Hawaiian Electric Industries, Inc.

UBS Winter Infrastructure & Energy Virtual Conference

January 12-13, 2021

HEI

Catalyst for a better Hawai'i



Forward looking statements

Cautionary statements and risk factors that may affect future results

This presentation includes forward-looking statements within the meaning of the federal securities laws. Actual results could differ materially from such forward-looking statements. The factors that could cause actual results to differ are discussed in the appendix that follows this presentation and in HEI's SEC filings.

HAWAIIAN ELECTRIC INDUSTRIES

Catalyst for a better Hawaii

HEI

Catalyst for a better Hawai'i

HEI overview

Hawaii's largest corporation with a diversified platform supplying energy, providing financial services and investing in a sustainable future

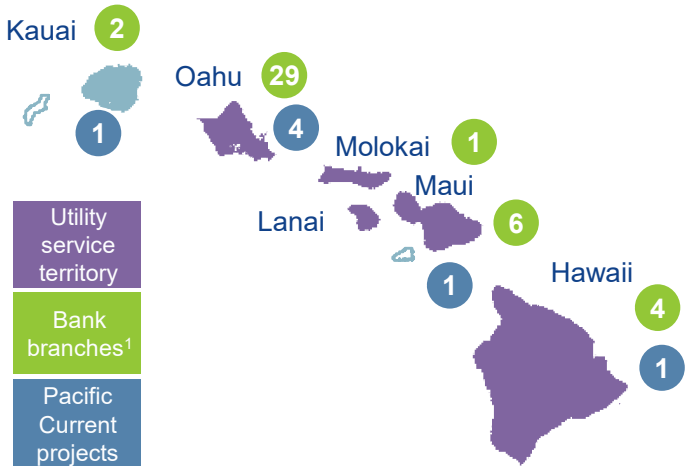
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Catalyst for a better Hawai'i

Hawaiian Electric

AMERICAN Savings Bank

PACIFIC CURRENT



$3.8B Market capitalization[2]	**3.8%** Dividend yield[2]	**8%** 5-year total return (CAGR%) for period ending 12/31/20	**71% (Utility)** **29% (Bank)** Subsidiary contributions to net income[3]	**3,846** Full time employees[4] (Including 2,670 utility employees and 1,126 bank employees)	**Hawaii-focused** Serving the full state

Data above as of 12/31/20 unless otherwise indicated.

1 Bank branches as of 1/4/21.

2 Market capitalization and dividend yield are based on the closing price of $34.70 on 1/4/21.

3 Based on LTM 9/30/20 earnings to common shareholders and excludes other companies' net loss.

4 Full time employees as of 12/31/19.

ESG is in our DNA

Strength of our companies is inextricably linked to the health of our environment, economy and communities

Embedded in Core Strategies

Hawaiian Electric	Focused on achieving state's 100% renewable energy and carbon neutrality goals in a way that is safe, reliable, resilient and affordable
AMERICAN Savings Bank	Investing in Hawaii's economic growth; fostering innovation and entrepreneurship to diversify and expand state economy; advancing affordability and financial fitness
PACIFIC CURRENT	Advancing Hawaii's sustainability goals through infrastructure investments in clean energy, water, wastewater and agriculture

Deepening ESG Integration

Integrating ESG even further into our governance structures, decision-making processes and reporting

- ✓ Published first SASB-aligned ESG report Sept. 2020
- ✓ Future reporting to include ESG materiality assessment and TCFD-aligned disclosures
- ✓ Deepening ESG integration into business, processes and governance
- ✓ Focused on ESG topics that drive long-term value creation

Recent highlights

- ✓ As of 3Q20: Improved Hawaiian Electric earnings; American Savings Bank set new company records in mortgage banking income
- ✓ PUC issued Phase 2 PBR D&O in Dec. 2020, evolving regulatory framework to further align with customer needs and clean energy transition
- ✓ Robust efficiency initiatives in progress at utility to deliver customer savings related to management audit
- ✓ Hawaiian Electric confident will have exceeded 2020 milestone of 30% RPS
- ✓ As of 3Q20: American Savings Bank realized record low funding cost and above-peer NIM despite challenging interest rate environment
- ✓ American Savings Bank effective in managing costs in 2020 despite COVID-19 impacts
- ✓ Pacific Current portfolio continues to grow; anticipates building to ~$0.03-$0.05 EPS contribution over next 3-4 years

Phase 2 PBR D&O

Catalyst for a better Hawai'i

PBR D&O – Constructive framework developed in collaboration with stakeholders

- Core elements of PBR framework appear reasonable and generally consistent with prior record, providing incentives to more aggressively move ahead with modernizing our company and Hawaii's energy system
- Many mechanisms remain unchanged, with new performance incentives (PIMs) intended to support faster achievement of renewable energy goals
- With limited exception, PBR changes become effective Jun. 1, 2021
- EPRM, PIMs and new pilot project process provide opportunities for additional revenues
- Safeguards established to protect against significant unintended outcomes
- Some details still under development
- Motion filed Jan. 4 for clarification with respect to:
  - Treatment of "pre-PBR" management audit savings commitment
  - Clarification of certain matters regarding new PIMs

Final PBR D&O issued, motion for clarification pending

Core components reasonable, consistent with guiding principles

Current mechanisms	*Change under PBR*
3-year rate plan	**5-year rate plan**
Revenue adjustment mechanism (RAM)	**Annual revenue adjustment (ARA)** Accounts for inflation, productivity improvements (set at zero), material events outside utility control, customer dividend
Major project interim recovery (MPIR)	**Exceptional Project Recovery Mechanism (EPRM)** Continues to provide recovery for extraordinary projects; expanded to cover O&M expenses and program costs (not just capex). Provides for pro-rated full project cost recovery first year project in service
Existing cost trackers	**Remain in place** Includes purchased power adjustment clause; energy cost recovery clause; renewable energy infrastructure, demand side management, demand response recovery surcharges, pension trackers
Performance incentive mechanisms (PIMs)	**Additional PIMs added** New PIMs designed to drive progress on priority outcomes in addition to previous PIMs
Earnings sharing above allowed ROE	**Symmetrical earnings sharing mechanism** No earnings sharing within +/-300bps deadband of allowed ROE of 9.5%; 50-50 sharing within +/-150bps outside of deadband, 90-10 sharing thereafter
Decoupling	**Remains in place**

New performance incentive (PIMs) and shared savings mechanisms (SSMs) create additional earnings opportunities

	Summary	*Upside / downside*
Interconnection approval PIM	Rewards and penalties based on utility ability to reduce time to interconnect DER systems <100 kW	+$3M / -$0.9M annually
Grid services procurement PIM	Rewards (no penalties) to incentivize acquisition of grid services from DER through 2022; thereafter to be replaced by to-be-developed Grid Services Utilization PIM	+$1.5M over 2 years
LMI[1] energy efficiency PIM	Rewards (no penalties) for collaborating with Hawaii Energy to deliver savings to LMI customers and increase participation in Hawaii Energy programs	+$2M over 2 years
RPS-A PIM	Rewards (penalties already exist in RPS statute) for accelerating RPS achievement targets, measured as renewable generation divided by total generation	$20, $15 and $10/MWh in 2021, 2022 and 2023-25, respectively
AMI utilization PIM	Details to be finalized in post-D&O working group. Intended to incentivize acceleration of advanced meter adoption. Commission envisions PIM to be upside only	Max annual award of $2M being considered
NWA SSM	Will allow utility to share in 20-30% of savings from utilization of non-wires alternatives	To be determined
Renewable procurement SSM	Commission will continue to provide renewable energy procurement rewards (similar to previous RFP PIMs). May be available for utility self-build projects	To be determined

1 Low- to moderate-income.
Note: Existing PIM portfolio detail on slide 52.

Annual revenue adjustment mechanism formula

Annual target revenues now set with ARA during 5-year MRP

Annual revenue adjustment formula:

i-factor **−** ***x-factor*** **+** ***z-factor*** **−** ***customer dividend***

Accounts for annual inflation

- Measured by Gross Domestic Product Price Index (GDPPI)

Productivity factor

- Initially set at 0%

Ex post **opportunity to recover costs for exogenous events**

- Review and approval determined on case-by-case basis

Two components:

(i) 0.22% adjustment

~$2.1M in annual revenues beginning 2021[1] and compounds over time

+

(ii) management audit savings commitment made in Hawaiian Electric 2020 rate case

Company filed motion seeking clarification on amount and timing of customer dividend

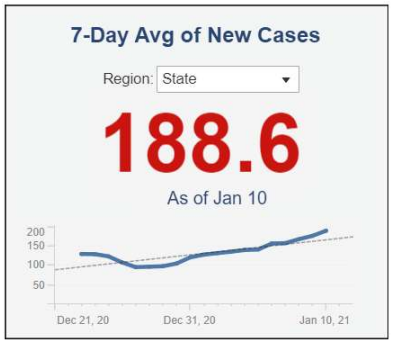
1 Year one (2021) $2.1M based on 2020 target revenues.

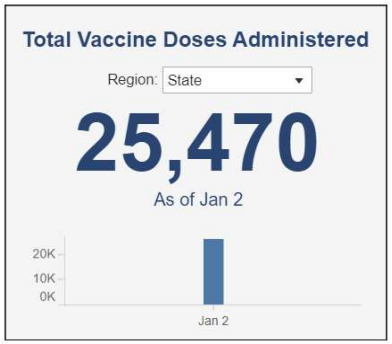
COVID Response

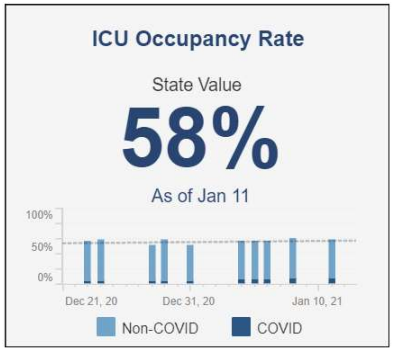
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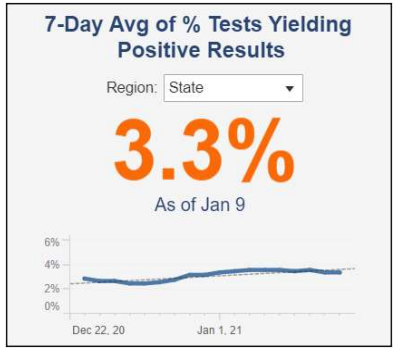
Hawaii COVID case update

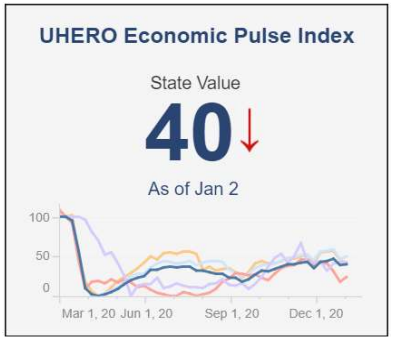
Focusing on community health and safety

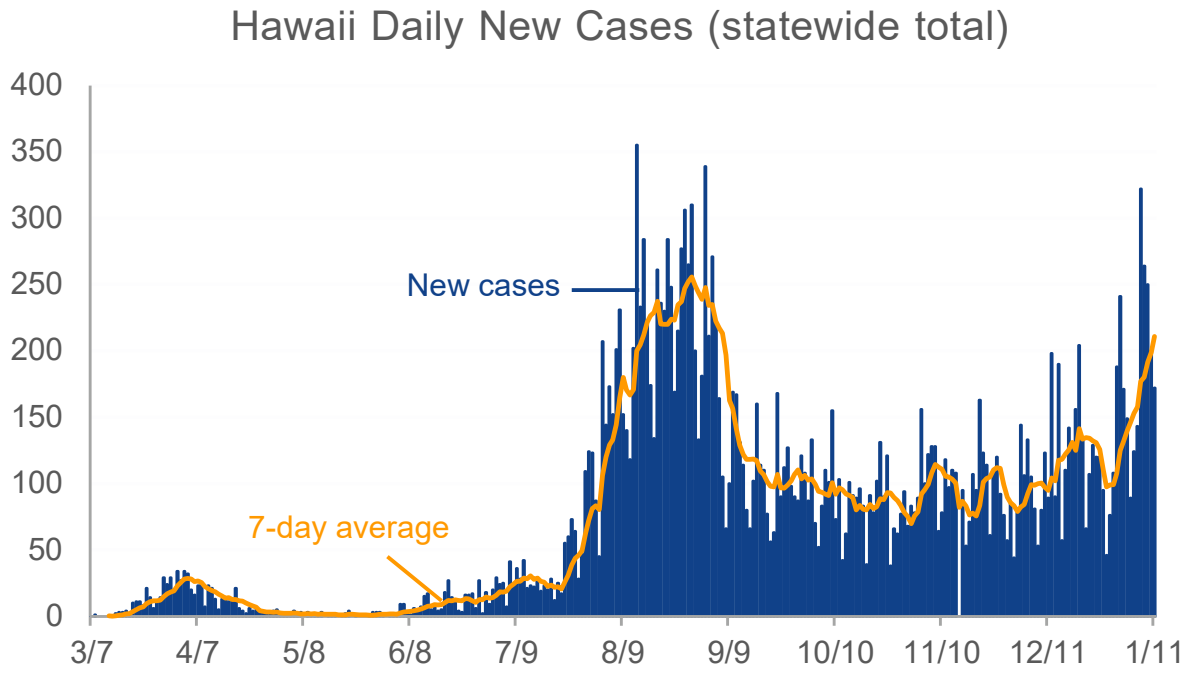




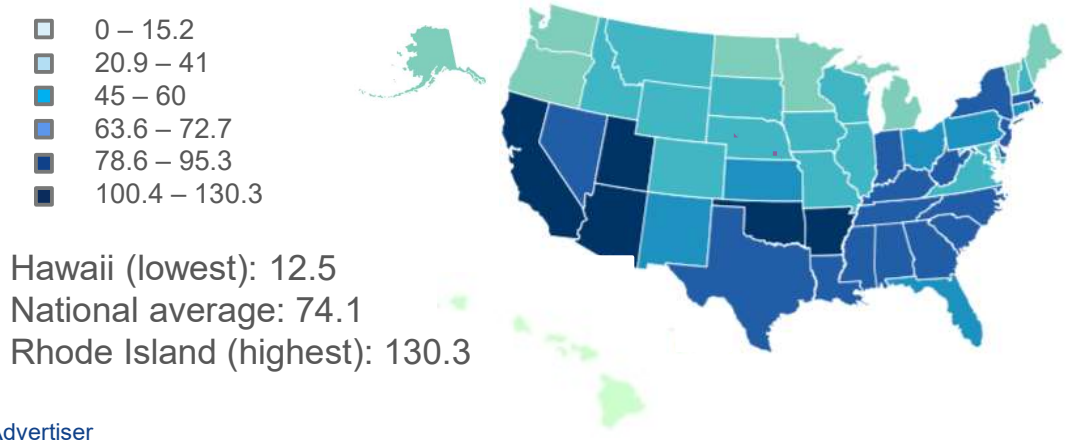








Average daily case rate in last 7 days, per 100K residents
(as of 1/11/21)

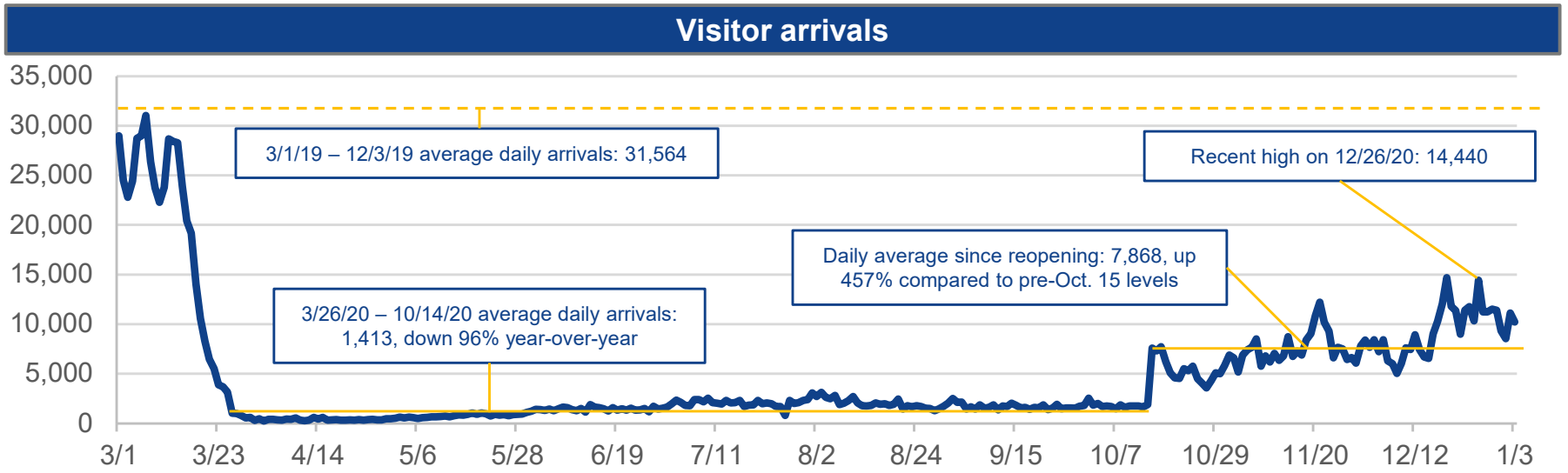


Hawaii (lowest): 12.5
National average: 74.1
Rhode Island (highest): 130.3

Sources: Centers for Disease Control and Prevention, CovidPau.org, Honolulu Star Advertiser

Positive signs for Hawaii's economy since reopening

- Oahu economy reopened late Sept. under tiered framework
  - Hotels, retailers, restaurants, fitness facilities, movie theaters, educational facilities, beaches, etc. open
- Tourism sector reopened with Oct. 15 pre-arrival testing program for domestic travelers; expanded to travelers from Japan and Canada
  - Daily average arrivals between 10/15/20 and 1/3/21: 7,868, up 457% from pre-Oct. 15 levels
- Unemployment rate improved to 10.1% in November from 23.8% in April
- Residential real estate values and sales remain strong
- Federal government and military Hawaii's second largest economic driver, providing stability



Hawaii economic forecast

- UHERO forecast (base case) projects meaningful Hawaii economic recovery starting mid-2021
- Recent positive COVID-19 vaccine developments have potential to accelerate recovery
  - Over 25,000 doses of vaccine administered to essential healthcare workers and first responders statewide as of 1/2/21
- Hawaii to receive at least $1.7 billion from second COVID-19 pandemic relief bill

Hawaii Economic Research Organization (UHERO) forecast[1]

	2020			2021			2022		
Scenario	Pessimistic	**Base**	Optimistic	Pessimistic	**Base**	Optimistic	Pessimistic	**Base**	Optimistic
Real GDP (millions 2019$)	85,769	**85,950**	85,902	82,649	**86,018**	89,571	87,300	**90,450**	93,011
YoY % change	-10.4	**-10.2**	-10.3	-3.7	**0.1**	4.3	5.6	**5.2**	3.8
Total visitor arrivals by air (thousands)	2,554	**2,667**	2,707	2,835	**4,410**	5,848	6,901	**8,152**	8,510
YoY % change	-75.4	**-74.3**	-73.9	11.0	**65.4**	116.0	143.5	**84.9**	45.5
Real personal income (millions 2019$)	84,054	**84,168**	84,183	75,402	**77,406**	79,561	76,688	**78,629**	80,329
YoY % change	4.1	**4.3**	4.3	-10.3	**-8.0**	-5.5	1.7	**1.6**	1.0
Unemployment rate (%)	12.8	**12.7**	12.4	14.2	**10.9**	8.2	8.2	**5.6**	4.9

1 UHERO, *Mainland COVID-19 Surge Means a Bleak Winter, But Vaccines Promise 2021 Growth*, 12/11/20.

Financial update

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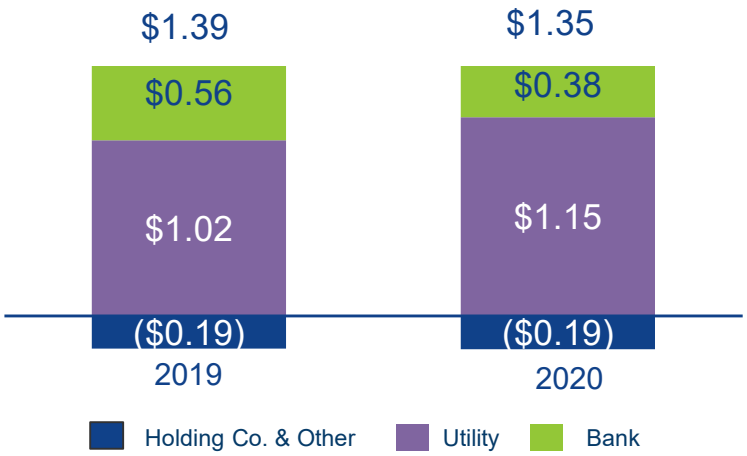
HEI is well positioned to weather COVID impacts

- Consolidated enterprise comprised of stable operating subsidiaries in essential industries
- Robust liquidity position enterprise-wide, with recent enhancements to strengthen liquidity at utility and holding company
- No need for holding company to inject capital at bank
- Our financial strength enables us to help our customers and community through challenging period
- Focused on protecting our employees, assisting our customers and supporting our community
- Uninterrupted dividends through every business cycle since 1901, including through 2008 – 09 Great Recession
- Dedicated and experienced management team

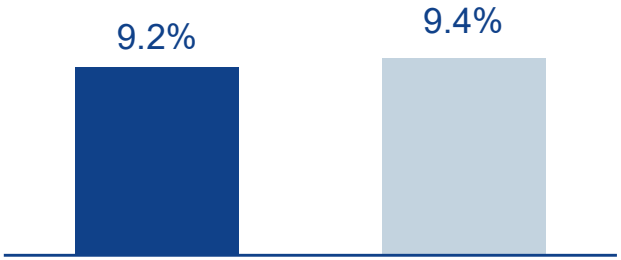
Strong foundation supports solid consolidated results and continued profitability

- Consolidated enterprise comprised of stable operating subsidiaries in essential industries
- Strong liquidity enterprise-wide
- Fully decoupled utility, with good recovery mechanisms
- Conservatively managed bank with low-risk loan mix, strong financial position
- Net income translates directly to EPS

YTD September Diluted EPS (GAAP)

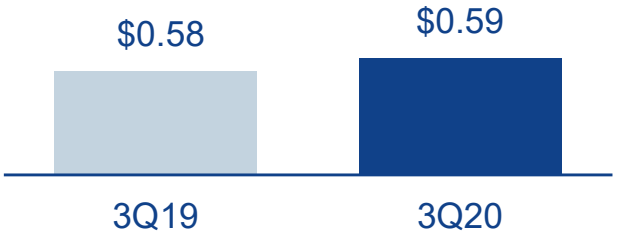


Consolidated LTM ROE



	3Q19	3Q20
Utility	7.6%	8.4%
Bank[1]	13.7%	6.8% / 7.9%

QTD EPS (GAAP)



Solid 3Q20 results preceded Oct. 15 tourism reopening

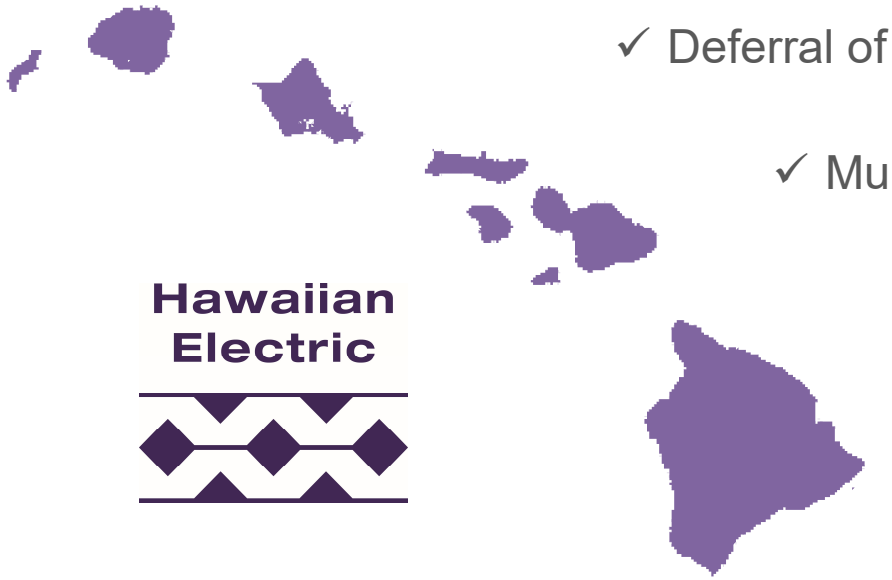
Note: Columns may not foot due to rounding.
1 Quarter annualized/YTD annualized. ROE is based on daily weighted average common equity.

Hawaiian Electric – A source of strength as Hawaii recovers

CONSISTENTLY POWERING OUR STATE FOR OVER 129 YEARS

Well positioned to serve as a source of strength, supporting Hawaii's recovery

- ✓ Fully decoupled, with revenues adjusted for load decline impacts
- ✓ Good recovery mechanisms
- ✓ Deferral of COVID-related costs
- ✓ Multi-year efficiency program underway
- ✓ Continued progress during COVID
  - Phase 2 D&O in performance-based regulation proceeding issued Dec. 2020
  - Stage 2 renewable RFP process advancing
- ✓ Leader in clean energy, addressing aggressive climate goals



2020 Utility outlook and drivers

Cost efficiencies offsetting lack of base rate increase

- HECO final D&O in Oct. 2020 approved settlement proposing no base rate increase
  - Base rates held flat; 9.5% allowed ROE; 58% equity capitalization
  - Follows HELCO final decision in Jul. 2020 holding base rates flat
  - No rate case filing for Maui Electric
- Efficiency initiatives underway to offset lack of base rate increases and deliver on customer savings commitment from management audit
  - Initial savings reflected in YTD 3Q20 results
  - Additional efficiency initiatives being explored

COVID-19 expense deferral

- As of 9/30/20, recorded $12.4M of COVID-related costs as a deferred regulatory asset ($11.4M related to bad debt)
  - Awaiting PUC response to requested extension of deferral to 6/30/21
  - Separate application required for recovery
  - Suspension of disconnections until 3/31/21

Fuel impacts

- Lower fuel prices continue to provide customer bill relief; typical 500 kwh residential bill on Oahu ~$24 (~15%) lower in Dec. than in Mar. 2020

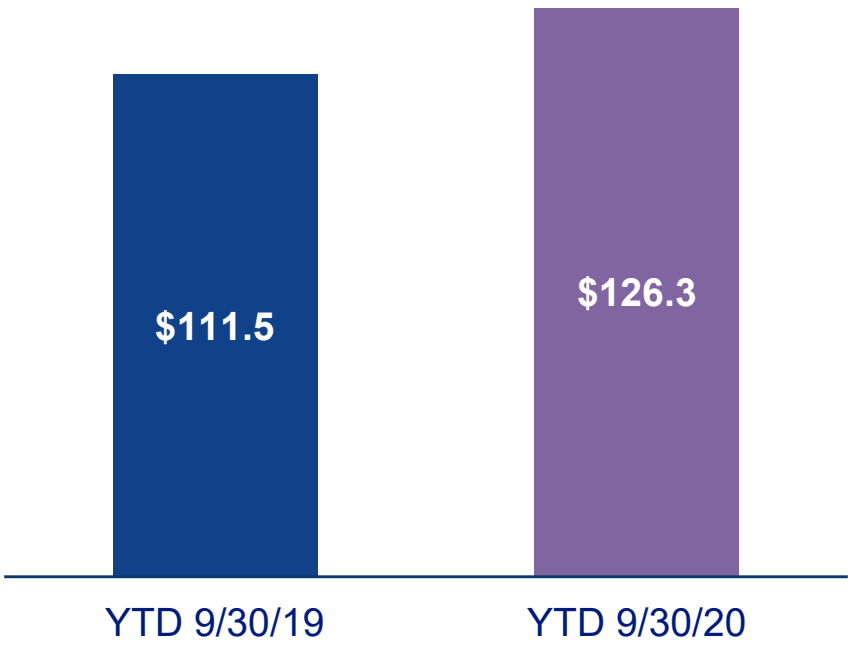
YTD 9/30/20 utility financial highlights

($ in millions)

Year-over-year improvement driven by:

- ✓ O&M reductions:
  - Ongoing efficiency initiatives
  - Timing of generating unit overhauls
  - Deferral of COVID costs
- ✓ Revenue additions from decoupling and supportive regulatory mechanisms (RAM, MPIR)

UTILITY NET INCOME



KEY UTILITY EARNINGS DRIVERS, AFTER-TAX FAV/(UNFAV)

	YTD 9/30/20 vs YTD 9/30/19
RAM & MPIR revenues	15
Operations and maintenance[1]	10
Lower interest expense	3
ERP benefits to be returned to customers	(4)
Depreciation	(4)
Allowance for funds used during construction	(4)
Fuel handling	(2)

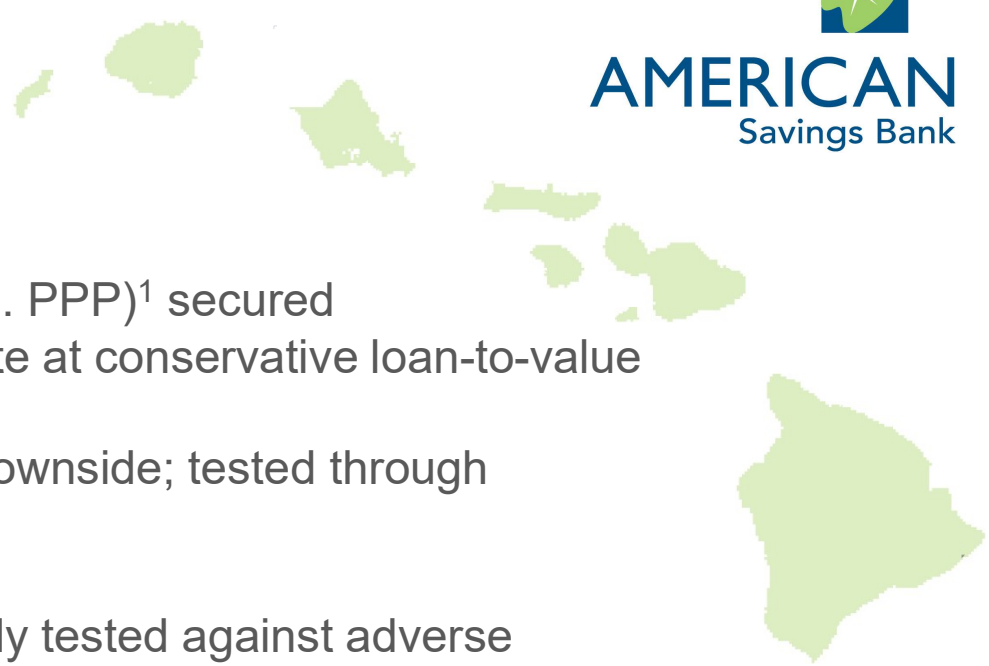
1 ~$5M related to lower generation overhauls. O&M includes pension-related expenses; pension-related expenses were not a significant driver of variance as of YTD 9/30/20.

American Savings Bank – Conservatively managed bank with strong financial position

SERVING HAWAII THROUGH OVER 95 YEARS OF ECONOMIC CYCLES

Prudent risk management is the foundation of our management approach

- ✓ Earning assets 100% funded by core and low-cost deposits
- ✓ Diverse, high quality loan portfolio with active relationship monitoring and management
- ✓ Loan portfolio predominantly (~78%/83% excl. PPP)[1] secured by or with recourse to stable Hawaii real estate at conservative loan-to-value
- ✓ Oahu property value resilience protects the downside; tested through the Great Recession
- ✓ Healthy capital and liquidity positions, regularly tested against adverse stress scenarios
- ✓ Modest exposure to industries most impacted by COVID
- ✓ Efficiency a core focus



AMERICAN Savings Bank

1 For quarter ending 9/30/20.

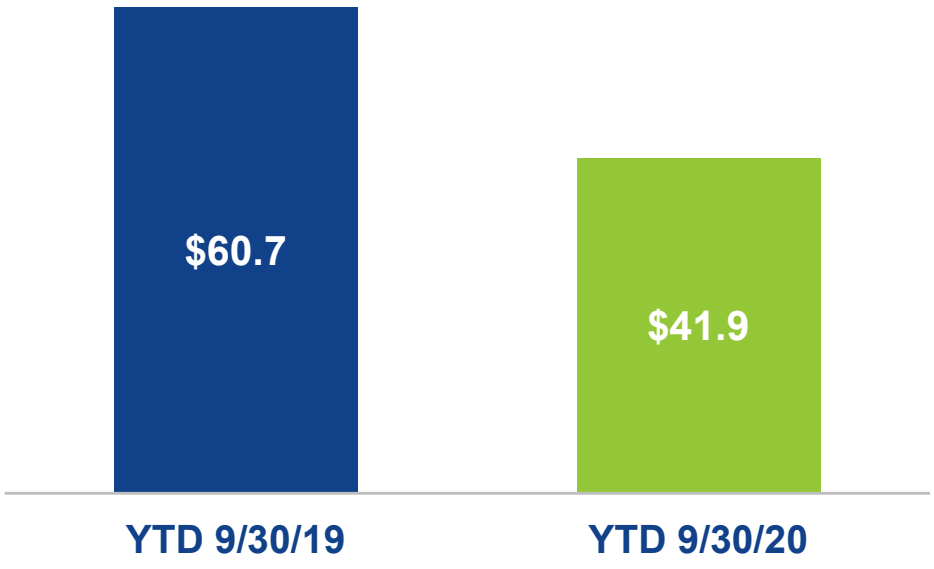
YTD 9/30/20 bank financial highlights

($ in millions)

Year-over-year variance driven by COVID economic environment:

- ✓ Increased provision for potential loan losses related to economic impacts from pandemic
- ✓ Low interest rates reduced net interest margin, but compression slowing
- ✓ Strong mortgage production, gains on sales and focus on efficiency are partially offsetting COVID impacts

BANK NET INCOME



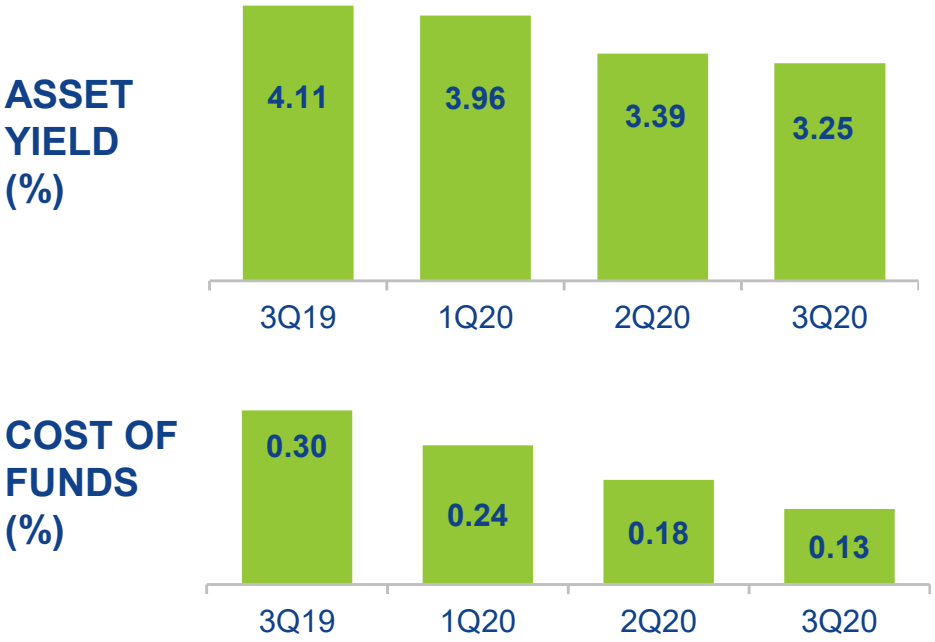
KEY BANK EARNINGS DRIVERS, AFTER-TAX FAV/(UNFAV)

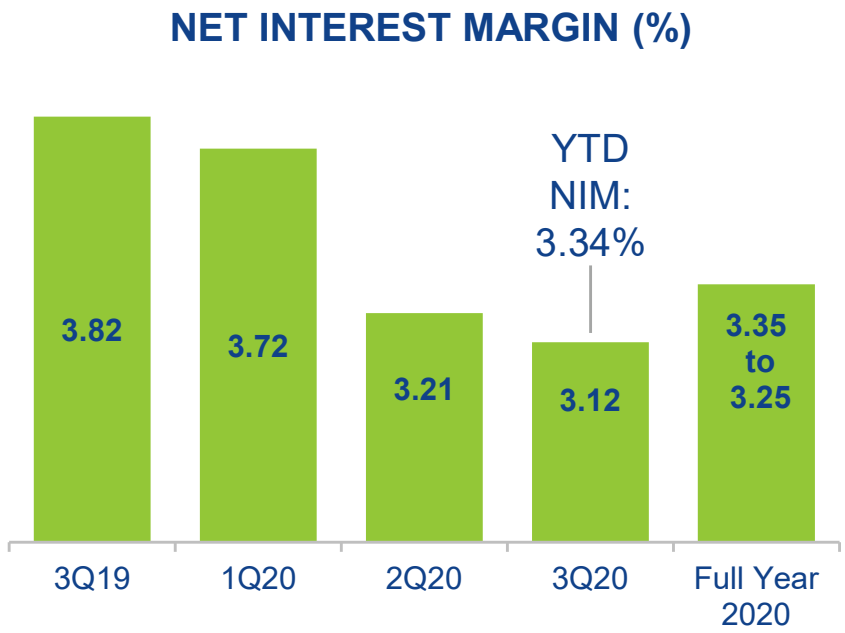
	YTD 9/30/20 vs YTD 9/30/19
Noninterest income	8
Provision for credit losses	(16)
Net interest income	(9)
Noninterest expense	(2)

ASB: Solid execution in dynamic environment

- **Key elements returning to normal operations**
  - Reopened several branches temporarily closed earlier in pandemic
  - Strong mortgage banking income from residential lending
  - Resumption of certain fees previously suspended during initial impact of COVID
- **Continued prudent risk management**
  - Timing of sustained tourism reopening key driver of provision
  - Proactively working with commercial customers to understand COVID impact
- **Cost efficiency a core focus**
  - Lower noninterest expense
  - Reducing branch footprint; permanently closed 7 branches
  - New smart ATM fleet to be fully deployed in 1st half of 2021
  - Further efficiency initiatives in progress
- **Customers adapting to COVID challenges**
  - Customers conserving, managing resources
  - Robust customer adoption of – and satisfaction with – digital options
  - Bank positioned to deploy new round of PPP funding

Record low funding cost and lower FAS 91 amortization partially offset asset yield decline





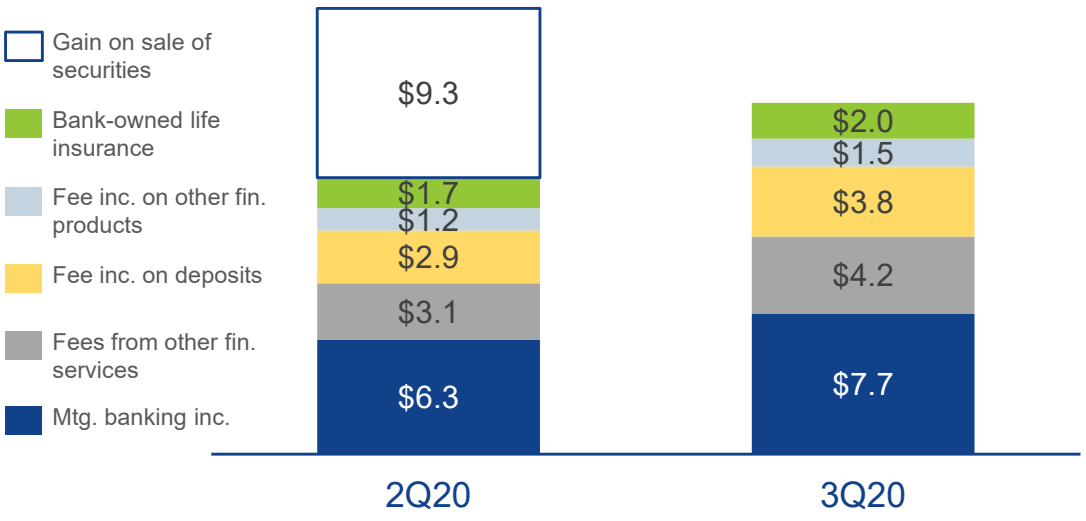
	Actual	PPP	Excluding PPP
2Q20 Reported NIM	**3.21%**	**2.47%**	**3.25%**
Impact of lower rate environment and portfolio mix	(0.24%)	--	(0.22%)
FAS 91 amortization impact	0.08%	0.42%	0.04%
Decrease in interest bearing liability funding cost	0.07%	--	0.07%
3Q20 Reported NIM	**3.12%**	**2.89%**	**3.14%**

Higher noninterest income from core activities and lower noninterest expense drove 3Q20 performance

Core activities and expense control partially offset 2Q20 gains on sales of securities

NONINTEREST INCOME[1]

($ in millions)

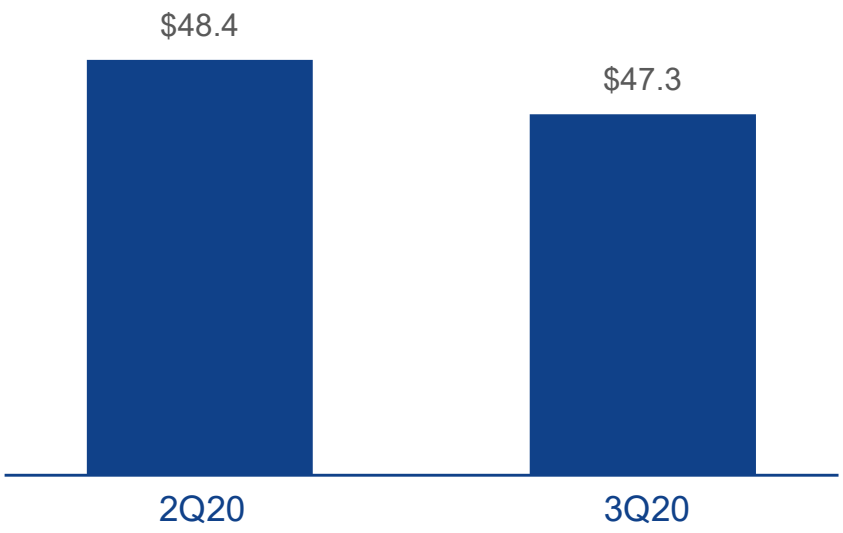


+$2.4M fee income

+$1.4M mortgage banking income

NONINTEREST EXPENSE

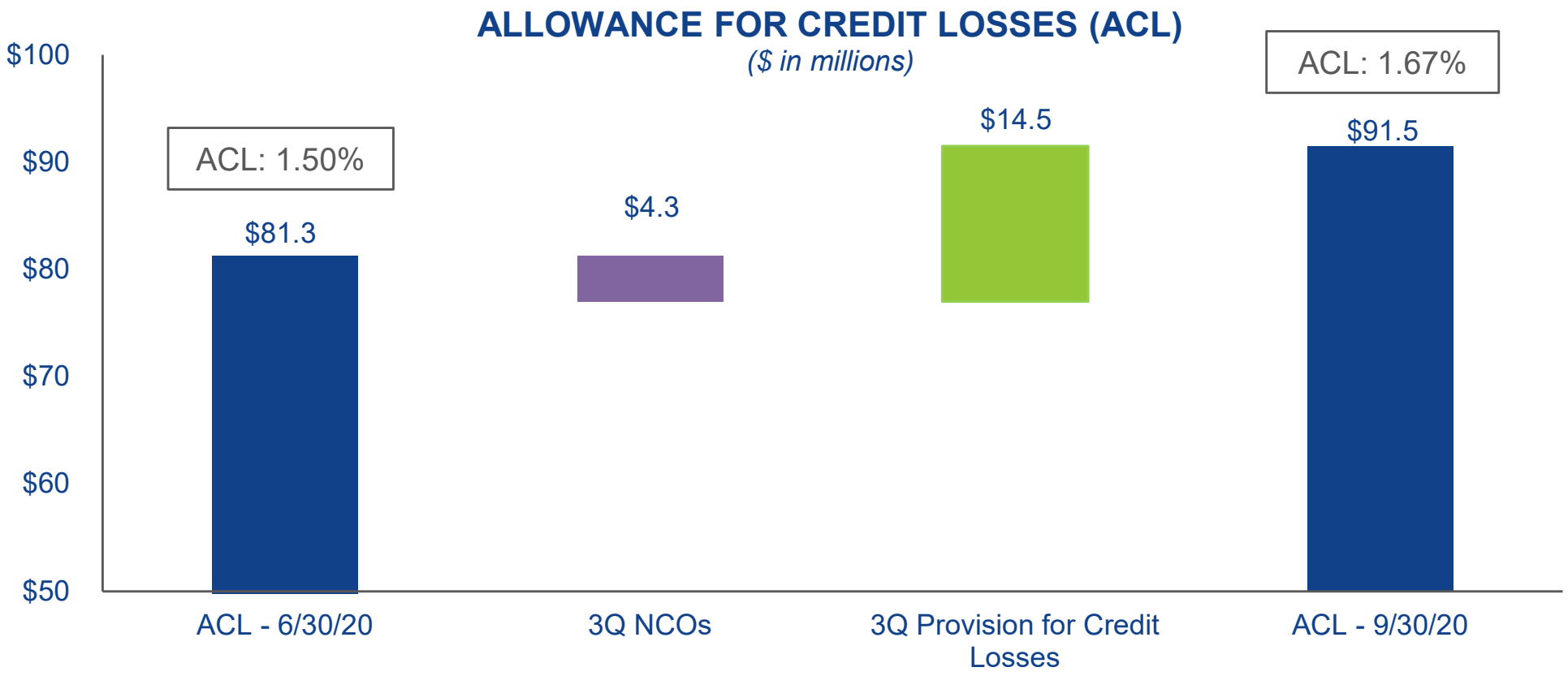
($ in millions)



-$3M lower COVID-related expense (partially offset by +$1.4M higher sales-based incentive pay)

1 Chart excludes "other noninterest income," which had an impact of -$231 and -$251 for the quarters ended 9/30/20 and 6/3/20, respectively.

Additional provision reflects 9/30/20 outlook



	1Q20	2Q20	3Q20
Beginning ACL balance	$53.4	$77.1	$81.3
DAY 1 CECL adjustment	$19.4	-	-
Quarterly provision[1]	$9.9	$10.8	$14.5
less: quarterly NCOs	($5.6)	($6.6)	($4.3)
ACL balance at quarter end	$77.1	$81.3	$91.5

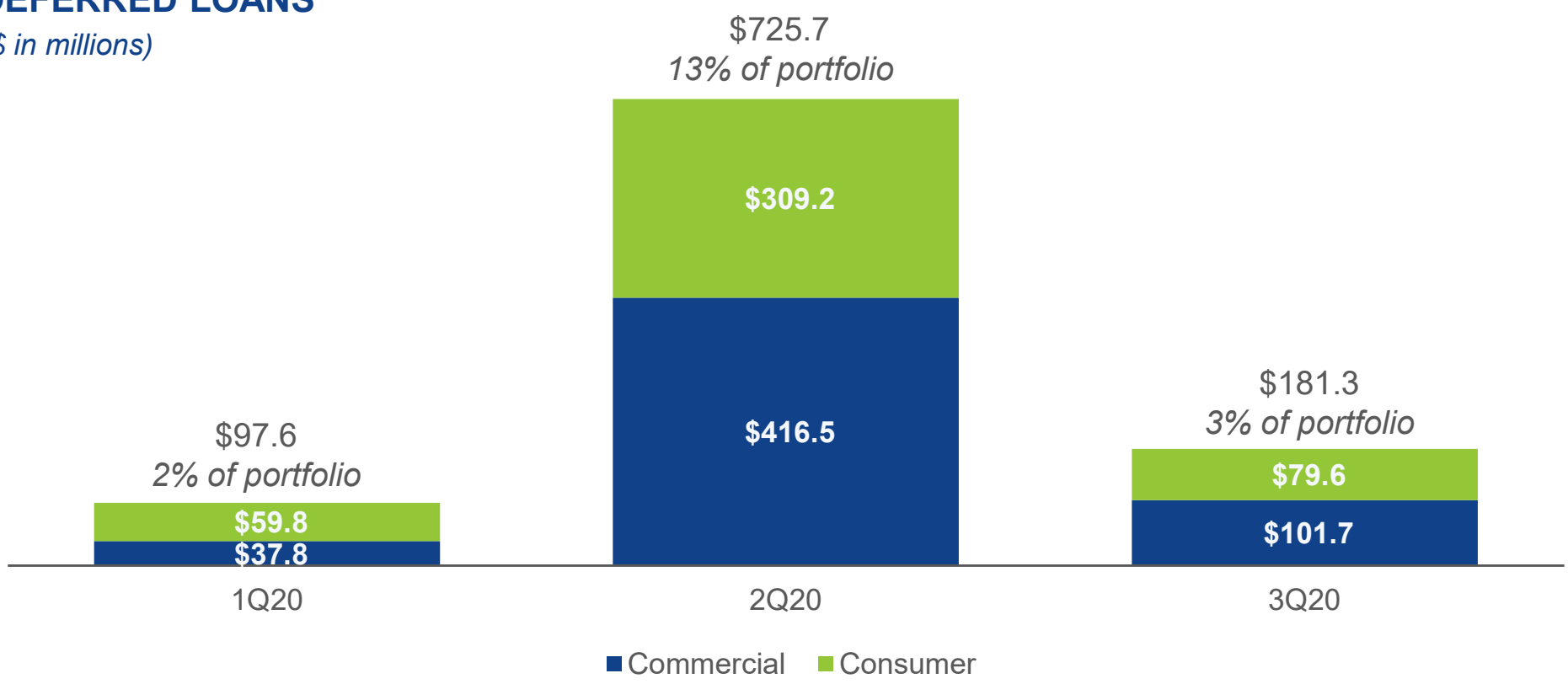
1 Excludes provision for unfunded loan commitments; reserve for unfunded loan commitments is classified in other liabilities on balance sheet and excluded from ACL.

Loan deferrals declining

- 3% of portfolio on active deferral as of 9/30/20 (2% of portfolio on second deferral)
- Of loans that had a deferral at any time from Mar. 2020, 76% had returned to payment as of 9/30/20
- Previously deferred loan delinquency = 1.0%; overall portfolio delinquency = 0.3%

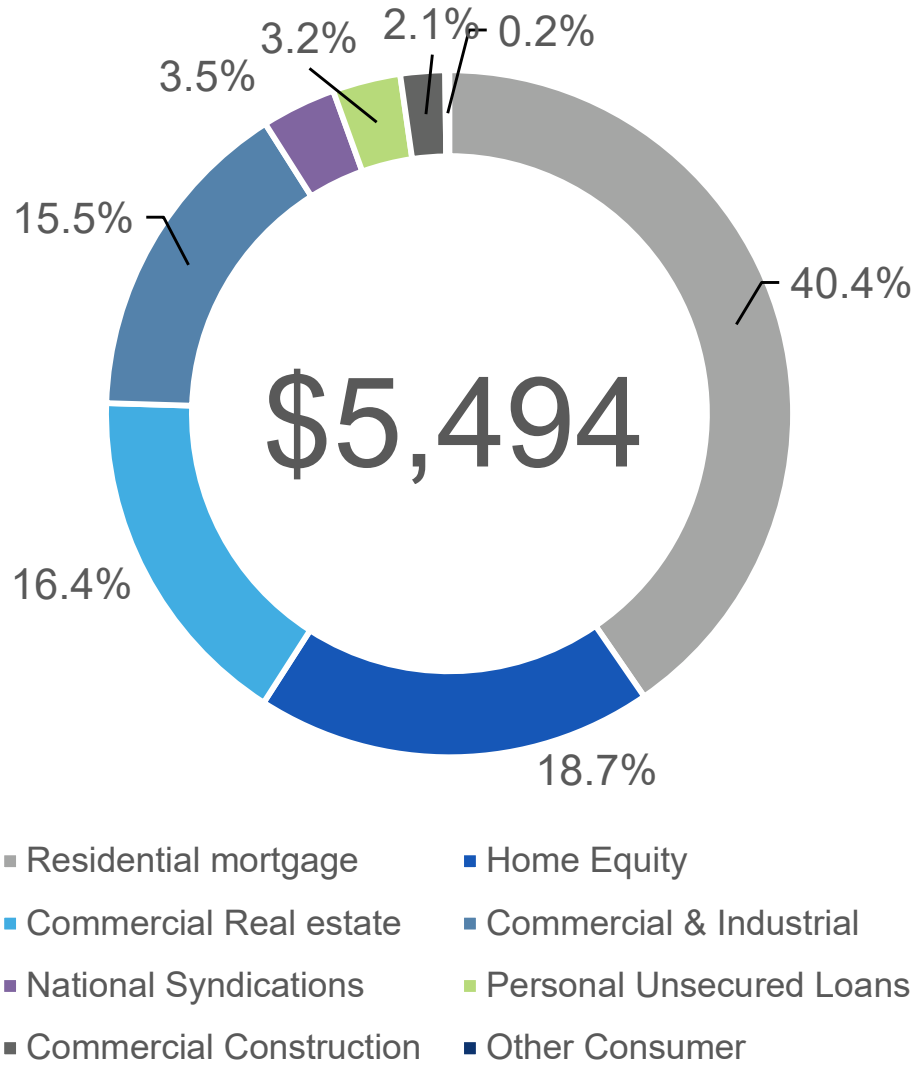
DEFERRED LOANS

($ in millions)



Bank loan portfolio: Conservative profile, concentrated in real estate-secured

($ in millions)



Loan portfolio characteristics

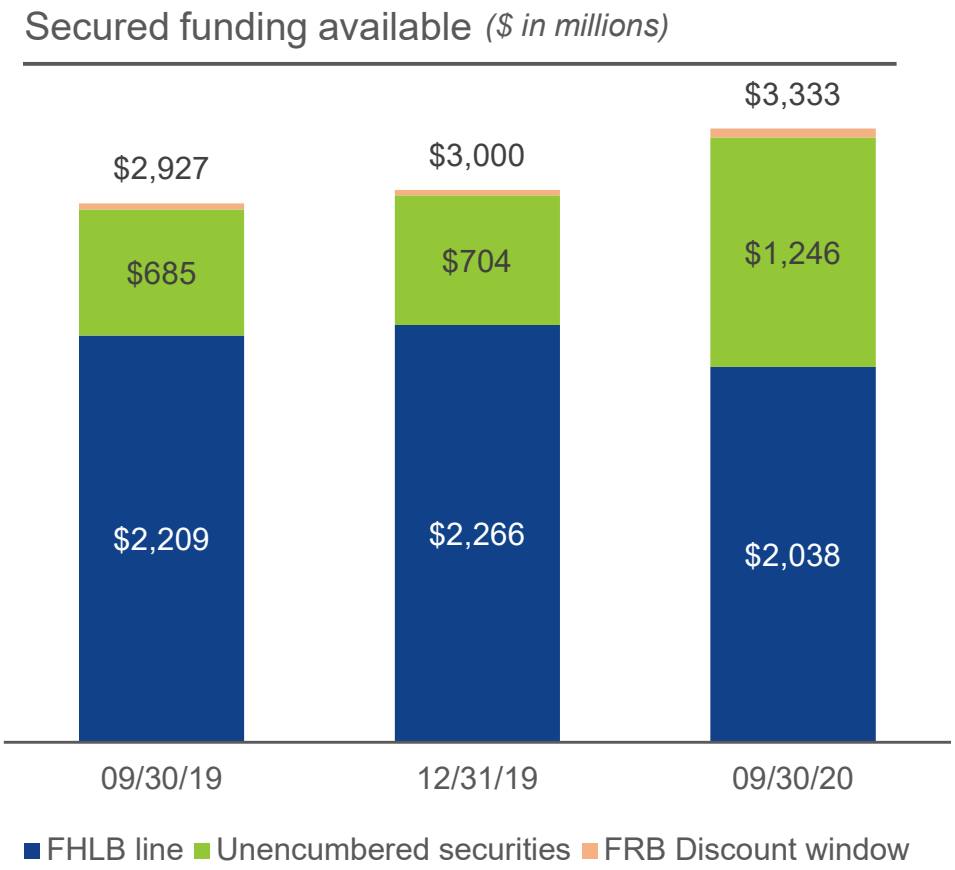
- ✓ ~78% of portfolio secured by real estate (83% excl. PPP)
- ✓ C&I represent ~16% of total loans (9% excl. PPP)
- ✓ Personal unsecured loans represent ~3% of loans
- ✓ As of 9/30/20, 3% of portfolio on active deferral

$ in millions	September 30, 2020	% of total loans
Residential mortgage	2,220	40.4%
Home Equity	1,028	18.7%
Commercial Real estate	901	16.4%
Commercial Construction	113	2.1%
Real Estate Secured	**4,262**	**77.6%**
Commercial & Industrial	849	15.5%
National Syndications	193	3.5%
Total Commercial	**1,042**	**19.0%**
Personal Unsecured Loans	177	3.2%
Other Consumer	13	0.2%
Total Consumer	**190**	**3.4%**
Total Loans	5,494	

Bank liquidity and capital remain strong

ASB not expected to require capital from HEI

Access to large amounts of secured funding



ASB has over $266M of excess equity above "well capitalized" level

Capital Ratio[1]	Tier 1 leverage[2]
As of 09/30/20	8.35%
"Well capitalized"	5.00%
Minimum requirements	4.00%

1 Effective with Mar. 2020 Call Report, elected to delay impact of CECL on regulatory capital for two years followed by three-year transition period.
2 Effective with Jun. 2020 Call Report, under CARES Act provision and Community Bank Leverage Ratio (CBLR) framework, capital adequacy is measured solely through Tier 1 leverage ratio. Under interim rules, minimum CBLR will be 8% through 2020, 8.5% for 2021 and 9% thereafter.

Solid enterprise-wide capital and liquidity position

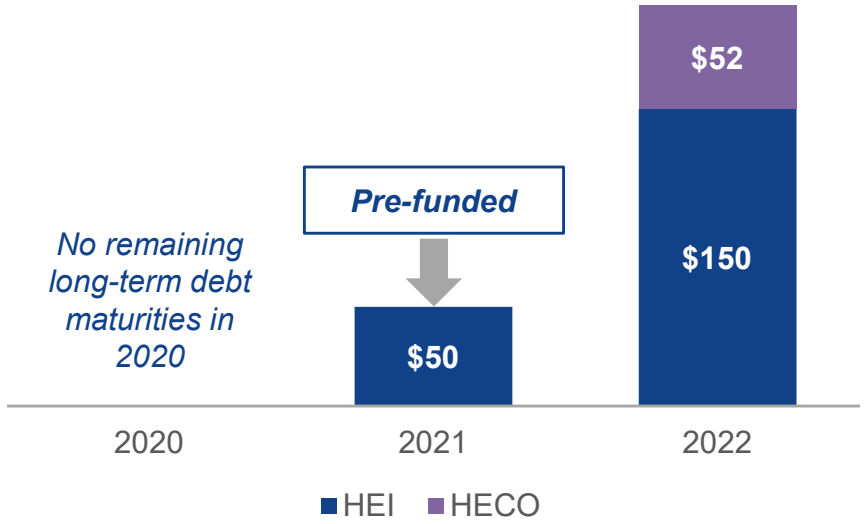
Liquidity and balance sheet strong

- ✓ Utility and bank expected to be self-funding in 2020, with strong stand-alone balance sheets
- ✓ Recent financings demonstrate strong investor demand, further enhance liquidity and prefund 2021 long-term debt maturities:
  - HEI: $50M delayed draw private placement prefunds 1Q21 debt maturity; priced $75M private placement (upsized from $65M)
  - Hawaiian Electric: Executed $115M delayed draw private placement to finance capex
- ✓ Private placements have early draw features to enhance liquidity
- ✓ Long-term commitment to investment grade ratings

Modest 2021 long-term debt maturities prefunded

($ in millions)

Liquidity	HEI	HECO
Credit facility capacity	$150.0	$275.0
CP balance	($23.0)	-
Unrestricted cash	$0.8	$29.8
Private placement available draw capacity	$50.0	
Liquidity as of 9/30	**$177.8**	**$304.8**
plus: October HECO private placement		$115.0
plus: October HEI private placement*	$75.0	
Liquidity pro forma for new financings	**$252.8**	**$419.8**



Note: 2021 maturities also include $65M at HEI and $50M at HECO from 364-day term loans (not shown above).

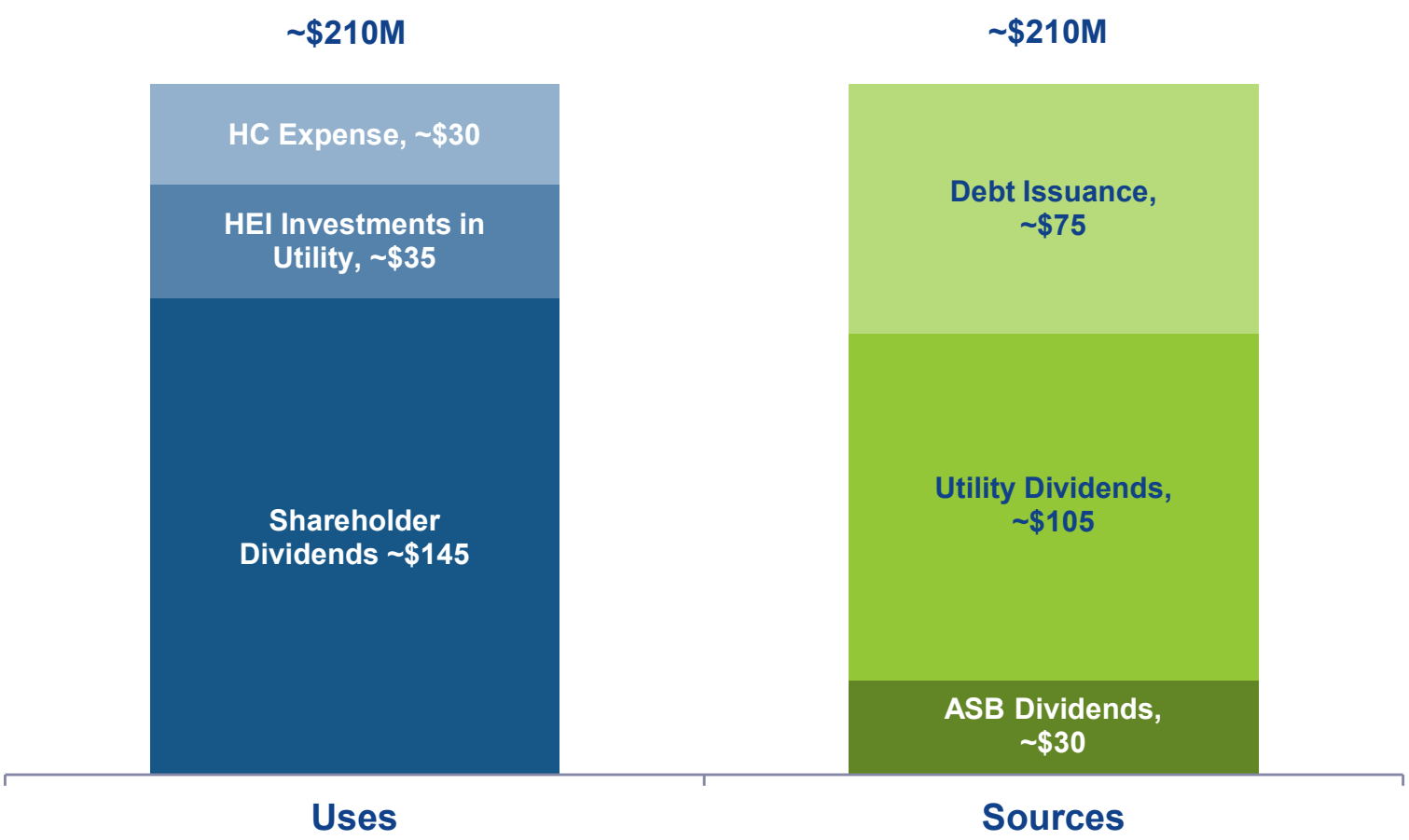
HEI financing outlook 2020
(as of Nov. 6, 2020)

Both bank and utility remain net cash flow providers to holding company

No change in net utility dividend expected

No external equity required in 2020

2020 HOLDING COMPANY SOURCES & USES OF CAPITAL
($ in millions)



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

HEI 2020 guidance
(as of Nov. 6, 2020)

UTILITY EPS: $1.46 – $1.54
Stable performance through supportive regulatory framework and focus on cost reductions

KEY ASSUMPTIONS:

- No change to decoupling or recovery mechanisms
- No material impact from PIM penalties and rewards
- Approval of HECO settlement holding base rates flat
  - Ability to achieve savings to offset impact of no rate increase
- 2020 capex of ~$340 - $350 million[1]
- Rate base growth: ~3% over 2019
- Equity capitalization at approved rate case levels
- COVID-related costs deferred per PUC's Jun. 30 order[2]

Utility net income guidance reaffirmed, although likely within bottom half of range

BANK Pretax Pre-Provision (PTPP) income increased to: $105 – $115 million
Continued profitable operations with upward revision to some pre-provision elements

KEY ASSUMPTIONS:

- Continued profitable operations with PTPP income: $105 - $115 million
- Mid-single digit earning asset growth
- NIM: ~3.25% - 3.35%
- Provision expense: no guidance at this time
- ROA: no guidance at this time
- PPP loan fees of ~$4.2 million expected to be realized in 2020 (~$1.6 million expected in 4Q)

Bank provision and net income remain uncertain given economic conditions

Holding company range reaffirmed

Consolidated EPS not provided due to provision uncertainty at bank

Note: Holding company and other net loss estimated at $0.27 - $0.29.
1 2019-20 capex averages ~$395 million given acceleration of certain 2020 projects into 2019.
2 2020 COVID-19 related costs estimated to be $19 – $20 million.

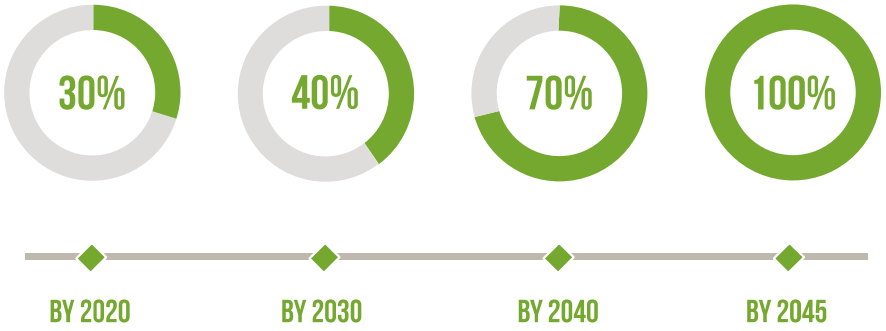
Advancing Hawaii's sustainable future

HEI

Catalyst for a better Hawai'i

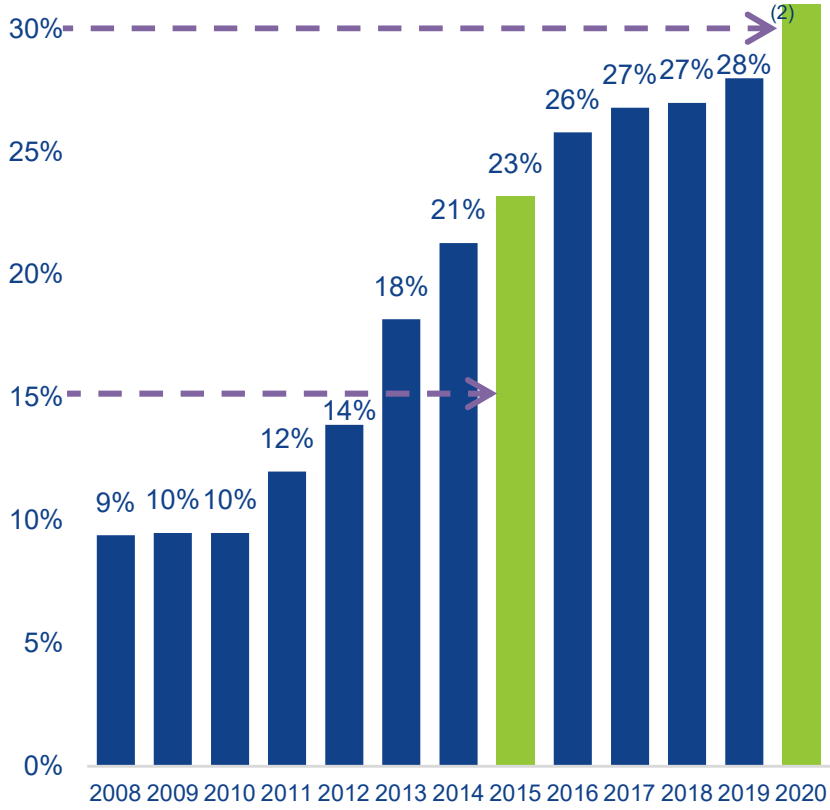
Committed to ambitious climate goals

Hawaii's goals of 100% RPS and carbon neutrality by 2045 are among most ambitious in the nation



Expect to have exceeded 2020 RPS milestone of 30%[1]

3Q20 RPS = 34.9%



1 Full year 2020 calculations being finalized.
2 2018 and 2019 RPS achievement impacted by outage of Hawaii Island's geothermal resource, third-party owned Puna Geothermal Venture (PGV), beginning in May 2018 due to Kilauea volcanic eruption. 2018 and 2019 RPS achievement would have been 29% and more than 31%, respectively, had PGV produced at same level as 2017.

Path to a 100% renewable, carbon neutral future

Leading a community-wide transformation

✓ **Aggressively procuring renewable energy & storage**	• Advancing Hawaii's largest-ever renewable energy and storage procurements • Helping enable end of coal in Hawaii in 2022, additional fossil plant retirement by 2024
✓ **Growing distributed energy resources (DER)**	• Core to achieving our goals • Integrating nation's highest percentage of rooftop solar and seeking to add more • Broadening access to community-based renewable energy
✓ **Accelerating electrification of transportation (EoT)**	• Advancing plans outlined in EoT Strategic Roadmap • Proposed make-ready infrastructure eBus pilot, continuing public charging deployment, pursuing EV rate design
✓ **Modernizing our grid**	• Implementing Grid Modernization Strategy to integrate more renewables and DER, provide customer options and enhance reliability and resilience
✓ **Evolving our regulatory framework**	• Performance-based regulation (PBR) intended to facilitate energy transition, align regulatory framework with customer interests and policy goals • Phase 2 PBR D&O issued 12/23/20
✓ **Long-range planning for clean, resilient, reliable energy**	• Engaging stakeholders in Integrated Grid Planning, combining planning and procurement for generation and T&D • Resilience a key focus

Aggressively pursuing clean energy additions

- **Procurements underway to increase future RPS achievement**
  - Procurements significant given system peak load:

    Oahu: ~1200 MW, Hawaii Island: ~200 MW, Maui County: ~200 MW

Stage 2 RFP	– Filed 9 PPAs for solar and storage and 2 self-build storage applications in 2H20 ▪ PUC approved 3 PPAs in Dec. 2020 – 1 additional PPA executed – Potential to add 382 MW of solar and ~2GWh of storage by end 2023
Stage 1 RFP	– 8th solar-plus-storage PPA approved Oct. 2020 – Stage 1 PPAs have potential to add ~275 MW of solar and ~1 GWh of storage
CBRE	– Filed draft tariffs and draft RFPs for over 235 MW of renewables, with options for LMI customers; Utility able to develop projects, recruit subscribers
PGV	– Resumed delivering power to grid under existing PPA; PUC approval of amended and restated PPA pending
Fossil retirements	– PPA with 180 MW coal plant expires Sept. 2022 – 37.6 MW Kahului oil-fired plant planned for retirement by 2024 – Honolulu Power Plant deactivated Jan. 2014

Encouraging rooftop PV, customer-sited resources

Providing management and infrastructure to integrate, and programs to incentivize, DER

Nation's highest penetration of rooftop solar

- 20% of all residential customers
- 35% of Oahu single family homes

Distributed energy resources (DER) are a key element of our plan for achieving 100% RPS

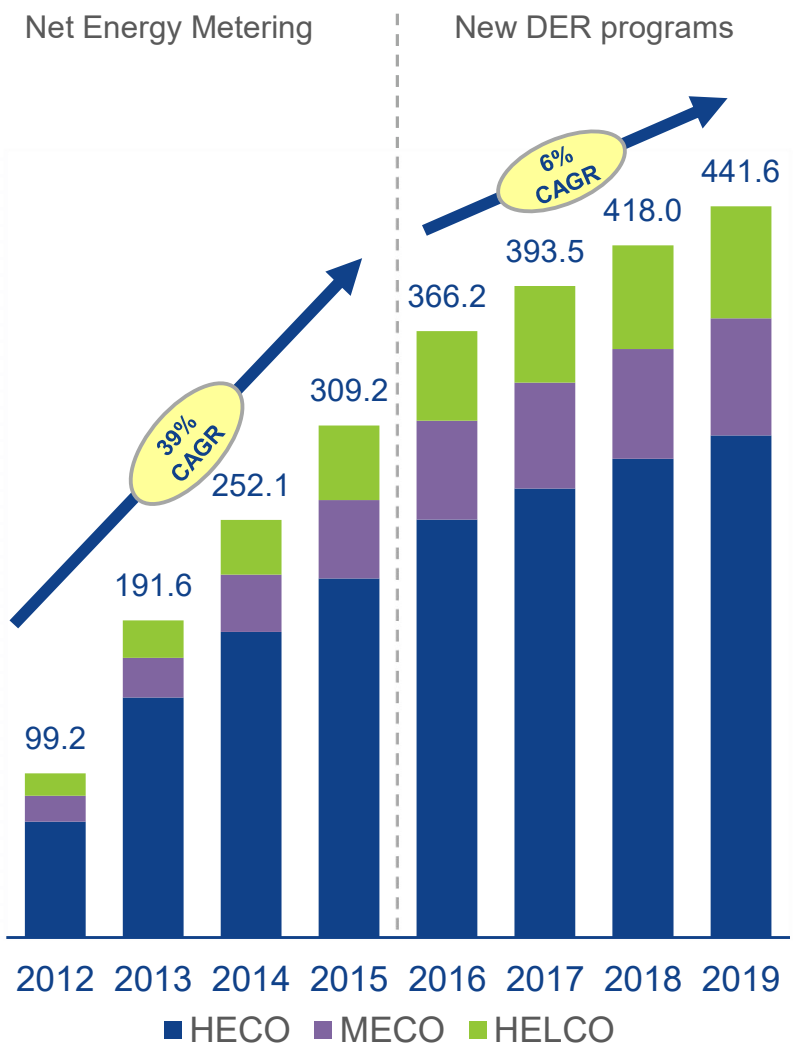
- Requires significant investment to modernize the grid to ensure reliability
- Equity a key consideration in program design

National leader and innovator in integrating high levels of residential rooftop solar

- Managing grid to ensure reliability with high levels of variable, intermittent distributed sources
- Using innovative inverter technologies and smart meters to manage distributed resources
- Expertise routinely sought by other utilities

Cumulative residential PV installations

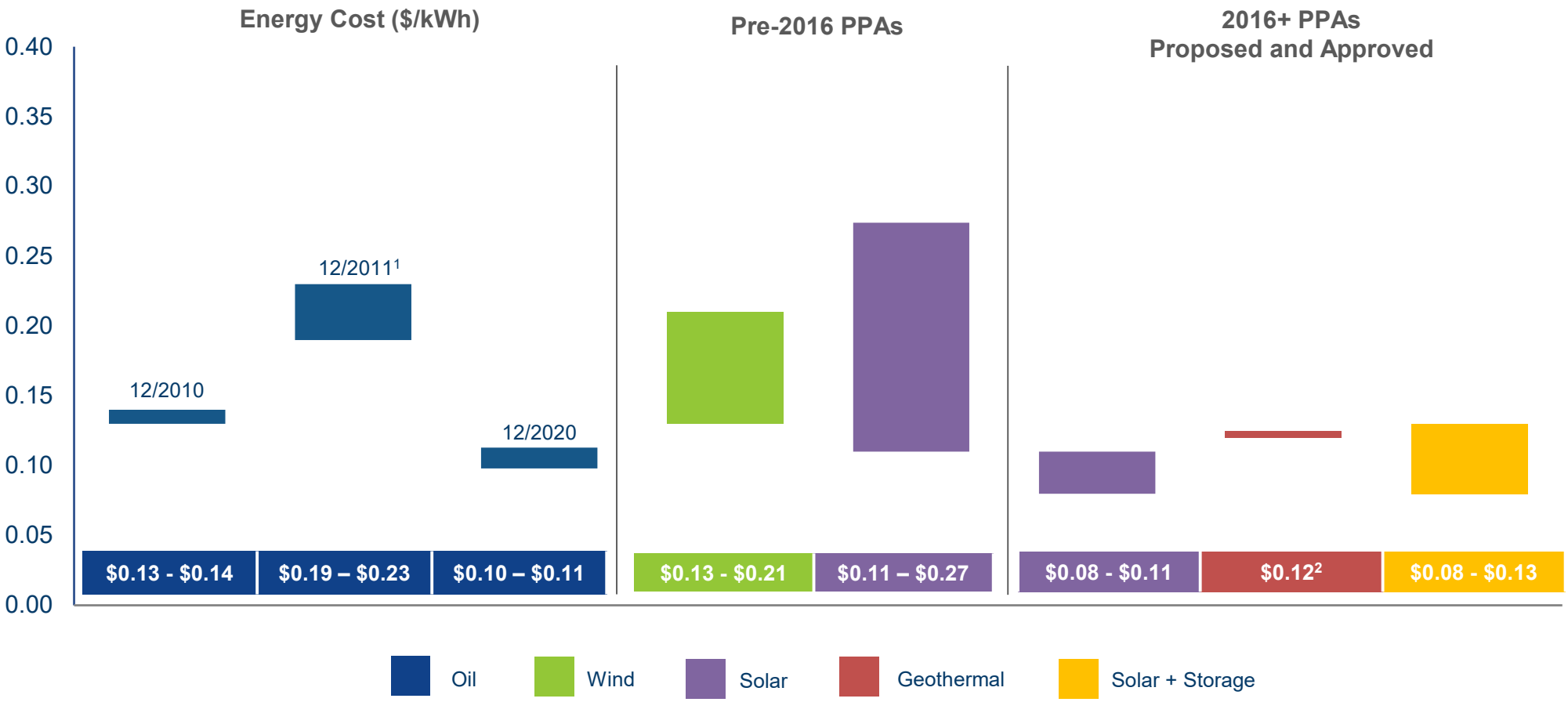
(in megawatts)



Renewable energy key to affordability, bill stability

UTILITY FOSSIL FUEL ENERGY COST
Subject to volatile oil prices

CONTRACTED RENEWABLE ENERGY COST
Significant reduction in cost of utility-scale renewables

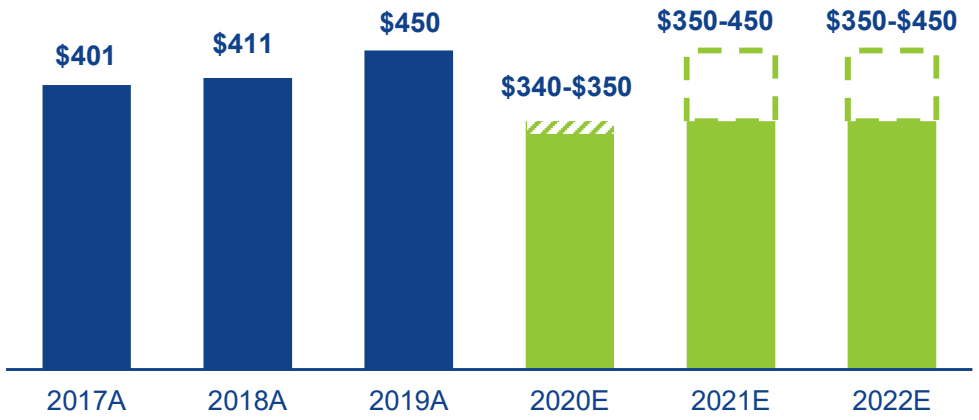


1 The 2011 fuel oil increase was largely driven by the nuclear disaster of the Fukushima power plant in March 2011 which increased the price of oil in Hawaii as our fuel oil purchases are largely driven by the Asia Pacific market.
2 Assumes dispatch at same level as in 2017. Pricing based on amended and restated PPA, which is pending PUC approval.

Renewables, reliability and resilience drive capital investment

CAPITAL EXPENDITURES FORECAST

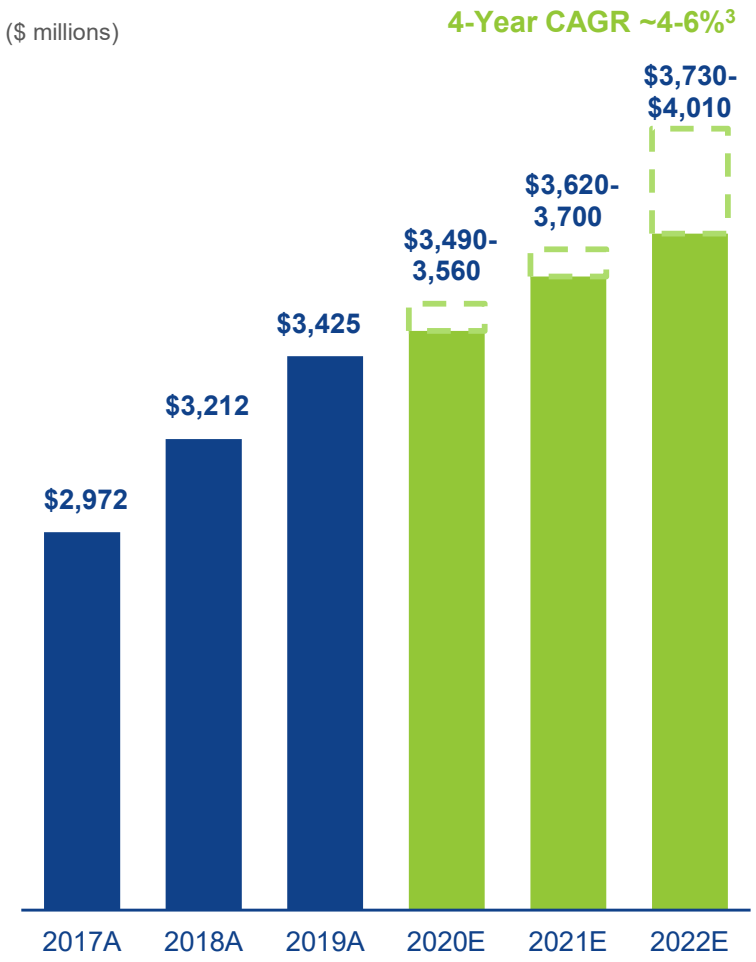
($ millions)



Key Capex Projects[1]	Forecast 2020	Forecast 2021	Forecast 2022
Grid Modernization Project Phase I	$14	$13	$17
Grid Modernization Project Phase II [2]			$13
Army Privatization			$16
Maui and Hawaii Island RFP Stage 2 BESS Projects [2]		$7	$54
Various Major Projects	~$16	~$42	~$75
Baseline Projects	~$310-$320	~$320	~$320

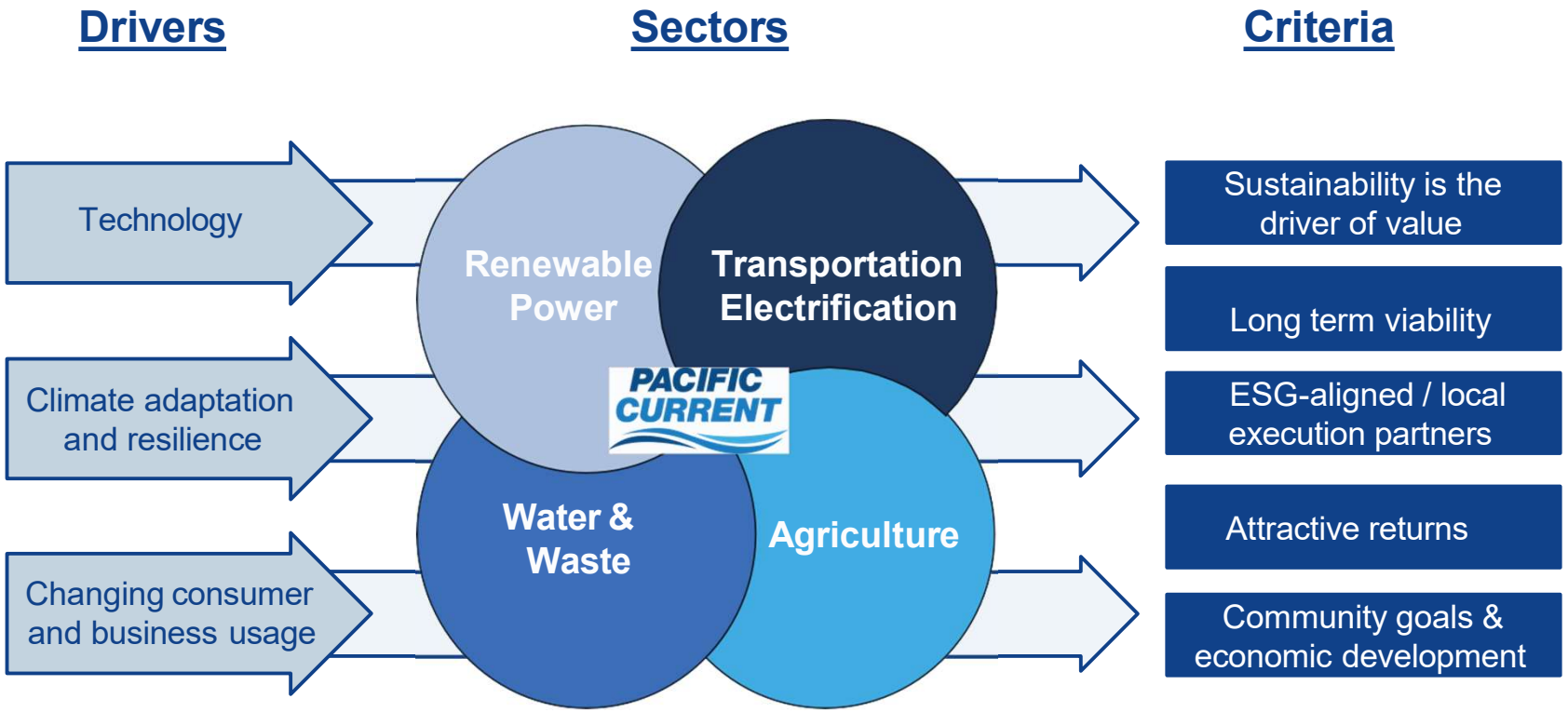
RATE BASE FORECAST

($ millions)



Note: Capital expenditure figures are net of contributions in aid of construction (CIAC).
1 Major projects listed may not sum to capex range shown on bar chart.
2 Given uncertainty regarding timing of approvals and spend for certain projects, actual amounts and timing may vary.
3 2019 – 22 CAGR. Rate base impacted primarily by plant additions. Also includes other items (i.e., unamortized CIAC, accumulated deferred income taxes, certain regulatory assets).

Pacific Current provides non-regulated platform for sustainable infrastructure investment



Initial project cash flow funding Pacific Current growth

- **Focused on local partnerships and projects consistent with investment grade profile**
- **Long-term strategy, with modest earnings impact as it builds Hawaii-based portfolio**
  - **Baseline plan anticipates building to ~$0.03-$0.05 EPS contribution over next 3-4 years**

60MW Hamakua Energy Plant, Hawaii Island

- 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
- ~20% of fuel supplied by locally produced biodiesel

Solar plus battery storage projects at 5 campuses in University of Hawaii system

- 3 campus systems completed; remaining 2 systems scheduled to come online over next few quarters
- Contracted cash flows and non-recourse financing support investment grade profile
- Investment-grade counterparties: University of Hawaii (off-taker); Johnson Controls (EPC contractor)

6MW Solar Facility on Kauai

- Built and proven project with no construction risk and contracted cash flows under 20-year PPA (12 years remaining)
- Non-recourse financing at attractive fixed rate
- Counterparty (offtaker): Kauai Island Utility Cooperative

Other renewable investments

- Smaller scale renewable energy projects support community's transition to a clean energy future
- EverCharge partnership focuses on charging infrastructure in multi-unit dwellings, seeks to further catalyze EV adoption
- Investments provide tax credits, optimizing HEI's tax bill

ESG reporting focused on transparency, accuracy and increasing maturity

- Published first HEI consolidated ESG report (SASB-aligned) Sept. 2020
  - Incorporates SASB metrics for electric utilities and banks
  - Engaged external firm to assist in review of ESG data processes and controls
- Implementing phased plan for maturing ESG reporting, including:
  - Disclosure of ESG materiality assessment
  - TCFD (narrative disclosure first, followed by scenario analysis)
- Engaging with investors to gain feedback and inform continuous improvement efforts



ESG underpins key strategic initiatives

Hawaiian Electric

- Advancing 100% RPS and carbon neutrality goals while maintaining focus on reliability, resilience, affordability and equity
  - Filed and approved PPAs in recent RFPs would add ~600 MW renewable energy and ~3 GWh storage
  - #1 in nation in rooftop solar penetration (20% of residential customers) and seeking to add more
  - Broadening renewable energy access through community-based solar
  - Modernizing grid to enable more distributed resources
  - Accelerating electrification of transportation, committed to 100% electric light duty fleet by 2030
- Incorporating climate risk and resilience in long-range planning
  - Utilizing state-of-the-art climate risk analysis, engaging stakeholders and communities
- PBR framework intended to advance environmental and social outcomes and maintain utility financial integrity

AMERICAN Savings Bank

- Promoting financial fitness of Hawaii's consumers and small businesses
- Diversifying Hawaii's economy through entrepreneurship and innovation
- Addressing Hawaii cost of living challenge through affordable housing investment and lending
- Making affordable and workforce neighborhoods safe and livable through community revitalization
- Managing climate change risk to collateral through underwriting standards and monitoring
- Promoting teammate development, diversity and inclusion

PACIFIC CURRENT

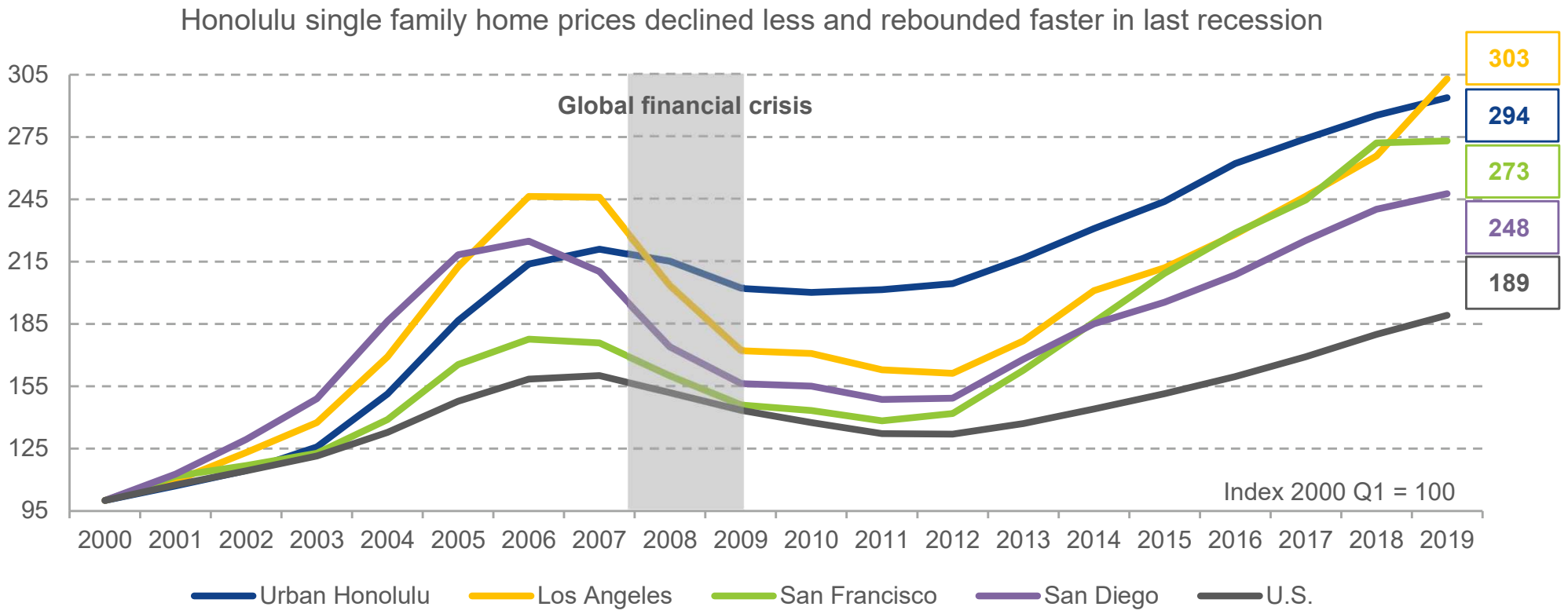
- Express mission to advance Hawaii's sustainability through infrastructure investment
- Investments to date include renewable energy and storage, transitioning a legacy fossil plant to biodiesel, and electric vehicle charging
- Partnered with wastewater and water re-use technology provider

Appendix

Catalyst for a better Hawai'i

Hawaii's resilient real estate values

Demonstrates lower risk of bank portfolio



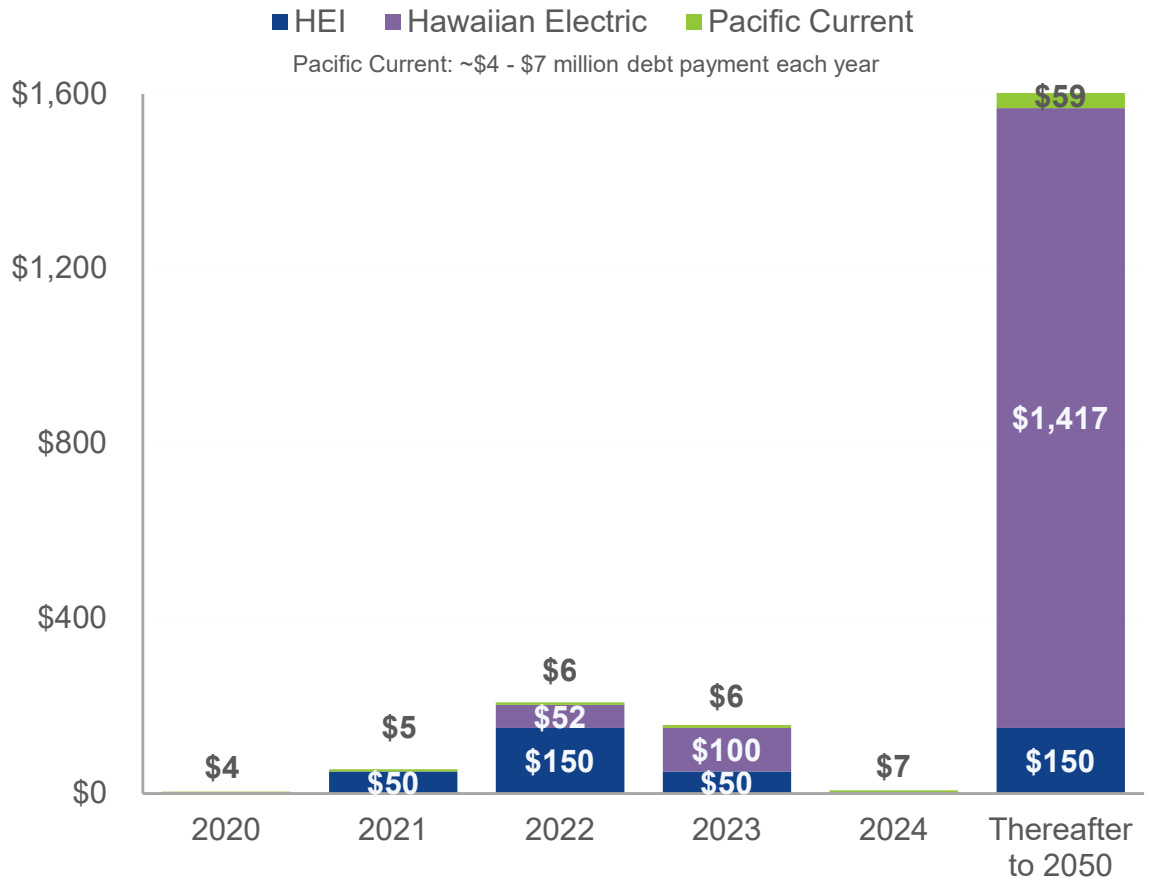
	Peak yr	High	Low yr	Low	Change (%)	Duration (yrs)
Honolulu	2007	221	2010	200	-9.5	~3
Los Angeles	2006	246	2012	161	-34.6	~6
San Francisco	2006	178	2011	138	-22.5	~5
San Diego	2006	225	2011	149	-33.8	~5
U.S.	2007	160	2012	132	-17.5	~5

Source: Federal Reserve Bank of St. Louis All-Transactions House Price Index

Debt maturities[1] & credit ratings

($ in millions)

Credit Ratings	HEI	Hawaiian Electric	ASB
Moody's[2]	Unrated/Positive/P-3	Baa2/Positive/P-2	n/a
S&P[3]	BBB-/Positive/A-3	BBB-/Positive/A-3	BBB/Stable/A-2
Fitch[4]	BBB/Stable/F3	BBB+/Stable/F2	n/a



1 Debt maturities data as of 9/30/20.
2 Source for ratings: On 10/16/20, Moody's issued a periodic review, which does not involve a rating committee or rating action from Moody's credit opinion reports published Nov. 2019 (HEI) & Oct. 2019 (Hawaiian Electric) Moody's reports; On 2/10/17 Moody's withdrew ratings of ASB for its own business reasons.
3 Source for ratings: Feb. 2020 (HEI), Jul. 2020 (Hawaiian Electric), & Dec. 2019 (ASB) S&P reports.
4 Source for ratings: Aug. 2020 (HEI & Hawaiian Electric) Fitch reports.
* Excludes debt expenses of ~ $10 million (does not reflect adoption of ASU No. 2015-03, Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs).

Hawaiian Electric: Focused on efficiency and affordability

Hawaiian Electric 2020 rate case final D&O received Oct. 2020

- Maintained 9.5% allowed ROE, 58% equity capitalization
- Removed 90% cap on Schofield generating station cost recovery
- Ended 2017 rate case customer benefit adjustments
- Enterprise Resource Planning system benefits deemed flowed through to customers
- Confirmed $25M in annual savings by year-end 2022; to be delivered to customers via PBR in Commission-approved manner*

Plan for Achieving $25M Management Audit Customer Savings Commitment by YE 2022*

Cost savings to be 80% capital, 20% O&M, to be achieved through increased efficiencies:

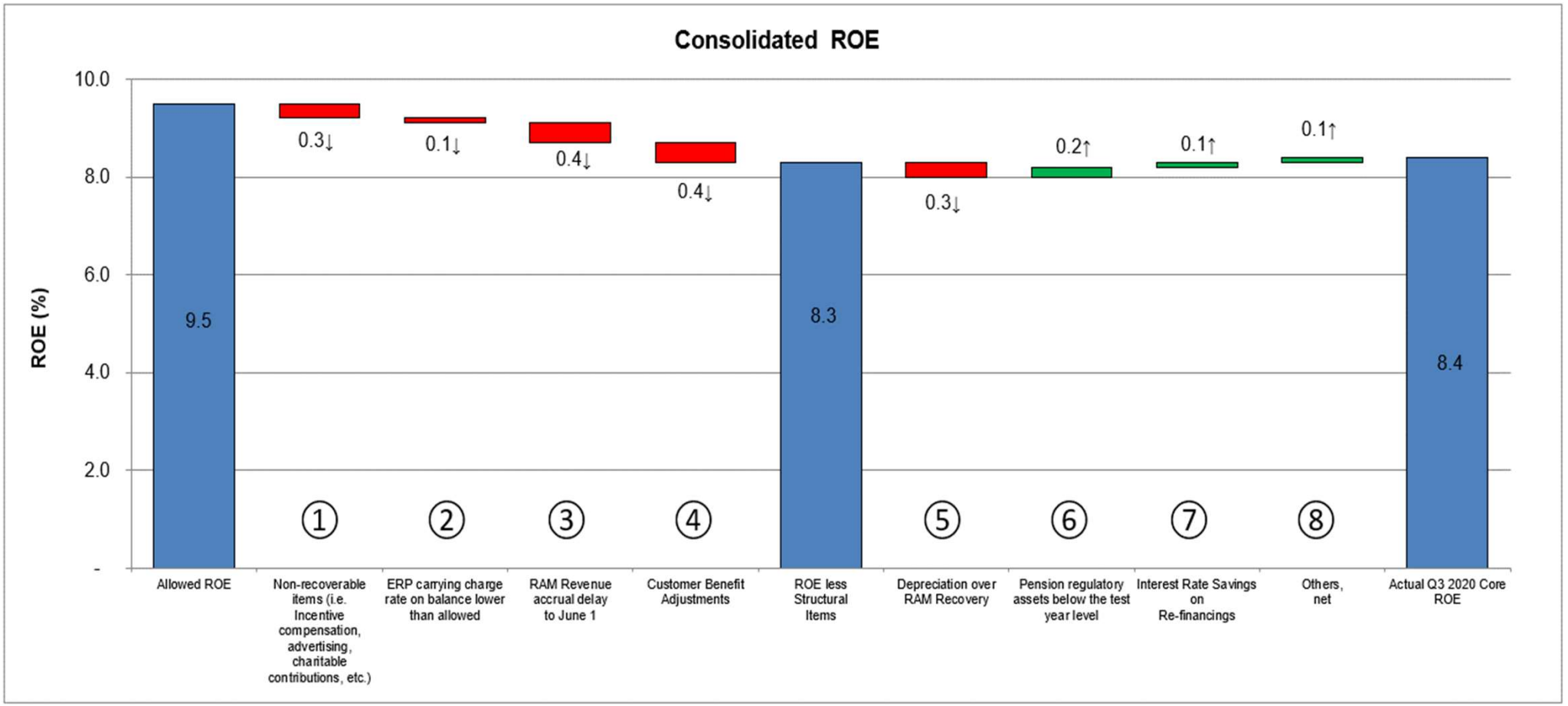
- Reduced overtime through improved scheduling, coordination
- Managed reductions in workforce
- Process improvements
- Strategic sourcing

Began achieving savings in 2Q20

* *PUC's 12/23/20 PBR D&O outlined customer savings amount and approach that differs from 80% capital/20% O&M savings approach developed in connection with management audit. Utility's 1/4/21 motion for partial clarification and/or reconsideration of PBR D&O relating to treatment of pre-PBR management audit savings commitment, among other matters, is pending.*

Utility LTM ROE

3Q20 CONSOLIDATED UTILITY ROE



Structural | **Lagged**

Hawaiian Electric: Current authorized rates

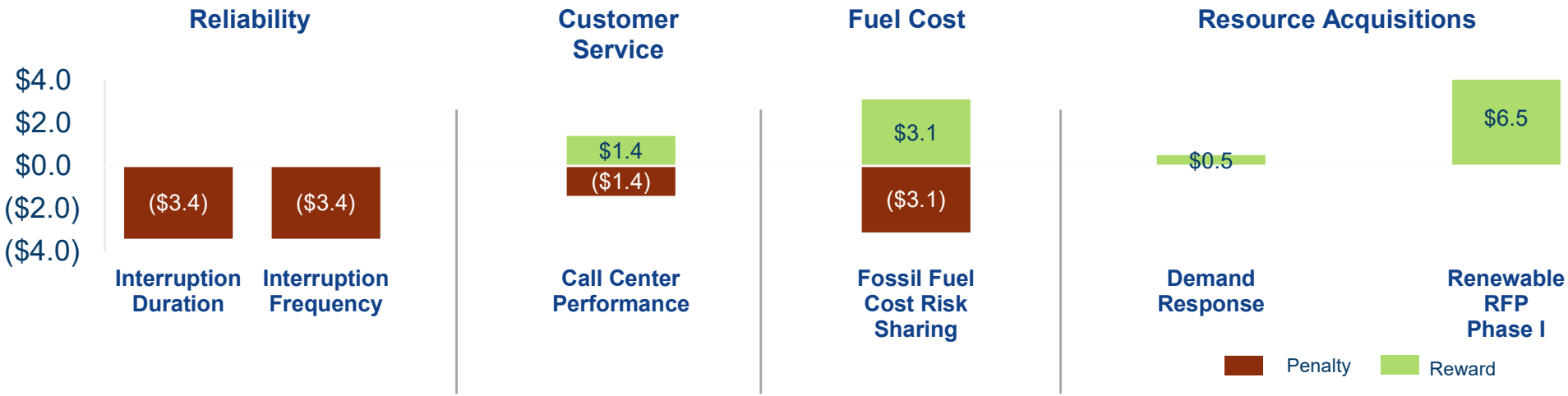
	Hawaiian Electric (Oahu)	Hawaii Electric Light (Hawaii Island)	Maui Electric (Maui County)
Return on Average Common Equity	9.50%	9.50%	9.50%
Common Equity Capitalization	57.15%	56.83%	57.02%
Average Rate Base	$1,993 million	$534 million	$454 million
Date Authorized	10/22/20	7/28/20	5/16/19

Status of key open dockets

Subject and description	Docket #	Latest development	Next milestone
Performance-based regulation Proceeding to evolve regulatory framework to better align with customer interests and state clean energy policy	2018-0088	PUC issued Phase 2 D&O Dec. 23, 2020. Companies filed Motion for Partial Clarification and/or Reconsideration	Tariff Development. Post D&O Working Group. Annual Filing Cycle
Stage 2 RFP sought up to ~900 MW of new renewables and over 500 GWh of storage, as well as grid services	2017-0352	Grid services contracts filed in July. Two self-build applications and nine renewable and storage contracts filed. PUC approved three renewable and storage contracts in Dec. 2020	Companies to execute and file renewable and storage contract for remaining project, complete PUC proceedings for projects pending approval and complete Interconnection Requirements Studies for all projects
Integrated Grid Planning (IGP) Next phase of long-range planning, combining planning and procurement of traditional and non-traditional resources	2018-0165	Stakeholder and community engagement substantially complete. Filed update on work plan and schedule in May 2020	Grid needs assessment ongoing. Update on Workplan and Schedule to be filed 1Q21
Grid Modernization Plans for implementing new technologies to increase utilization of DER while improving grid reliability and resiliency	2017-0226; 2018-0141; 2019-0327	PUC reviewing Companies' proposed changes to meter deployment process	Company plans to file supplemental application for ADMS and deployment of sensors and field devices 1Q21
Electrification of Transportation Establishes EV-J and EV-P Charging Service to support the development of EV technology	2018-0135	Company filed Sch EV-J and EV-P Pilot Program Tariffs Sept. 2020. Consumer Advocate filed SIRs in Dec. 2020	Company to file responses to Consumer Advocate's SIRs Jan. 2021
Community Based Renewable Energy Phase 2 program capacity expanded to 235 MW	2015-0389	Filed proposed final tariffs and RFPs for LMI customers in Sept. and proposed final RFPs for large projects in Dec. 2020	PUC order on proposed tariffs and LMI and Large RFPs pending
Hawaiian Electric rate case 2020 test year rate case for Oahu	2019-0085	PUC issued a final D&O in Oct. 2020 approving settlement agreement, results in no increase in base rates. Dec. order approved final tariffs. RBA Provision Tariff and ECRC Tariff took effect Jan. 1, 2021	PUC order on proposed PIM tariff revisions pending
Hawaii Electric Light rate case 2019 test year rate case for Hawaii Island	2018-0368	PUC issued D&O in July 2020 approving zero increase in base rates. Proposed final tariffs and PIM tariffs took effect Nov. 1. ECRC tariff took effect Jan 1, 2021	
COVID-19 Deferral Accounting Treatment Request to defer costs associated with COVID-19 pandemic	2020-0069	In Jun. 2020 PUC approved deferral of costs related to pandemic through year end 2020. Filed request for extension of deferral period through Jun. 2021	Cost recovery request to be filed as separate application
COVID-19 Extending Suspension of Termination or Disconnection of Regulated Utility Service and Establishing Reporting Requirements Extends disconnection of services	2020-0209	In Dec. 2020 PUC extended suspension of service disconnection due to non-payment to Mar. 31, 2021	Monthly reporting to commence Feb. 2021
DER Policies Investigates Distributed Energy Resources (DER) as they relate to the Hawaiian Electric Companies	2019-0323	Initial Advanced Rate Design proposal filed in Dec. 2020	Final proposals for Advanced Rate Design due Mar. 2021 & Program Track due May 2021

Performance incentive mechanisms (PIMs)

Current PIMs[1] *($ in millions)*



PIMS APPROVED BY PUC IN APRIL 2017 FOR ALL THREE COMPANIES[2]

- **Reliability**
  - System Average **Interruption Duration** Index, or "SAIDI"
  - System Average **Interruption Frequency** Index, or "SAIFI"
- **Customer Service Call Center Performance** (% calls answered within 30 seconds)
- Reward/penalty amounts graduated, subject to deadband
- Reward/penalty assessed and applied annually through RBA rate adjustment
- Reward/penalty amounts re-determined upon rate case interim or final orders

OTHER PIMS[3]

- **See PBR – Summary of D&O 37507, Slide 10 for a listing of the new PIMs approved in the Performance Based Regulation (PBR) docket. These PIMs are pending development of tariffs expected to be effective June 1, 2021.**

- **Stage 1 Renewable RFP (capped at $6.5 million)**
  - For each PPA submitted for approval prior to 12/31/18, incentive is based on 80% customer/20% utility split of savings, compared to benchmark of 11.5 cents/kWh for renewable + storage and 9.5 cents/kWh for renewable energy only projects
  - Accrued first half of PIMs in 1Q19, second tranche to be accrued one year after projects placed in service
- **Stage 2 Renewable RFP (capped at $10 million)**
  - For renewable energy & renewable + storage PPAs: Same 80/20 split for PPAs submitted by 9/15/20, vs benchmarks of 9.0 cents/kWh for renewable + storage and 5.5 cents/kWh for renewable energy only.
  - For grid services and standalone storage: Same 80/20 split for standalone storage PPAs submitted by 9/15/20 and grid services contracts submitted by 7/9/20, compared to benchmarks TBD.

Note: slide reflects performance incentive mechanisms in effect for 2020.

1 Applies to all Companies, except for fossil fuel cost risk sharing, which currently applies to Hawaiian Electric and Maui Electric only. A decision was issued in Hawaii Electric Light's 2019 rate case to modify the ECRC tariff to incorporate fossil fuel cost risk sharing, which took effect on Jan. 1, 2021. Including Hawaii Electric Light, the fossil fuel cost risk sharing cap for 2021 will be be ±$3.7 million consolidated

2 The Companies' request to use an adjusted IEEE Standard for normalizing events for the calculations of the targets, deadbands, and Measured Performance of the SAIDI and SAIFI PIMs is pending further review in Docket No. 2019-0110.

3 In addition to the PIMs described here, the PUC has established a Heat Rate incentive mechanism designed to incentivize efficient operation of units (and penalize inefficient operation of units). The PUC has also established RPS penalties of up to $20/MWh or about $2M for every 1% the company is short of the RPS requirement. The PUC has the discretion to waive any penalty for failure to achieve the RPS targets for events/circumstances outside the company's control.

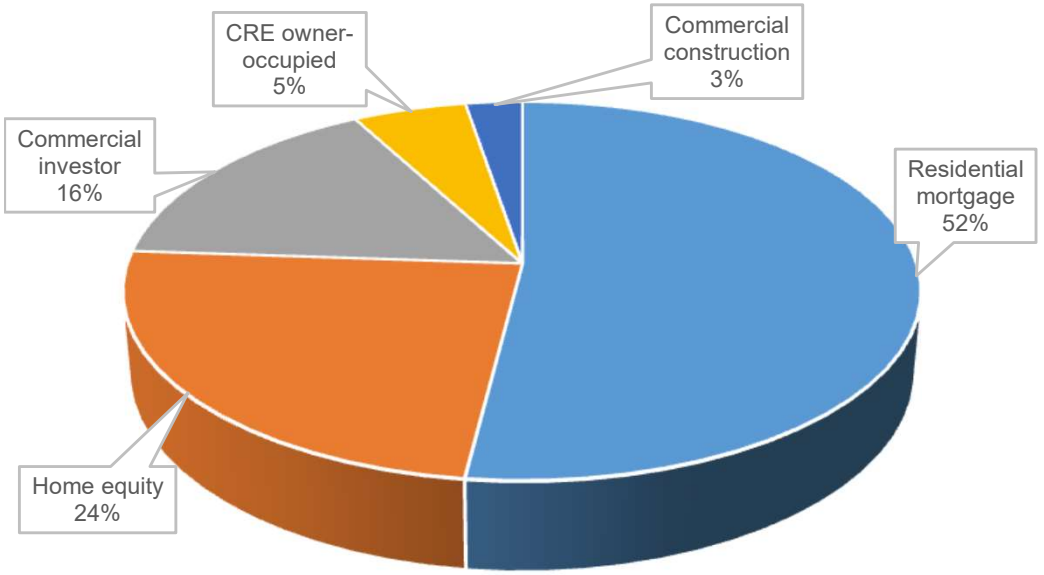
Bank real estate secured portfolio characteristics: Conservative profile w/ low LTVs

Commercial real estate

- ✓ Represents 16% of overall loan portfolio
- ✓ $668M CRE investor & $217M CRE owner occupied
- ✓ Wtd avg LTV: 61.6%
- ✓ 97% of CRE portfolio is located in Hawaii

Home equity

- ✓ Represents 19% of overall loan portfolio
- ✓ 74% Oahu, 11% Maui, 9% Big Island, 6% Kauai
- ✓ Wtd. avg FICO Score: 762
- ✓ Wtd avg LTV: 55%
- ✓ % in 1st lien position: 56% / $576M
- ✓ % in 2nd lien position: 44% / $452M
- ✓ Number of loans: ~18,700

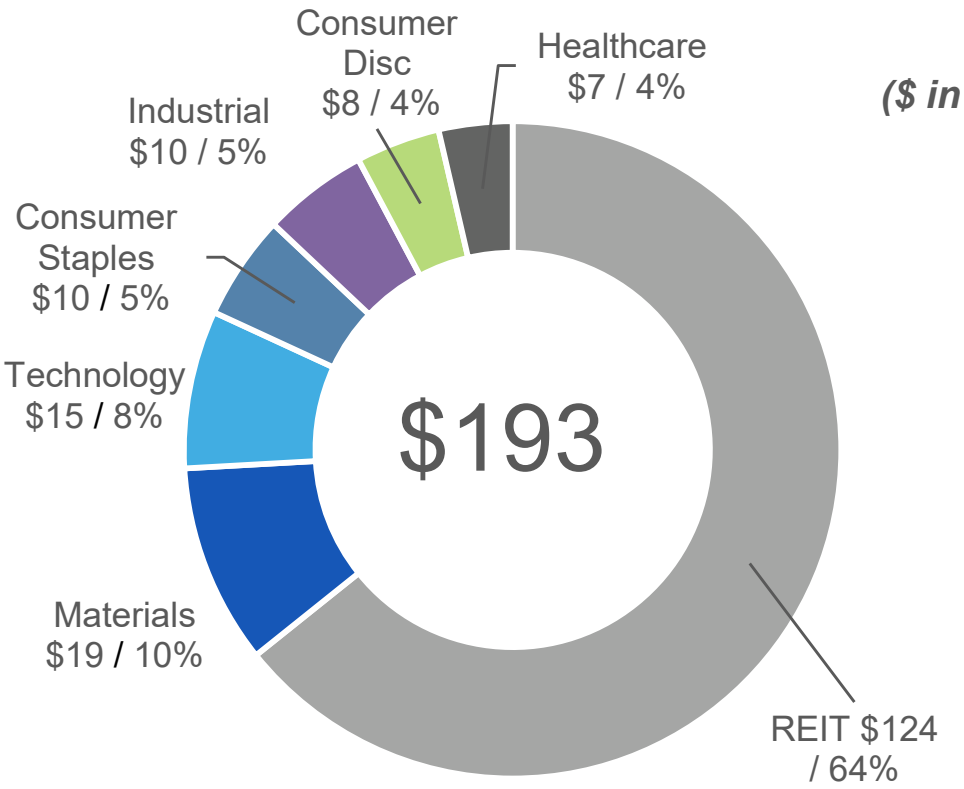


Residential mortgage

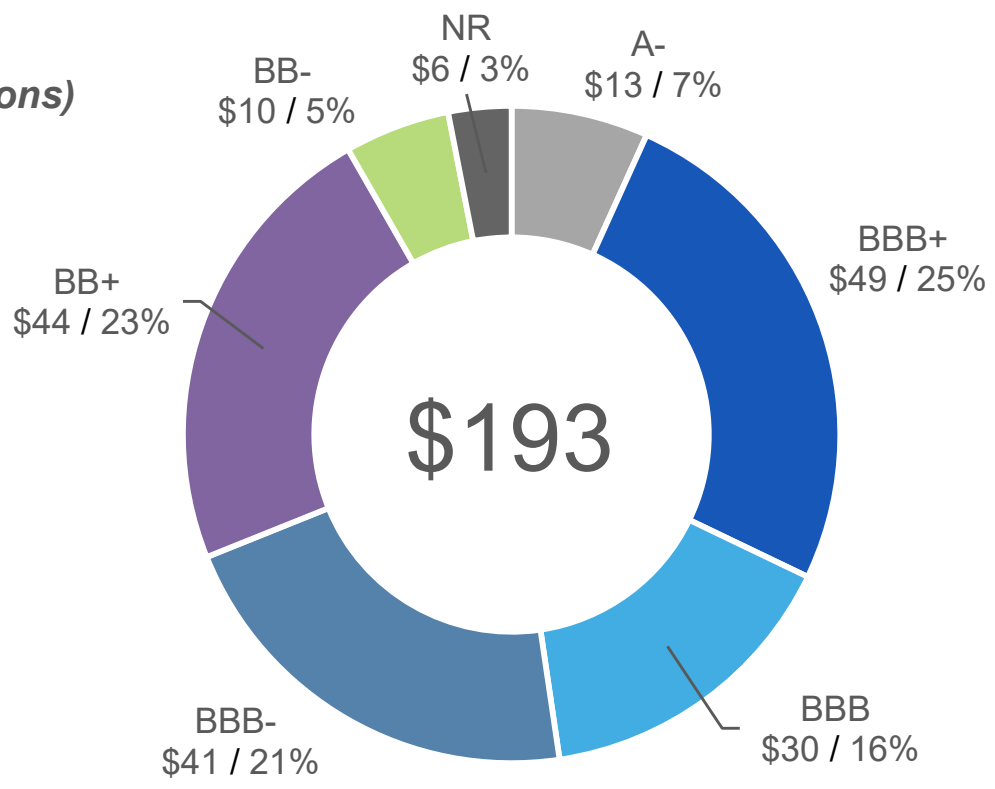
- ✓ Represents 40% of overall loan portfolio
- ✓ 67% Oahu, 21% Maui, 8% Big Island, 4% Kauai
- ✓ Wtd. avg FICO Score: 761
- ✓ LTV: 53%
- ✓ Avg loan size: ~$300,000
- ✓ Number of loans: ~7,000

Note: For quarter ending 9/30/20.

Bank national syndication risk characteristics



($ in millions)



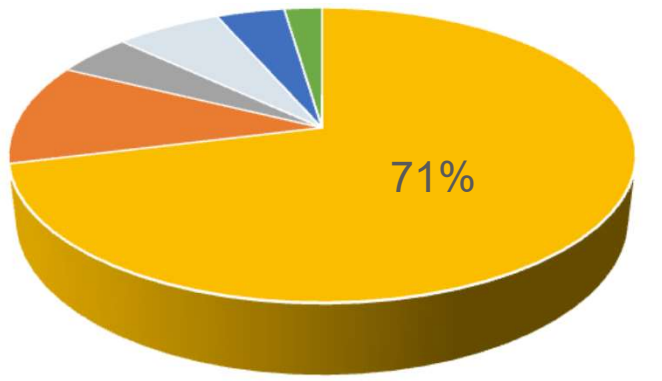
National syndication

- ✓ Represents ~4% of overall loan portfolio
- ✓ 69% or ~$133M rated investment grade by S&P
- ✓ 64% or $124M to real estate investment trusts
- ✓ 4% or $7M exposure to healthcare
- ✓ As of 9/30/20 ASB had not received any payment deferral requests on any national syndication loan

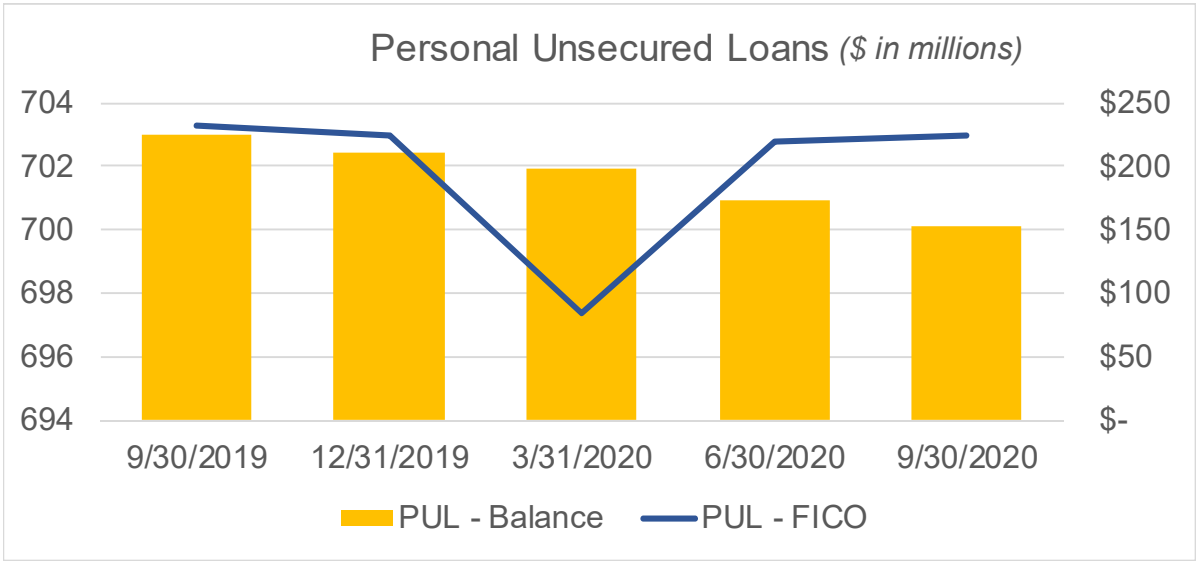
Note: For quarter ending 9/30/20.

Bank consumer loan portfolio characteristics

Consumer Portfolio Composition



- Personal unsecured loans
- Personal line of credit
- Residential construction
- Land
- Clean energy loans
- Other consumer



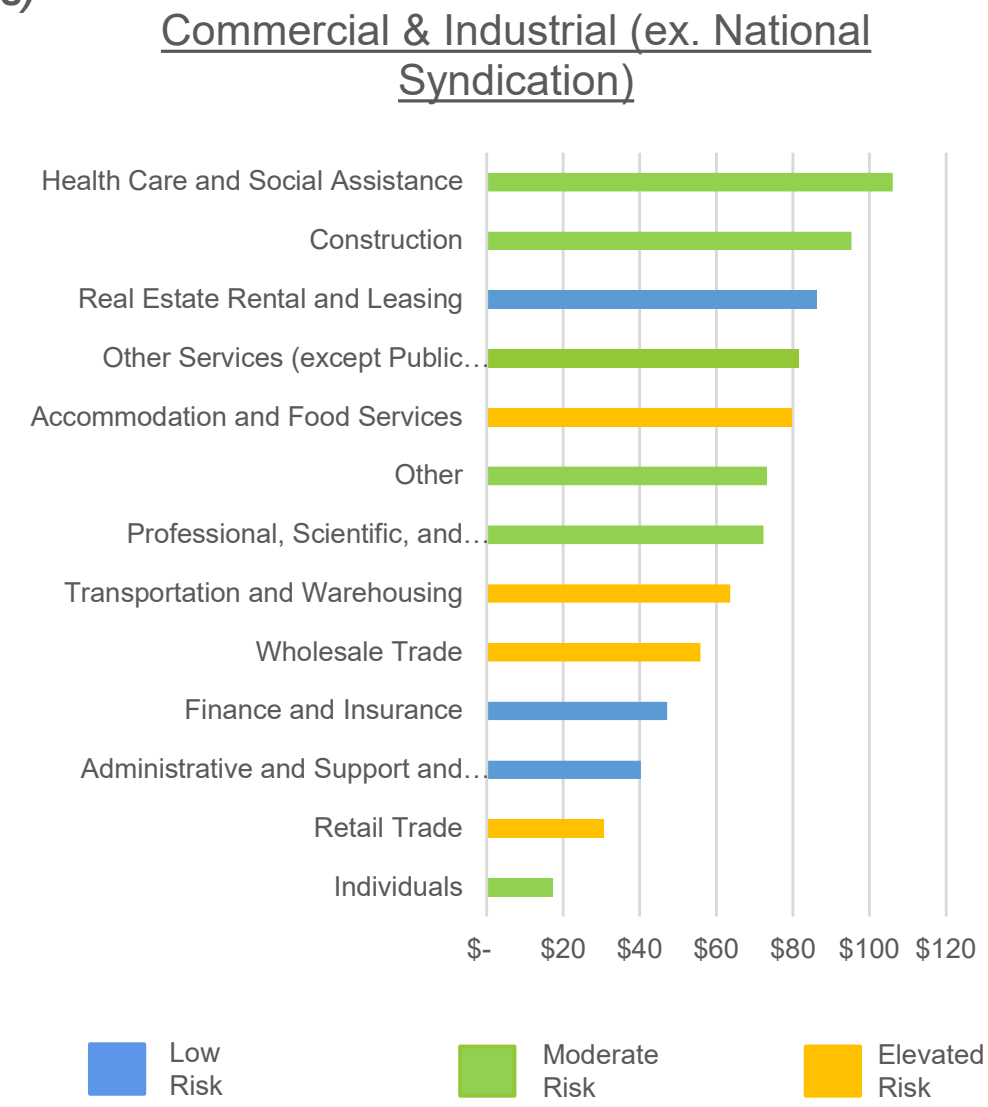
Personal unsecured loan risk characteristics

- ✓ 100% Hawaii originated loans
- ✓ Represent 71% of consumer loan portfolio
- ✓ Wtd avg. FICO score: 703
- ✓ Wtd avg. yield: 13.6%
- ✓ Annualized net charge-off 3Q20: 5.78%
- ✓ Increased reserves for credit losses of approximately $16M for Day 1 CECL adjustment
- ✓ As of 9/30/20, granted payment deferrals of $35M to ~3,900 personal unsecured customers

Note: For quarter ending 9/30/20.

Bank commercial & industrial portfolio: Modest exposure to highly-impacted industries

($ in millions)



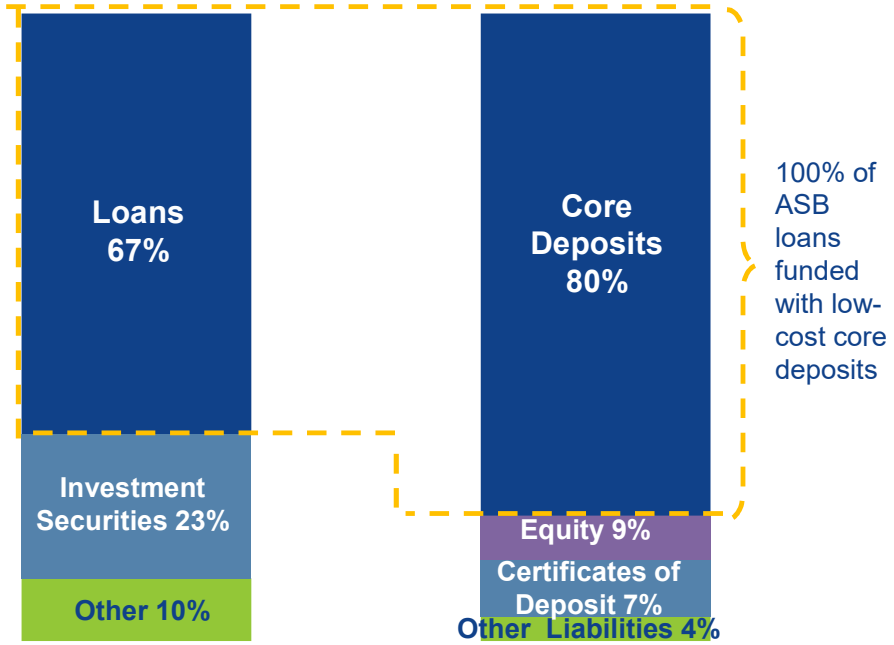
- Commercial portfolio is well diversified with highest concentration to Health Care & Social Assistance of $106M or 13% of commercial & industrial portfolio (excluding national syndication portfolio)
- Accommodation and retail most heavily impacted by COVID-19
- As of 9/30/20, active payment deferrals total $43M to 13 C&I customers

Note: For quarter ending 9/30/20.

Quality bank balance sheet and loan portfolio

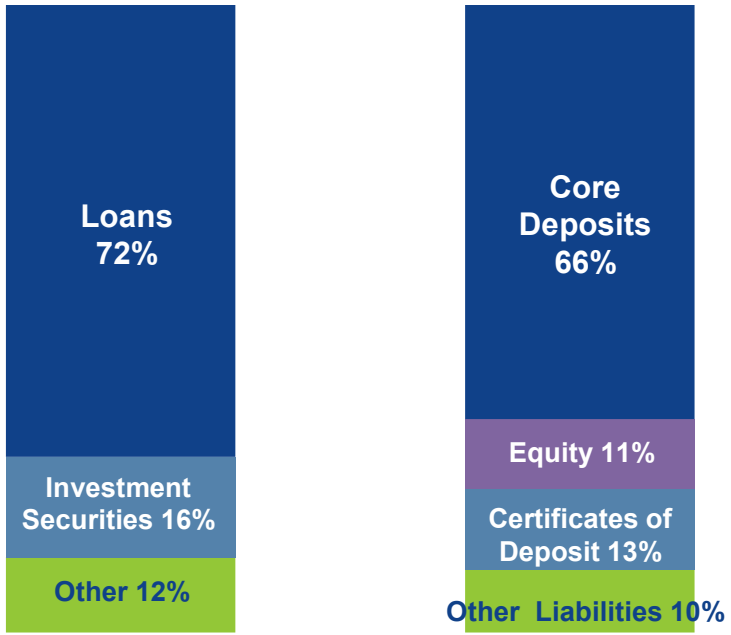
ASB[1]

Average yield on earning assets	3.25%
Average cost of funds	0.13%
Return on avg. equity[2]	6.75%



PEER BANKS[3]

Median of average yield on earning assets	3.66%
Median of average cost of funds	0.50%
Return on avg. equity	10.37%



Low risk, high quality investment portfolio

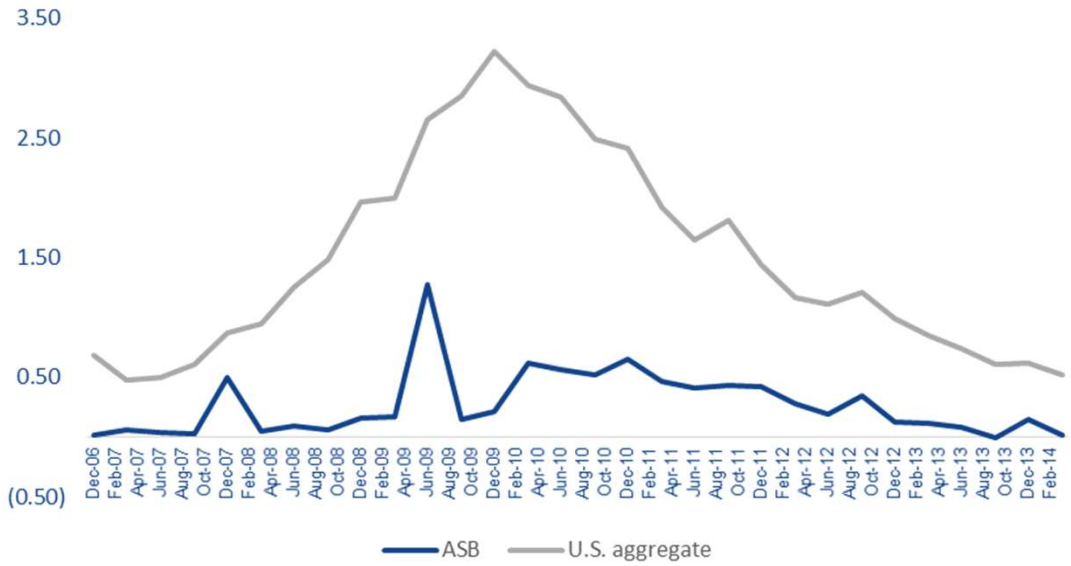
- ✓ 97% invested in government backed sectors
- ✓ 96% of investment portfolio AAA rated

Source for peer data: SNL Financial (based on data available as of 12/1/20).
Columns may not foot due to rounding.

1 For quarter ending 9/30/20.
2 Bank return on average equity calculated using weighted average daily common equity.
3 For quarter ending 9/30/20. Peer group based on publicly traded banks and thrifts between $4B and $9B in total assets.

Lower loss rates and sufficient PTPP income at bank to offset even historical peak loss

ASB's net charge-offs have been consistently below national average



During last financial crisis ASB net charge-off ratio increase was well below national levels, as Hawaii residents continued to pay mortgages/other loans

Provision expense as % of average loans		
	Average	Peak
2004 to 2007	0.05	0.15
2008 to 2011	0.52	0.81
2012 to 2019	0.26	0.47

ASB has substantial loss absorption capacity

2020 expected PTPP income:
$105 to $115 million

Historical loss experience applied to a $5B loan portfolio

($ in millions)

	Average	Peak
2004 to 2007	$2	$8
2008 to 2011	$27	$42
2012 to 2019	$13	$24

2020 ASB peer group

Bancorp, Inc.	TBBK	Enterprise Financial Services Corp	EFSC	Sandy Spring Bancorp, Inc.	SASR
FB Financial Corporation	FBK	Veritex Holdings, Inc.	VBTX	Financial Institutions, Inc.	FISI
Meta Financial Group, Inc.	CASH	Heritage Financial Corporation	HFWA	Washington Trust Bancorp, Inc.	WASH
First Financial Bankshares, Inc.	FFIN	Westamerica Bancorporation	WABC	Tompkins Financial Corporation	TMP
W.T.B. Financial Corporation	WTBF.B	Dime Community Bancshares, Inc.	DCOM	Central Pacific Financial Corp.	CPF
Century Bancorp, Inc.	CNBK.A	Camden National Corporation	CAC	Community Trust Bancorp, Inc.	CTBI
Carolina Financial Corporation	CARO	National Bank Holdings Corporation	NBHC	Allegiance Bancshares, Inc.	ABTX
First Bancorp	FBNC	TrustCo Bank Corp NY	TRST	Bridge Bancorp, Inc.	BDGE
Triumph Bancorp, Inc.	TBK	ConnectOne Bancorp, Inc.	CNOB	First of Long Island Corporation	FLIC
BancFirst Corporation	BANF	Lakeland Financial Corporation	LKFN	Univest Financial Corporation	UVSP
First Foundation Inc.	FFWM	First Commonwealth Financial Corporation	FCF	Park National Corporation	PRK
Seacoast Banking Corporation of Florida	SBCF	Southside Bancshares, Inc.	SBSI	Lakeland Bancorp, Inc.	LBAI
City Holding Company	CHCO	QCR Holdings, Inc.	QCRH	Midland States Bancorp, Inc.	MSBI
Great Southern Bancorp, Inc.	GSBC	Horizon Bancorp, Inc.	HBNC	Northfield Bancorp, Inc.	NFBK
1st Source Corporation	SRCE	S&T Bancorp, Inc.	STBA	OceanFirst Financial Corp.	OCFC
TriCo Bancshares	TCBK	Kearny Financial Corp.	KRNY	Boston Private Financial Holdings, Inc.	BPFH
Republic Bancorp, Inc.	RBCA.A	Brookline Bancorp, Inc.	BRKL	Flushing Financial Corporation	FFIC
HomeStreet, Inc.	HMST	ServisFirst Bancshares, Inc.	SFBS	Eagle Bancorp, Inc.	EGBN
Meridian Bancorp, Inc.	EBSB	Peapack-Gladstone Financial Corporation	PGC	Hanmi Financial Corporation	HAFC
TriState Capital Holdings, Inc.	TSC	Bryn Mawr Bank Corporation	BMTC		

Note: Based on publicly traded banks, savings and thrifts in the U.S. that have total average assets between $4 billion and $9 billion for the years 2017-2019 (based upon data available in SNL as of April 3, 2020). Any institution whose business is not directly comparable with ASB or did not have data present for all 3 years was 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.

Cautionary note regarding forward looking statements

This presentation made by Hawaiian Electric Industries, Inc. (HEI) and Hawaiian Electric Company, Inc. (Hawaiian Electric) and their subsidiaries contain "forward-looking statements," which include statements that are predictive in nature, depend upon or refer to future events or conditions and usually include words such as "will," "expects," "anticipates," "intends," "plans," "believes," "predicts," "estimates" or similar expressions. In addition, any statements concerning future financial performance, ongoing business strategies or prospects or possible future actions are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties and the accuracy of assumptions concerning HEI and its subsidiaries (collectively, the Company), the performance of the industries in which they do business and economic, political and market factors, among other things. These forward-looking statements are not guarantees of future performance and actual results and financial condition may differ materially from those indicated in the forward-looking statements.

Risks, uncertainties and other important factors that could cause actual results to differ materially from those described in forward-looking statements and from historical results include, but are not limited to, the following:

- international, national and local economic and political conditions—including the state of the Hawaii tourism, defense and construction industries; the strength or weakness of the Hawaii and continental U.S. real estate markets (including the fair value and/or the actual performance of collateral underlying loans held by ASB, which could result in higher loan loss provisions and write-offs); decisions concerning the extent of the presence of the federal government and military in Hawaii; the implications and potential impacts of future Federal government shutdowns, including the impact to our customers to pay their electric bills and/or bank loans and the impact on the state of Hawaii economy; the implications and potential impacts of U.S. and foreign capital and credit market conditions and federal, state and international responses to those conditions; the potential impacts of global and local developments (including global economic conditions and uncertainties, unrest, terrorist acts, wars, conflicts, political protests, deadly virus epidemic or other crisis); the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; and pandemics;
- the extent of the impact of the COVID-19 pandemic, including the duration, spread, severity and any recurrence of the COVID-19 pandemic, the duration and scope of related government orders and restrictions, the impact on our employees, customers and suppliers, and the impact of the COVID-19 pandemic on the overall demand for the Company's goods and services;
- citizen activism, including civil unrest, especially in times of severe economic depression and social divisiveness, which could negatively impact customers and employees, impair the ability of the Company and the Utilities to operate and maintain its facilities in an effective and safe manner, and citizen activism could delay the construction, increase project costs or preclude the completion, of third-party or Utility projects that are required to meet electricity demand, reliability objectives and RPS goals;
- the effects of future actions or inaction of the U.S. government or related agencies, including those related to the U.S. debt ceiling or budget funding, monetary policy, trade policy and tariffs, energy and environmental policy, and other policy and regulatory changes advanced or proposed by President Trump and his administration, or resulting from the outcome of the U.S. presidential election;
- weather, natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the increasing effects of climate change, such as more severe storms, flooding, droughts, heat waves, and rising sea levels) and wildfires, including their impact on the Company's and Utilities' operations and the economy;
- the timing, speed and extent of changes in interest rates and the shape of the yield curve, which could result in lower portfolio yields and net interest margin;
- 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, and the risks inherent in changes in the value of the Company's pension liabilities, including changes driven by interest rates;
- changes in laws, regulations (including tax regulations), market conditions, interest rates and other factors that result in changes in assumptions used to calculate retirement benefits costs and funding requirements;
- 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, as amended by the Economic Growth, Regulatory Relief and Consumer Protection Act;
- 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);

Cautionary note regarding forward looking statements

- the potential delay by the Public Utilities Commission of the State of Hawaii (PUC) in considering (and potential disapproval of actual or proposed) renewable energy 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, 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 (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 recovery clauses (ECRCs);
- 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 ability of the Utilities to recover increasing costs and earn a reasonable return on capital investments not covered by RAMs;
- the ability of the Utilities to achieve performance incentive goals currently in place;
- the impact from the PUC's implementation of performance-based ratemaking for the Utilities pursuant to Act 005, Session Laws 2018, including the potential addition of new performance incentive mechanisms (PIMs), third-party proposals adopted by the PUC in its implementation of performance-based regulation (PBR), and the implications of not achieving performance incentive goals;
- the impact of fuel price levels and volatility on customer satisfaction and political and regulatory support for the Utilities;
- 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 and avoid or mitigate labor disputes and work stoppages;
- new technological developments that could affect the operations and prospects of the Utilities and ASB or their competitors such as the commercial development of energy storage and microgrids and banking through alternative channels;
- cybersecurity risks and the potential for cyber incidents, including potential incidents at HEI, its third-party vendors, and its subsidiaries (including at ASB branches and electric utility plants) and incidents at data processing centers used, to the extent not prevented by intrusion detection and prevention systems, anti-virus software, firewalls and other general IT controls;
- failure to achieve cost savings consistent with the minimum $246 million in Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) project-related benefits (including $150 million in operation and maintenance (O&M) benefits) to be delivered to customers over its 12-year estimated useful life and $25 million of annual cost reductions by the end of 2022 pursuant to a commitment made as a result of the management audit of Hawaiian Electric in its 2020 test year rate case;

Cautionary note regarding forward looking statements

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

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