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 increasing 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, 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);
- 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 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 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, 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;
- 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;
- 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 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;
- the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" in 2020, which may require an increase in the allowance for loan losses and result in more volatility in the provision for loan losses;
- 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;
- the impact of activism that could delay the construction, or preclude the completion, of third-party or Utility projects that are required to meet electricity demand and RPS goals; 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.

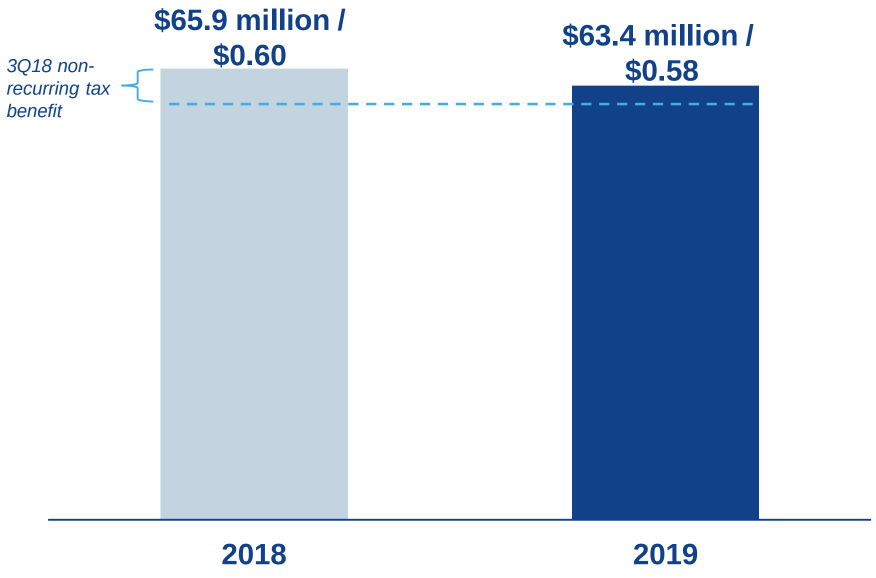
Hawaiian Electric Industries, Inc.

Third Quarter 2019 Financial Results and Outlook

November 1, 2019

Q3 2019 consolidated earnings results

Q3 Net Income / Diluted EPS (GAAP)



Net Income (millions)	3Q18	3Q19
GAAP	$65.9	$63.4
Excluding non-recurring tax adjustment in 3Q18	$5.0	--
Non-GAAP	$60.9	$63.4

Diluted EPS	3Q18	3Q19
GAAP	$0.60	$0.58
Excluding non-recurring tax adjustment in 3Q18	$0.05	--
Non-GAAP	$0.55	$0.58

Advancing clean energy transformation

Focused on affordability, reliability and resilience

- **On track for 2020 renewable portfolio standard (RPS) milestone of 30%**
- **Record renewable energy and grid services procurement will help reach future RPS goals, replace fossil-fuel generation**
  - Issued Stage 2 RFP for up to ~900 MW of new renewables and more than 500 GWh of storage, as well as 210 MW of grid services (144 MW capacity and 65 MW fast frequency response)
  - Final amounts procured will depend on ability of market to deliver competitive prices, community support and land availability
- **Expanding opportunities for customer participation in clean energy transition**
  - Received Commission approval for contract with aggregator of customer-sited resources into "virtual power plants"
  - Filed Advanced Rate Design Strategy proposing new rates to address 21st century grid needs and provide customer options
  - Launched state's first community solar project, providing customers without rooftop solar ability to participate in clean energy transformation
- **Working with stakeholders to evolve regulatory framework to help achieve Hawaii's goals**
  - Performance-based ratemaking (PBR) process proceeding well
  - Gradualism and financial integrity of utility continue to be key principles of process
  - Continued collaborative, thoughtful process designed to minimize risk of unintended consequences

Maintaining strength of core business as renewable transformation continues

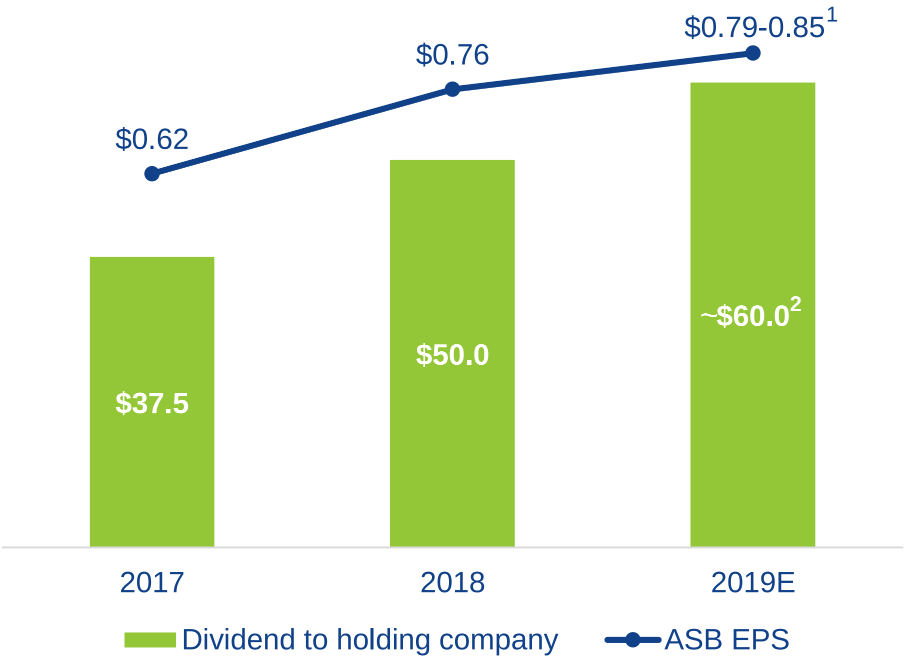
- **Utility awarded 50-year Army privatization contract through competitive process**
  - Subject to Commission approval, utility to own, operate and maintain electric distribution system serving Army's 12 O‘ahu installations beginning ~late 2021
  - Earnings impact not expected to be material; utility already provides electricity to Army
- **Initiatives underway to improve cost-effectiveness**
  - Enterprise system (ERP) already delivering savings; steady state benefits to start in 2020, a year early
  - One Company consolidation and standardization
  - Oahu facilities consolidation
  - Expanding use of technologies to reduce costs
  - Benefit program evaluation
- **Regular rate case cycle continuing prior to PBR implementation**
  - Hawaii Electric Light 2019 rate case: Partial settlement filed in Sept.; interim rates anticipated Nov. 2019
  - Hawaiian Electric 2020 rate case: Filed application in Aug.; interim rates expected by July 2020

Bank performing well despite continued low interest rate environment

Quarterly earnings increased, margins remain healthy

- YTD net interest margin remained strong despite more challenging interest rate environment
- Another quarter of solid loan growth reflects strength of customer relationships
- Management tightened focus on expense control in response to yield curve shift

Former bank headquarters sold October 2019; gain to be reflected in 4Q19.



1 2019 guidance range.
2 Estimated 2019 ASB dividend to holding company (rounded to nearest $10 million).

Pacific Current initiatives highlight focus on sustainability

Recent developments

- Contract to provide locally-produced biofuels for Hamakua Energy facility advances Hawaii Island energy independence and energy security, supports local economy
- 5 solar + storage projects with University of Hawaii continue through construction phase
- Launch of EverCharge Hawaii joint venture to help advance EV adoption by addressing multi-unit dwelling charging challenges
  - System does not require expensive building infrastructure upgrades, making EV charging installation more affordable and scalable

Hawaii economy remains stable

Moderate pace of growth

Tourism

	Sept. 2019 vs Sept. 2018	YTD 2019 vs YTD 2018
Total arrivals	+3.5%	+5.5%
Total expenditures	-3.9%	-0.1%

Unemployment

- September 2019 – Hawaii: 2.7%; U.S.: 3.5%

Real Estate

- YTD September 2019 Oahu sales volume vs PY:
  - Single family homes, up 0.8%
  - Condominiums, down 6.7%
- YTD September 2019 Oahu median sales prices vs PY:
  - Single family homes: $785,000, down 0.5%
  - Condominiums: $425,000, down 1.0%

Real State GDP

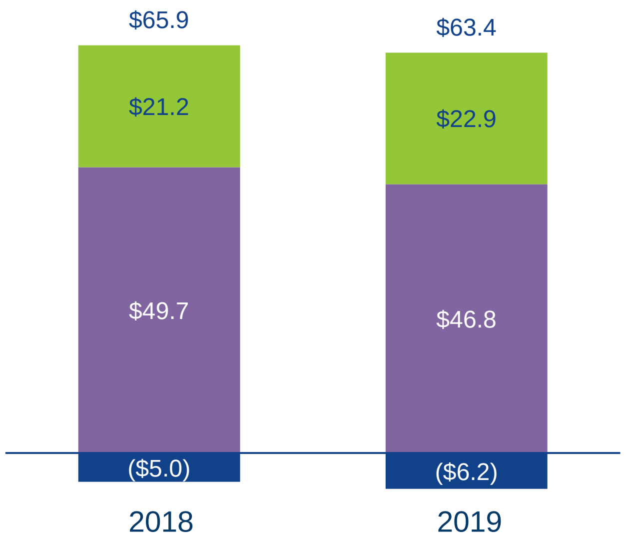
- Expected to increase 1.1% in 2019, 1.2% in 2020

Sources: Department of Business, Economic Development and Tourism (DBEDT), Hawaii Tourism Authority, U.S. Bureau of Labor Statistics, Hawaii State Department of Labor and Industrial Relations, Title Guaranty Hawaii. 2019 real state GDP estimate from DBEDT August 22, 2019 outlook.

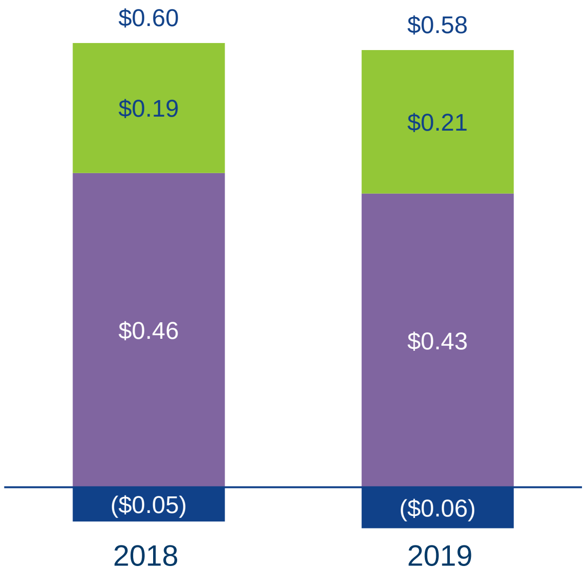
Q3 2019 financial performance

Q3 Net Income (GAAP)

($ in millions)

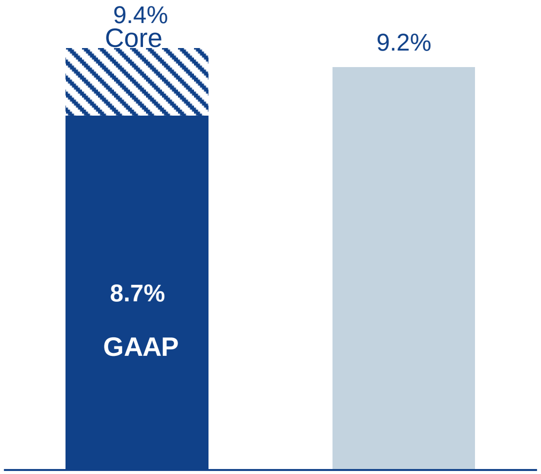


Q3 Diluted EPS (GAAP)



Utility Bank Holding Co. & Other

Consolidated LTM ROE[1]

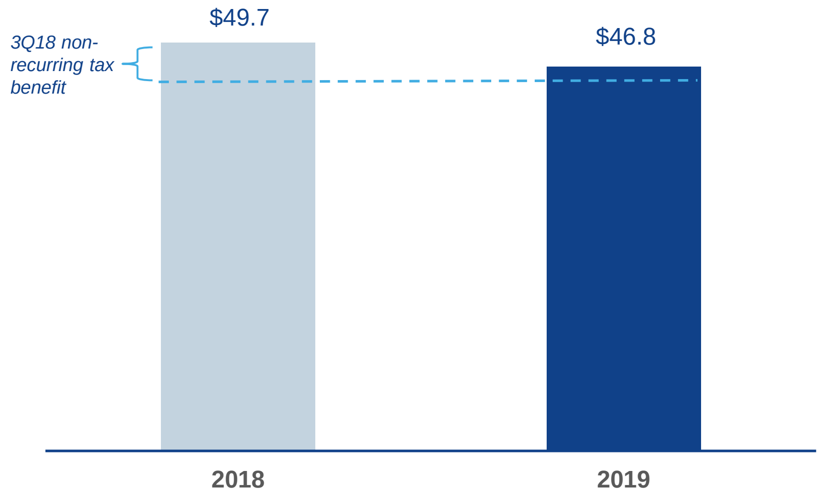


	2018	2019
Utility	7.2% GAAP/ 7.7% Core	7.6%
Bank[1]	13.8%	13.7%

Note: Columns may not foot due to rounding.
1 Bank ROE is for quarter ended September 30.

Q3 2019 utility financial highlights
($ in millions)

UTILITY NET INCOME



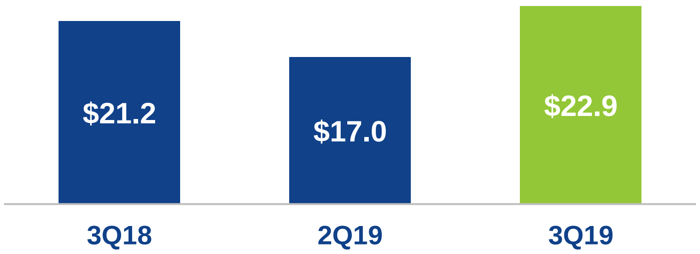
Key utility earnings drivers, after-tax fav/(unfav)	3Q19 vs 3Q18
New rates (Maui Electric) and RAM revenues	6
MPIR revenues	2
Higher AFUDC and lower interest	2
Pole attachment fees	1
Operations and maintenance (O&M)[1]	(8)
Q3 2018 tax adjustments	(5)
Depreciation	(2)

Utility O&M expense, pre-tax fav/(unfav)	3Q19 vs 3Q18
Higher generation overhaul costs	(4)
Higher preventive/corrective expense for generating facilities	(2)
Reset of pension costs included in rates as part of rate case decisions	(1)
Higher vegetation management costs	(1)
Higher medical premium costs	(1)
Higher consulting services for grid modernization projects	(1)

1 Includes pension but excludes net income neutral items covered by a surcharge or third party.

Q3 2019 bank performance

BANK NET INCOME
($ IN MILLIONS)

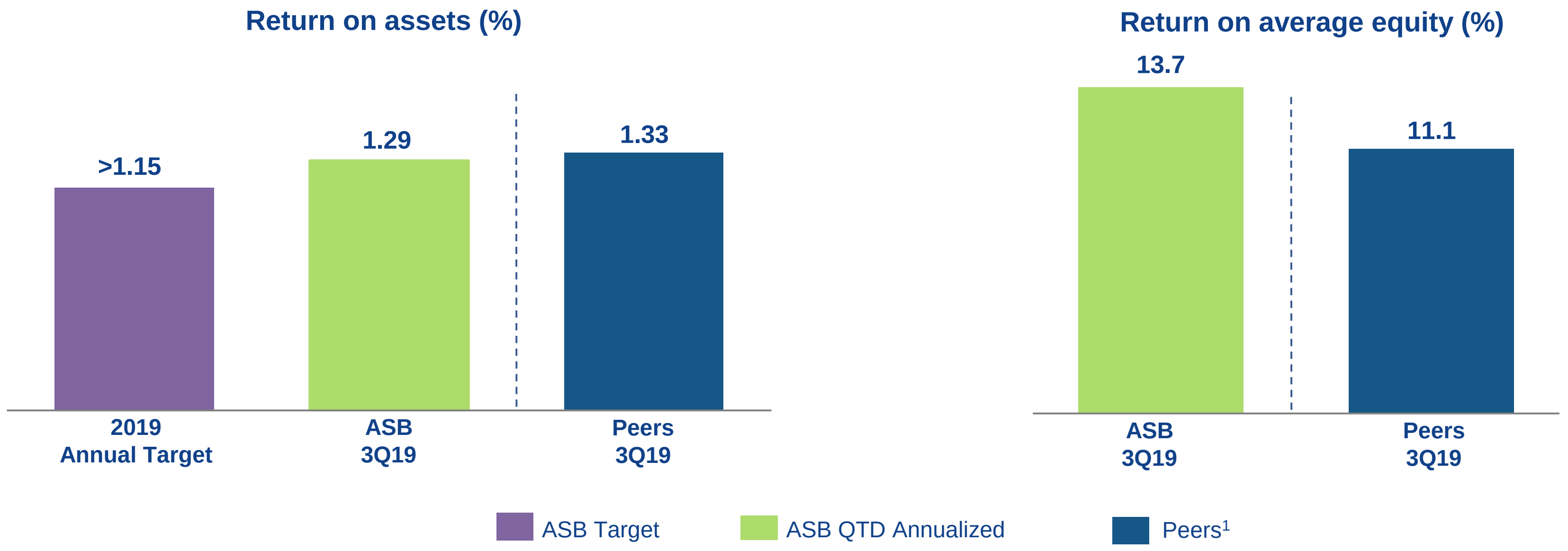


Key bank earnings drivers, after-tax fav/(unfav)	3Q19 vs 2Q19	3Q19 vs 3Q18
Net interest income	-	1
Provision for loan losses	3	2
Noninterest income	1	1
Noninterest expense	2	(2)

SUMMARY OF ASB CAPITAL ADEQUACY RATIOS
(SEPT. 30, 2019)

	Common equity tier 1	Tier 1 capital	Total capital	Tier 1 leverage
As of 09/30/19	12.83%	12.83%	13.96%	8.79%
"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%

Bank profitability metrics

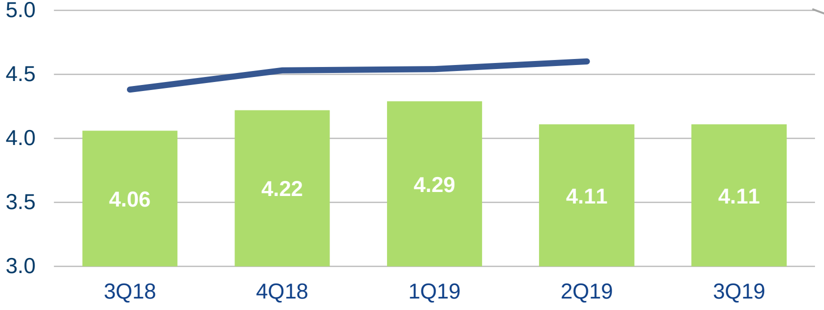


Source for peer data: SNL Financial (based upon data available as of October 30, 2019).
Note: Quarterly and YTD information are annualized.
1 See Appendix for ASB peer group information.

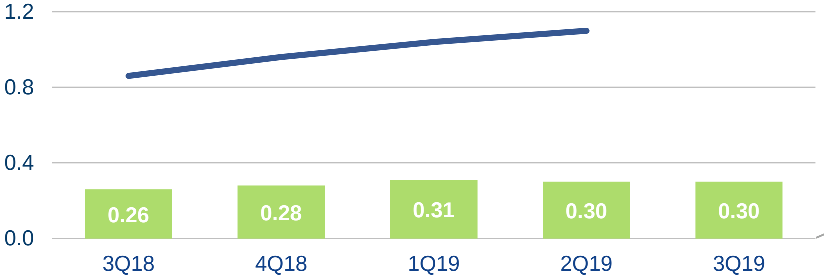
Net interest margin

YTD NIM 3.87%

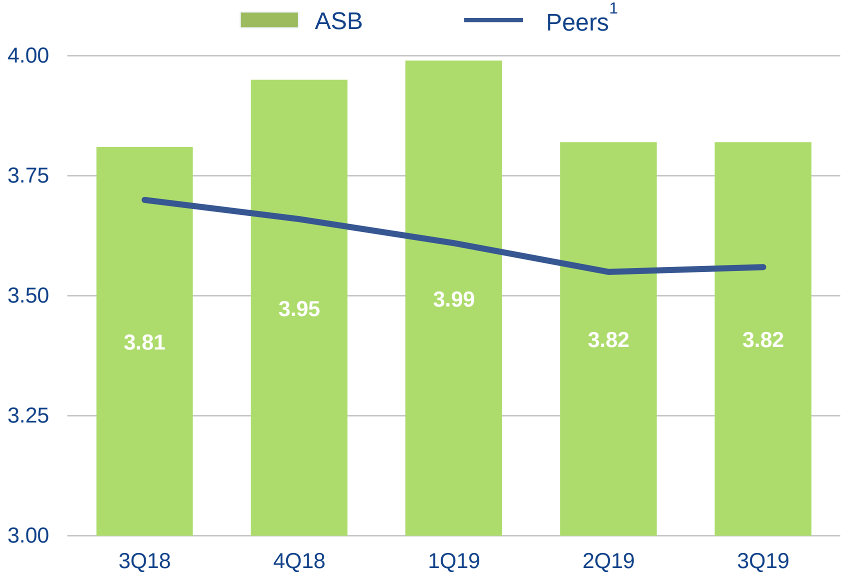
ASSET YIELD



COST OF FUNDS (%)



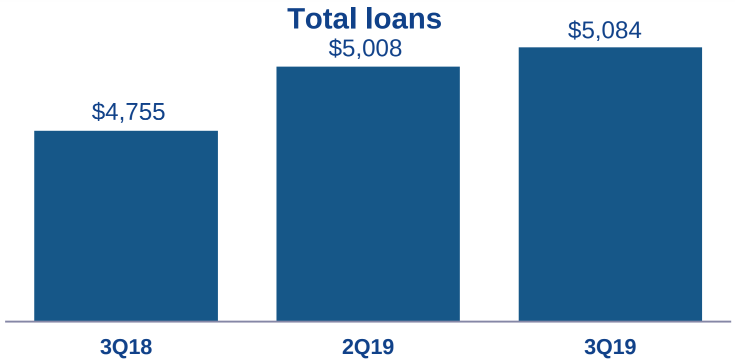
NET INTEREST MARGIN (%)

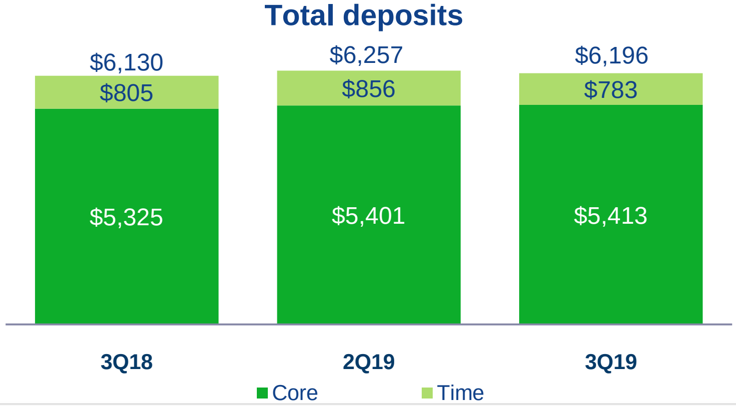


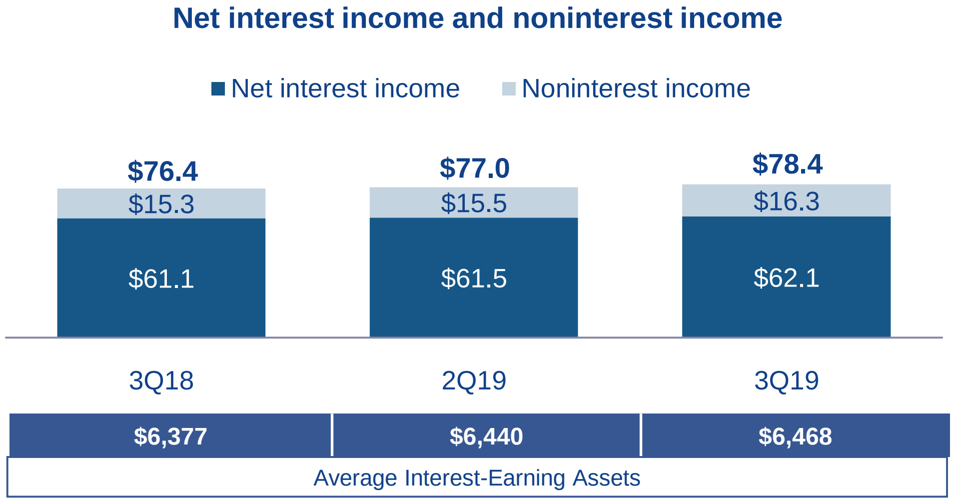
Source for peer data: SNL Financial (based on data available as of October 30, 2019).
Asset Yield: Total interest income as a percentage of average interest-earning assets.
Cost of funds: Total interest expense as a percentage of average interest-bearing and non-interest bearing liabilities.
Net Interest 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 ($ in millions)

6.6% annualized loan growth, 2.1% annualized core deposit growth



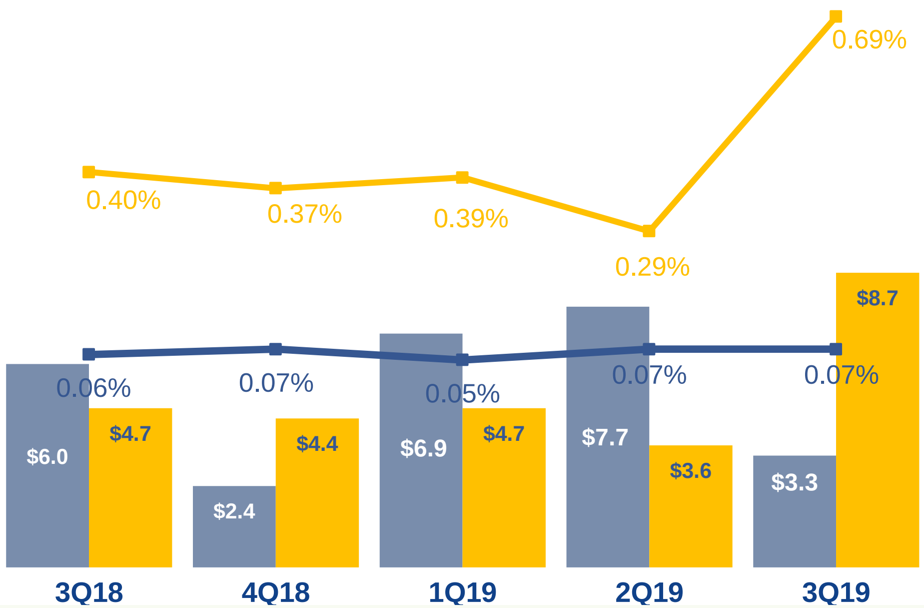




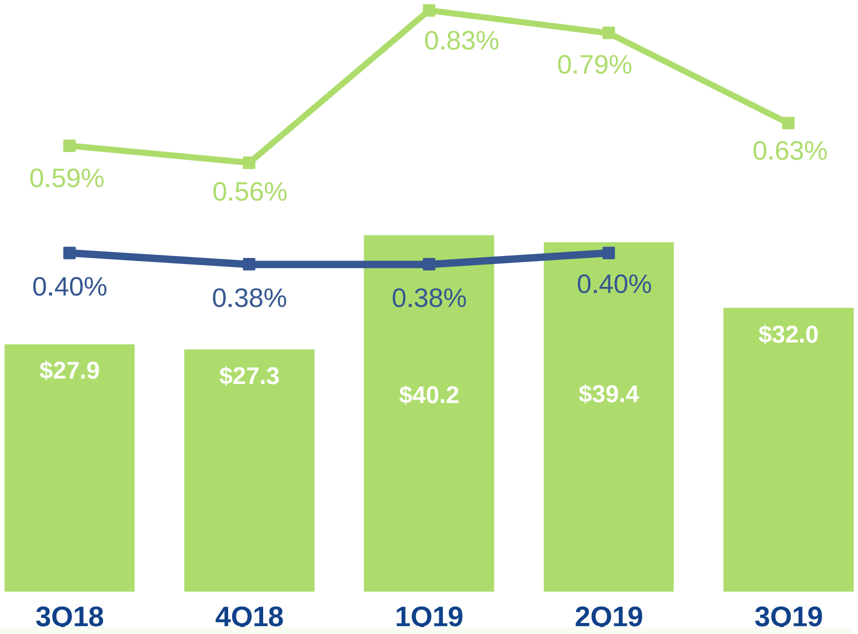
Note: Columns may not foot due to rounding.

Prudent credit quality management

Net charge-offs[1]



Nonaccrual loans[2]



ASB Provision for loan losses ASB Net charge-offs ASB Nonaccrual loans Peer ratios[3]

Source for peer data: SNL Financial (based upon data available as of October 30, 2019). Where available, Q3 2019 data has been used for peers. Otherwise Q2 2019 data used.

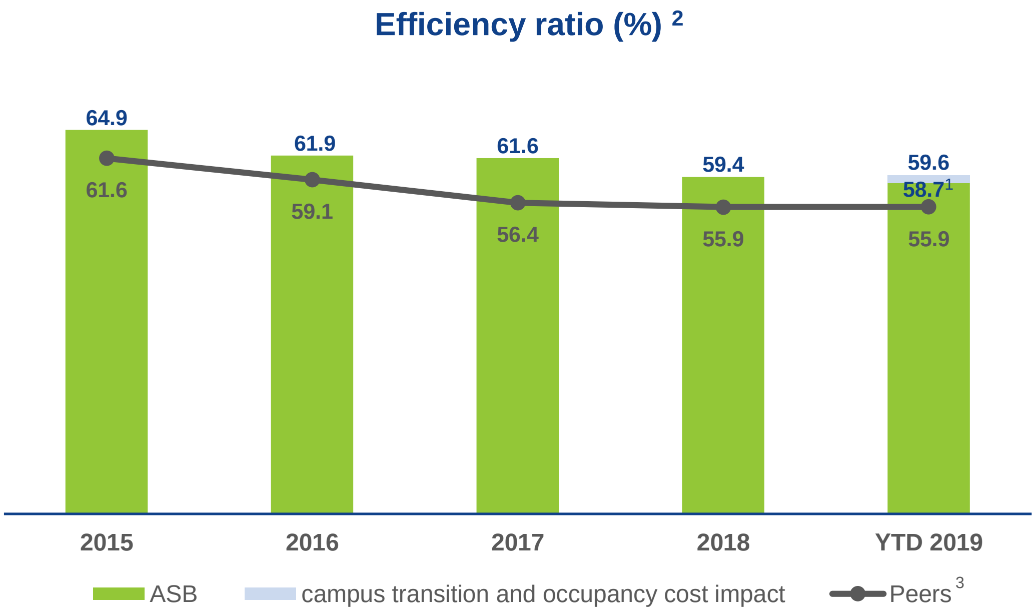
[1] Quarterly net charge-off ratio reflected as a percentage of average loans held during the period.

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

[3] See Appendix for ASB peer group information.

Efficiency improvement remains a key focus

- ✓ **ASB's efficiency ratio continues improving trajectory** (excluding campus transition costs, 58.7% Q319 YTD versus 59.4% 2018)[1]
- ✓ **Targeting an average of ~100 basis points of improvement per year through 2021**



Source for peer data: SNL Financial (based on data available as of October 30, 2019).
1 Excluding year-to-date campus transition and occupancy costs from reported non-interest expense of $139.2 million year-to-date, the efficiency ratio is 58.7% year-to-date (versus 59.6% on a reported basis).
2 Calculated as non interest expense / (net interest income before provision + noninterest income).
3 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.

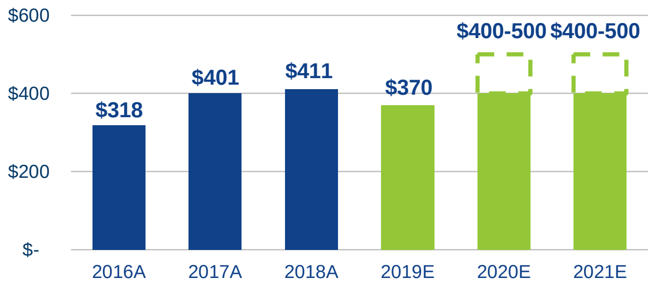
Clean and reliable energy drives capital investment

Compound annual rate base growth of ~5-7% through 2021 even without CIP and West Loch battery projects, as we invest in grid modernization, reliability and resilience

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

CAPITAL EXPENDITURES FORECAST

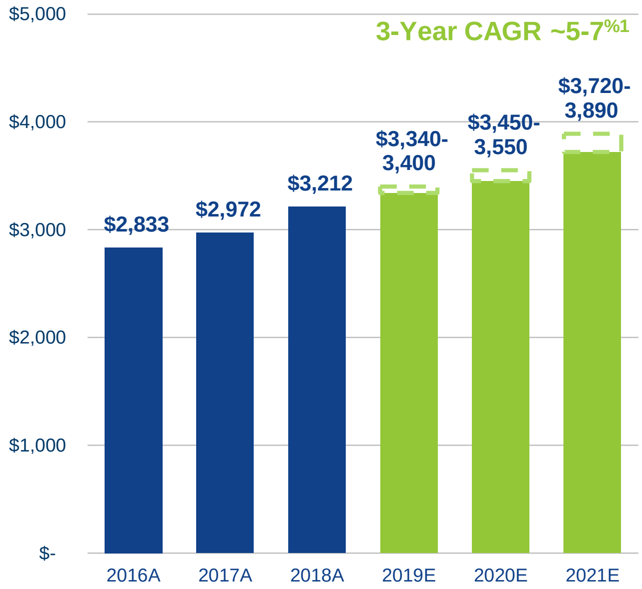
($ in millions)



Major Capex Projects	Forecast 2019	Forecast 2020	Forecast 2021
West Loch PV [2]	$14	-	-
Other Major Projects	~$40	~$55	~$100
Grid Modernization Project Phase 1	$10	$31	$40
Baseline Projects	~$306	~$315	~$315

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 forecasted to be placed into service in 4Q19.

HEI 2019 EPS guidance
(as of November 1, 2019)

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 pension[1]: forecasted at 5 – 6% above 2018 levels (excluding 2018 one time charges of ~$7 million, post-tax)
- Rate base growth: 4 – 6% over 2018
- 2019 capex at or above $370 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 $0.03-0.05 per share related to gain from sale of former headquarters, 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] Also excludes O&M expenses covered by surcharges or by third parties that are neutral to net income.

Summary

HEI

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

Hawaiian Electric Company

- Collaborating with stakeholders to advance 100% renewable energy and carbon neutral goals
- Focused on delivering customer value and ensuring affordability, reliability and resilience

American Savings Bank

- Continued strong performance in challenging interest rate environment
- Emphasis on disciplined growth and efficiency improvement
- Focused on making banking easier for customers and deepening customer relationships

Pacific Current

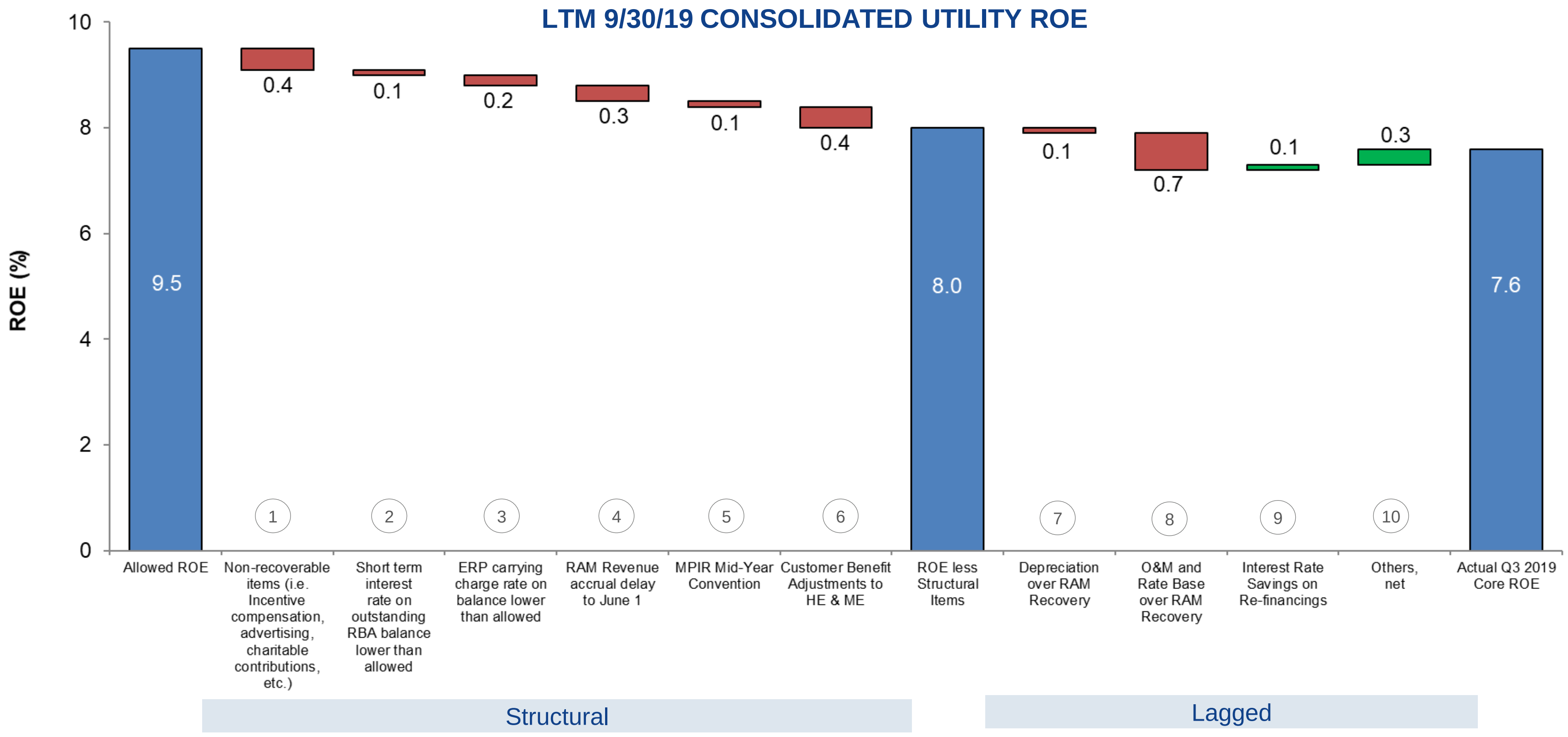
- Optimizing existing assets, and developing new sustainable investment opportunities


HEI
Catalyst for a better Hawaiʻi

Appendix

Catalyst for a better Hawai'i

Utility LTM ROE reflects triennial rate case transition



Customer benefit adjustments in the Hawaiian Electric and Maui Electric rate cases

	Hawaiian Electric Pension Adjustment		Hawaiian Electric Plant Adds Adjustment		Maui Electric Pension Adjustment		Total		
	Rev Req	Net Income	Rev Req	Net Income	Rev Req	Net Income	Rev Req	Net Income	Bps (ROE)
2018	$5,250	$3,552	$4,375	$2,960	$188	$127	$9,813	$6,638	35
2019	$6,000	$4,059	$5,000	$3,383	$450	$304	$11,450	$7,746	39
2020	$4,764	$3,223	$2,083	$1,409	$450	$304	$7,298	$4,937	24
2021	$3,882	$2,626			$378	$256	$4,260	$2,882	13
2022	$3,882	$2,626			$327	$221	$4,209	$2,847	13
2023	$1,617	$1,094			$327	$221	$1,944	$1,315	6
2024					$136	$92	$136	$92	-
Total	**$25,395**	**$17,180**	**$11,458**	**$7,752**	**$2,256**	**$1,526**	**$39,109**	**$26,459**	

Status of key open dockets

Subject and description	Docket #	Latest development	Next milestone
Performance-based regulation Develop new regulations aimed at lowering electricity costs, improving customer service, expanding customer choices, and cost-effectively meeting state clean energy goals	2018-0088	Parties filed initial proposals; working group meetings underway	Financial modeling workshop to be held in Nov.; Parties to file updated proposals in Jan. 2020
Stage 2 RFP Procurement of up to ~900 MW of new renewables and over 500 GWh of storage, as well as grid services	2017-0352	PIMs established in early Oct.; PIM clarification request filed late Oct.; bids due Nov. 5	Selection of priority list Jan. 2020
Integrated Grid Planning (IGP) Next phase of long-range planning, combining planning and procurement of traditional and non-traditional resources	2018-0165	In early stage; initial work plan accepted in Mar.	Resource solution sourcing to begin in 2020
Grid Modernization Outlines plans to implement new technologies to increase utilization of DER while improving reliability and resiliency of the grid	2017-0226; 2018-0141; 2019-0327	Proposed rate design strategy, and application for ADMS[1] component of Phase 2, filed in Sept.	Procedural schedule on ADMS likely issued this year. Utility to file field devices application in 2020
Electrification of Transportation Strategy for increasing adoption of electric vehicles and other electrification activities	2018-0135	Filed 18-mo. EoT workplan Oct. 29; focused on EV rate design and make-ready infrastructure	Workplan proposes filing requests for rates in Q2 2020, and make-ready infrastructure in Q2-Q3 2020
Enterprise Resource Planning Implementation of Utility's Enterprise Resource Planning/Enterprise Asset Management systems (ERP), including cost recovery and accounting treatment	2014-0170	In Oct. PUC accepted proposed stipulated benefits performance metrics	PUC has communicated "minimal need for 'pro active' measures going forward"
Hawaiian Electric rate case 2020 test year rate case for Oahu	2019-0085	Rate case application filed in Aug.	Public hearing to be held Nov. 14
Hawaii Electric Light rate case 2019 test year rate case for Hawaii Island	2018-0368	Statement of probable entitlement filed in Oct. following Sept. partial settlement	Interim decision expected mid-Nov.

1 Advanced Distribution Management System

Regulatory evolution: Performance-based regulation (PBR)

	Potential changes from PBR
3-year rate case cycle Multi-year rate plans with interim adjustments	*5-year rate plan*
Sales decoupling Provides predictable revenue stream by fixing net revenues at level approved in last rate case (revenues not linked to kWh sales)	*stays in place*
Revenue adjustment mechanism (RAM) Annually adjusts revenue to recover general “inflation” of operations and maintenance expenses and baseline plant additions between rate cases	*replaced with annual revenue adjustment*
Major Projects Interim Recovery adjustment mechanism (MPIR) Permits recovery of costs for major capital projects including but not restricted to projects to advance transformational efforts	*stays in place, with possible modifications*
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; utility upside/downside capped at $2.5 million	*stay in place*
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	*stay in place*
Renewable energy infrastructure program Available for recovery of renewable energy infrastructure projects through a surcharge	*stays in place*
Performance incentive mechanisms Performance incentive mechanisms for reliability, customer call center and renewable procurement	*additional PIMs*

Regulatory evolution: Performance-based regulation (PBR)

Phase 1 D&O established conceptual framework

Conceptual framework established

Guiding principles

- **A customer-centric approach,** including immediate "day 1" savings when the new regulations take effect
- **Administrative efficiency** to reduce regulatory burdens to the utility and stakeholders
- **Utility financial integrity** to maintain the utility's financial health, including access to low-cost capital

Goals and outcomes

Enhance customer experience	Improve utility performance	Advance societal outcomes
• Affordability • Reliability • Interconnection experience • Customer engagement	• Cost control • DER asset effectiveness • Grid investment efficiency	• Capital formation • Customer equity • GHG reduction • Electrification of transportation • Resilience

Regulatory goals   Priority outcomes

PBR structure

Revenue adjustment mechanisms

- ✓ **Maintain revenue decoupling and existing cost trackers**
- ✓ **5-year multi-year rate plan**
- ✓ **Annual formulaic revenue adjustment** (formula includes inflation and adjustments for productivity, unexpected costs outside utility's control, customer dividend)
- ✓ **Upside and downside earnings sharing mechanism**
- ✓ **Major Project Interim Recovery (MPIR)** maintained, but may be modified
- ✓ **Off-ramps** to provide for review of PBR mechanisms

Performance mechanisms

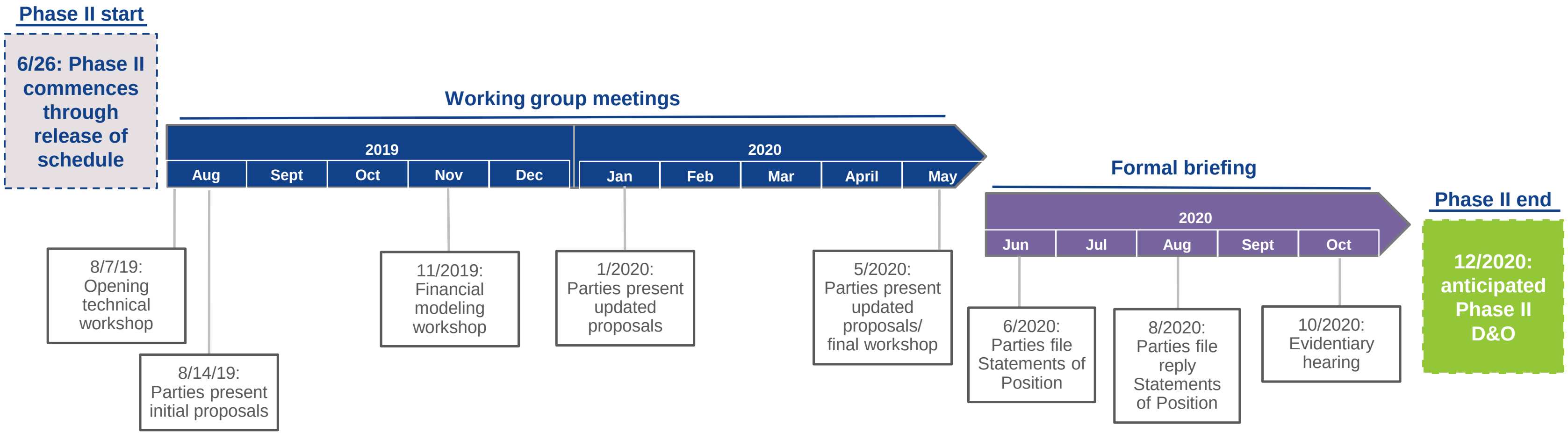
- ✓ **New Performance incentive mechanisms** to drive achievement on Interconnection Experience; Customer Engagement; and DER Asset Effectiveness
- ✓ **Shared savings mechanisms** to drive achievement on Grid Investment Efficiency and Cost Control, mitigation of capex bias, and cost effective solutions for customers
- ✓ **New scorecards and reporting metrics** to track progress/highlight performance across a variety of PBR outcomes

Performance based regulation—Phase II schedule

PBR Phase II in progress

Phase II continues collaborative approach from Phase I, and includes workshops and working group meetings to develop, present, and evaluate stakeholder proposals

- *Timeline is measured and shows PUC's commitment to gradualism in implementing PBR*
- *Collaborative format is focused on creating a thoughtful process that minimizes risk of unintended consequences*



Hawaiian Electric 2020 rate case status
Hawaii PUC docket no. 2019-0085

	Final D&O (2017 test year) (6/22/18) (eff. 9/1/18)	Application (2020 Test Year) (8/21/19)
Amount requested	Commission approves Parties' Stipulated Settlement Agreements filed on November 15, 2017 and March 5, 2018.	$77.6 million (4.1% increase over revenues at current effective rates)
Deprec. & amort. expenses	$123.5M	$137.1
Return on average common equity	9.5% with mechanisms	10.5% with mechanisms
Common equity capitalization (%)	57.10%	57.15%
Return on rate base	7.57%	7.97%
Average rate base	$1,993M	$2,477M
GWh sales	6,660.2	6,474.5

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.

Hawaii Electric Light 2019 rate case updates

Hawaii PUC docket no. 2018-0368

	Application (2019 Test Year) (12/14/18)[1]	Partial Settlement (9/24/19)[3, 4]	
		(Hawaii Electric Light's position)	(for interim rate relief purposes)[5]
Amount requested	$13.4M (3.4% increase over revenues at current effective rates)[2]	$7.1M (1.8% increase over revenues at current effective rates)[2]	$2.8M (0.7% increase over revenues at current effective rates)[2]
Deprec. & amort. expenses	$38.0M	$36.6M	$36.6M
Return on average common equity	10.50% with mechanisms	10.50% with mechanisms	9.5% with mechanisms
Common equity capitalization (%)	56.91%	56.83%	56.83%
Return on rate base	8.30%	8.09%	7.52%
Average rate base	$536.9M	$533.8M	$533.9M
GWh sales	1,061.7	1,061.7	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 Includes Hu Honua in the 2019 test year.
2 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 increases or decreases in electric sales since the 2016 test year) and other operating revenues.
3 Excluding Hu Honua from the 2019 test year.
4 In the Stipulated Partial Settlement Agreement, the Parties settled on all issues in this proceeding, except for ROE, capital structure, amortization period of state ITC, and symmetric or asymmetric automatic annual target heat rate adjustment.
5 For interim rate relief purposes, the Company's proposed revenue requirement and interim increase based on an ROE of 9.50%, resulting ROR of 7.52% and 40-year amortization period for state ITC.

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 (GMS) Phase 1 project

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

West Loch PV project

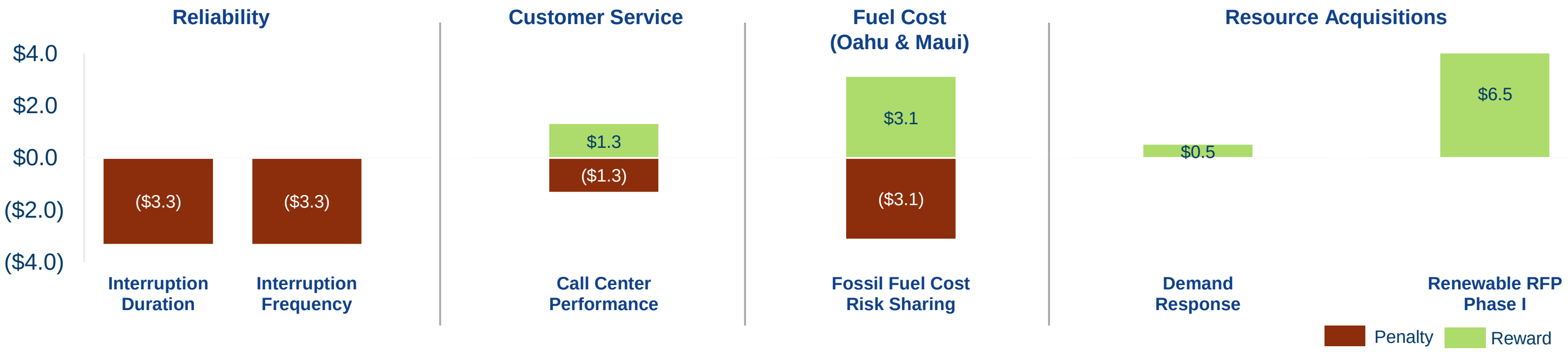
- PUC has affirmed its intention to approve MPIR recovery for this project

Advanced Distribution Management System project

- Companies filed application on September 30, 2019 requesting MPIR recovery of the ADMS component of GMS Phase 2

Performance Incentive Mechanisms (PIMs)

CURRENT PIMs[1] ($ in millions)



PIMS APPROVED BY PUC IN APRIL 2017 FOR ALL THREE COMPANIES[3]

- **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[2]

- **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**

- **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 5/9/20, compared to benchmarks TBD

1 Apply to all companies, except for fossil fuel cost risk sharing, which currently applies to Hawaiian Electric and Maui Electric only. A D&O on Hawai'i Electric Light's proposed fossil fuel cost risk sharing is pending.
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 any penalty for failure to achieve the RPS targets for events/circumstances outside the company's control.
3 In May 2019 the Companies filed an application to modify certain PIM provisions, including the exclusion of scheduled maintenance interruptions from performance for the SAIDI and SAIFI PIMs.

Fossil fuel cost risk sharing

Hawaiian Electric 2017 test year rate case D&O, Maui Electric 2018 test year rate case D&O, Hawaiʻi Electric Light 2019 test year rate case settlement

- In final D&O in Hawaiian Electric 2017 rate case, Commission established fossil fuel cost risk sharing mechanism as part of Energy Cost Recovery Clause
  - Symmetrical mechanism, with utility annual upside / downside capped at $2.5 million
  - Variations in fossil fuel price above or below baseline price shared 98% customers / 2% utility
  - Applies to utility fossil fuel generation (not IPP generation or non-fossil fuels) and includes fuel efficiency impacts
  - Effective January 1, 2019
  - Baseline price for Hawaiian Electric: January fuel prices of each year for each fossil fuel type

January 2019 fuel price: $83.76/bbl

- In final D&O in Maui Electric 2018 rate case, Commission established fossil fuel cost risk sharing mechanism for Maui Electric
  - Features similar to those at Hawaiian Electric
  - Utility annual upside / downside capped at $633k annually (cap for 2019 is prorated based on calendar days remaining in year from effective date)
  - Effective September 1, 2019 (baseline for remainder of 2019 is based on September fuel prices)

Maui September 2019 fuel prices:
IFO: $58.51/bbl
Diesel: $92.69/bbl

- In the Parties' Stipulated Partial Settlement in Hawaiʻi Electric Light 2019 rate case, the Parties agreed to implement fossil fuel cost risk sharing. A D&O from the Commission is pending.
  - Features similar to those at Hawaiian Electric
  - Utility annual upside / downside capped at $600k annually
  - Proposed to be effective at the time of implementation of final rates

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
- Phase 1 implementation approved March 2019; $86 million total in 2019-2023; cost recovery through MPIR, subject to certain conditions, including fixed and variable cost caps, which “allow cost recovery for faster and broader deployment of advanced meters than the Companies propose in the Application, and the Companies should consider doing so”
- On Sept. 30, 2019, utility filed application for approval of the Advanced Distribution Management System (ADMS) component ($46 million over four years) of Phase 2 of implementation

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 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 increasing 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, 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);
- 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 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 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, 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;
- 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;
- 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 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;
- the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" in 2020, which may require an increase in the allowance for loan losses and result in more volatility in the provision for loan losses;
- 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;
- the impact of activism that could delay the construction, or preclude the completion, of third-party or Utility projects that are required to meet electricity demand and RPS goals; 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.

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

HEI and Hawaiian Electric management use certain non-GAAP measures, which exclude certain items that are not reflective of ongoing operations or that are not expected to reoccur, to evaluate the performance of HEI and the utility. Management believes these non-GAAP measures provide useful supplemental information and are a better indicator of the companies' core operating activities. Core earnings and other financial measures as presented below may not be comparable to similarly titled measures used by other companies. The accompanying tables provide a reconciliation of reported GAAP[1] earnings to non-GAAP core earnings and the adjusted return on average common equity (ROACE) for HEI and the utility.

The reconciling adjustments from GAAP earnings to core earnings exclude the 2017 impact of the federal tax reform act due to the adjustment of the deferred tax balances and the $1,000 non-executive 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) 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 GAAP[1] TO NON-GAAP MEASURES

Hawaiian Electric Industries, Inc. and Subsidiaries (HEI)

Unaudited ($ in millions)	Twelve months ended September 30 2019	2018
HEI CONSOLIDATED NET INCOME		
GAAP (as reported)	**$ 201.2**	**$ 184.6**
Excluding special items (after-tax):		
One-time non-executive bank employee bonus related to federal tax reform	—	0.7
Federal tax reform impacts[2]	—	13.4
Non-GAAP (core) net income	**$ 201.2**	**$ 198.7**
HEI CONSOLIDATED AVERAGE COMMON EQUITY	**$ 2,187.4**	**$ 2,117.5**
HEI CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	9.2%	**8.7%**
Based on non-GAAP (core)[3]	9.2%	**9.4%**

Note: Columns may not foot due to rounding

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

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

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

RECONCILIATION OF GAAP[1] TO NON-GAAP MEASURES

Hawaiian Electric Company, Inc. (Hawaiian Electric) and Subsidiaries

Unaudited

	Twelve months ended September 30			
($ in millions)	**2019**		**2018**	
HAWAIIAN ELECTRIC CONSOLIDATED NET INCOME				
GAAP (as reported)	$	**146.8**	$	**133.7**
Excluding special items (after-tax):				
Federal tax reform impacts[2]		—		9.2
Non-GAAP (core) net income	$	**146.8**	$	**142.9**
HAWAIIAN ELECTRIC CONSOLIDATED AVERAGE COMMON EQUITY	$	**1,934.7**	$	**1,852.7**
HAWAIIAN ELECTRIC CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)				
Based on GAAP		**7.6%**		**7.2%**
Based on non-GAAP (core)[3]		**7.6%**		**7.7%**

	Three months ended September 30				Nine months ended September 30			
(in millions)	**2019**		**2018**		**2019**		**2018**	
HAWAIIAN ELECTRIC CONSOLIDATED OTHER OPERATION AND MAINTENANCE (O&M) EXPENSE								
GAAP (as reported)	$	**124.4**	$	**113.6**	$	**361.8**	$	**333.8**
Excluding other O&M-related net income neutral items[4]		0.4		0.2		0.5		0.7
Non-GAAP (Adjusted other O&M expense)	$	**124.0**	$	**113.3**	$	**361.3**	$	**333.1**

Note: Columns may not foot due to rounding

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

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

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

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