

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 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; and the potential impacts of global developments (including global economic conditions and uncertainties; unrest; conflicts or other crisis; the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; terrorist acts; 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 or budget funding, monetary policy, trade policy and tariffs, and other policy and regulatory changes advanced or proposed by President Trump and his administration;
- weather, natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the potential effects of climate change, such as more severe storms, 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;
- 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, 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);
- 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 (DG), combined heat and power or other firm capacity supply-side resources fall short of achieving their forecasted benefits or are otherwise insufficient to reduce or meet peak demand;
- fuel oil price changes, delivery of adequate fuel by suppliers and the continued availability to the electric utilities of their energy cost adjustment clauses (ECACs) and energy cost recovery clauses (ECRC);

- 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 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, 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;
- 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, 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 in addressing issues in the stabilization of the Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) system implementation could adversely affect the Utilities' ability to timely and accurately report financial information and make payments to vendors and employees;
- failure to achieve cost savings consistent with the minimum \$244 million in ERP/EAM project-related benefits (including \$141 million in operation and maintenance (O&M) benefits) to be delivered to customers over its 12-year estimated useful life;
- 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 and its subsidiaries, including the adoption of new U.S. accounting standards, the potential discontinuance of regulatory accounting, the effects of potentially required consolidation of variable interest entities (VIEs), or required capital/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 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 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; 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, 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.



Catalyst for a better Hawai'i



Hawaiian Electric Industries, Inc.

First Quarter 2019 Financial Results and Outlook

May 7, 2019



Q1 2019 consolidated earnings results



Q1 Net Income (GAAP)
(\$ in millions)



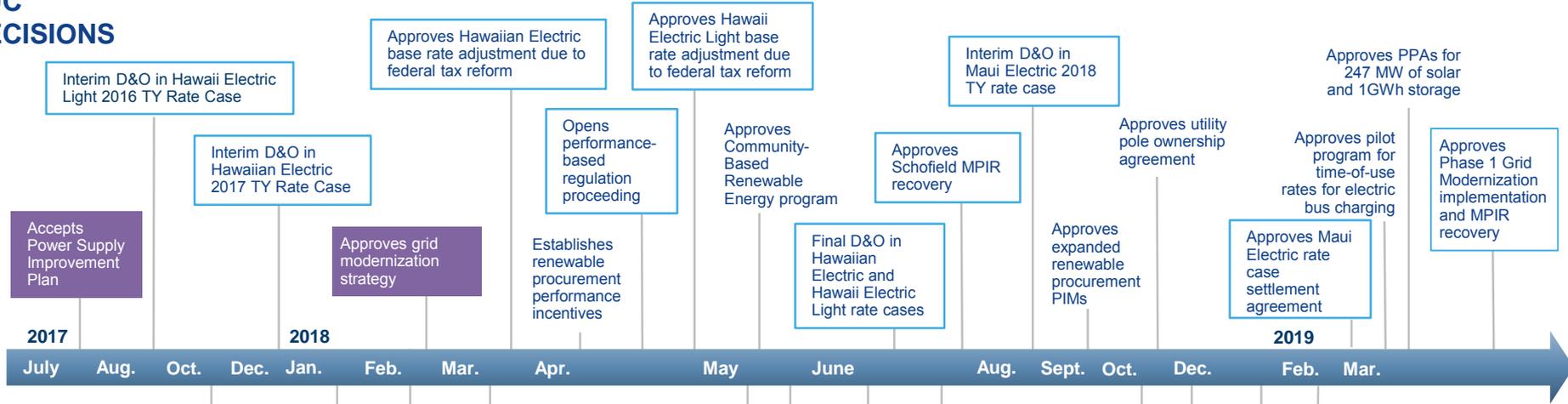
Q1 EPS (GAAP)



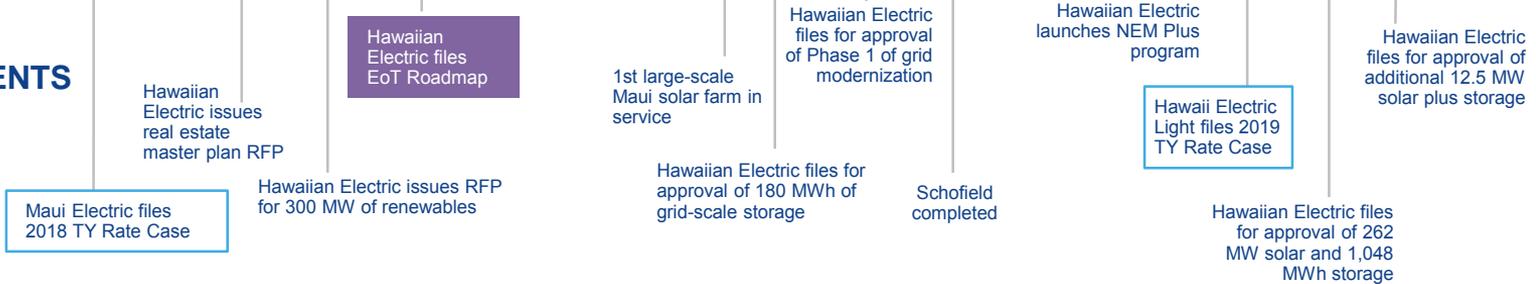
Working to achieve state policy goals expeditiously, affordably and reliably



PUC DECISIONS



OTHER DEVELOPMENTS



- Rate cases/related proceedings
- Key strategic frameworks

Accelerating procurement of renewable energy and grid services, and modernization of grid



- **Modern grid & technology platform**
 - PUC approved Phase 1 of Grid Modernization Strategy implementation, encouraging faster and broader smart meter deployment
- **Cost-effective, clean energy portfolio expanding as a result of RFP process**
 - **Phase I RFP:** The PUC approved 6 of 8 solar-plus-storage PPAs in record time, paving way to add 247 MW of solar and 1GWh storage, with 2 additional PPA applications pending
 - **Phase II RFP:** RFP for additional renewables to be issued in 2019; currently in discussions with the PUC to expand originally-planned procurement amount
 - **Grid Services RFP:** Utilities also in discussions with the PUC to expand originally-planned grid services procurement
- **Updated scope of Phase II and Grid Services RFPs will help us reach state goals and provide cleaner energy to our islands more quickly**
 - More renewable dispatchable generation on our grids sooner
 - Accelerated RPS achievement
 - Faster reduction of fossil fuel and GHG emissions
 - Increased bill stabilization for our customers

Performance based regulation (PBR) update



Status

Phase I

- PUC Staff Proposal filed on February 7, 2019
- Utility and other parties filed statements of position March 8, 2019 and reply statements of position April 5, 2019
- Currently awaiting Commission's decision on first phase of process

Phase II

- Second phase to focus on implementation; conclusion expected by early 2020

Key aspects of utility proposal

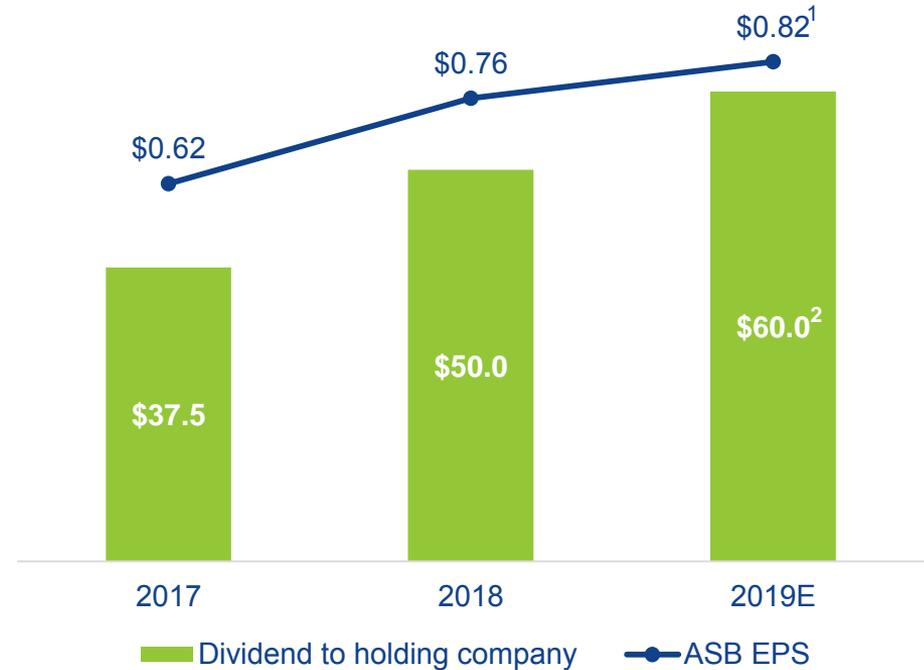
- ✓ Utility financial health must guide consideration of potential changes
- ✓ Significant progress already made toward state policy goals, PBR should help, not hinder, further progress
- ✓ Gradualism: changes should be in measured steps
- ✓ Additional PIMs should be upside only to start
- ✓ PIM revenue opportunities should enable utilities to close gap between earned and authorized ROE
- ✓ Simplify RAM and eliminate accrual lag
- ✓ Consider longer rate cycles if interim adjustment mechanisms are improved

“...the **financial integrity of the utility is essential** to its basic obligation to provide safe and reliable electric service.... [T]he utility is a critical community partner and serves an **integral** role in achieving the state's energy policy goals and serves as an **essential credit-worthy off-taker** for contracts for non-utility power purchases and new evolving grid services providers. The **proposed Staff Framework will help to reduce regulatory lag and preserve the utility's opportunity to earn a fair return** on its business and investments, while maintaining attractive utility features, such as **access to low-cost capital.**”

–Hawaii Public Utilities Commission PBR Staff Report

Continued solid financial performance from ASB

- Net interest margin expansion continues
- Funding costs remain low due to low-cost core deposit base and relationship-based banking
- Move into new campus creates opportunities to deliver more customer value and realize greater operational effectiveness and cost efficiencies



1 Midpoint of 2019 guidance range of \$0.79 – \$0.85 per share.

2 Estimated 2019 ASB dividend to holding company.

Existing portfolio provides solid foundation

- UH solar + storage project construction proceeding well
- Team continues to focus on optimizing existing assets, developing partnerships and identifying sustainable investment opportunities



Leeward Community College solar + storage project

Hawaii economy remains healthy

While pace moderates, growth continues



Tourism
Unemployment
Real Estate
Real State GDP

	March 2019 vs March 2018	YTD 2019 vs YTD 2018
Arrivals	+3.9%	+2.6%
Expenditures	-2.3%	-2.4%

- March 2019 – Hawaii: 2.8%; U.S.: 3.8%
- YTD March 2019 Oahu sales volume vs PY:
 - Single family homes, down 5.7%
 - Condominiums, down 10.5%
- YTD March 2019 Oahu median sales prices vs PY:
 - Single family homes: \$780,000, up 2.0%
 - Condominiums: \$411,250, down 3.2%
- Expected to increase 1.0% in 2019

Solid Q1 2019 financial performance

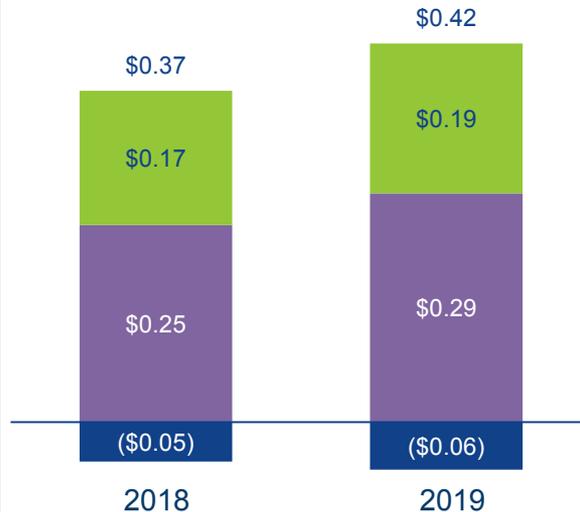


Q1 Net Income (GAAP)

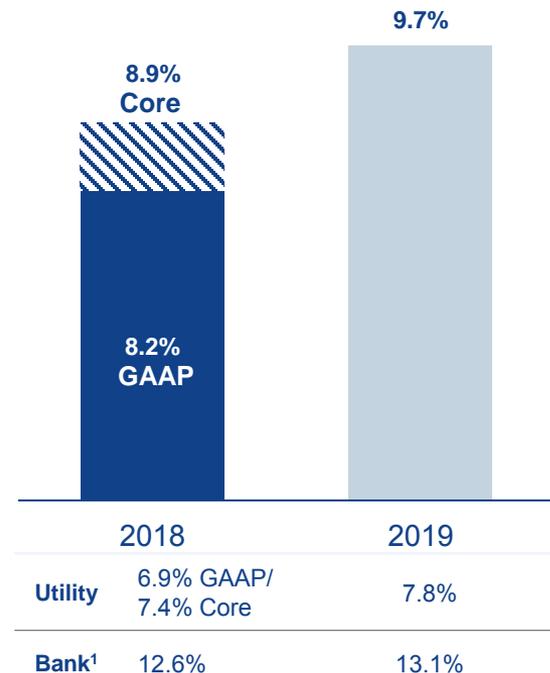
(\$ in millions)



Q1 EPS (GAAP)



Consolidated LTM ROE¹



Utility Bank Holding Co. & Other

Note: Columns may not foot due to rounding.

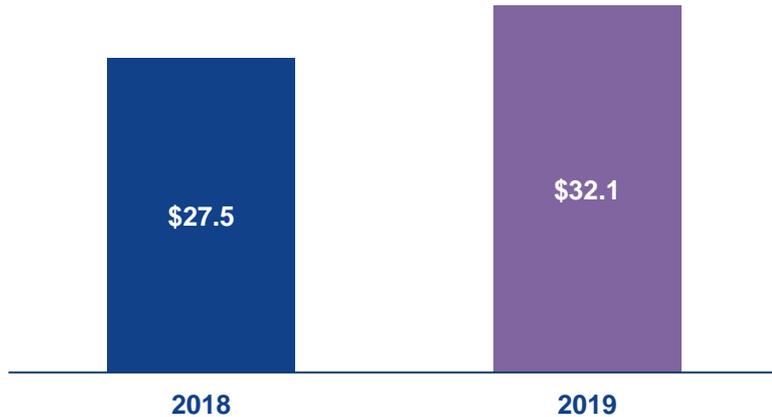
¹ Bank ROE is for quarter ended March 31.

Q1 2019 utility financial highlights

(\$ in millions)



UTILITY NET INCOME



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

	Q1 2019 vs Q1 2018
New rates for Hawaiian Electric and Maui Electric	9
Non-recurring O&M items ¹	4
MPIR revenues	3
Joint pole attachment fees	1
Renewables RFP performance incentives	1
O&M excluding net income neutral items	(11)
Depreciation	(3)

¹ Includes \$1 million from a one-time rent expense adjustment experienced in 2018 for existing substation land, \$2 million from Smart Grid write-off costs experienced in 2018, and \$2 million due to the PUC granting deferral treatment and recovery for certain previously-incurred expenses to modify existing generating units on Maui to run at lower loads.

Solid bank performance in Q1 2019

Year-over-year net income growth



BANK NET INCOME

(\$ IN MILLIONS)



Key bank earnings drivers, after-tax fav/(unfav)	1Q19 vs 4Q18	1Q19 vs 1Q18
Net interest income	–	4
Provision for loan losses	(3)	(2)
Noninterest income	1	1
Noninterest expense	1	(1)

SUMMARY OF ASB CAPITAL ADEQUACY RATIOS

(MARCH 31, 2019)

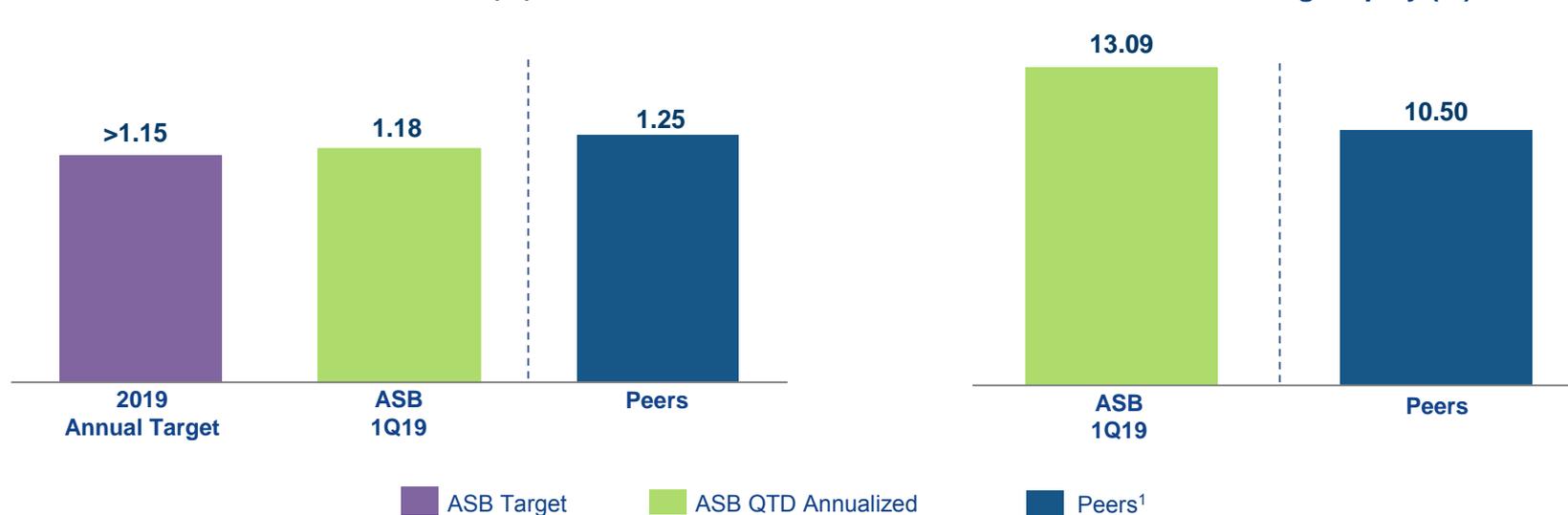
	Common equity tier 1	Tier 1 capital	Total capital	Tier 1 leverage
As of 03/31/19	12.76%	12.76%	13.93%	8.65%
“Well capitalized”	6.50%	8.00%	10.00%	5.00%
Minimum requirements	4.50%	6.00%	8.00%	4.00%
Basel III 2019 minimum + buffers	7.00%	8.50%	10.50%	4.00%

Solid bank profitability



Return on assets (%)

Return on average equity (%)



Source for peer data: SNL Financial (based upon data available as of May 6, 2019).

Note: Quarterly and YTD information are annualized.

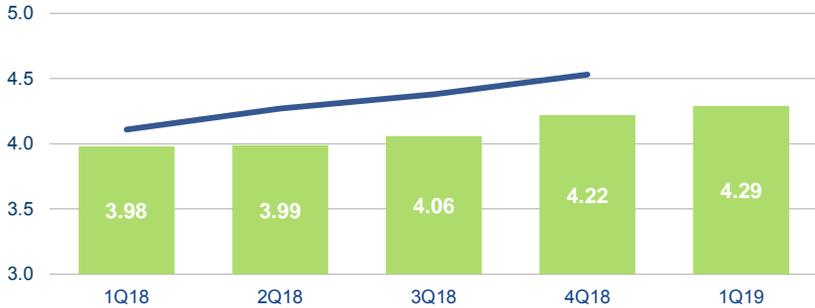
¹ See Appendix for ASB peer group information.

Strong net interest margin

Annual target: 3.85 - 3.95%



ASSET YIELD



COST OF FUNDS (%)



NET INTEREST MARGIN (%)



Source for peer data: SNL Financial (based on data available as of May 6, 2019).

Asset Yield: Total interest income as a percentage of average interest-earning assets.

Cost of funds: Total interest expense as a percentage of average interest-bearing and non-interest bearing liabilities.

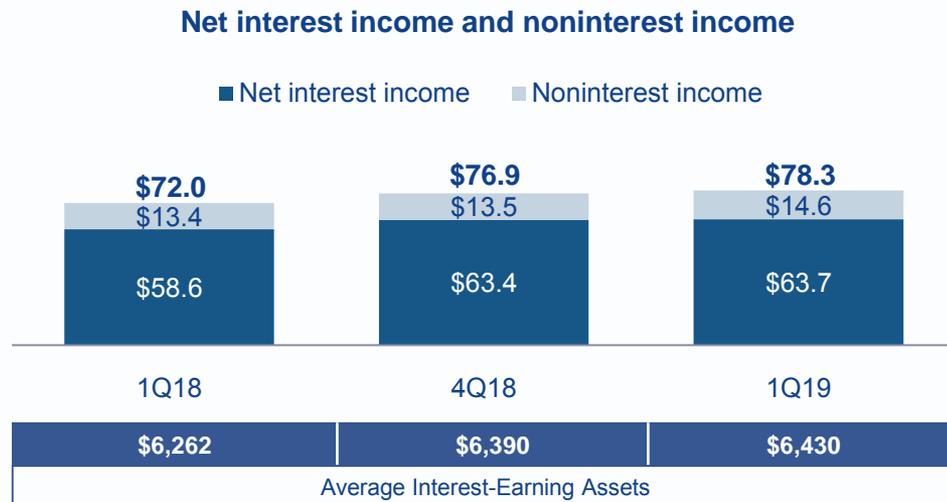
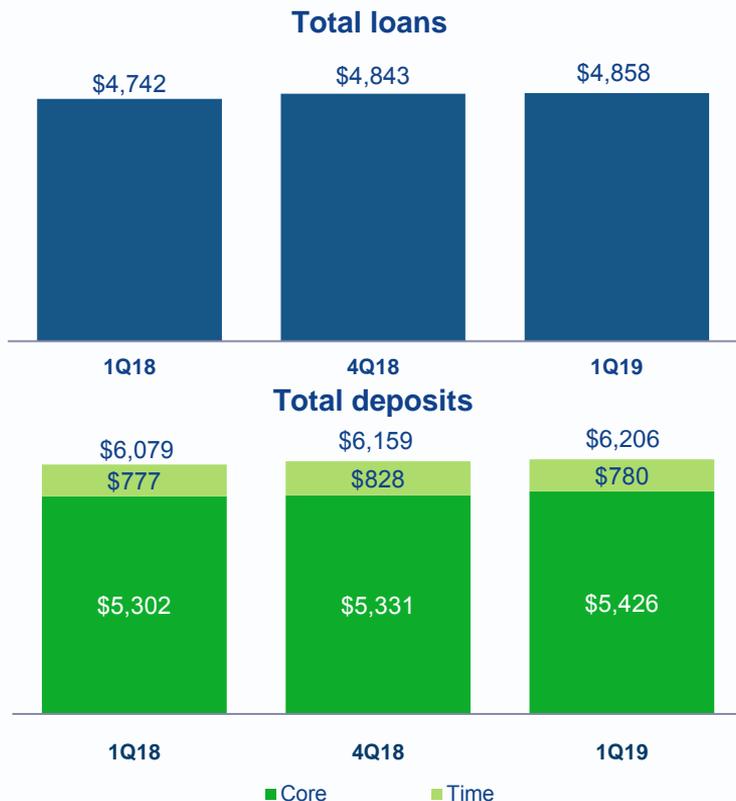
Net Interest Margin: Net interest income as a percentage of average interest-earning assets.

¹ Median for peer group based on publicly traded banks and thrifts between \$4B and \$9B in total assets.

Net interest income growth (\$ in millions)



1.21% annualized loan growth, 3.04% annualized deposit growth

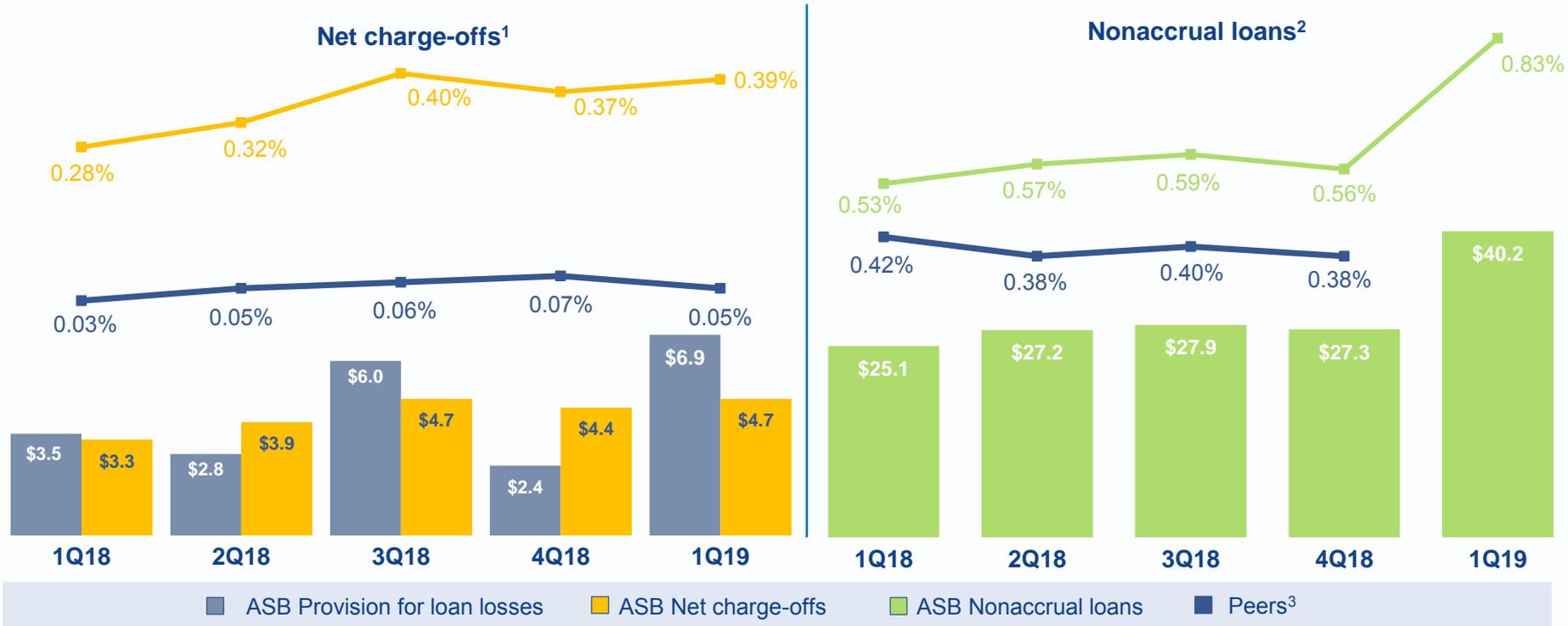


Note: Columns may not foot due to rounding.

Prudent credit quality management



Favorable 4Q18 credit events and 1Q19 additional reserves drove provision and nonaccrual loan changes



Source for peer data: SNL Financial (based upon data available as of May 6, 2019).

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

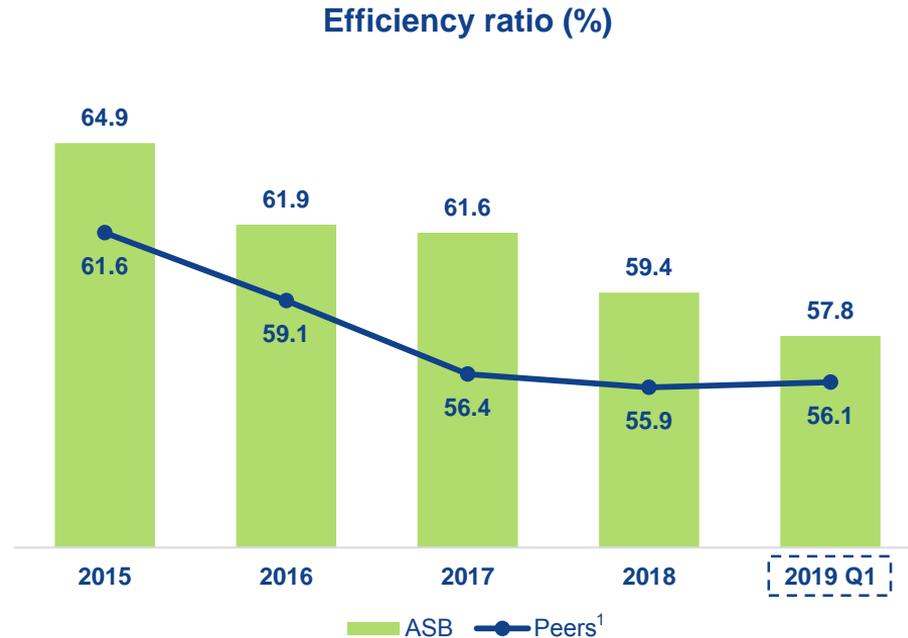
² Quarterly nonaccrual loans ratio reflected as a percentage of total loans.

³ See Appendix for ASB peer group information.

Efficiency ratio continues to improve in 2019



- ✓ ASB's efficiency ratio continued to improve in the first quarter, down 170 bps since Q4 2018 and down 320 bps since Q1 2018
- ✓ Targeting 100 basis points of annual improvement through 2021



Source for peer data: SNL Financial (based on data available as of May 6, 2019).

¹ Median for peer group based on publicly traded banks and thrifts between \$4B and \$9B in total assets. See Appendix for ASB peer group information.

Clean and reliable energy drives capital investment



Compound annual rate base growth of ~5-7% through 2021 as we invest in renewables, reliability and resilience

Utility capex program equity needs funded without the need for HEI-issued equity

CAPITAL EXPENDITURES FORECAST

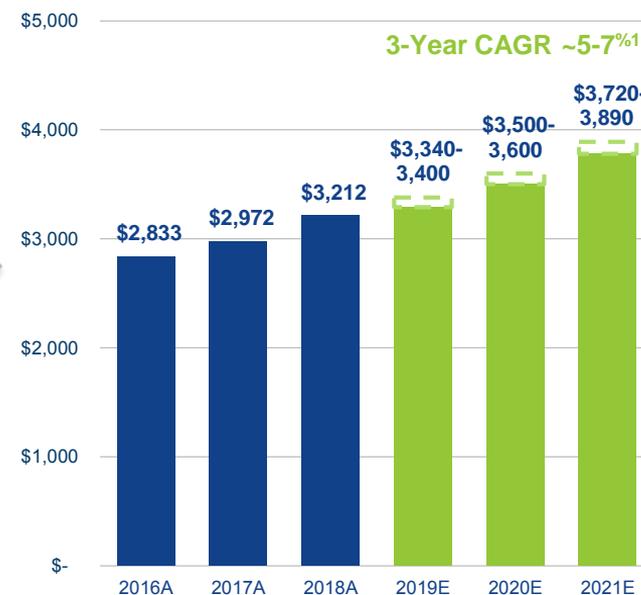
(\$ in millions)



Major Capex Projects	Forecast 2019	Forecast 2020	Forecast 2021
West Loch PV ²	\$14	-	-
CIP Battery Storage ³	----- \$101 -----		-
Other Major Projects ³	\$40	\$49	\$190
Grid Modernization Project Phase 1	\$86M through 2023		
Baseline Projects	~\$285	~\$285	~\$285

RATE BASE FORECAST

(\$ in millions)



Note: Capex figures are net of CIAC.

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 West Loch PV (previously referred to as Joint Base Pearl Harbor-Hickam PV Solar Facility) forecasted to be placed into service in Q3 2019.

³ Campbell Industrial Park (CIP) Battery Storage, as well as other projects, are pending Commission approval.

HEI EPS: \$1.85 - \$2.05 PER SHARE

UTILITY EPS: \$1.40 - \$1.47

KEY ASSUMPTIONS:

- No change to decoupling or recovery mechanisms
- No material impact from PIM penalties and rewards
- O&M excluding pension¹: forecasted at 1% above 2018 levels (excluding 2018 one time charges of ~\$7 million, post-tax)
- Rate base growth: 4 – 6% over 2018
- 2019 capex of \$400 million
- Equity capitalization at approved rate case levels

BANK EPS: \$0.79 - \$0.85

KEY ASSUMPTIONS:

- Low to mid-single digit earning asset growth
- NIM: ~3.85% to 3.95%
- Provision expense: \$17 million to \$22 million
- ROA: > 1.15%
- *Note: guidance range includes one-time net positive impact of \$0.03 to \$0.05 per share related to relocating to the new campus; this reflects gains from the expected sale of formerly occupied real estate, partially offset by moving costs*

No new equity issuances in 2019

Note: Holding company and other net loss estimated at \$0.28 - \$0.30.

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, 2018 and SEC Form 10-Q for the quarter ended September 30, 2018.

HEI

- Focused on enterprise mission to be a catalyst for a better Hawaii
- Place-based strategy continues to provide the financial resources to invest in our strategic growth and Hawaii's sustainable future

Hawaiian Electric Company

- Advancing 100% renewable energy and carbon neutral goals
- Building system and community resilience
- Focused on ensuring affordable, reliable, renewable energy for all customers

American Savings Bank

- Healthy financial position, with emphasis on disciplined growth and continued efficiency improvement
- Focused on making banking easier for customers and deepening customer relationships
- Move into new campus offers opportunities to realize further effectiveness and efficiencies

Pacific Current

- Dedicated management team now in place to advance strategy, optimize existing assets, and develop new opportunities to invest in Hawaii's sustainable future



Catalyst for a better Hawai'i



Appendix



Catalyst for a better Hawai'i

HEI financing outlook 2019

(as of March 31, 2019)

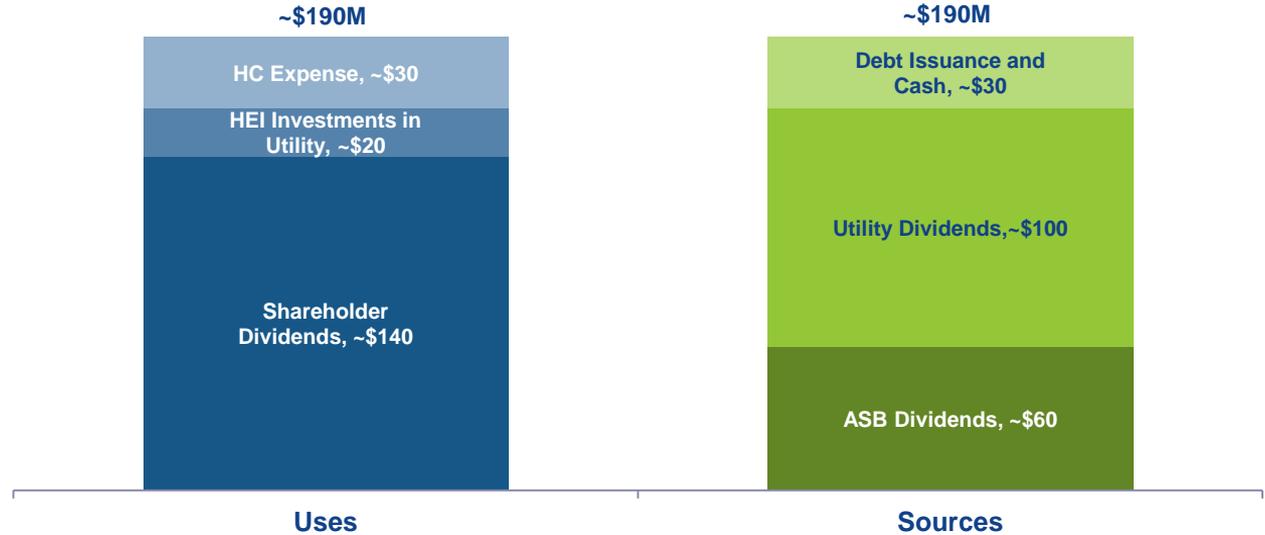


Intend to maintain a consolidated investment grade profile

Utility capex program equity needs funded without the need for HEI-issued equity

2019 HOLDING COMPANY SOURCES & USES OF CAPITAL

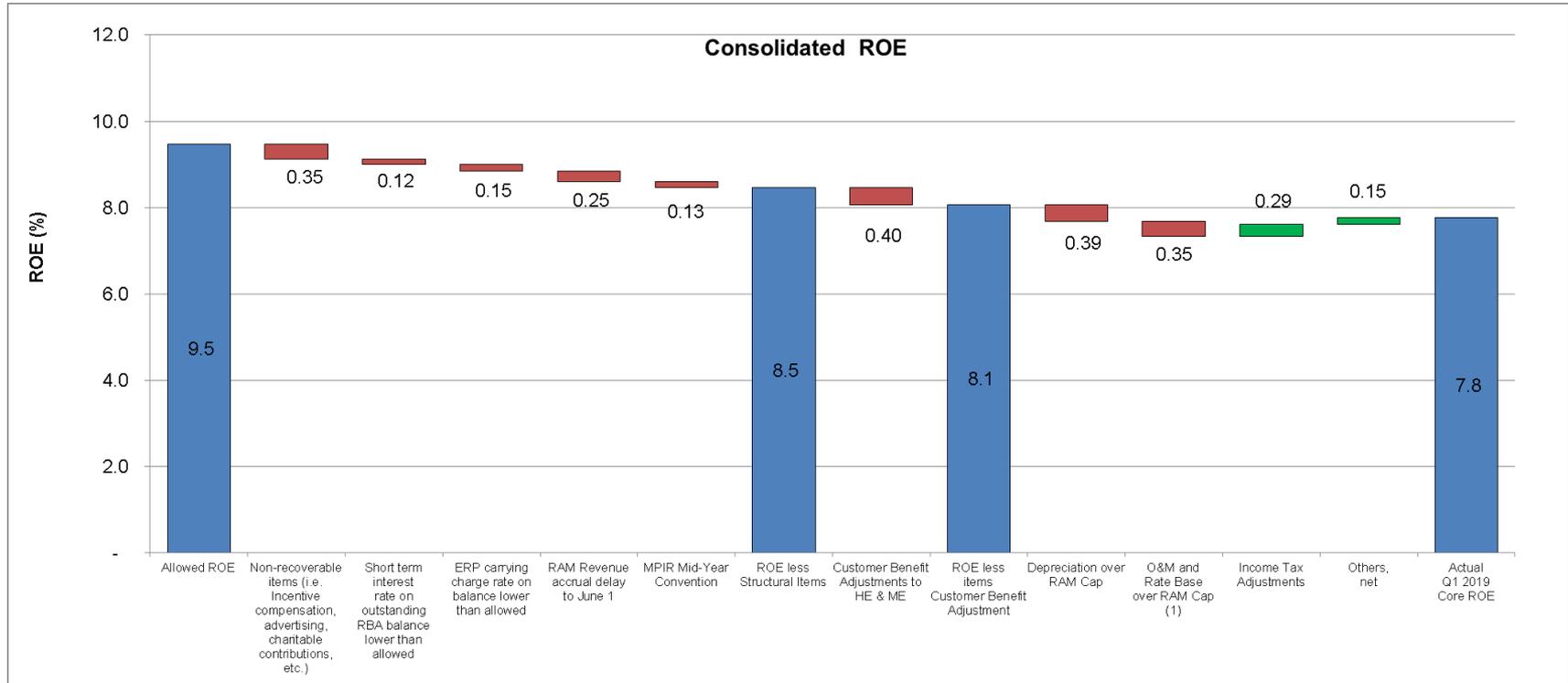
(\$ in millions)



Utility LTM ROE reflects triennial rate case transition



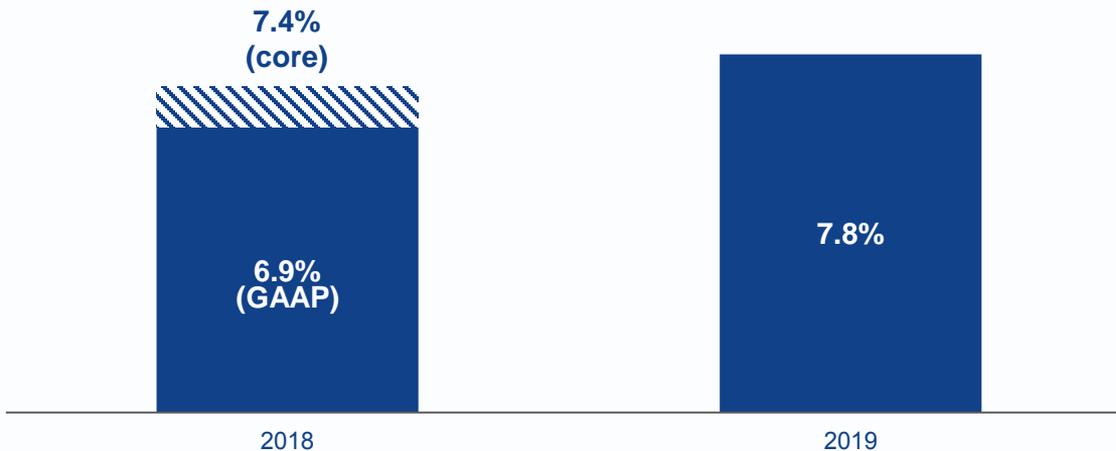
LTM 03/31/19 CONSOLIDATED UTILITY ROE



1 O&M over RAM cap is primarily due to the write off of preliminary engineering costs for LNG projects and smart grid costs.

Consolidated utility ROE

12 months ended March 31



	2018	2019		
	Consolidated utility	Hawaiian Electric	Hawaii Electric Light	Maui Electric
2019	7.8%	7.6%	8.0%	8.8%
2018 (GAAP)	6.9%	6.9%	7.5%	6.4%

500 MW near-term pipeline of clean energy projects

Potential to add half a gigawatt of renewables from a diverse array of resources near-term



Near-term pipeline

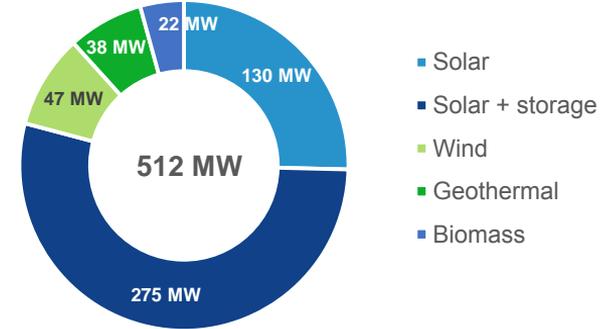
Phase I Renewables RFP Projects

- Approved projects:
 - Waikoloa Solar (30 MW solar, 120 MWh storage)
 - Hale Kuawehi (30 MW solar, 120 MWh storage)
 - Kuihelani Solar (60 MW solar, 240 MWh storage)
 - Hoohana Solar 1 (52 MW solar, 208 MWh storage)
 - Mililani I Solar (39 MW solar, 156 MWh storage)
 - Waiawa Solar (36 MW solar, 144 MWh storage)
- Awaiting approval:
 - Paeahu Solar (15 MW solar, 60 MWh storage)
 - West Oahu Solar (13 MW solar, 50 MWh storage)

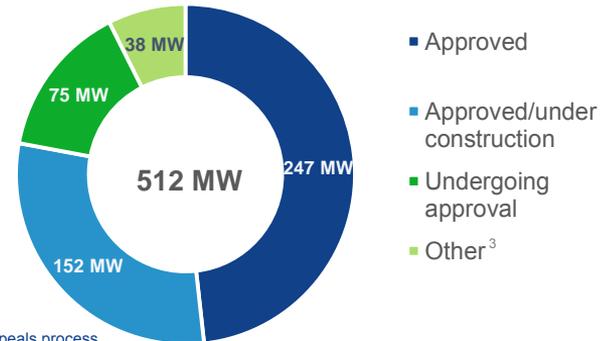
Pre- Renewables RFP Projects*

- Approved and under construction:
 - West Loch PV (20 MW solar)
 - Waipio Solar (46 MW solar)
 - Lanikuhana Solar (15 MW solar)
 - Kawailoa Solar (49 MW solar)
 - Hu Honua¹ (22 MW biomass)
- Awaiting approval:
 - Palehua Wind (47 MW wind)
- Other:
 - Puna Geothermal² (38 MW geothermal)

Pipeline breakdown by type (MW)



Pipeline breakdown by stage (MW)



¹ The Hu Honua biomass PPA has been approved by the PUC and the facility is under construction, however the PPA approval is currently the subject of an appeals process.

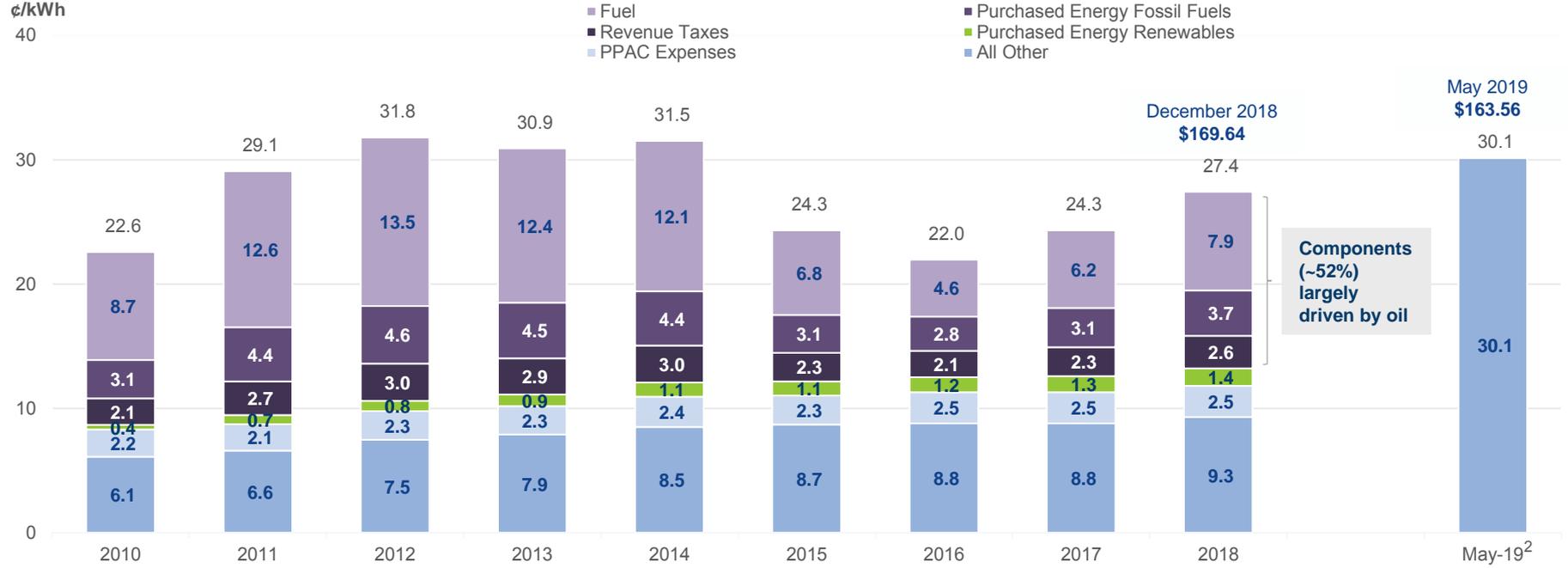
² Puna Geothermal was damaged by lava flows in 2018, and is currently being reconstructed in order to be brought back online.

³ Includes Puna Geothermal.

Oil is the primary driver of rates in Hawaii



BREAKDOWN OF HAWAIIAN ELECTRIC RATES¹ (typical residential bill)



¹ Hawaiian Electric Oahu average revenue per kWh sold.
² Based on the May 2019 energy cost recovery factor for residential customers only.

Utility regulatory mechanisms provide financial stability during renewable transition



Mechanisms & what they do:

Sales decoupling

Provides predictable revenue stream by fixing net revenues at level approved in last rate case (revenues not linked to kWh sales)

Rate 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 recovery/adjustment clauses

Allow recovery of fuel and purchased power costs. Symmetrical fossil fuel cost risk sharing (98% customer/2% utility) mechanism established for Hawaiian Electric and Maui Electric;¹ utility upside/downside capped at \$2.5 million for Hawaiian Electric and \$0.6 million for Maui Electric

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

¹ Maui Electric proposed ECRC tariff with fossil fuel cost risk sharing to be effective September 1, 2019.

Hawaii Electric Light 2019 rate case: Updates from latest filing (latest filing versus most recent approved rate case)



Hawaii PUC docket no. 2018-0368

	Final D&O (2016 Test Year) (6/29/18) (eff. 10/1/18)	Application (2019 Test Year) (12/14/18)
Amount requested	Commission approves rates implemented in adjusted interim which included a reduction of \$9.9M to incorporate the Tax Act effects.	\$13.4M (3.4% increase over revenues at current effective rates) ¹
Deprec. & amort. expenses	\$37.7M	\$38.0M
Return on average common equity	9.5% With mechanisms	10.50% with mechanisms
Common equity capitalization (%)	56.69%	56.91%
Return on rate base	7.80%	8.30%
Average rate base	\$481.3M	\$536.9M
GWh sales	1,040.7	1,061.7

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Recovery Clause (ECRC); Purchase Power Adjustment Clause (PPAC); Pension/OPEB Tracking Mechanisms; Renewable Energy Infrastructure Program ("REIP") Surcharge and the Major Project Interim Recovery ("MPIR") mechanism.

¹ Revenues at current effective rates include revenues based on the final rates approved in Hawaii Electric Light's 2016 test year rate case, revenues from the ECRC, PPAC, RAM Revenue Adjustment (based on the estimated 2019 RAM period), RBA Provision (that would flow into the RBA in the 2019 test year primarily due to increase or decrease in electric sales since the 2016 test year) and other operating revenues.

Maui Electric rate case: 2018 test year

Hawaii PUC docket no. 2017-0150



	Application (10/12/17)	Adjustment for Tax Reform (2/26/18)	June 2018 Settlement Approved New Depreciation Rates	Interim D&O (8/9/18) (eff. 8/23/18)	Parties' Joint Proposed Final Rates and Refund Plan (filed 4/17/19)
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	\$12.5M (3.8% increase over revenues at current effective rates)	\$12.5M (3.8% increase over revenues at current effective rates)	\$12.2M (3.7% increase over revenues at current effective rates) ²
Deprec. & amort. expenses	\$24.6M	\$23.9M	\$29.6M	\$29.6M	\$29.6M
Return on average common equity	10.60% with mechanisms	10.60% with mechanisms	9.50% with mechanisms	9.50% with mechanisms	9.50% with mechanisms
Common equity capitalization (%)	56.94%	56.94%	57.02%	57.02%	57.02%
Return on rate base	8.05%	8.05%	7.43%	7.43%	7.43%
Average rate base	\$473.3M	\$482.4M	\$462.4M	\$462.4M	\$454.3M
GWh sales	1,047.0	1,047.0	1,073.2	1,073.2	1,073.2

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Adjustment Clause (ECAC), Purchase Power Adjustment Clause (PPAC), Pension/OPEB Tracking Mechanisms; Renewable Energy Infrastructure Program ("REIP") Surcharge and the Major Project Interim Recovery ("MPIR") mechanism.

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, RAM Revenue Adjustment (based on the 2018 RAM period), RBA Provision (that would flow into the RBA in the 2018 test year primarily due to increase or decrease in electric sales since the 2012 test year) and other operating revenues.

² Decision pending. The PUC issued a D&O in March 2019, approving the settlement agreement between Maui Electric and the Consumer Advocate (collectively, the "Parties"), with certain modifications, and directed the Parties to file proposed final tariffs and revised schedules of operations. Approximately \$0.5 million will be refunded to customers.

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)	Final D&O (6/22/18) (eff. 9/1/18)
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	Commission approves Parties' Stipulated Settlement Agreements filed on November 15, 2017 and March 5, 2018.
Deprec. & amort. expenses	\$130.7M	\$130.7M	\$130.6M	\$123.5M	\$123.5M
Return on average common equity	10.60% with mechanisms	9.5%-9.75% with mechanisms	9.5% with mechanisms	9.5% with mechanisms	9.5% with mechanisms
Common equity capitalization (%)	57.36%	57.10%	57.10%	57.10%	57.10%
Return on rate base	8.28%	7.57%-7.72%	7.57%	7.57%	7.57%
Average rate base	\$2,002M	\$1,990M	\$1,980M	\$1,993M	\$1,993M
GWh sales	6,660.2	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); Purchase Power Adjustment Clause (PPAC); Pension/OPEB Tracking Mechanisms; and the Renewable Energy Infrastructure Program ("REIP") Surcharge.

¹ Revenues at current effective rates include base revenues, revenues from the ECAC, PPAC, RAM Revenue Adjustment (based on the estimated 2017 RAM period), RBA Provision (that would flow into the RBA in the 2017 test year primarily due to increase or decrease in electric sales since the 2011 test year) and other operating revenues.

² In the 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 the 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.

Major project interim recovery (MPIR) mechanism

Hawaii PUC docket no. 2013-0141



MPIR adjustment mechanism established by PUC April 2017

- Allows recovery for eligible major projects in between rate cases through the revenue balancing account (RBA) rate adjustment
- Request for MPIR recovery to be included in application for project approval
- Accrual of revenues commences upon certification of project in-service date
 - ½ of project's costs included in basis for determining return on investment and associated taxes during year project goes into service
 - On January 1 of the year after project is placed in service, may commence accrual of return and associated taxes on full amount of plant invested, depreciation and associated taxes
- “Eligible Projects” defined in MPIR Guidelines include, but not limited to:
 - Infrastructure to connect renewable energy projects
 - Projects that make it possible to accept more renewable energy
 - Projects that encourage clean energy choices and/or customer control to shift or conserve energy use
 - Projects implementing PUC approved or accepted plans, initiatives and programs
 - Utility scale renewable generation
 - Grid modernization projects
- Routine replacements, relocations, restorations of existing facilities or business as usual projects not eligible
- Recovery offset by known and measurable net savings or benefits of project

Schofield Generating Station project

- Capital cost recovery approved June 2018
- Net O&M cost recovery approved December 2018, with accrual commencing October 1, 2018

Grid Modernization Strategy Phase 1 project (D&O pending ruling on certain requests for clarification/reconsideration)

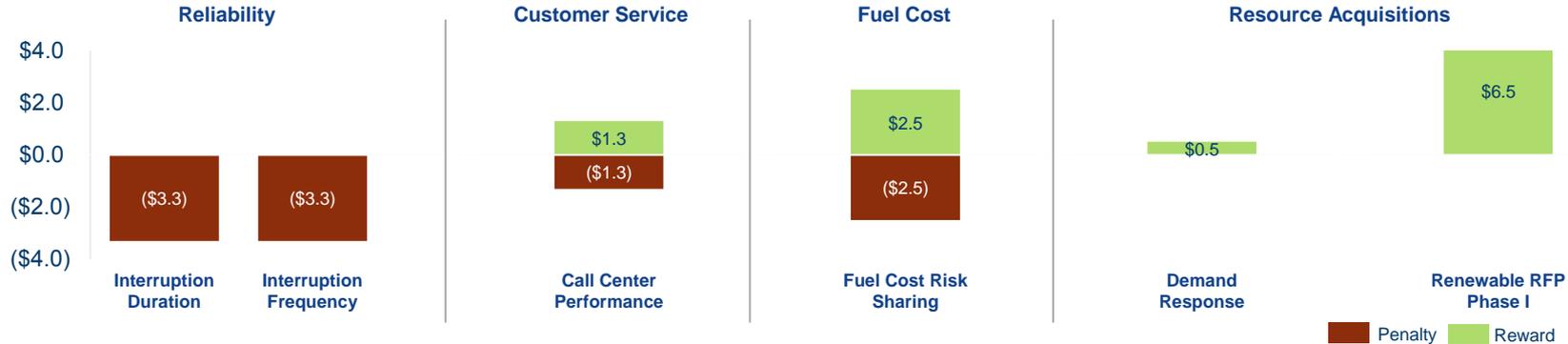
- Approved Companies' proposed MPIR recovery methods, subject to certain conditions

Pending MPIR applications

- West Loch PV project
- Campbell Industrial Park Generating Station Contingency & Regulating Reserve BESS project

Performance Incentive Mechanisms (PIMs)

CURRENT PIMS¹ (\$ in millions)



PIMS APPROVED BY PUC IN APRIL 2017 FOR ALL THREE COMPANIES

- **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 PIMS²

- **Demand Response**
 - One-time incentive for timely acquisition of cost-effective DR from RFP respondents
 - Incentive up to 5% of aggregate annual contract value, capped at \$500,000
- **The PUC will consider additional PIMS in Performance Based Regulation (PBR) docket**
- **Phase I Renewable RFP**
 - Phase 1 Renewable RFP, initially established by PUC in April 2018, expanded to \$6.5 million in September 2018
 - 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 per kWh for renewable plus storage and 9.5 cents per kWh for renewable energy only projects
 - For PPAs submitted between 1/1/19 and 3/31/19, increasing portion of savings goes to customers

¹ Apply to all companies, except for fuel cost sharing, which currently applies to Oahu only.

² 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, in whole or in part, any applicable penalty to the company for failure to achieve these RPS targets for events or circumstances that are outside the control of the company.

Fossil fuel cost risk sharing

Hawaiian Electric 2017 test year rate case D&O, Hawaii PUC docket no. 2016-0328
Maui Electric 2018 test year rate case D&O, Hawaii PUC docket no. 2017-0150



- As part of the final D&O in Hawaiian Electric's 2017 rate case, the Commission established a new fossil fuel cost risk sharing mechanism as part of the new Energy Cost Recovery Clause (which replaced Energy Cost Adjustment Clause)
 - Symmetrical mechanism
 - Applies to utility fossil fuel generation (not IPP generation or non-fossil fuels) and includes fuel efficiency impacts
 - Variations in fossil fuel price above or below baseline price shared 98% customers / 2% utility
 - Utility annual upside / downside capped at \$2.5 million
- Order No. 35927 filed December 7, 2018 approved Hawaiian Electric's July 2018 implementation proposal
 - Effective January 1, 2019
 - Baseline Prices: January fuel prices of each year for each fossil fuel type
- As part of D&O No. 36219 filed March 18, 2019 in Maui Electric's 2018 rate case, the Commission established a fossil fuel cost risk sharing mechanism for Maui Electric with features similar to those at Hawaiian Electric
 - Utility annual upside / downside capped at \$633k
 - Utility submitted its proposal on April 17, 2019, for a proposed September 1, 2019 implementation

January 2019 fuel price:

\$83.76/bbl

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
- In accepting the PSIP, the Commission required the utilities to file a report that details the planning approach and schedule for the next round of resource planning
- PUC accepted and provided guidance on the Companies' Integrated Grid Planning (IGP) workplan in March 2019

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

Grid modernization strategy update

Hawaii PUC Docket Nos. 2017-0226, 2018-0141



- In February 2018 the PUC approved the strategy and directed the Companies to implement the Grid Modernization Strategy 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 distributed energy resources (DER) levels consistent with the accepted PSIP
- Provides customer choice through customer energy options (DER, demand response, time-of-use rates, etc.) 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 included in capex forecast
- In March 2019 the PUC approved Phase 1 implementation (\$86 million total 2019-2023) and cost recovery through MPIR, subject to certain conditions
 - Conditions include fixed and variable cost caps, which “allow cost recovery for faster and broader deployment of advanced meters than the Companies proposes in the Application, and the Companies should consider doing so”
 - Pending motion for clarification/reconsideration on certain issues (e.g., MPIR details, meter depreciation rates)

Electrification of transportation (EoT) strategic roadmap

Hawaii PUC docket no. 2018-0135



- 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 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, enhances Hawaii's energy security, reduces greenhouse gas emissions, and 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
- Recent regulatory developments include implementation of an electric bus tariff to support early electric bus fleet conversions, and approval for Maui Electric to defer costs related to assuming ownership of, operating and maintaining certain DC fast charging stations on Maui
- Upcoming initiatives include filing on network planning for minimum charging backbone infrastructure, and greater public outreach and education
- Overwhelmingly positive response reflected in public comments from residents, commercial customers, private industry and advocacy groups

Distributed energy resources (DER) update

Hawaii PUC docket no. 2014-0192



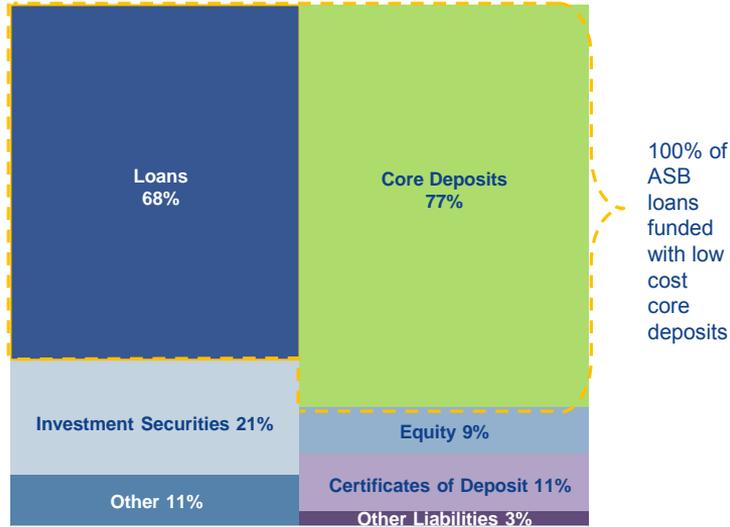
- In February 2018, the Companies launched two new DER programs:
 - Smart Export: Intended for customers installing a rooftop PV system combined with a battery energy storage system. Customers may export energy between 4pm – 9am for credit, but are not credited for energy exported during daytime hours.
 - CGS+: Intended for customers installing a rooftop PV system only (no storage required). Customers can export energy to the grid during the daytime for credit, but they are required to utilize advanced equipment that allows the utility to control the system to maintain grid stability in a system emergency. The controllability function can be accomplished through a second meter installed by the Companies (“Utility Option”) or through a third-party aggregator (“Aggregator Option”).
- In October 2018, the Commission approved new NEM Plus program for existing Net Energy Metering (NEM) customers to add non-exporting systems to their current systems, and still remain NEM customers
- The Commission has suspended the Market Track of the DER proceeding. The Market Track is expected to address issues relating to rate reform, rate unbundling, cost allocation, secure data sharing, and sunsets and transitions of existing DER programs

Quality balance sheet and strong capital efficiency



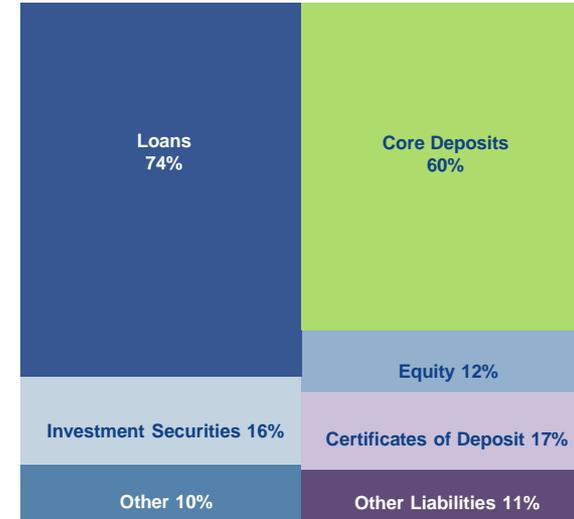
ASB¹

Average yield on earning assets	4.29%
Average cost of funds	0.31%
Return on average equity ³	13.09%



PEER BANKS²

Median of average yield on earning assets	4.53%
Median of average cost of funds	0.96%
Return on average equity	11.25%



Source for peer data: SNL Financial (based on data available as of May 6, 2019)

1 For quarter ending 3/31/2019.

2 For quarter ending 12/31/2018. Peer group based on publicly traded banks and thrifts between \$4B and \$9B in total assets.

3 Bank return on average equity calculated using weighted average daily common equity.

2019 ASB peer group



1st Source Corporation	SRCE	First Busey Corporation	BUSE	OFG Bancorp	OFG
Ameris Bancorp	ABCB	First Commonwealth Financial Corporation	FCF	Oritani Financial Corp.	ORIT
Axos Financial, Inc.	AX	First Financial Bankshares, Inc.	FFIN	Pacific Premier Bancorp, Inc.	PPBI
BancFirst Corporation	BANF	First Foundation Inc.	FFWM	Park National Corporation	PRK
Bancorp, Inc.	TBBK	First Merchants Corporation	FRME	Peapack-Gladstone Financial Corporation	PGC
Bridge Bancorp, Inc.	BDGE	Flushing Financial Corporation	FFIC	QCR Holdings, Inc.	QCRH
Brookline Bancorp, Inc.	BRKL	Great Southern Bancorp, Inc.	GSBC	Republic Bancorp, Inc.	RBCA.A
Bryn Mawr Bank Corporation	BMTC	Hanmi Financial Corporation	HAFC	S&T Bancorp, Inc.	STBA
Camden National Corporation	CAC	Heritage Financial Corporation	HFWA	Sandy Spring Bancorp, Inc.	SASR
CenterState Bank Corporation	CSFL	HomeStreet, Inc.	HMST	Seacoast Banking Corporation of Florida	SBCF
Central Pacific Financial Corp.	CPF	Independent Bank Corp.	INDB	ServisFirst Bancshares, Inc.	SFBS
Century Bancorp, Inc.	CNBK.A	Independent Bank Group, Inc.	IBTX	Southside Bancshares, Inc.	SBSI
City Holding Company	CHCO	Kearny Financial Corp.	KRNY	Tompkins Financial Corporation	TMP
Community Trust Bancorp, Inc.	CTBI	Lakeland Bancorp, Inc.	LBAI	TriCo Bancshares	TCBK
ConnectOne Bancorp, Inc.	CNOB	Lakeland Financial Corporation	LKFN	TrustCo Bank Corp NY	TRST
Dime Community Bancshares, Inc.	DCOM	LegacyTexas Financial Group, Inc.	LTXB	United Financial Bancorp, Inc.	UBNK
Eagle Bancorp, Inc.	EGBN	Meridian Bancorp, Inc.	EBSB	Univest Financial Corporation	UVSP
Enterprise Financial Services Corp	EFSC	Meta Financial Group, Inc.	CASH	W.T.B. Financial Corporation	WTBF.B
Fidelity Southern Corporation	LION	National Bank Holdings Corporation	NBHC	Washington Trust Bancorp, Inc.	WASH
Financial Institutions, Inc.	FISI	Northfield Bancorp, Inc.	NFBK	Westamerica Bancorporation	WABC
First Bancorp	FBNC	OceanFirst Financial Corp.	OCFC	WSFS Financial Corporation	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 2016-2018 (based upon data available in SNL as of March 13, 2019). 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.

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; and the potential impacts of global developments (including global economic conditions and uncertainties; unrest; conflicts or other crisis; the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; terrorist acts; 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 or budget funding, monetary policy, trade policy and tariffs, and other policy and regulatory changes advanced or proposed by President Trump and his administration;
- weather, natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the potential effects of climate change, such as more severe storms, 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;
- 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, 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);
- 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 (DG), combined heat and power or other firm capacity supply-side resources fall short of achieving their forecasted benefits or are otherwise insufficient to reduce or meet peak demand;
- fuel oil price changes, delivery of adequate fuel by suppliers and the continued availability to the electric utilities of their energy cost adjustment clauses (ECACs) and energy cost recovery clauses (ECRC);
- 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 kilowattour sales;
- 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, 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;
- 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, 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 in addressing issues in the stabilization of the Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) system implementation could adversely affect the Utilities' ability to timely and accurately report financial information and make payments to vendors and employees;
- failure to achieve cost savings consistent with the minimum \$244 million in ERP/EAM project-related benefits (including \$141 million in operation and maintenance (O&M) benefits) to be delivered to customers over its 12-year estimated useful life;
- 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 and its subsidiaries, including the adoption of new U.S. accounting standards, the potential discontinuance of regulatory accounting, the effects of potentially required consolidation of variable interest entities (VIEs), or required capital/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 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 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; 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, 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.



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 given the non-recurring nature of certain items. Core earnings and other financial measures as presented here may not be comparable to similarly titled measures used by other companies. The accompanying tables provide a reconciliation of reported GAAP¹ earnings to non-GAAP core earnings and the adjusted return on average common equity (ROACE) for HEI and the utility.

The reconciling adjustments from GAAP earnings to core earnings exclude the 2017 impact of the federal tax reform act due to the adjustment of the deferred tax balances and the \$1,000 employee bonuses paid by the bank related to federal tax reform. Management does not consider these items to be representative of the company's fundamental core earnings. Management has shown adjusted non-GAAP (core) net income, adjusted non-GAAP (core) diluted earnings per common share and adjusted non-GAAP (core) ROACE in order to provide better comparability of ROACE 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 GAAP¹ TO NON-GAAP MEASURES
Hawaiian Electric Industries, Inc. (HEI) and Subsidiaries

Unaudited

 Twelve months ended
March 31

2019 2018

HEI CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)

Based on GAAP

9.7% 8.2%

 Based on non-GAAP (core)²

9.7% 8.9%

RECONCILIATION OF GAAP¹ TO NON-GAAP MEASURES
Hawaiian Electric Company, Inc. (Hawaiian Electric) and Subsidiaries

Unaudited

 Twelve months ended
March 31

2019 2018

HAWAIIAN ELECTRIC CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE)
(simple average)

Based on GAAP

7.8% 6.9%

 Based on non-GAAP (core)²

7.8% 7.4%

(\$ in millions)

 Three months ended
March 31

2019 2018

HAWAIIAN ELECTRIC CONSOLIDATED OTHER OPERATION AND MAINTENANCE (O&M) EXPENSE

GAAP (as reported)

\$ 118.1 \$ 107.6

 Excluding other O&M-related net income neutral items³

0.1 0.3

Non-GAAP (Adjusted other O&M expense)
\$ 118.0 \$ 107.3

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. For the twelve months ended March 31, 2018, core net income for HEI and Hawaiian Electric includes adjustments of \$14 million and \$9 million, respectively, which principally relate to the 2017 impact of lower rates under the federal tax reform act on deferred tax balances.

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