduced rate volatility
  - Efficient investment and allocation of resources regardless of classification as capital or operating expense
  - Fair distribution of risks between utilities and customers
- Docket to proceed in two phases:
  - Phase 1 (~ 9 months): Examine regulatory framework, identify areas of performance deserving of further focus for PBR framework development and/or performance incentive mechanisms
  - Phase 2 (~12 months): PUC said that it *"…intends to work collaboratively with stakeholders to: streamline and/or refine elements of the existing regulatory framework; develop incentive mechanisms to better address specific objectives or areas of utility performance; and explore regulatory frameworks that result in more incentive-neutral utility investment decisions between capital- and service-based solutions."*
- SB 2939 (Hawaii Ratepayer Protection Act) signed into law 4/24/18
  - Requires Commission to implement PBR by 1/1/20

2018 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% ($9.9 million) Allowed ROE of 9.5$
- PUC approved adjusted interim reflecting tax reform effective May 1, 2018
  - Lower tax rate results in reduced requirements over interim D&O; Maintains 9.5% allowed ROE

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

- Interim D&O received Dec. 15, 2017 effective February 16, 2018
  - Rate increase of 2.3% ($36.0 million) Allowed ROE of 9.5%
- PUC approved adjusted interim reflecting tax reform effective April 13, 2018
  - Lower tax rate results in reduced requirements over interim D&O; Maintains 9.5% allowed ROE

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%
- Filed adjustment for tax reform – lowered request to 6.5% increase ($21.2 million); requested ROE of 10.6%
- June 2018: Filing of joint settlement letter; July-August 2018: Evidentiary hearings; August 2018: Interim decision expected

Major Projects Interim Recovery (MPIR) Adjustment Mechanism

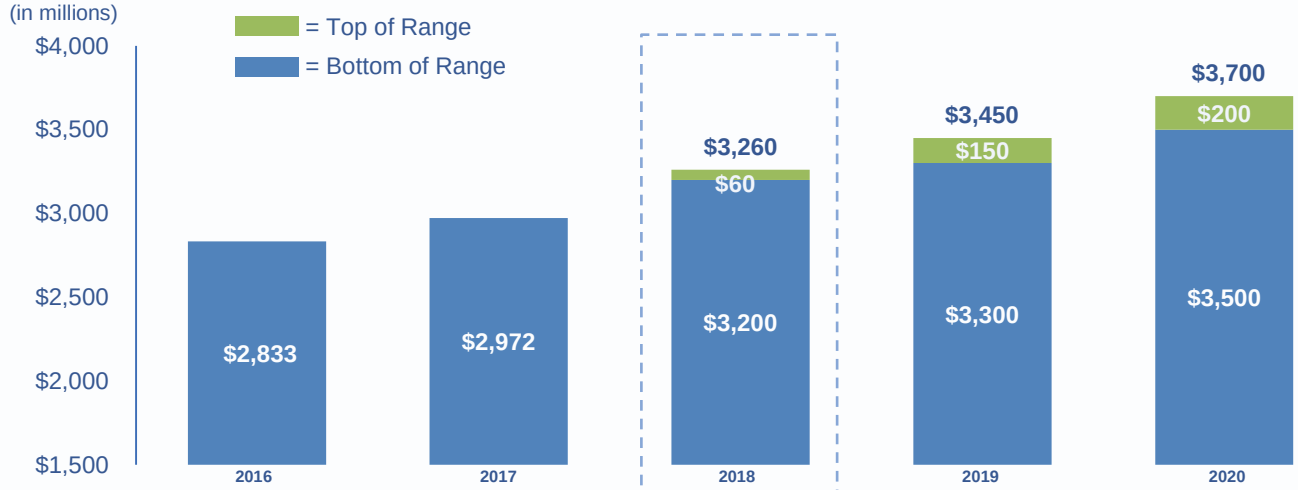
- Requested recovery via MPIR for the following projects:
  - Schofield Barracks 50 MW Generating Station: expected in service in 2Q 2018
  - Joint Base Pearl Harbor-Hickam (JBPH) 20 MW Solar Facility: expected in service 4Q 2018
  - JBPH 80 MWh battery energy storage system
  - Campbell Industrial Park 100 MWh battery energy storage system

Performance Incentive Mechanisms (PIMs)

- PIMs effective Jan. 1, 2018:
  - Reliability (penalties only); ~$6.2 million max. penalty (combined total for all 3 utilities)
  - Call Center Performance (penalty or incentive); ~$1.2 million max. penalty or incentive (combined total for all 3 utilities)
  - First reward or penalty to be incorporated in 2019 decoupling filing
- Demand Response (incentive only): 5% PIM to encourage rapid enrollment
- Renewable Procurement (incentive only): 20% of 1st year savings, up to cap of $3.5 million, for Phase 1

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

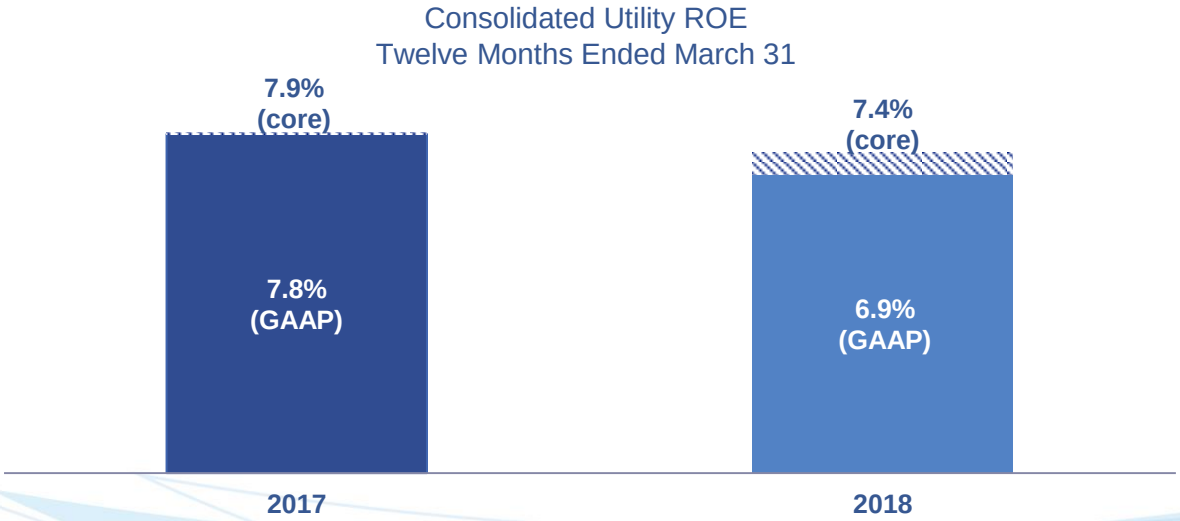
Year End Rate Base Forecast



	2016	2017	2018	2019	2020
Rate Base Growth[1]	4%	5%	8-10%	4-7%	5-8%
RAM Plant Addition Cap			~$275	~$275	~$275
Capex (net of CIAC)	$318	$401	$450	$400-500[4]	$400-500
Major Capex Projects					
[50 MW] • Schofield [2]	$34	$83	$26		
• ERP[2]	--	29	31		
[20 MW] • JBPH PV Solar Facility [2]	--	6	46		
• CIP Battery Energy Storage System[3]	--	--	3	47	54
• JBPH Battery Energy Storage System[3]	--	--	--	37	6
• Other Projects[3]	--	19	45	26	20

1 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.)
2 Schofield Generating Station (Schofield), Enterprise Resource Planning (ERP) system, and Joint Base Pearl Harbor-Hickam (JBPH) PV Solar Facility forecasted to be placed into service in 2018
3 Campbell Industrial Park (CIP) Battery Energy Storage System, JBPH Battery Energy Storage System, as well as other projects are pending Commission approval
4 Includes projects pending application under the PSIP and grid modernization strategy for years 2019 and 2020

Utility LTM ROE

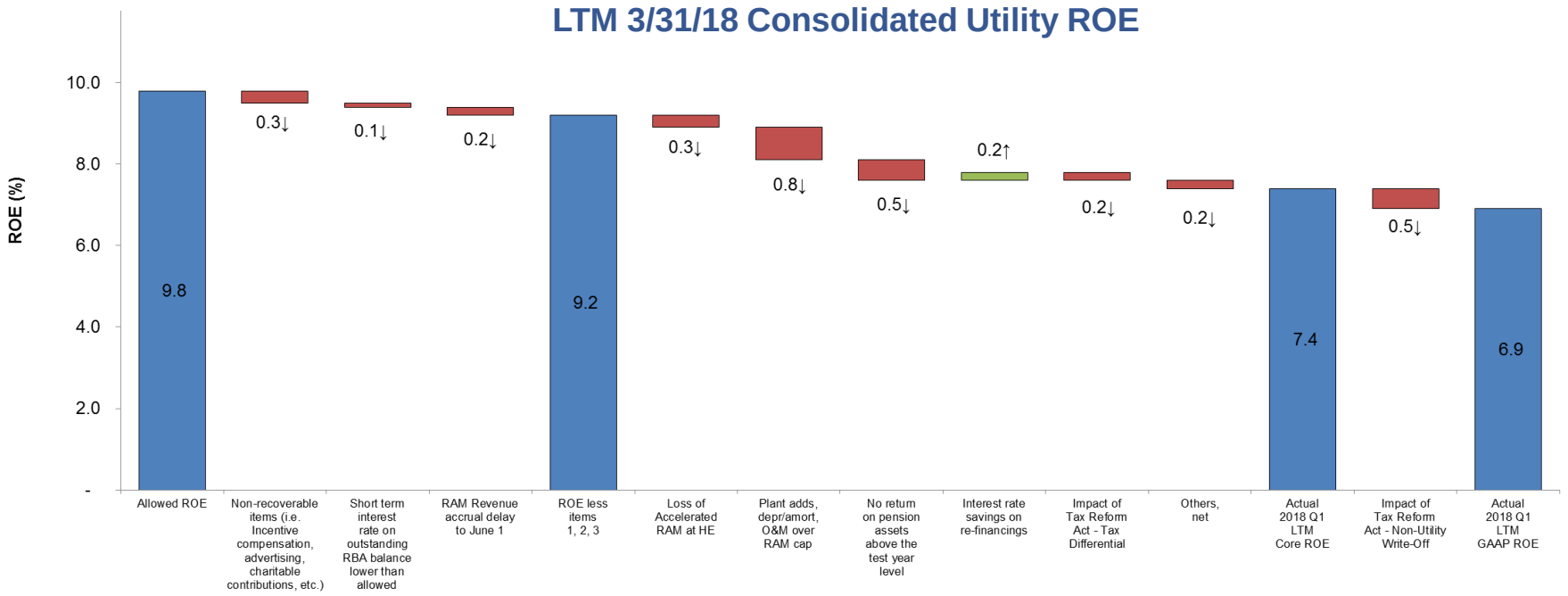


	Consolidated Utility	Hawaiian Electric	Hawaii Electric Light	Maui Electric
2018 GAAP	6.9%	6.9%	7.5%	6.4%
2017 GAAP	7.8%	7.9%	7.5%	8.1%
Allowed[1]	9.4%	9.5%	9.5%	9.0%

Note: Last base revenue increase: Hawaiian Electric: 2017 test year (interim D&O eff. 2/16/18); Hawaii Electric Light: 2016 test year (interim D&O eff. 8/31/17); 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. Hawaiian Electric and Maui Electric Allowed ROEs reflect Public Utilities Commission decisions in effect on March 31, 2018

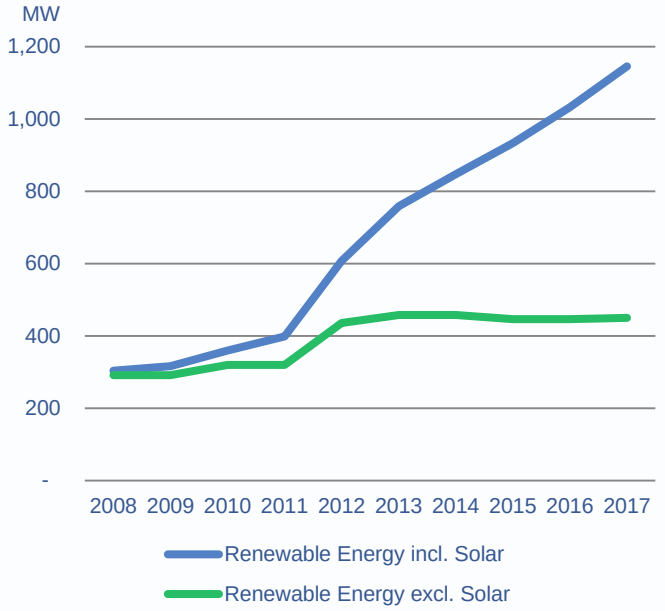
Utility LTM ROE reflects continued transition to triennial rate case cycle

- ROE gap expected to narrow as transition continues



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

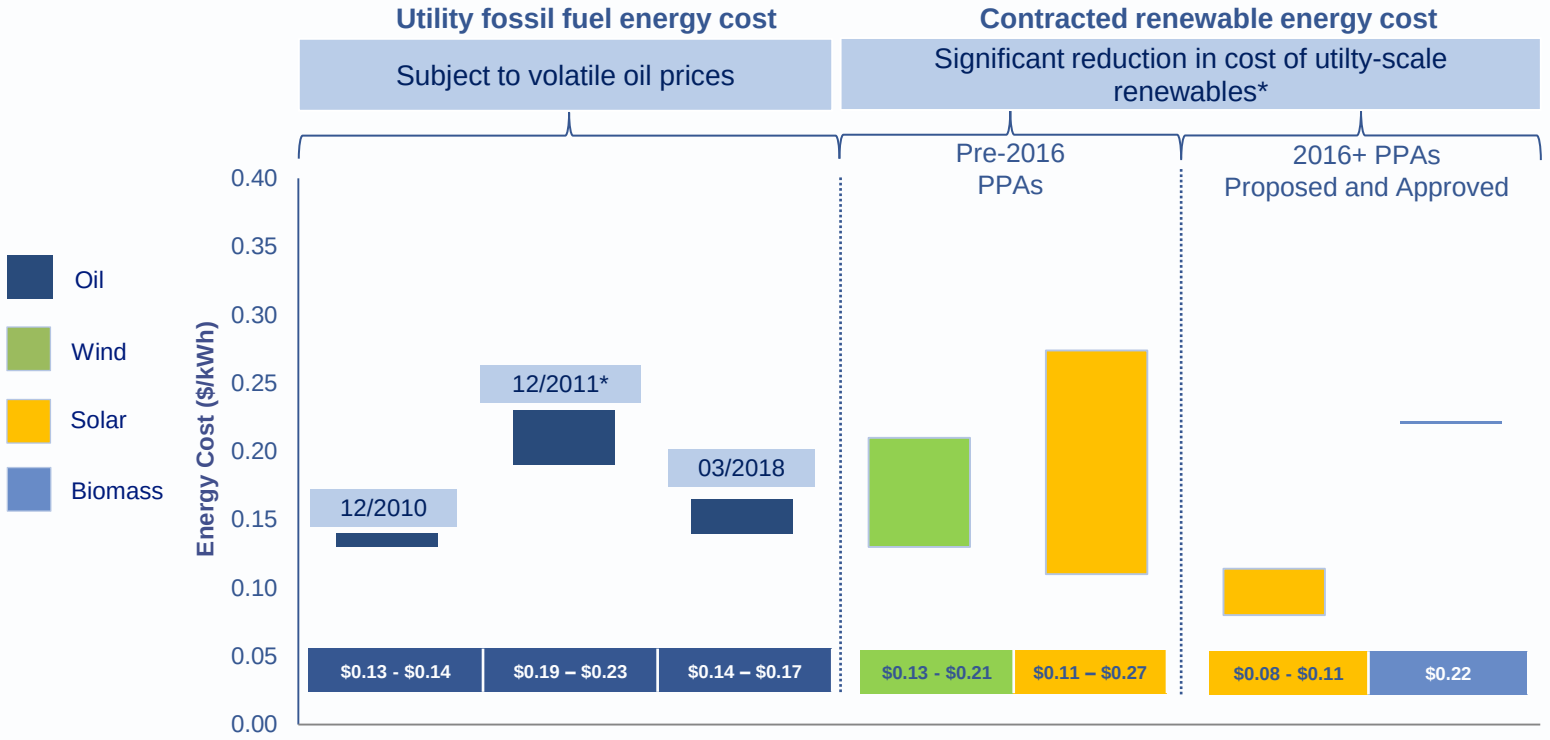
2017 Renewable Portfolio Standard[1]			
Consolidated	Oahu	Maui County	Hawaii Island
26.8%	20.8%	34.2%	56.6%

Energized Solar PV	2008	2014	2015	2016	2017	1Q18
PV Systems	850	~50K	~60K	~70K	~74K	~75K
Megawatts	12	389	487	586	695	709

16% of all customers and 18% of residential customers had installed solar PV as of 1Q18

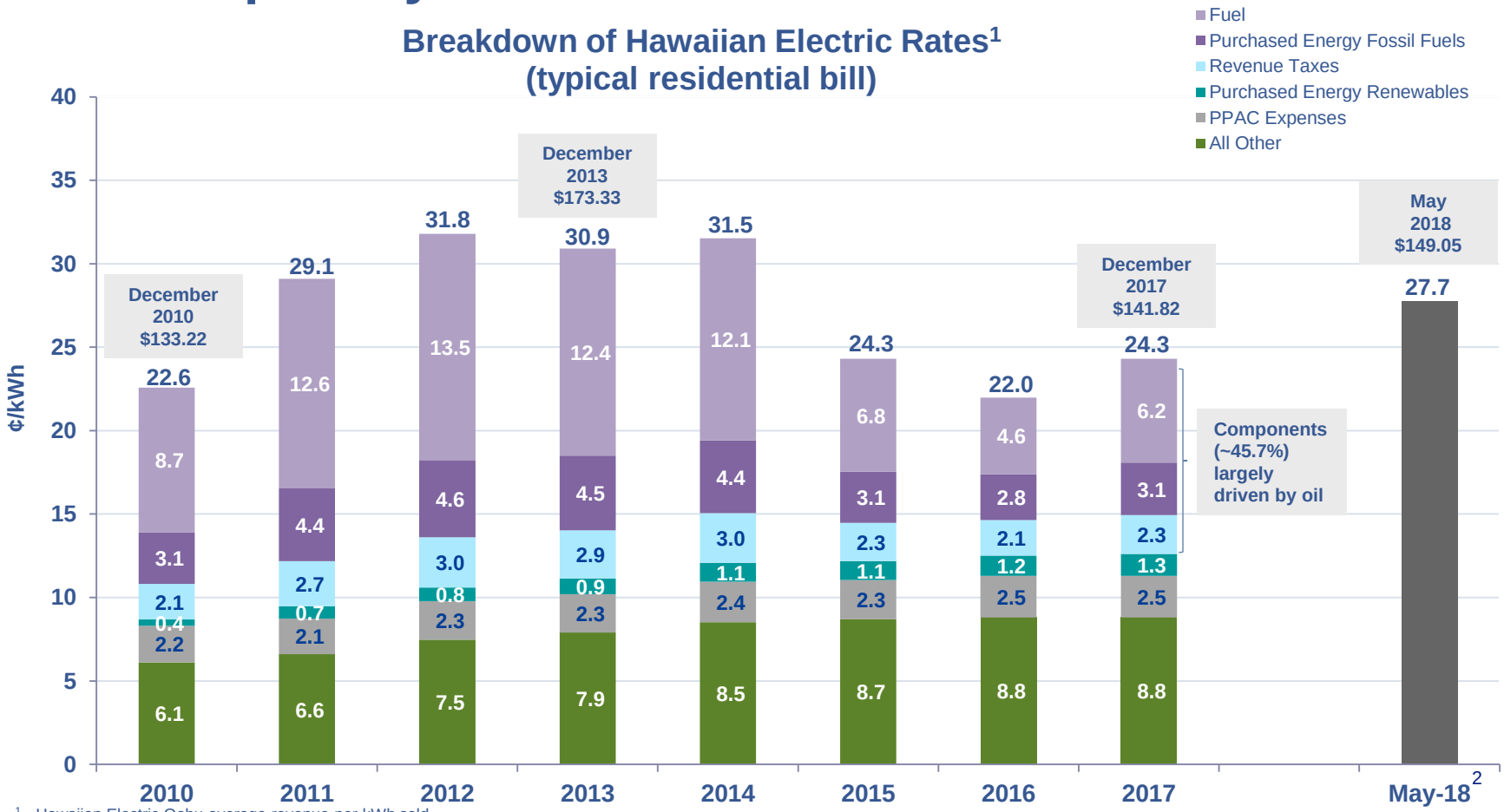
Renewable energy amounts reflect firm generated and contracted capacity
Renewable Energy incl. Solar includes Net Energy Metering (NEM), Standard Interconnection Agreements (SIA), Feed-in-Tariff (FIT), Purchase Power Agreement (PPA), Smart Power for Schools (SmPS), and utility owned
[1] Electrical energy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

Renewable energy is cost competitive in Hawaii



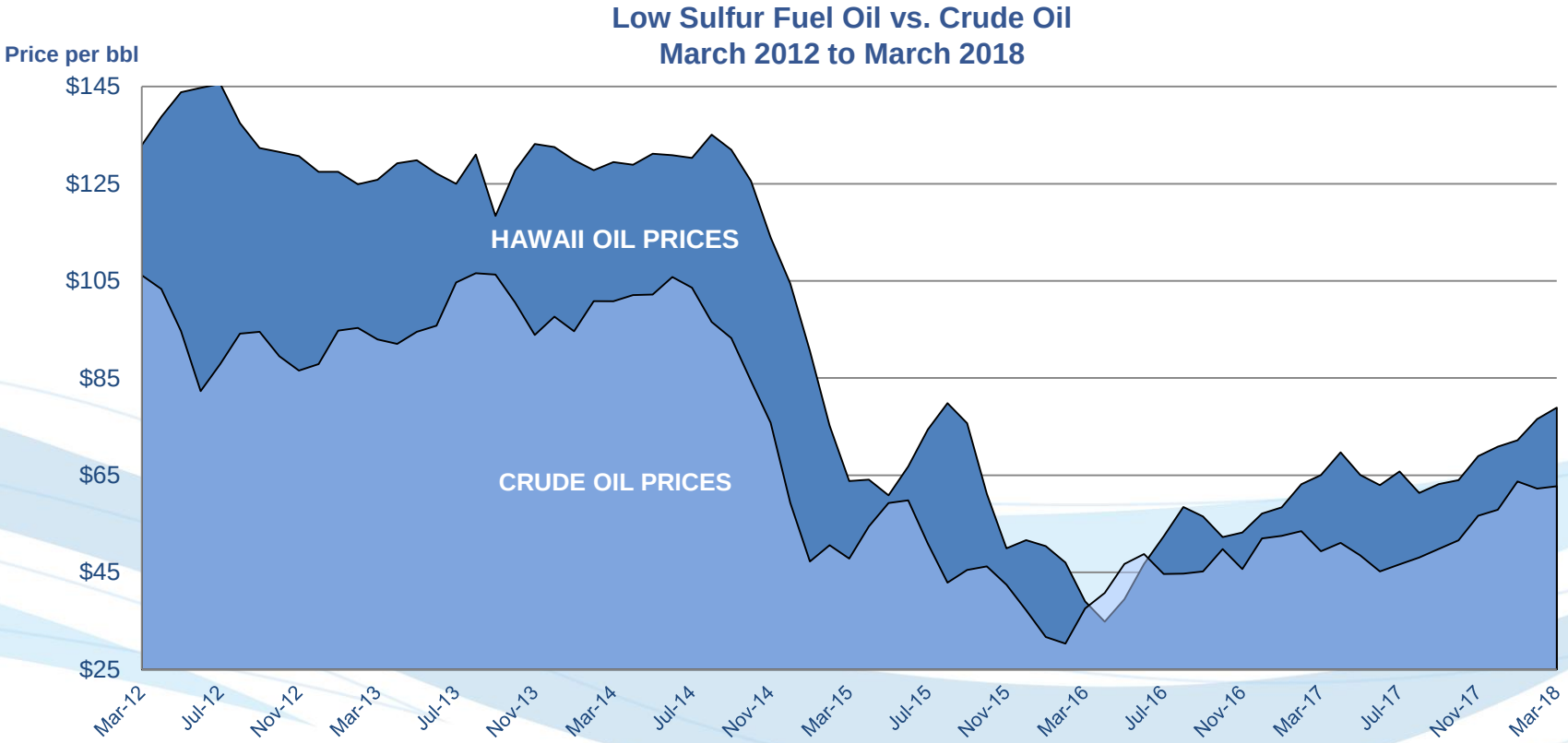
* The 2011 fuel oil increase was largely driven by the nuclear disaster of the Fukushima power plant in March 2011 which increased the price of oil in Hawaii as our fuel oil purchases are largely driven by the Asia Pacific market.

Oil is the primary driver of rates in Hawaii



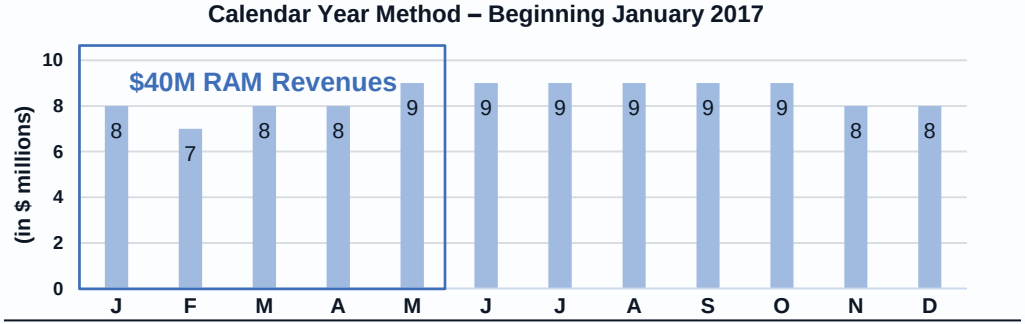
[1] Hawaiian Electric Oahu average revenue per kWh sold
[2] Based on the May 2018 energy cost adjustment filing for residential customers only

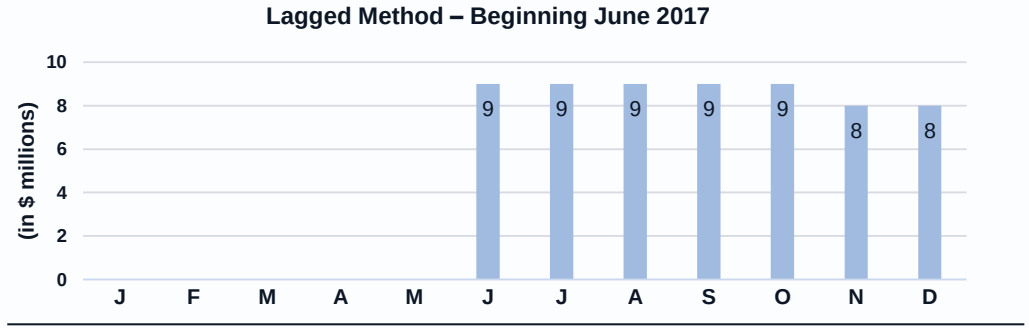
Hawaii oil prices exceed mainland U.S.

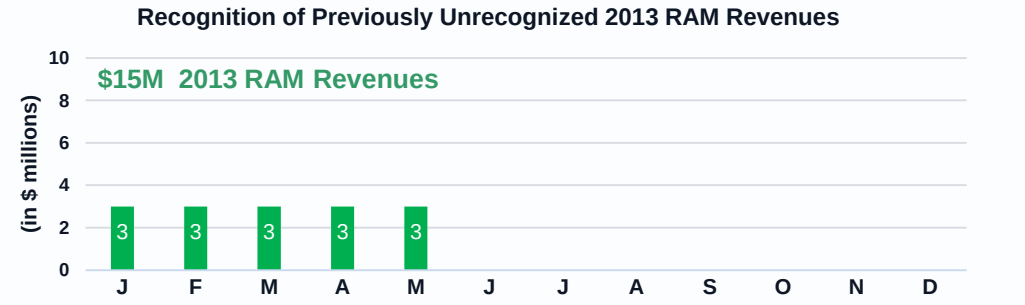


Hawaii oil prices based on Hawaiian Electric low sulfur fuel oil inventory prices
Crude oil prices based on West Texas Intermediate (WTI)

2017 impact of loss of January 1 RAM revenue recognition method







- Per settlement with Consumer Advocate approved by the PUC in 2013, Hawaiian Electric recorded RAM revenues beginning January 1 (“calendar year method”) for 2014 – 2016
- Settlement expired 12/31/16 and company reverted to “lagged method,” i.e., RAM revenues recorded beginning June 1 through May 31 of subsequent year
- Did not change cash collections
- As part of transition back to lagged method, in 2017 the company recognized 5 months of 2013 RAM revenues previously collected but not recognized

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)

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, 1.50% 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 2018 RAM Revenue Adjustment –** ▪ Prior year RAM Cap Target Revenues times GDPPI (2.1% for 2018) + 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

Power supply improvement plan (PSIP) update

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

- Anticipates reaching 100% Renewable Portfolio Standard (RPS)[1] by 2040, 5 years ahead of mandate
- On track to meet or exceed 2020 milestone of 30%
- 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
- 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

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, with project applications to follow
- 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 upcoming filings include plan for executing near-term roadmap and proposed integrated grid-planning process
- The utilities filed their Integrated Grid Planning Report, outlining an innovative systems approach to energy planning to yield the most cost-effective renewable energy pathways that are rooted in customer and stakeholder input

Electrification of Transportation (EoT) Strategic Roadmap

Hawaii PUC Docket No. 2016-0168

- Proposes role of the utility and identifies partners to increase adoption of electric vehicles (EV) and other electrification activities
- Customer and stakeholder engagement used to define and develop plans; engagement and partnership development to continue
- Initiatives include:
  - Increasing EV adoption by helping lower cost and educating consumers
  - Accelerating buildout of charging infrastructure
  - Supporting electrification of buses and other heavy equipment
  - Incentivizing charging at times that align with grid needs and save customers money
- EoT expansion:
  - Assists with integration of renewable energy to help meet state's 100% RPS goal
  - Increases Hawaii's energy security and reduces greenhouse gas emissions
  - Provides long-term value and benefits to all customers whether or not they own an EV
- Coordinated with other utility initiatives, including grid modernization, power supply improvement plan, integrated grid planning, distributed energy resources and demand response programs
- Related upcoming filings include electric bus tariff application to support early electric bus fleet conversions, network planning for minimum charging backbone infrastructure, and greater public outreach and education

Maui Electric Rate Case: 2018 Test Year

Hawaii PUC Docket No. 2017-0150

	Application (10/12/17)	Adjustment for Tax Reform (filed 2/26/18)
Amount requested	$30.1M (9.3% increase over revenues at current effective rates) [1]	$21.2M (6.5% increase over revenues at current effective rates) Lower tax rate results in reduced requirements
Deprec. & amort. expenses	$24.6M	$23.9M
Return on average common equity	10.60% with mechanisms	10.60% with mechanisms
Common equity capitalization (%)	56.94%	56.94%
Return on rate base	8.05%	8.05%
Average rate base	$473.3M	$482.4M
GWh sales	1,047.0	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 as modified)	March 2018 Settlement/ Tax Reform Act Impact (3/5/18)
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, 5]	Lower tax rate results in reduced requirements over interim D&O; Maintains 9.5% ROE [6]
Deprec. & amort. expenses	$130.7M	$130.7M	$130.6M	$123.5M [7]
Return on average common equity	10.60% with mechanisms	9.5%-9.75% with mechanisms	9.5% With mechanisms	9.5% With mechanisms
Common equity capitalization (%)	57.36%	57.10%	57.10%	57.10%
Return on rate base	8.28%	7.57%-7.72%	7.57%	7.57%
Average rate base	$2,002M	$1,990M	$1,980M	$1,993M
GWh sales	6,660.2	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 Hawaiian Electric 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 rate increase became effective February 16, 2018.

6 In March 2018 Settlement, Parties resolved all issues included in the Amended Statement of Issues set by the Commission, except for the modifications to the ECAC. The settled issues include an ROE of 9.5% and the expedited recognition of Tax Reform Act benefits in addition to the items listed in Note 3 above. The Commission approved the March 2018 Settlement (results in -$0.6 million in revenues), cancelled the evidentiary hearing scheduled in the proceeding. Hawaiian Electric filed its updated tariffs March 16, 2018. PUC approved rates, effective April 13, 2018.

7 Assumes bonus depreciation beginning 4Q17 pending clarification from the Internal Revenue Service and/or Congress.

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)	Adjustment to Interim Increase (eff 5/1/18)
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)	Lower tax rate results in reduced requirements over interim D&O; Maintains 9.5% ROE[4]
Deprec. & amort. expenses	$37.8M	$37.8M	$37.8M	$37.7M
Return on average common equity	10.60% with mechanisms	9.5%-9.75% With mechanisms	9.5% With mechanisms	9.5% With mechanisms
Common equity capitalization (%)	57.12%	56.69%	56.69%	56.69%
Return on rate base	8.44%	7.80%-7.94%	7.80%	7.80%
Average rate base	$478.8M	$482.1M	$482.1M	$481.3M
GWh sales	1,040.7	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.

3 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.

4 On April 24, 2018, the PUC issued an order approving the Company's Motion to Adjust Interim Increase for tax reform.

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.

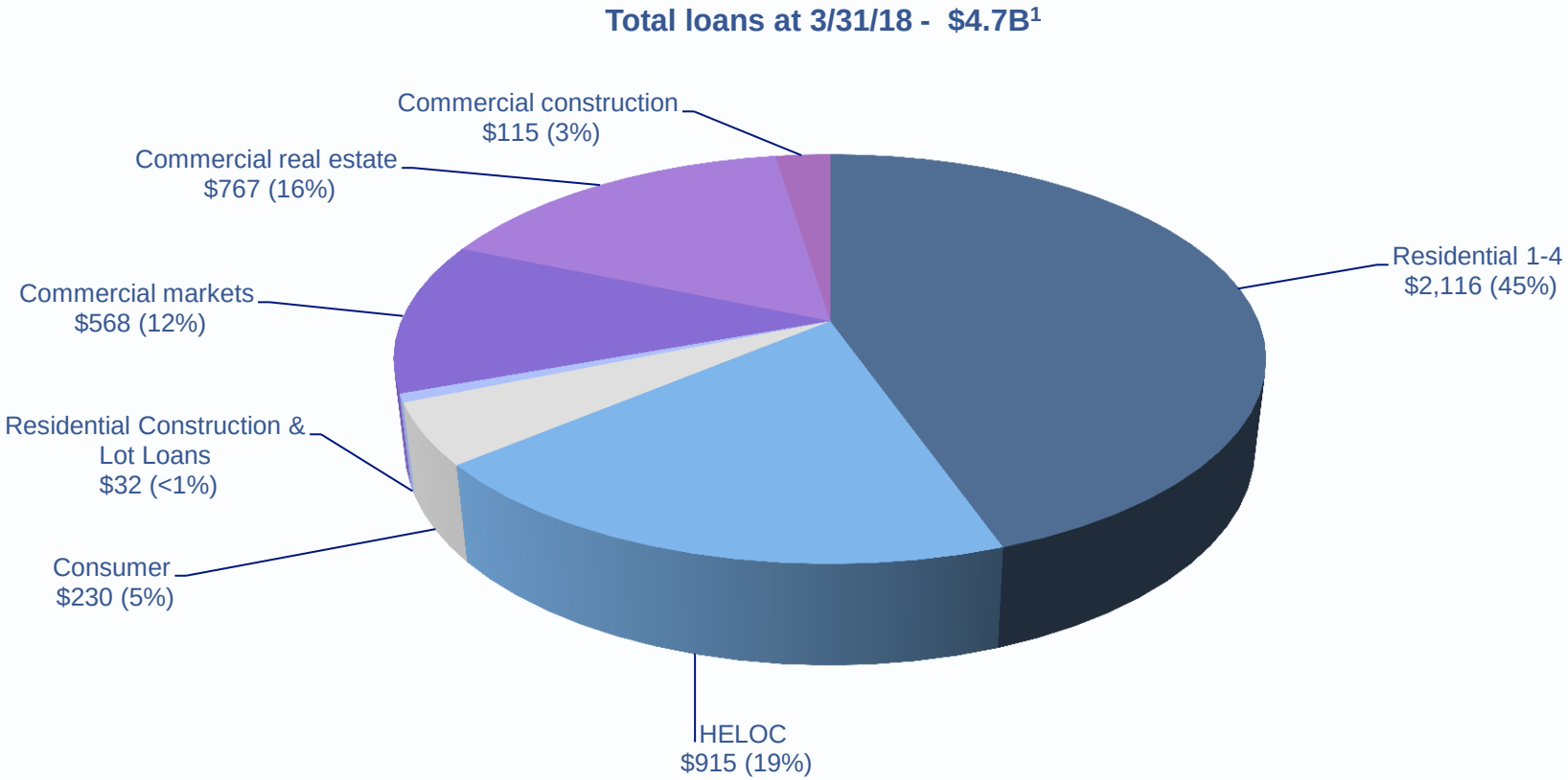
1 Increase consists of: Return on rate base $3.0M + O&M $19.5M + Other, net $5.0M

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 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 determination of the level and method of recovery in the IRP docket.

Low-risk loan mix



Note: $ in millions, unless otherwise noted

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

ASB peer group – 2018

*	1st Source Corp.	SRCE
	Ameris Bancorp	ABCB
*	BancFirst Corp.	BANF
	Bancorp Inc	TBBK
	Beneficial Bancorp Inc	BNCL
*	BofI Holding Inc.	BOFI
	Brookline Bancorp Inc.	BRKL
	Cadence Bancorp.	CADE
	Carter Bank & Trust	CARE
	CenterState Bank Corp.	CSFL
	Central Pacific Financial Corp	CPF
	Century Bancorp Inc.	CNBK.A
	ConnectOne Bancorp, Inc.	CNOB
*	CVB Financial Corp.	CVBF
	Dime Community Bancshares Inc.	DCOM
*	Eagle Bancorp Inc	EGBN
*	Enterprise Financial Services	EFSC
	F&M Bank of Long Beach	FMBL
*	FB Financial Corp.	FBK
	Fidelity Southern Corp.	LION
	First Bancorp	FBNC
	First Busey Corp.	BUSE
	First Commonwealth Financial	FCF
	First Financial Bancorp.	FFBC
*	First Financial Bankshares	FFIN
*	First Merchants Corp.	FRME
	Flushing Financial Corp.	FFIC
*	Great Southern Bancorp Inc.	GSBC
*	Hanmi Financial Corp.	HAFC
	Heartland Financial USA Inc.	HTLF
	HomeStreet Inc.	HMST
	Independent Bank Corp.	INDB
	Independent Bk Group Inc.	IBTX
	Kearny Financial Corp.	KRNY
	Lakeland Bancorp	LBAI
*	Lakeland Financial Corp.	LKFN
*	LegacyTexas Finl Group Inc	LTXB
*	Luther Burbank Corp.	LBC
	Mechanics Bank	MCHB
	Meridian Bancorp Inc.	EBSB
	Midland States Bancorp Inc.	MSBI
	National Bank Holdings Corp.	NBHC
	NBT Bancorp Inc.	NBTB
	OceanFirst Financial Corp.	OCFC
	OFG Bancorp	OFG
	Opus Bank	OPB
	Pacific Premier Bancorp	PPBI
*	Park National Corp.	PRK
	Renasant Corp.	RNST
	Republic Bancorp Inc.	RBCA.A
	S&T Bancorp Inc.	STBA
	Sandy Spring Bancorp Inc.	SASR
	Seacoast Banking Corp. of FL	SBCF
*	ServisFirst Bancshares Inc.	SFBS
	Southside Bancshares Inc.	SBSI
	State Bank Finl Corp.	STBZ
	Tompkins Financial Corporation	TMP
	TowneBank	TOWN
	TriCo Bancshares	TCBK
	TrustCo Bank Corp NY	TRST
	United Financial Bancorp	UBNK
	W.T.B. Financial Corp.	WTBF.B
*	Washington Trust Bancorp Inc.	WASH
	Westamerica Bancorp.	WABC
	WSFS Financial Corp.	WSFS

Note: Based on publicly traded banks, savings and thrifts in the U.S. that have a total average assets between $4 billion and $9 billion for the years 2015-2017 (based upon data available in SNL as of April 18, 2018). Any institution whose business is not directly comparable with ASB or did not have data present for all 3 years were excluded. The peer group is updated annually 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 17 banks representing ASB's high performing peer group, based on a 3-year average return on average assets rank equal or above the 75th percentile.

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 increases with lower tax rate • 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
Holding Company and Other	($6) million • Reduction of deferred tax asset	• Net loss increases with lower tax rate • As consolidated taxpayer with subsidiaries, are subject to 30% of adjusted taxable income limitation, however, protected by net interest income from Bank
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

* Pending future clarification by the Internal Revenue Service (IRS) and/or Congress, there may be additional 2017-related adjustments in 2018.

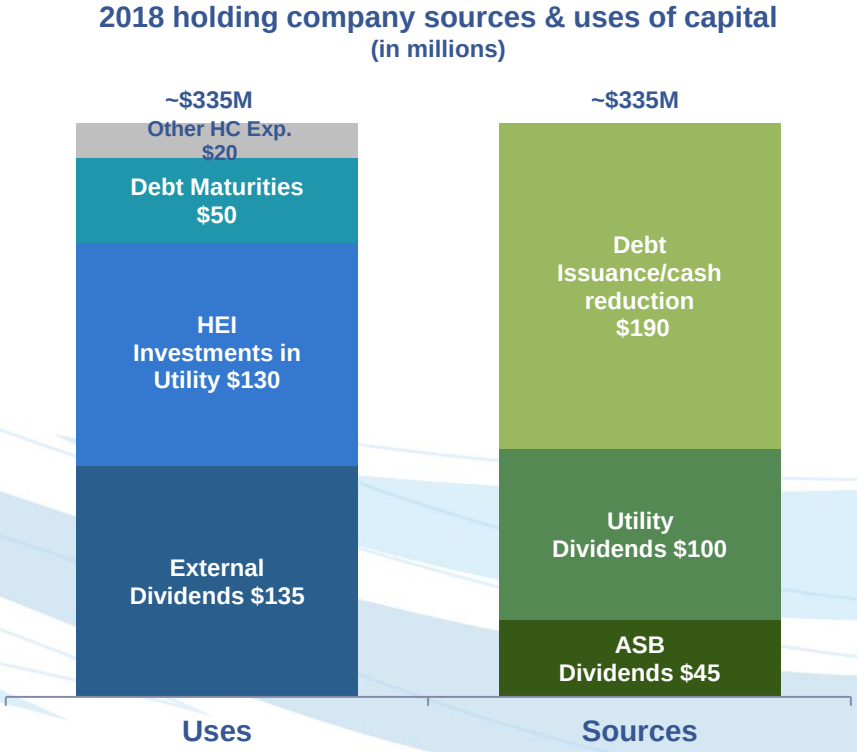
Pacific Current provides non-regulated platform for clean energy and sustainability investments

- Focused on local partnerships and projects consistent with investment grade profile
- Initial project cash flow helping fund start-up costs

PACIFIC CURRENT

Acquired Hamakua Energy Plant, Hawaii Island	Awarded and contracted for solar plus battery storage projects at 5 campuses in University of Hawaii system
• Critical dispatchable generating resource as island transitions to 100% renewable energy by 2045 • Contracted cash flows and non-recourse financing support investment grade profile • Accretive from outset, expected to continue over contract life • Evaluating potential to use biofuel and options for unused land/transmission interconnection next to plant	• Selected in competitive process • Contracted cash flows and non-recourse financing support investment grade profile • Investment-grade counterparties: University of Hawaii (off-taker); Johnson Controls, Inc. (EPC contractor) • Accretive beginning first full year post COD (COD expected in 2019)

HEI financing outlook 2018*



- Intend to maintain a consolidated investment grade profile
- Dividend reinvestment plan purchases currently on open market

* Based on January 2018 forecast.

Continued favorable outlook for Hawaii's economy

Tourism

Year-over-year % change	2017	2018	2019
Visitor Arrivals	+4.9%	+6.5%	+1.2%

Unemployment Rate (%)

	2017	2018	2019
Hawaii	+2.4%	+2.1%	+2.3%

Real personal income

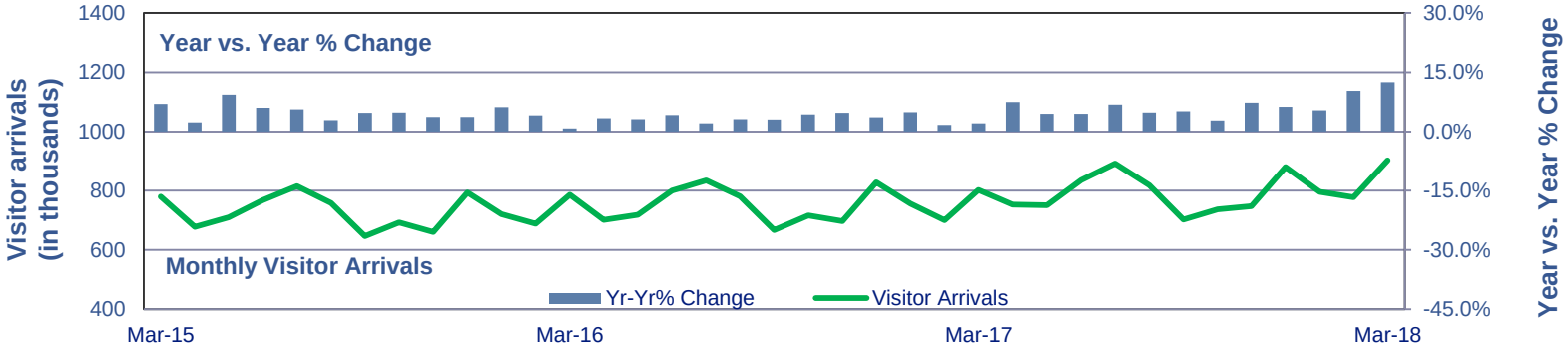
	2017	2018	2019
Hawaii	+0.5%	+2.0%	+1.8%

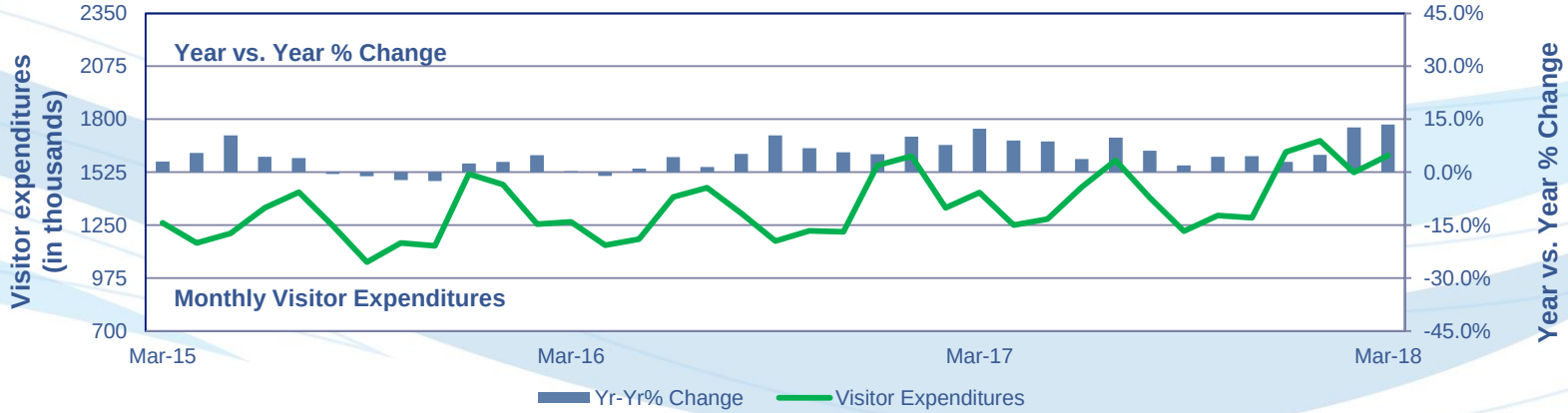
Real State GDP

	2017	2018	2019
Hawaii	+1.1%	+1.8%	+2.1%

Source: University of Hawai'i Economic Research Organization (UHERO) May 4, 2018 report. Figures for income and GDP for 2017 are UHERO estimates. Figures for 2018-2019 are forecasts.

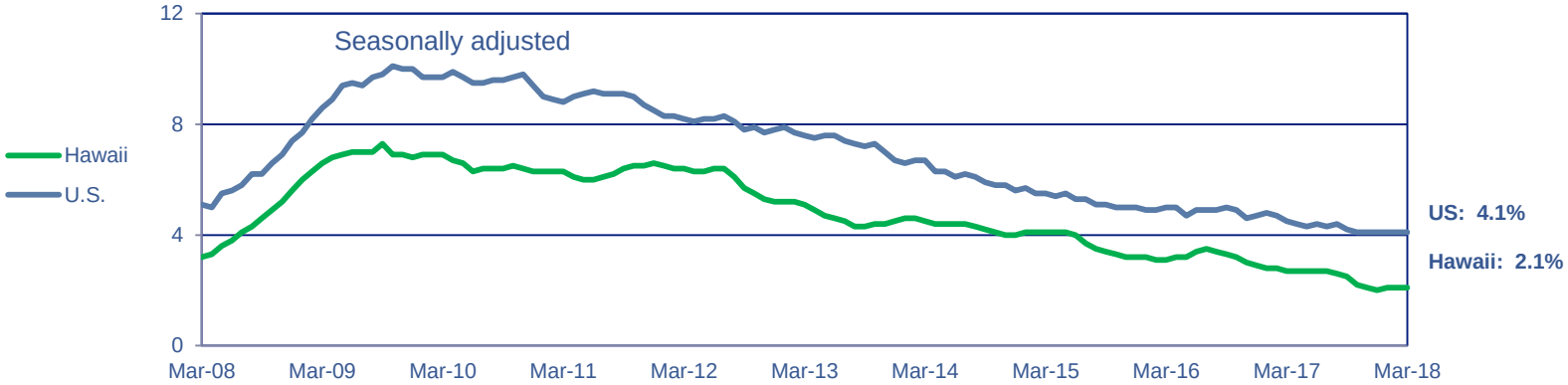
March 2018 Hawaii visitor arrivals up 12.5% and visitor expenditures up 13.5%

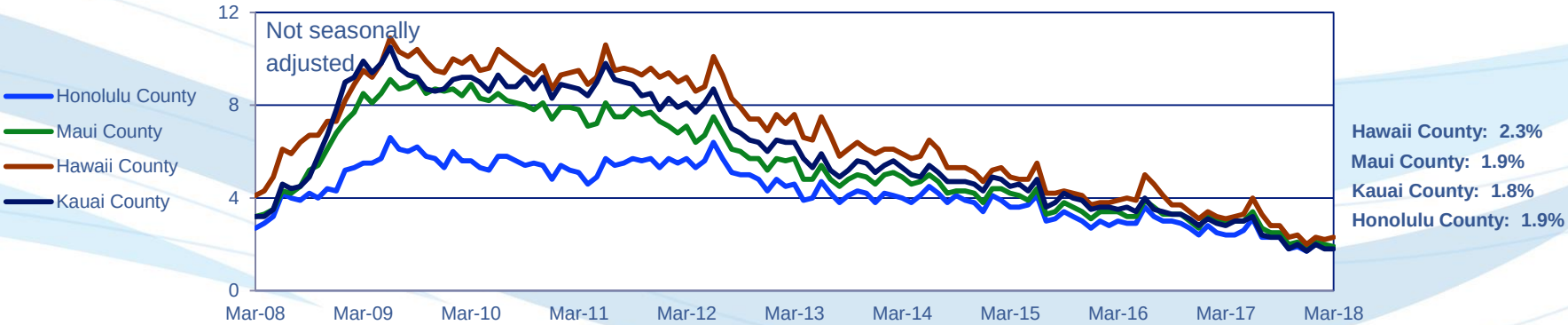




Source: State of Hawaii Department of Business, Economic Development and Tourism

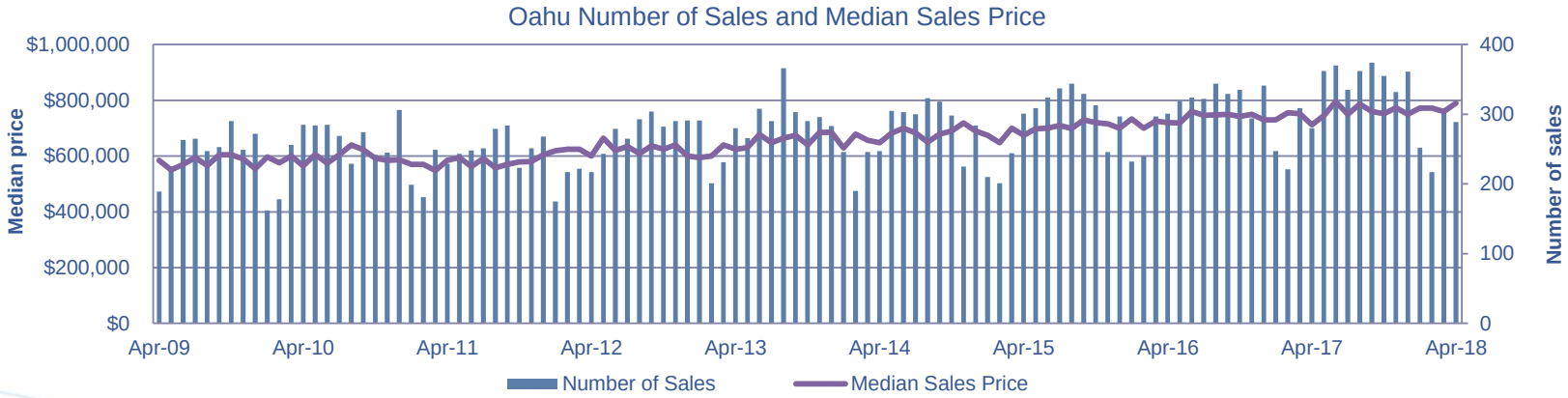
Hawaii unemployment rate remains low at 2.1%

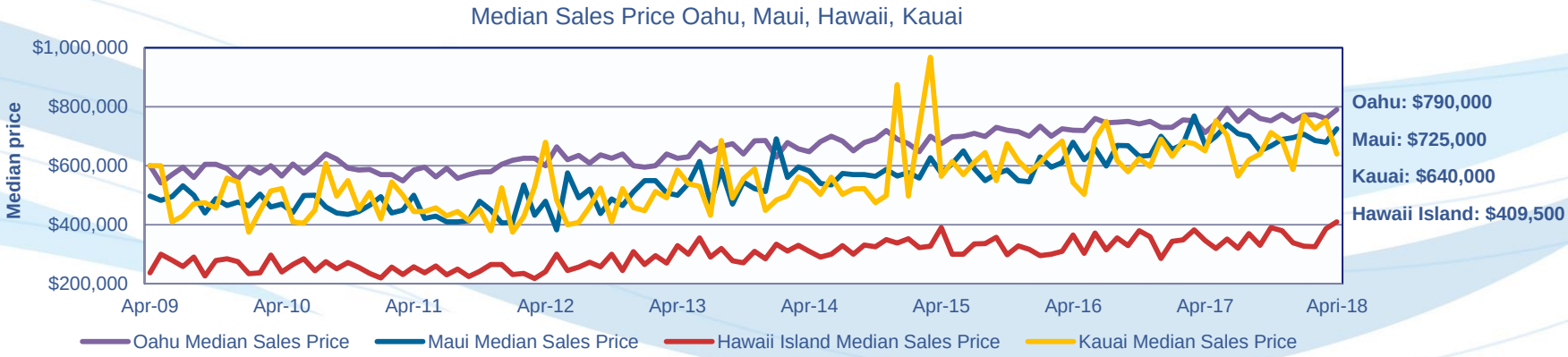




Source: U.S. Bureau of Labor Statistics and the State of Hawaii Department of Labor and Industrial Relations

Hawaii real estate market remains strong





Source: Title Guaranty (2008 - current)


HEI
Catalyst for a better Hawai'i

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 than the corresponding GAAP measures given the non-recurring nature of certain items. Non-GAAP core measures presented here may not be comparable to similarly titled measures used by other companies. The accompanying tables provide the return on average common equity (ROACE) and adjusted non-GAAP core ROACE for HEI and the utility.

The reconciling adjustments from GAAP earnings to core earnings used in the calculation of the twelve months ended March 31, 2017 ROACE 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 terminated liquefied natural gas contract which, to remain in effect, required 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. The reconciling adjustments from GAAP earnings to core earnings used in the calculation of the twelve months ended March 31, 2018 ROACE exclude the impact of the federal tax reform act recorded in the fourth quarter of 2017 due to the adjustment of 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 and has shown the non-GAAP (core) ROACE in order to provide better comparability between periods.

The accompanying table also provides the calculation of utility GAAP other operation and maintenance (O&M) expense adjusted for "O&M-related net income neutral items," which are O&M expenses covered by specific surcharges or by third parties. 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

	Twelve months ended March 31	
	2018	**2017**
HEI CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**8.2%**	**12.5%**
Based on non-GAAP (core)[2]	**8.9%**	**9.4%**

Hawaiian Electric Company, Inc. and Subsidiaries

	Twelve months ended March 31	
	2018	**2017**
HAWAIIAN ELECTRIC CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**6.91%**	**7.84%**
Based on non-GAAP (core)[2]	**7.41%**	**7.88%**

	Three months ended March 31	
($ in millions)	**2018**	**2017**
HAWAIIAN ELECTRIC CONSOLIDATED OTHER OPERATION AND MAINTENANCE (O&M) EXPENSE		
GAAP (as reported)	**$ 107.6**	**$ 98.8**
Excluding other O&M-related net income neutral items[3]	0.3	1.1
Non-GAAP (Adjusted other O&M expense)	**$ 107.3**	**$ 97.7**

Note: Columns may not foot due to rounding

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

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

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