CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- international, national and local economic and political conditions--including the state of the Hawaii tourism, defense and construction industries; the strength or weakness of the Hawaii and continental U.S. real estate markets (including the fair value and/or the actual performance of collateral underlying loans held by ASB, which could result in higher loan loss provisions and write-offs); decisions concerning the extent of the presence of the federal government and military in Hawaii; the implications and potential impacts of U.S. and foreign capital and credit market conditions and federal, state and international responses to those conditions; and the potential impacts of global developments (including global economic conditions and uncertainties; unrest; the conflict in Syria; the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; terrorist acts; potential conflict or crisis with North Korea; and potential pandemics);
- the effects of future actions or inaction of the U.S. government or related agencies, including those related to the U.S. debt ceiling, monetary policy, trade policy and tariffs, and other policy and regulation changes advanced or proposed by President Trump and his administration;
- weather and natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the potential effects of climate change, such as more severe storms and rising sea levels), including their impact on the Company's and Utilities' operations and the economy;
- the timing and extent of changes in interest rates and the shape of the yield curve;
- the ability of the Company and the Utilities to access the credit and capital markets (e.g., to obtain commercial paper and other short-term and long-term debt financing, including lines of credit, and, in the case of HEI, to issue common stock) under volatile and challenging market conditions, and the cost of such financings, if available;
- the risks inherent in changes in the value of the Company’s pension and other retirement plan assets and ASB’s securities available for sale;
- changes in laws, regulations (including tax regulations), market conditions and other factors that result in changes in assumptions used to calculate retirement benefits costs and funding requirements;
- the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) and of the rules and regulations that the Dodd-Frank Act requires to be promulgated;
- increasing competition in the banking industry (e.g., increased price competition for deposits, or an outflow of deposits to alternative investments, which may have an adverse impact on ASB’s cost of funds);
- the potential delay by the Public Utilities Commission of the State of Hawaii (PUC) in considering (and potential disapproval of actual or proposed) renewable energy proposals and related costs; reliance by the Utilities on outside parties such as the state, independent power producers (IPPs) and developers; and uncertainties surrounding technologies, solar power, wind power, biofuels, environmental assessments required to meet renewable portfolio standards (RPS) goals and the impacts of implementation of the renewable energy proposals on future costs of electricity;
- the ability of the Utilities to develop, implement and recover the costs of implementing the Utilities’ action plans included in their updated Power Supply Improvement Plans (PSIPs), Demand Response Portfolio Plan, Distributed Generation Interconnection Plan, Grid Modernization Plans, and business model changes, which have been and are continuing to be developed and updated in response to the orders issued by the PUC, the PUC’s April 2014 statement of its inclinations on the future of Hawaii’s electric utilities and the vision, business strategies and regulatory policy changes required to align the Utilities’ business model with customer interests and the state’s public policy goals, and subsequent orders of the PUC;
- capacity and supply constraints or difficulties, especially if generating units (utility-owned or IPP-owned) fail or measures such as demand-side management, distributed generation, combined heat and power or other firm capacity supply-side resources fall short of achieving their forecasted benefits or are otherwise insufficient to reduce or meet peak demand;
- fuel oil price changes, delivery of adequate fuel by suppliers and the continued availability to the electric utilities of their energy cost adjustment clauses (ECACs);
- the continued availability to the electric utilities or modifications of other cost recovery mechanisms, including the purchased power adjustment clauses (PPACs), rate adjustment mechanisms (RAMs) and pension and postretirement benefits other than pensions

(OPEB) tracking mechanisms, and the continued decoupling of revenues from sales to mitigate the effects of declining kilowatthour sales;

- the ability of the Utilities to achieve performance incentive mechanisms currently in place;
- the impact from the PUC's implementation of performance-based ratemaking for the Utilities pursuant to Senate Bill No. 2939 SD2, including the potential addition of new performance incentive mechanisms, third party proposals to the PUC's implementation of PBR, and the implications of not achieving performance incentive goals;
- the impact of fuel price volatility on customer satisfaction and political and regulatory support for the Utilities;
- the risks associated with increasing reliance on renewable energy, including the availability and cost of non-fossil fuel supplies for renewable energy generation and the operational impacts of adding intermittent sources of renewable energy to the electric grid;
- the growing risk that energy production from renewable generating resources may be curtailed and the interconnection of additional resources will be constrained as more generating resources are added to the Utilities' electric systems and as customers reduce their energy usage;
- the ability of IPPs to deliver the firm capacity anticipated in their power purchase agreements (PPAs);
- the potential that, as IPP contracts near the end of their terms, there may be less economic incentive for the IPPs to make investments in their units to ensure the availability of their units;
- the ability of the Utilities to negotiate, periodically, favorable agreements for significant resources such as fuel supply contracts and collective bargaining agreements;
- new technological developments that could affect the operations and prospects of the Utilities and ASB or their competitors such as the commercial development of energy storage and microgrids and banking through alternative channels;
- cyber security risks and the potential for cyber incidents, including potential incidents at HEI, its third-party vendors, and its subsidiaries (including at ASB branches and electric utility plants) and incidents at data processing centers they use, to the extent not prevented by intrusion detection and prevention systems, anti-virus software, firewalls and other general information technology controls;
- any failure in the implementation of the ERP/EAM system could adversely affect the Utilities' ability to timely and accurately report financial information and make payments to vendors and employees;
- 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 and 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;
- changes by securities rating agencies in their ratings of the securities of HEI and Hawaiian Electric and the results of financing efforts;
- faster than expected loan prepayments that can cause an acceleration of the amortization of premiums on loans and investments and the impairment of mortgage-servicing assets of ASB;
- changes in ASB's loan portfolio credit profile and asset quality which may increase or decrease the required level of provision for loan losses, allowance for loan losses and charge-offs;

- changes in ASB's deposit cost or mix which may have an adverse impact on ASB's cost of funds;
- the final outcome of tax positions taken by HEI 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, 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.

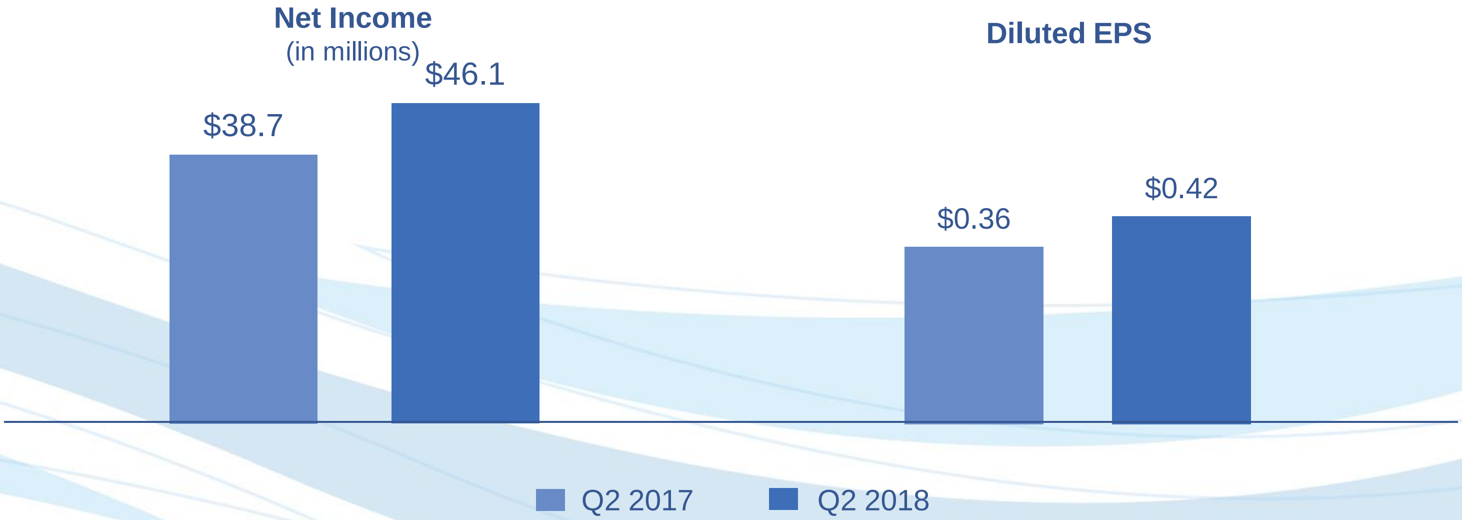
Hawaiian Electric Industries, Inc.
Second Quarter 2018 Financial Results and Outlook

August 3, 2018

Catalyst for a better Hawai'i

2Q 2018 consolidated earnings results

- Strong consolidated earnings growth
- Includes second consecutive quarter of record bank quarterly net income
- Reaffirming 2018 earnings guidance



Continued progress on utility initiatives

Hawaiian Electric Highlights

- **Key milestones reached in transition back to triennial rate case cycle**
  - Final decisions in 2017 Hawaiian Electric and 2016 Hawaii Electric Light rate cases
    - Hawaiian Electric decision includes symmetrical fossil fuel risk sharing component: 98% customer/ 2% utility; utility upside / downside capped at $2.5M
  - 2018 Maui Electric rate case settlement with Consumer Advocate filed; interim decision expected in August
- **Continued momentum toward more renewable energy and expanded customer options**
  - Applied to implement first phase of Grid Modernization Strategy
  - 50 MW Schofield Generating Station in service; recovery approved through major projects interim recovery (MPIR) mechanism
  - Community-Based Renewable Energy (CBRE) tariffs approved by Commission; program accepting project applications
- **National recognition for grid modernization efforts**
  - Named Investor-Owned Utility of the Year by Solar Electric Power Association
  - Smart sensor partnership with Verizon highlighted in national ad campaign
- **Progress in performance-based ratemaking (PBR) docket**
  - Process seeks to further align regulatory framework with state renewable energy policy by building additional performance considerations into existing framework
  - Commission has focused on importance of gradualism and maintaining financial stability of utility
  - PUC Staff Report issued July 10 provided initial set of proposed regulatory goals (i.e., enhance customer experience, improve utility performance, advance societal outcomes) and associated outcomes
  - Initial stakeholder workshop held July 23-24

Solid bank performance; growing Pacific Current

American Savings Bank Highlights

- Continued strong financial performance in healthy Hawaii economy
- Good operating execution and positive tax reform impact
- Focus on making banking easy, deepening customer relationships
- Honolulu campus on track; completion expected this year

AMERICAN
Savings Bank

Pacific Current Highlights

- Focused on sustainable infrastructure investment to advance Hawaii’s goals
- First two projects proceeding well
- Near-term focus on organizational build-out
- Hamakua Energy cash flow helping fund Pacific Current start-up costs

PACIFIC
CURRENT

Hawaii economy continues to grow

Tourism

Year-over-year change	June 2018	YTD 2018
Arrivals	+7.3%	+8.2%
Expenditures	+10.3%	+10.8%

Unemployment

- June 2018 – Hawaii: 2.1%; U.S.: 4.0%

Real Estate

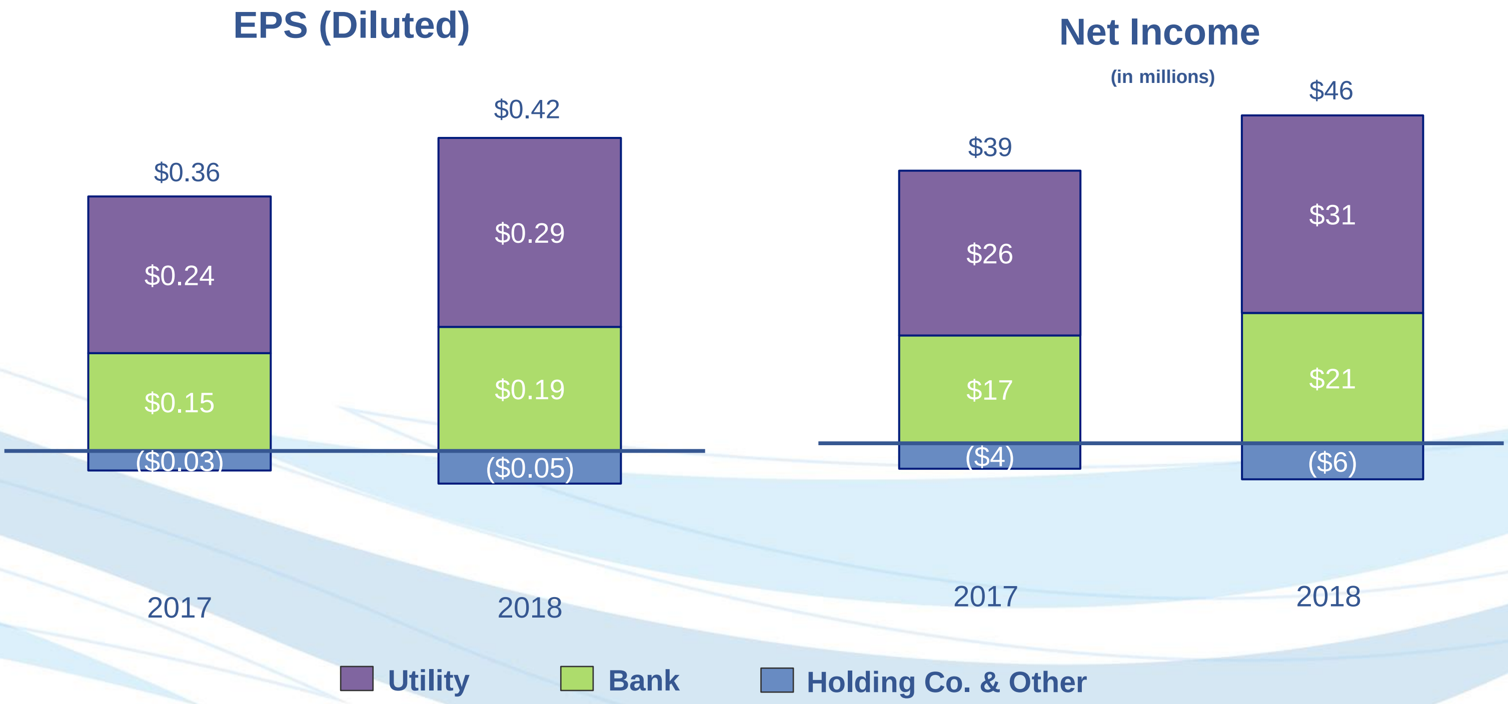
- YTD June 2018 Oahu sales volume:
  - Single family homes, down 1.6 % from the prior year
  - Condominiums, up 1.3% from the prior year
- YTD June 2018 Oahu median sales prices:
  - Single family homes: $779,000, up 3.9% from the prior year
  - Condominiums: $425,000, up 6.5% from the prior year

Real State GDP

- Expected to increase 1.8% in 2018

Sources: Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, U.S. Bureau of Labor Statistics, Hawaii State Department of Labor and Industrial Relations, Title Guaranty Hawaii.
2018 real state GDP estimate from the University of Hawaii Economic Research Organization (UHERO) May 4, 2018 report.

Q2 2018 earnings by segment



Note: Columns may not foot due to rounding

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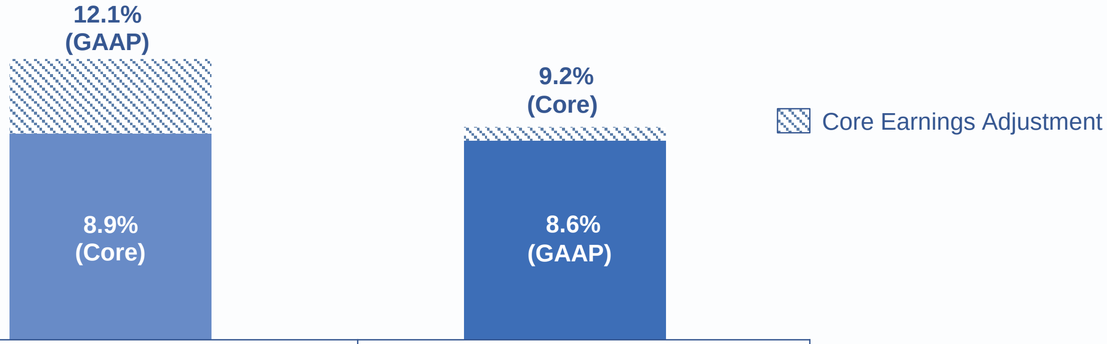
HEI LTM ROE continues to strengthen as utility completes transition to triennial rate cases

- Continued expansion of bank ROE due to tax reform and net interest income growth
- GAAP LTM 6/30/18 ROE includes 4Q17 tax reform impact
- GAAP LTM 6/30/17 ROE includes merger termination fee

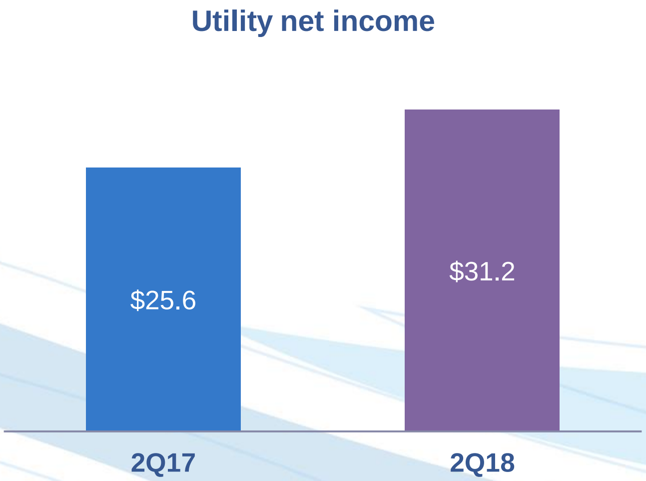
Consolidated HEI ROE
Twelve Months Ended June 30



	2017	2018
Utility	GAAP 7.2% / Core 7.2%	GAAP 7.2% / Core 7.7%
Bank	10.9%	12.3%

See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.
Note: All ROEs calculated using net income divided by average GAAP common equity, simple average method

2Q18 utility financial highlights ($ in millions)



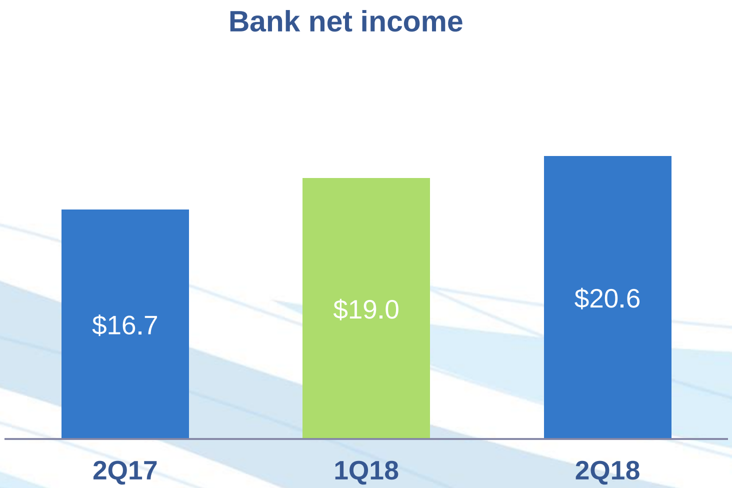
Key utility earnings drivers, after-tax fav/(unfav)	2Q18 vs 2Q17
RAM revenues Interim rate relief for Hawaiian Electric and Hawaii Electric Light	8 (a) 7
Operation & maintenance, excluding net income neutral items	(6)
Depreciation	(2)
Other	(2)

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

Note: Columns may not foot due to rounding

Strong bank financial results ($ in millions)

- Second consecutive quarter of record bank net income
- Driven by higher net interest income and net positive impact of tax reform



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

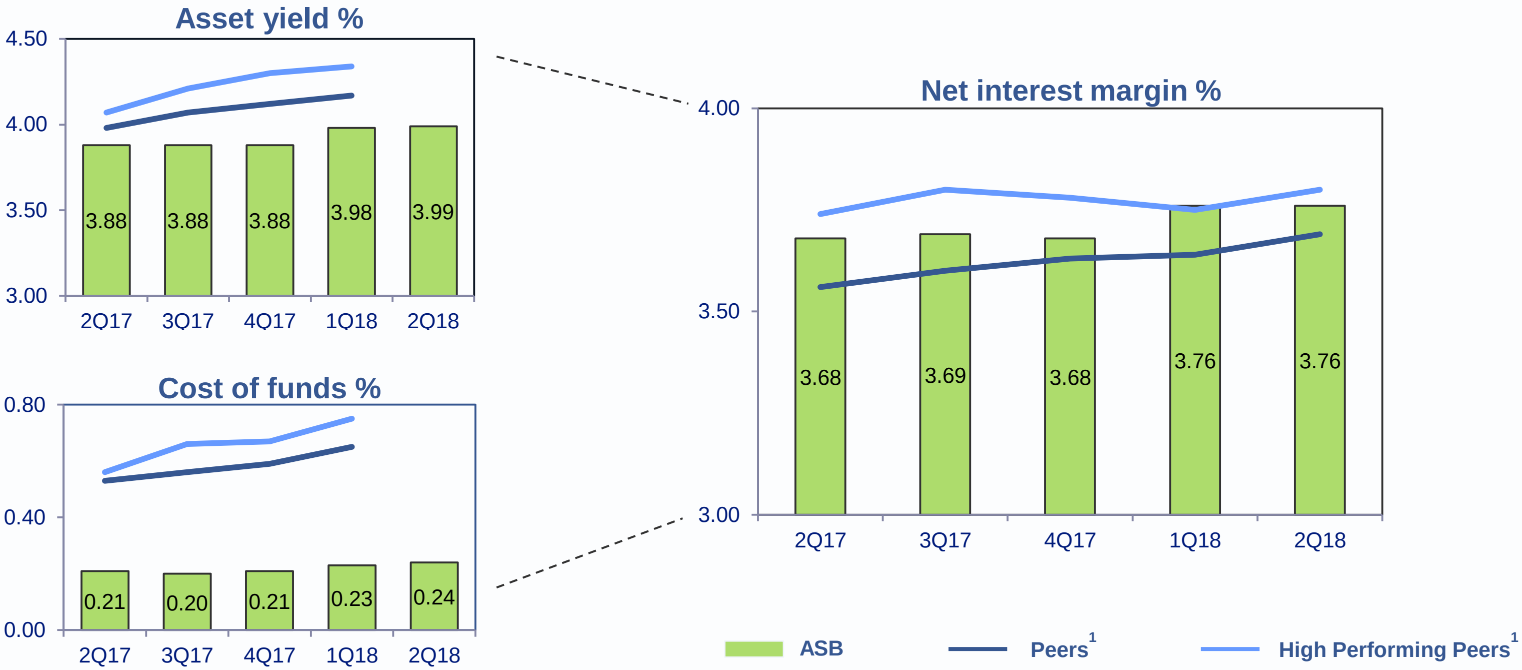
Solid bank profitability

Source for peer data: SNL Financial (based upon data available as of August 2, 2018)
Note: Quarterly and YTD information are annualized

[1] See Appendix for ASB peer group information

Strong net interest margin

- Disciplined management of funding costs



Source for peer data: SNL Financial (based upon data available as of August 2, 2018)
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] See Appendix for ASB peer group information

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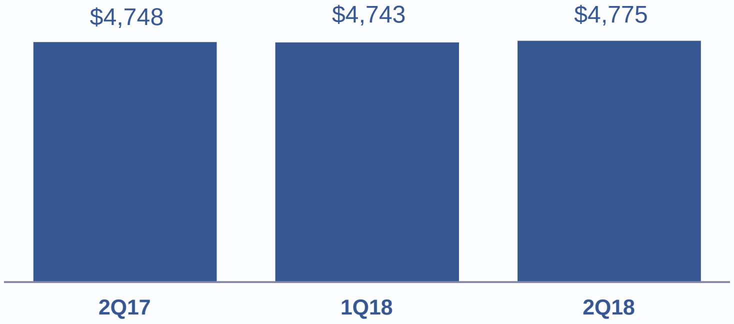
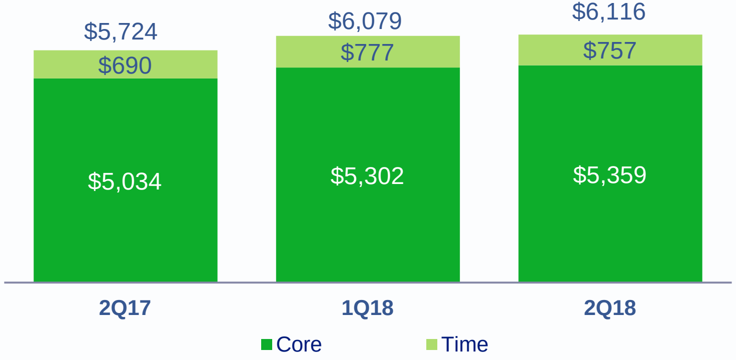
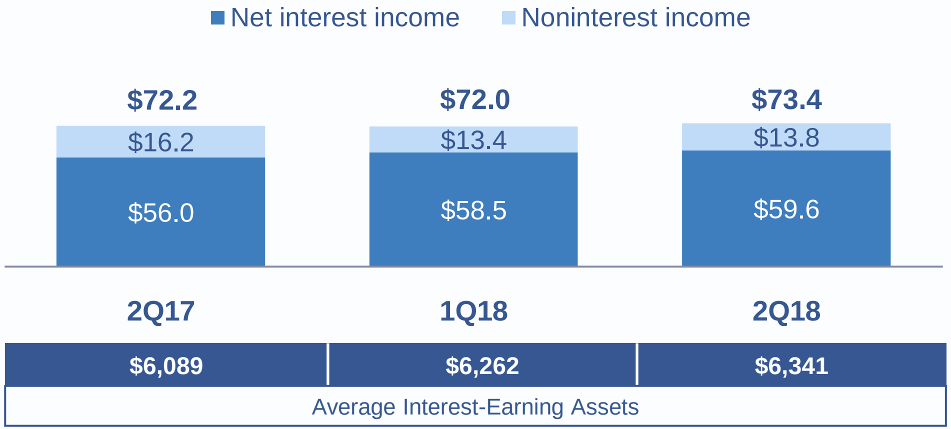
Net interest income growth ($ in millions)

- Driven by good deposit growth that funded earning asset growth
- YTD June 30: 4.4% annualized loan growth, 7.7% annualized deposit growth*


Total loans

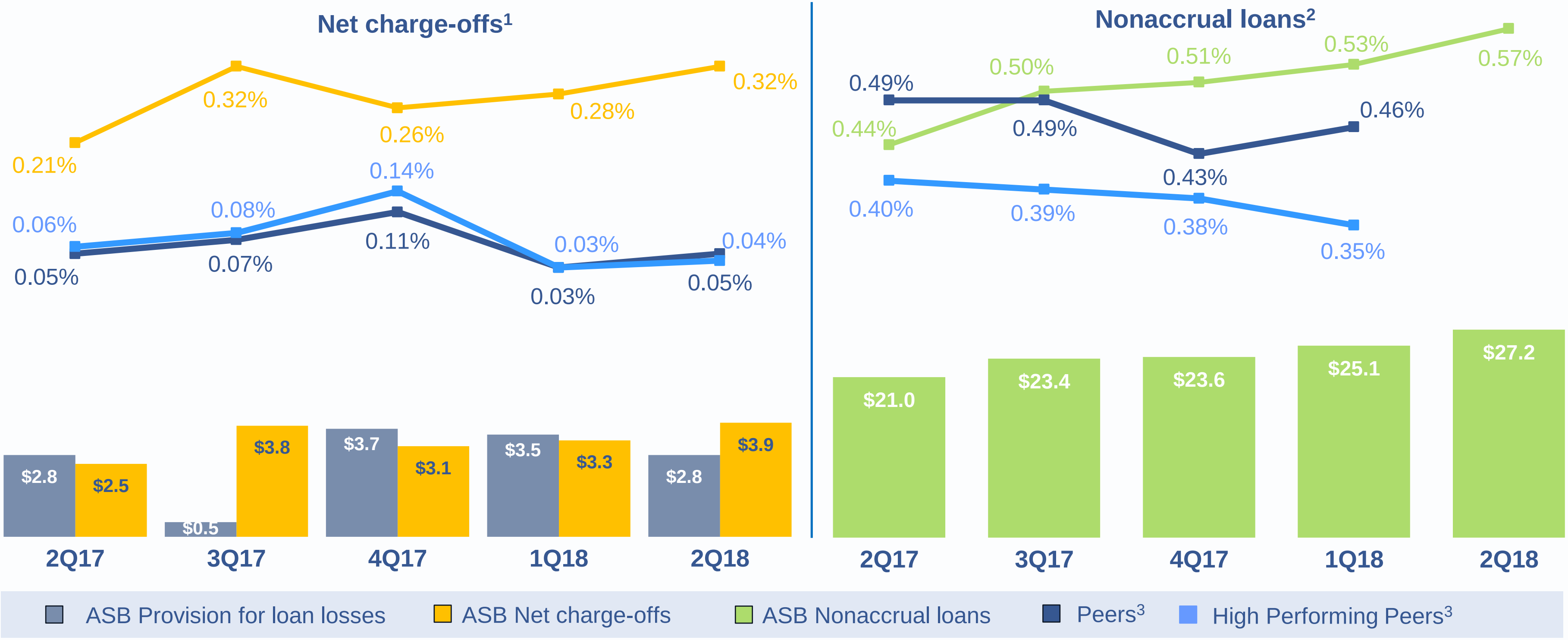

Total deposits


Net interest income and noninterest income

Note: Columns may not foot due to rounding

* Including approximately $100 million in repurchase agreements that were transferred into deposit accounts. Excluding such transfers, deposit growth YTD was 4.2% annualized.

Prudent credit quality management ($ in millions)



Source for peer data: SNL Financial (based upon data available as of August 2, 2018)

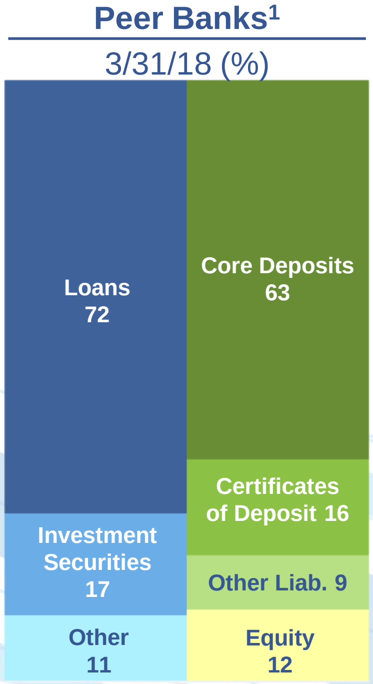
[1] Quarterly net charge-off ratio reflected as a percentage of average loans held during the period

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

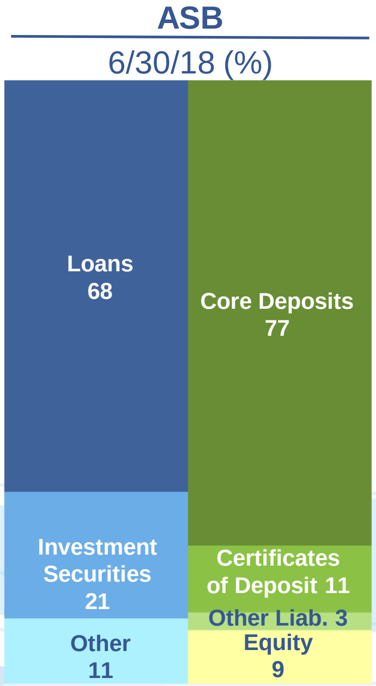
[3] See Appendix for ASB peer group information

Quality balance sheet

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



Peer median of avg yield on earning assets 1Q18: 4.17%
Peer median of avg cost of funds 1Q18: 0.65%



Avg yield on earning assets 2Q18: 3.99%
Avg cost of funds 2Q18: 0.24%

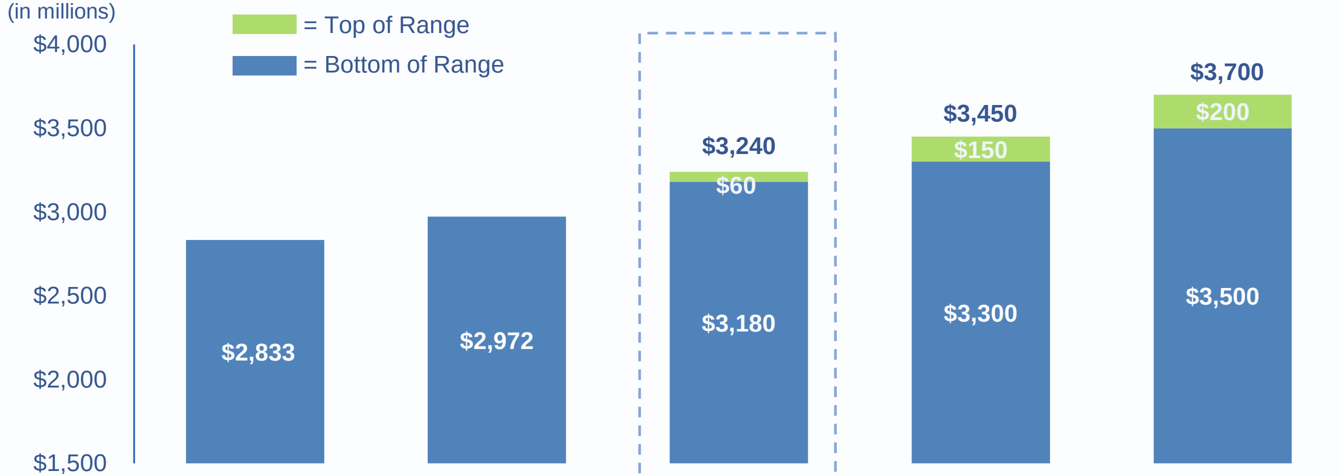
Leverage ratio:	8.6%
Tangible common equity to tangible assets:	7.6%
Total capital ratio:	13.9%

Source for peer data: SNL Financial (based on data available as of August 2, 2018)

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

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

Year End Rate Base Forecast



	2016	2017	2018	2019	2020
Rate Base Growth[1]	4%	5%	7-9%	4-7%	5-8%
RAM Plant Addition Cap			~$275	~$275	~$275
Capex (net of CIAC)	$318	$401	$400	$400-500[4]	$400-500[4]
Major Capex Projects					
[50 MW] • Schofield [2]	$34	$83	$26		
• ERP[2]	--	29	31		
[20 MW] • JBPH PV Solar Facility [2]	--	6	38	8	
• CIP Battery Energy Storage System[3]	--	--	3	47	54
• JBPH Battery Energy Storage System[3]	--	--	--	37	6
• Grid Modernization Project Phase 1[3]	--	--	--	$86M between 2019 and 2023	
• Other Projects[3]	--	19	27	28	26

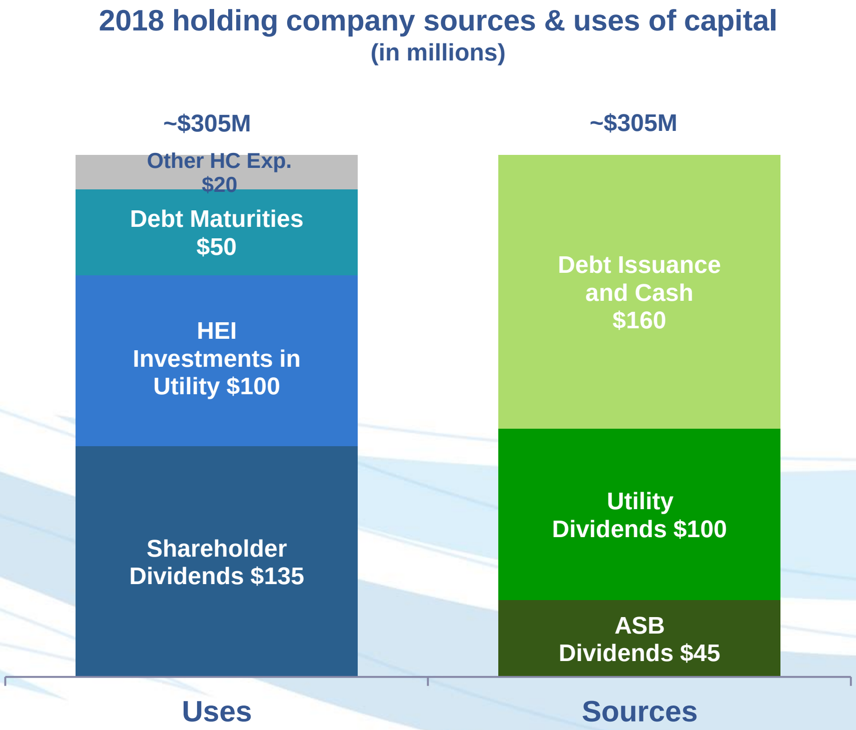
1 Rate base is impacted primarily by plant additions but also includes other items (i.e., unamortized contributions in aid of construction, accumulated deferred income taxes, certain regulatory assets, etc.)

2 Schofield Generating Station (Schofield) was placed into service in June 2018; Enterprise Resource Planning (ERP) system forecasted to be placed into service in 2018; Joint Base Pearl Harbor-Hickam (JBPH) PV Solar Facility forecasted to be placed into service in Q2 2019

3 Campbell Industrial Park (CIP) Battery Energy Storage System, JBPH Battery Energy Storage System, and Grid Modernization Phase 1, as well as other projects are pending Commission approval

4 Includes projects pending application and pending Commission approval under the PSIP strategy for years 2019 and 2020

HEI financing outlook 2018*



- Intend to maintain a consolidated investment grade profile
- No new equity required

* Based on July 2018 forecast.

HEI 2018 EPS guidance (as of August 3, 2018)

HEI EPS: $1.80 - $2.00 per share

No new equity issuances through 2018

Utility EPS: $1.33 - $1.46

Key Assumptions:

- No change to decoupling or recovery mechanisms
- Schofield Generating Station recovery under MPIR
- No material impact from new fuel cost risk sharing mechanism
- O&M[1]: forecasted at 4% above 2017 levels, including one-time items but excluding pension
- Fuel efficiency: similar to rate case levels, subject to changes due to demands on the system
- Equity capitalization at approved rate case levels

Bank EPS: $0.68 - $0.74

Key Assumptions:

- Low to mid-single digit earning asset growth
- NIM: ~3.7% to 3.8%
- Provision expense: $14 million to $18 million
- ROA > 1.10%

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

[1] Excludes operations and maintenance (O&M) expenses covered by surcharges or by third parties that are neutral to net income. Includes O&M on Schofield Generating Station pending recovery through MPIR.

Reference the cautionary note regarding forward-looking statements (FLS) accompanying this presentation which provides additional information on important factors that could cause results to differ. The company undertakes no obligation to publicly update or revise FLS, including EPS guidance, whether as a result of new information, future events, or otherwise. See also the FLS and risk factors in HEI's SEC Form 10-K for the year ended December 31, 2017 and SEC Form 10-Q for the quarter ended June 30, 2018.

Summary

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

- **Hawaiian Electric**
  - Modernizing our grid to enable more renewables, customer options
  - Continued momentum toward state's renewable goals
  - Creating resilient, sustainable communities through technology, smart use of resources and partnerships

- **American Savings Bank**
  - Continued strong performance
  - Focused on making banking easier for customers, deepening customer relationships and improving efficiency and credit quality
  - Building campus of the future to promote efficiency, innovation and collaboration

- **Pacific Current**
  - Supporting and investing in initiatives that advance Hawaii's clean energy, renewable ground transportation and carbon neutrality goals
  - Initial project cash flow helping fund Pacific Current start-up costs

- **Consolidated business model** provides financial resources to invest in our companies and our state's sustainable future, while supporting our dividend
  - Attractive dividend yield of 3.5%[1]; uninterrupted dividends since 1901

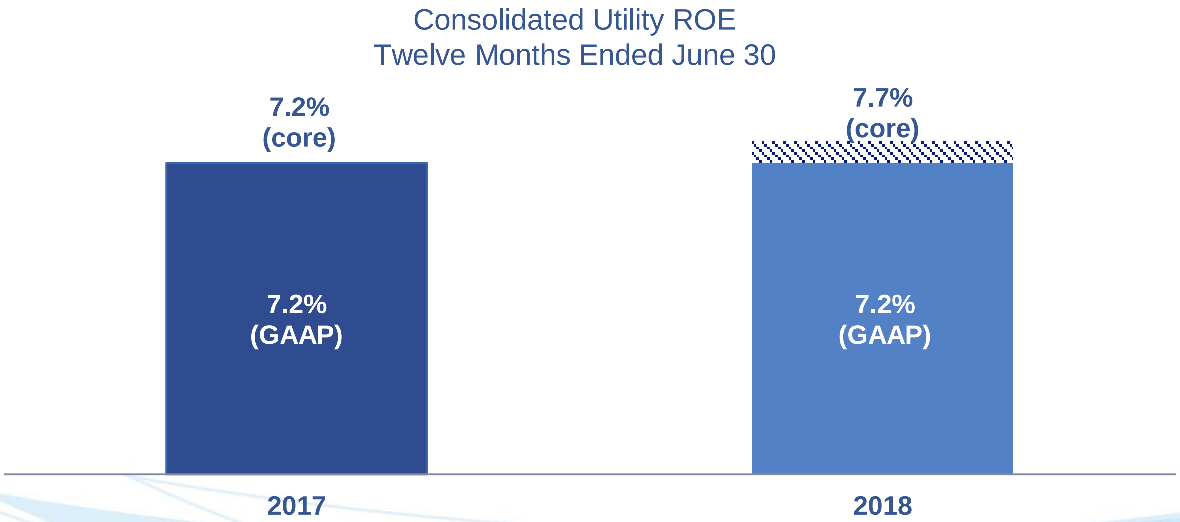
[1] As of August 2, 2018

HEI

Catalyst for a better Hawai'i

Appendices

Utility LTM ROE



	Consolidated Utility	Hawaiian Electric	Hawaii Electric Light	Maui Electric
2018 GAAP	7.2%	7.2%	7.5%	6.8%
2017 GAAP	7.2%	7.3%	6.9%	7.5%
Allowed[1]	9.4%	9.5%	9.5%	9.0%

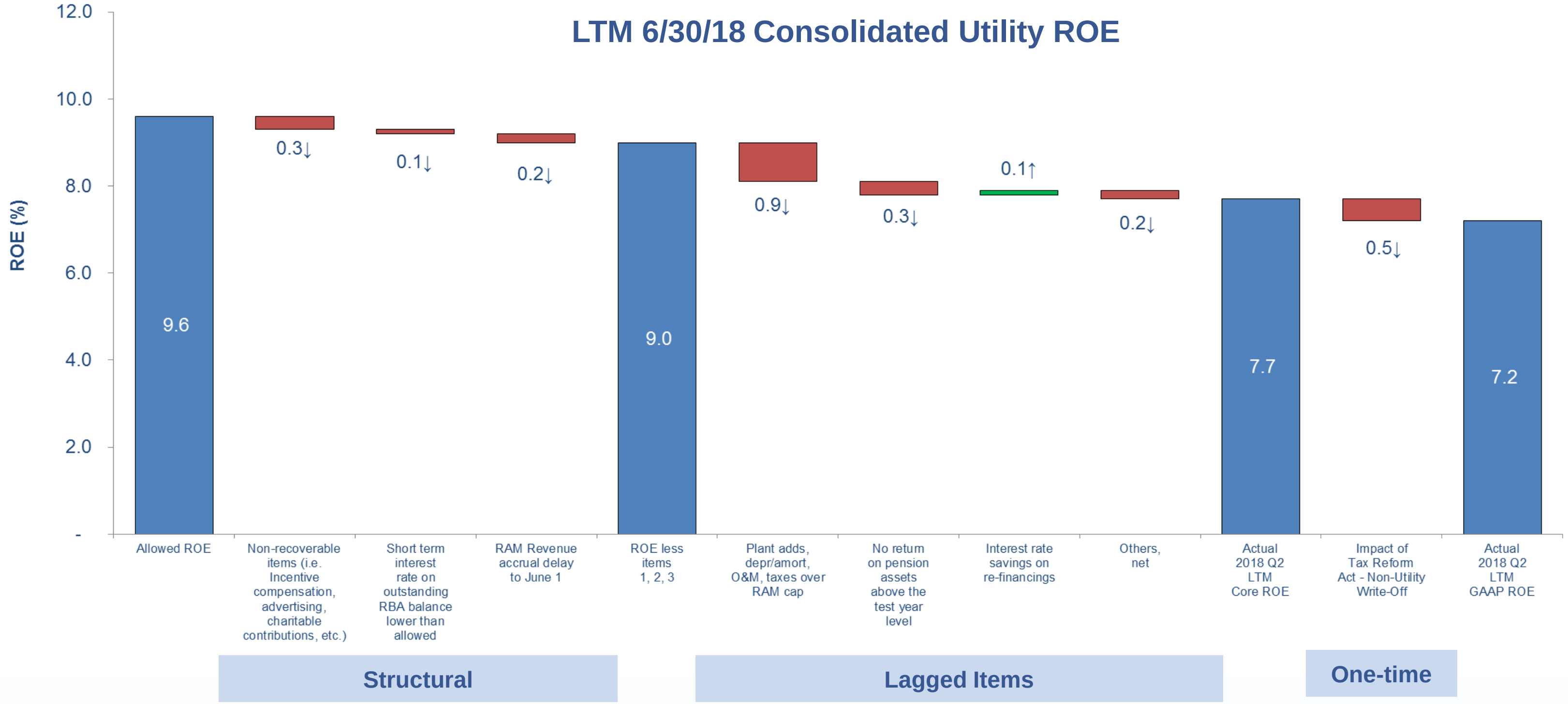
Note: Last base revenue increase: Hawaiian Electric: 2017 test year (Final D&O eff. 6/22/18); Hawaii Electric Light: 2016 test year (Final D&O eff. 6/29/18); Maui Electric: 2012 test year

Note: All ROEs calculated using net income divided by average GAAP common equity, simple average method

[1] Based on regulatory calculation. Allowed ROEs reflect Public Utilities Commission decisions in effect on June 30, 2018

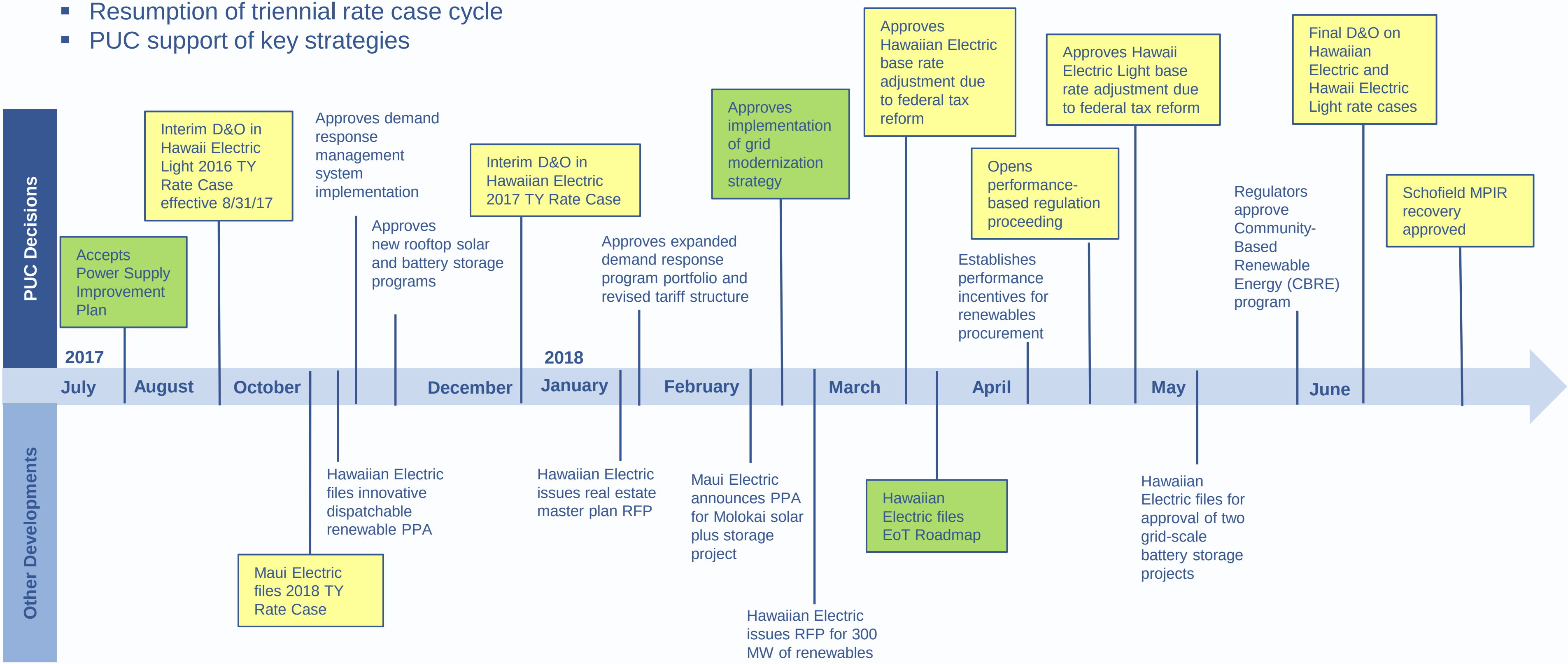
Utility LTM ROE reflects continued transition to triennial rate case cycle

- ROE gap expected to narrow as transition continues



Regulatory progress is being made at a rapid pace

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



PUC Decisions

Accepts Power Supply Improvement Plan

Interim D&O in Hawaii Electric Light 2016 TY Rate Case effective 8/31/17

Approves demand response management system implementation

Approves new rooftop solar and battery storage programs

Interim D&O in Hawaiian Electric 2017 TY Rate Case

Approves expanded demand response program portfolio and revised tariff structure

Approves implementation of grid modernization strategy

Approves Hawaiian Electric base rate adjustment due to federal tax reform

Establishes performance incentives for renewables procurement

Opens performance-based regulation proceeding

Approves Hawaii Electric Light base rate adjustment due to federal tax reform

Regulators approve Community-Based Renewable Energy (CBRE) program

Final D&O on Hawaiian Electric and Hawaii Electric Light rate cases

Schofield MPIR recovery approved

2017

July **August** **October** **December**

2018

January **February** **March** **April** **May** **June**

Other Developments

Maui Electric files 2018 TY Rate Case

Hawaiian Electric files innovative dispatchable renewable PPA

Hawaiian Electric issues real estate master plan RFP

Maui Electric announces PPA for Molokai solar plus storage project

Hawaiian Electric issues RFP for 300 MW of renewables

Hawaiian Electric files EoT Roadmap

Hawaiian Electric files for approval of two grid-scale battery storage projects

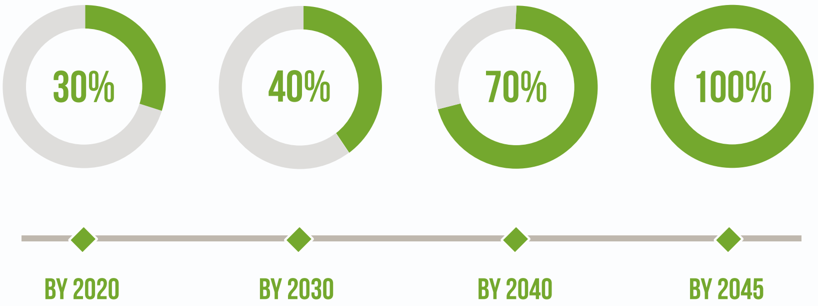
🟨 Rate cases/related proceedings

🟩 Strategic frameworks

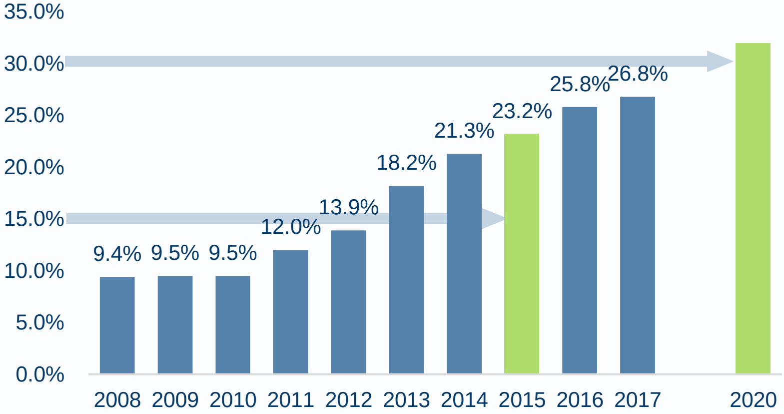
Continued progress toward Hawaii's renewable energy goals

Hawaiian Electric continues to utilize a diverse portfolio of resources to meet Hawaii's RPS targets

Hawaii's 100% by 2045 RPS goal is among the most ambitious in the nation

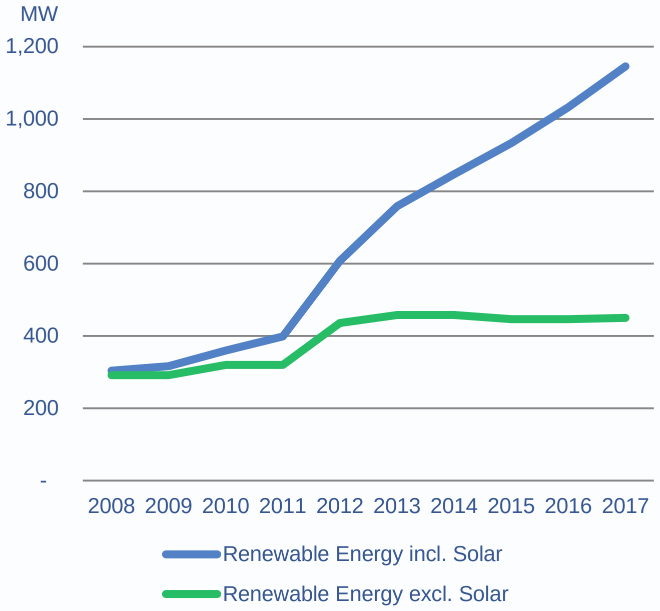


Hawaiian Electric is on course to exceed near-term, 2020 target of 30%



National leader in renewable energy integration and distributed generation

Rapid growth of renewables, especially solar



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

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

Energized Solar PV	**2008**	**2014**	**2015**	**2016**	**2017**	**2Q18**
PV Systems	850	~50K	~60K	~70K	~74K	~76K
Megawatts	12	389	487	586	695	721

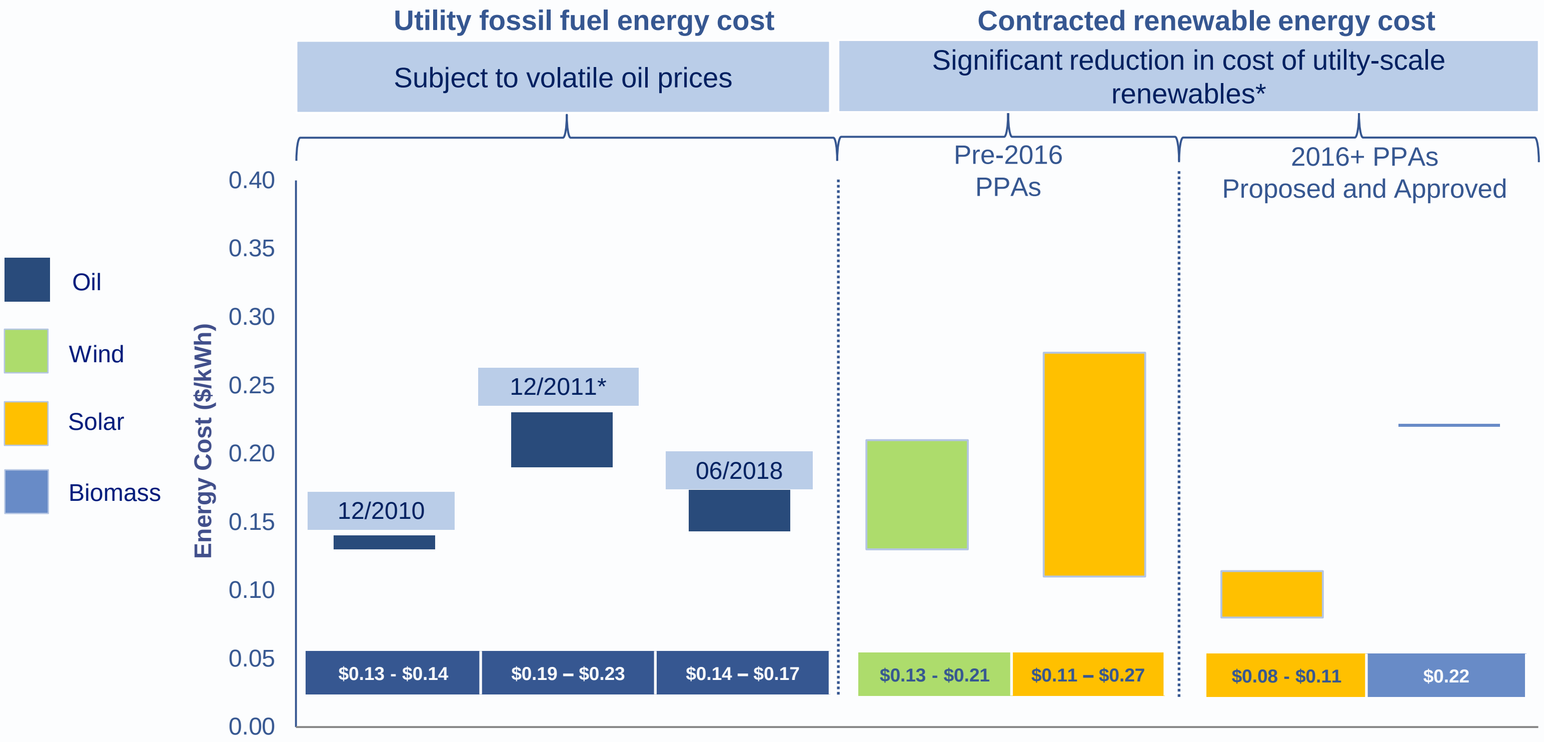
17% of all customers and 18% of residential customers had installed solar PV as of 2Q18

Renewable energy amounts reflect firm generated and contracted capacity

Renewable Energy incl. Solar includes Net Energy Metering (NEM), Standard Interconnection Agreements (SIA), Feed-in-Tariff (FIT), Purchase Power Agreement (PPA), Smart Power for Schools (SmPS), and utility owned

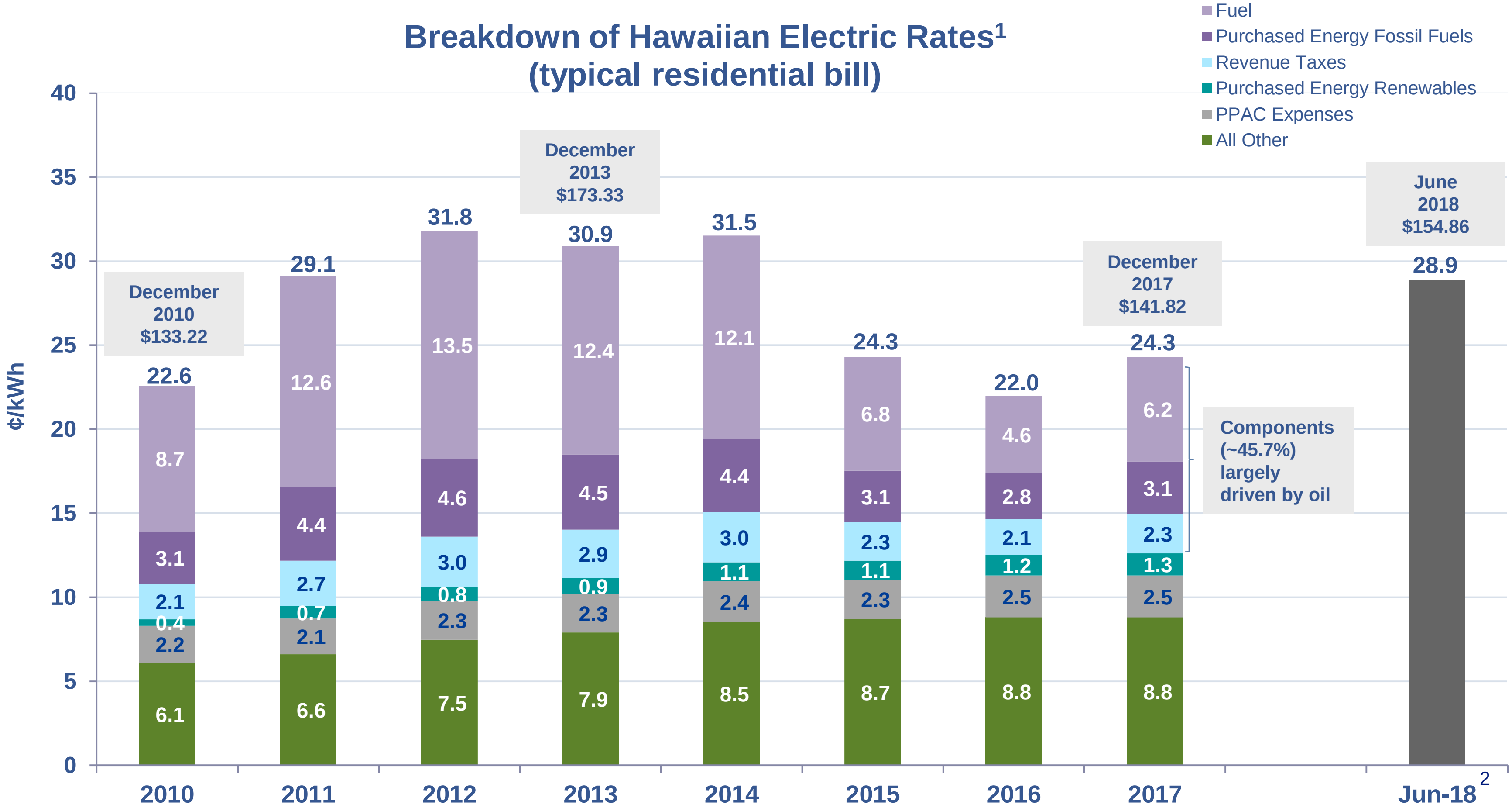
[1] Electrical energy generated using renewable resources as a percentage of total sales

Renewable energy is cost competitive in Hawaii



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

Oil is the primary driver of rates in Hawaii



Breakdown of Hawaiian Electric Rates[1]
(typical residential bill)

December 2010 $133.22

December 2013 $173.33

December 2017 $141.82

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Components (~45.7%) largely driven by oil

---

[1] Hawaiian Electric Oahu average revenue per kWh sold

[2] Based on the May 2018 energy cost adjustment filing for residential customers only

Hawaiian Electric Industries, Inc.
Second Quarter 2018 Financial Results and Outlook

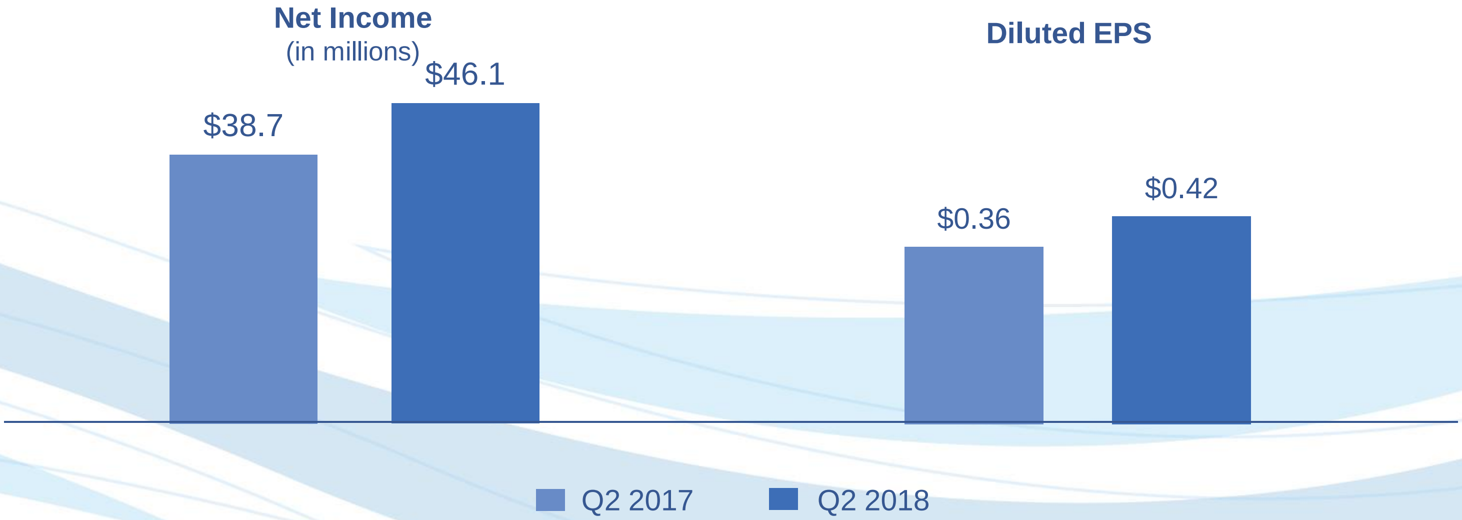
August 3, 2018

HEI

Catalyst for a better Hawai'i

2Q 2018 consolidated earnings results

- Strong consolidated earnings growth
- Includes second consecutive quarter of record bank quarterly net income
- Reaffirming 2018 earnings guidance



Continued progress on utility initiatives

Hawaiian Electric

Hawaiian Electric Highlights

- **Key milestones reached in transition back to triennial rate case cycle**
  - Final decisions in 2017 Hawaiian Electric and 2016 Hawaii Electric Light rate cases
    - Hawaiian Electric decision includes symmetrical fossil fuel risk sharing component: 98% customer/ 2% utility; utility upside / downside capped at $2.5M
  - 2018 Maui Electric rate case settlement with Consumer Advocate filed; interim decision expected in August

- **Continued momentum toward more renewable energy and expanded customer options**
  - Applied to implement first phase of Grid Modernization Strategy
  - 50 MW Schofield Generating Station in service; recovery approved through major projects interim recovery (MPIR) mechanism
  - Community-Based Renewable Energy (CBRE) tariffs approved by Commission; program accepting project applications

- **National recognition for grid modernization efforts**
  - Named Investor-Owned Utility of the Year by Solar Electric Power Association
  - Smart sensor partnership with Verizon highlighted in national ad campaign

- **Progress in performance-based ratemaking (PBR) docket**
  - Process seeks to further align regulatory framework with state renewable energy policy by building additional performance considerations into existing framework
  - Commission has focused on importance of gradualism and maintaining financial stability of utility
  - PUC Staff Report issued July 10 provided initial set of proposed regulatory goals (i.e., enhance customer experience, improve utility performance, advance societal outcomes) and associated outcomes
  - Initial stakeholder workshop held July 23-24

Solid bank performance; growing Pacific Current

American Savings Bank Highlights

- Continued strong financial performance in healthy Hawaii economy
- Good operating execution and positive tax reform impact
- Focus on making banking easy, deepening customer relationships
- Honolulu campus on track; completion expected this year

Pacific Current Highlights

- Focused on sustainable infrastructure investment to advance Hawaii's goals
- First two projects proceeding well
- Near-term focus on organizational build-out
- Hamakua Energy cash flow helping fund Pacific Current start-up costs

Hawaii economy continues to grow

Tourism

Year-over-year change	June 2018	YTD 2018
Arrivals	+7.3%	+8.2%
Expenditures	+10.3%	+10.8%

Unemployment

- June 2018 – Hawaii: 2.1%; U.S.: 4.0%

Real Estate

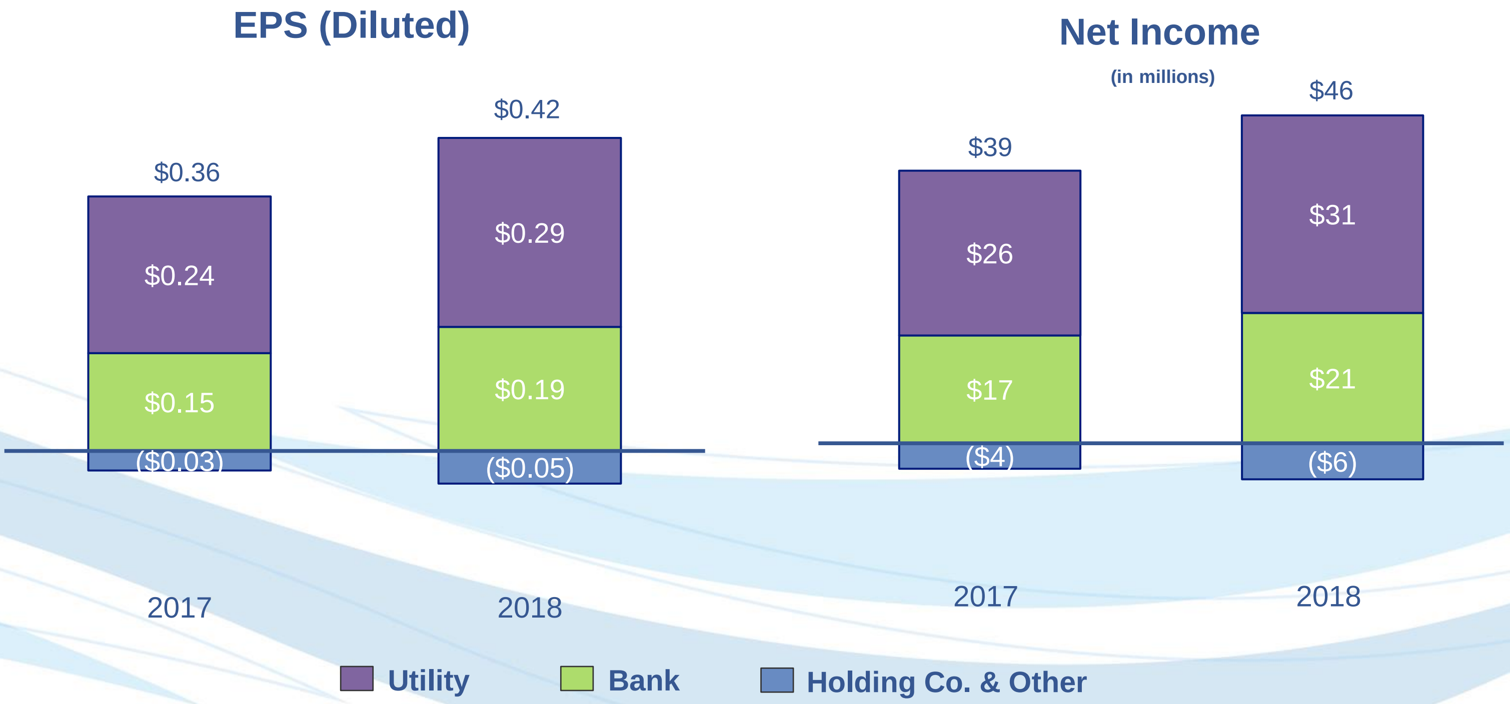
- YTD June 2018 Oahu sales volume:
  - Single family homes, down 1.6 % from the prior year
  - Condominiums, up 1.3% from the prior year
- YTD June 2018 Oahu median sales prices:
  - Single family homes: $779,000, up 3.9% from the prior year
  - Condominiums: $425,000, up 6.5% from the prior year

Real State GDP

- Expected to increase 1.8% in 2018

Sources: Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, U.S. Bureau of Labor Statistics, Hawaii State Department of Labor and Industrial Relations, Title Guaranty Hawaii.
2018 real state GDP estimate from the University of Hawaii Economic Research Organization (UHERO) May 4, 2018 report.

Q2 2018 earnings by segment



Note: Columns may not foot due to rounding

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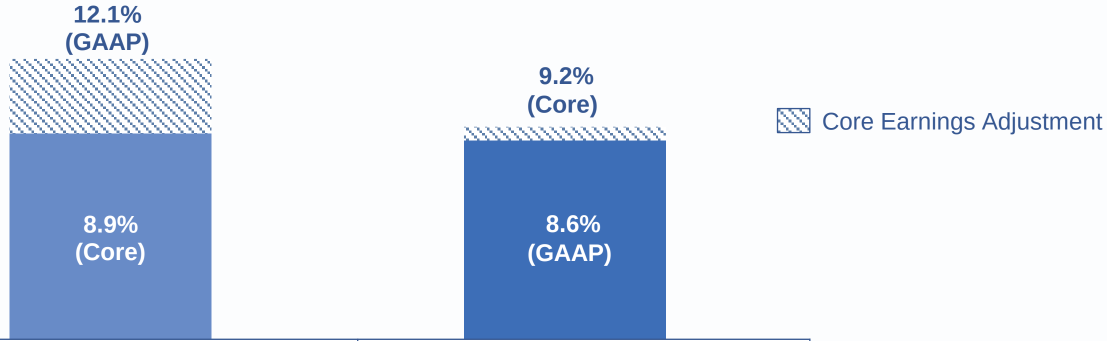
HEI LTM ROE continues to strengthen as utility completes transition to triennial rate cases

- Continued expansion of bank ROE due to tax reform and net interest income growth
- GAAP LTM 6/30/18 ROE includes 4Q17 tax reform impact
- GAAP LTM 6/30/17 ROE includes merger termination fee

Consolidated HEI ROE
Twelve Months Ended June 30

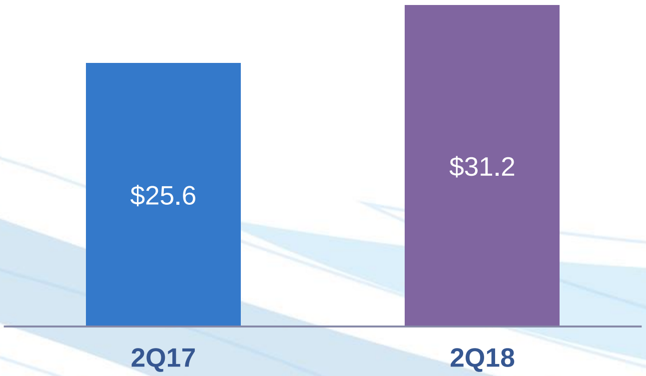


	2017	2018
Utility	GAAP 7.2% / Core 7.2%	GAAP 7.2% / Core 7.7%
Bank	10.9%	12.3%

See the reconciliation of GAAP to Non-GAAP (Core) measures in this presentation.
Note: All ROEs calculated using net income divided by average GAAP common equity, simple average method

2Q18 utility financial highlights ($ in millions)

Utility net income



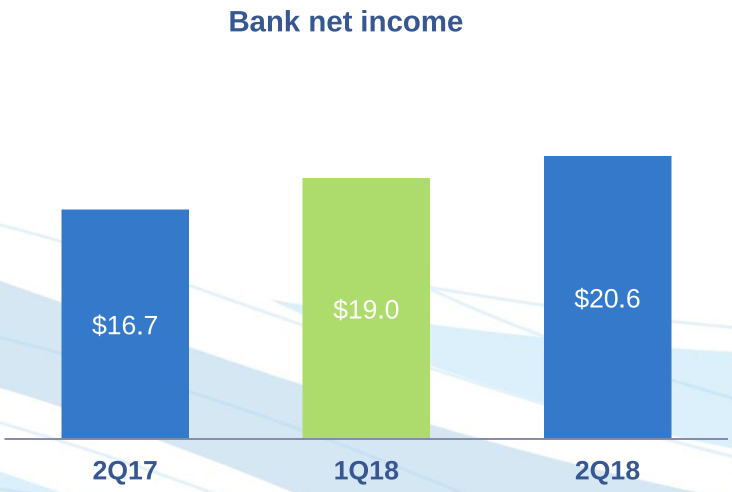
Key utility earnings drivers, after-tax fav/(unfav)	2Q18 vs 2Q17
RAM revenues Interim rate relief for Hawaiian Electric and Hawaii Electric Light	8 (a) 7
Operation & maintenance, excluding net income neutral items	(6)
Depreciation	(2)
Other	(2)

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

Note: Columns may not foot due to rounding

Strong bank financial results ($ in millions)

- Second consecutive quarter of record bank net income
- Driven by higher net interest income and net positive impact of tax reform



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

Solid bank profitability

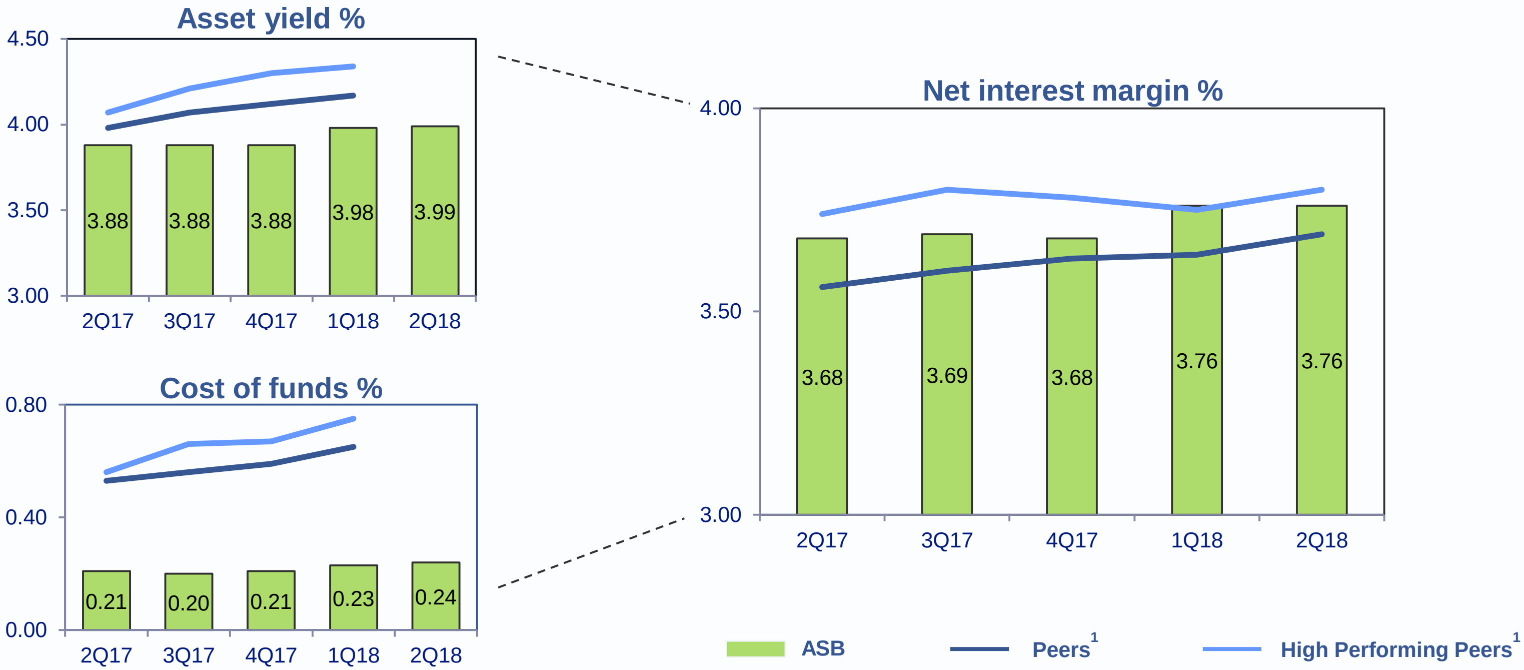
Source for peer data: SNL Financial (based upon data available as of August 2, 2018)

Note: Quarterly and YTD information are annualized

[1] See Appendix for ASB peer group information

Strong net interest margin

- Disciplined management of funding costs



Source for peer data: SNL Financial (based upon data available as of August 2, 2018)
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] See Appendix for ASB peer group information

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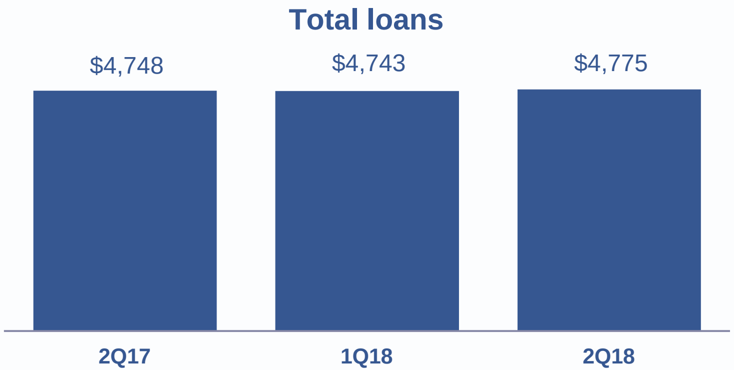
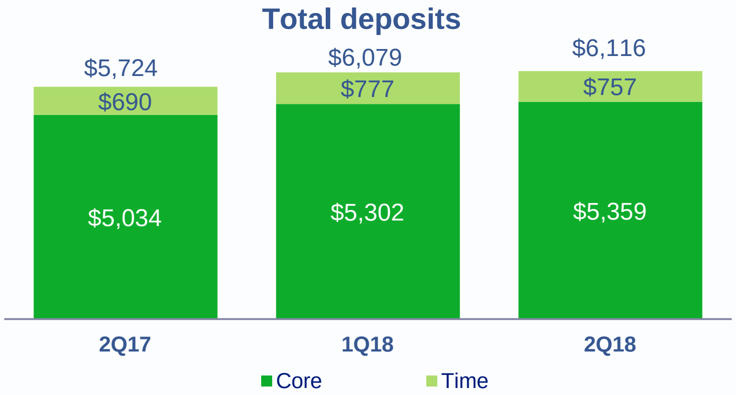
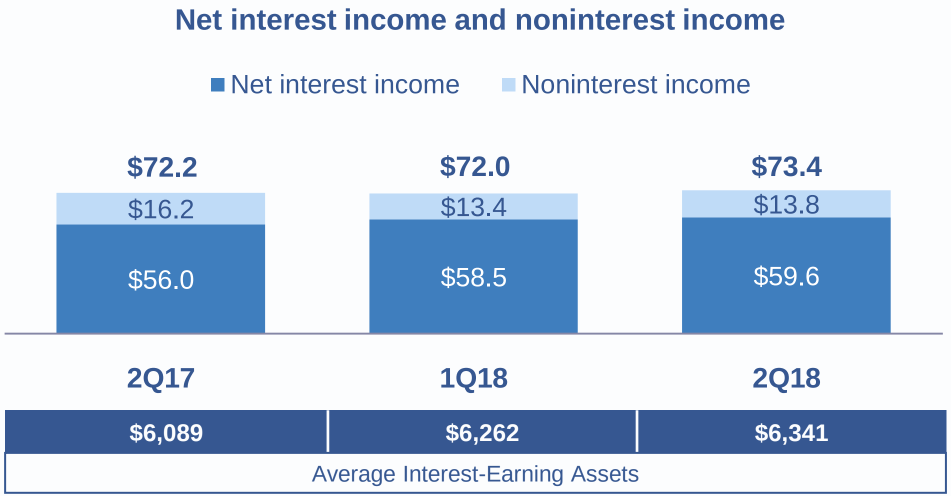
Net interest income growth ($ in millions)

- Driven by good deposit growth that funded earning asset growth
- YTD June 30: 4.4% annualized loan growth, 7.7% annualized deposit growth*



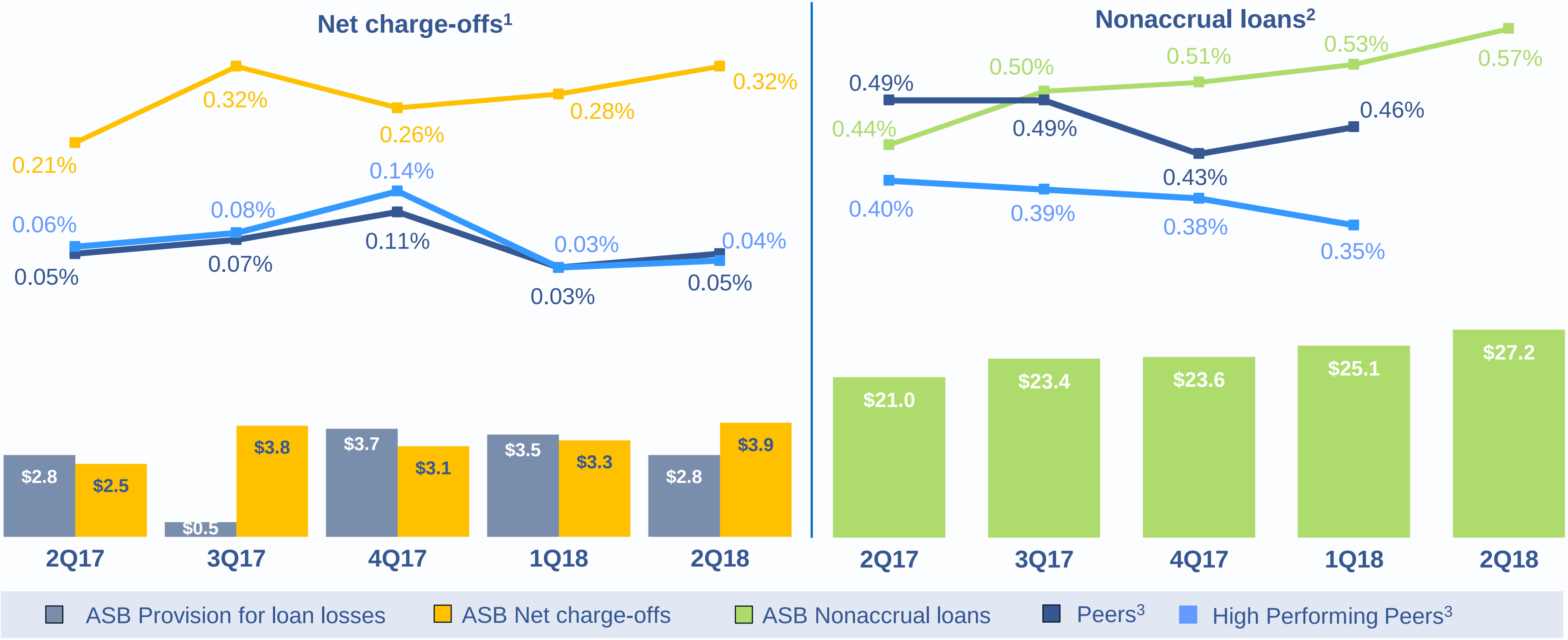




Note: Columns may not foot due to rounding

* Including approximately $100 million in repurchase agreements that were transferred into deposit accounts. Excluding such transfers, deposit growth YTD was 4.2% annualized.

Prudent credit quality management ($ in millions)



Source for peer data: SNL Financial (based upon data available as of August 2, 2018)

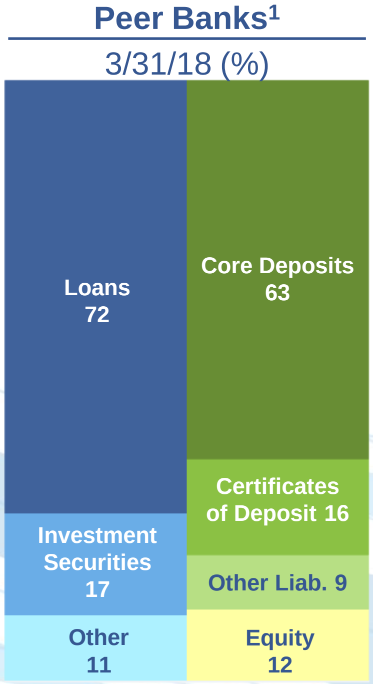
[1] Quarterly net charge-off ratio reflected as a percentage of average loans held during the period

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

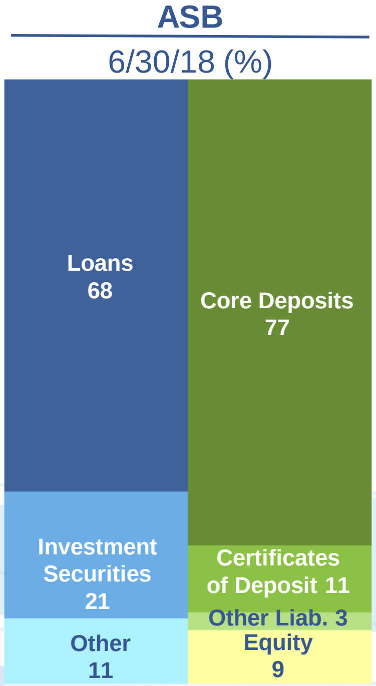
[3] See Appendix for ASB peer group information

Quality balance sheet

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



Peer median of avg yield
on earning assets 1Q18: 4.17%
Peer median of avg cost of funds 1Q18: 0.65%



Leverage ratio:	8.6%
Tangible common equity to tangible assets:	7.6%
Total capital ratio:	13.9%

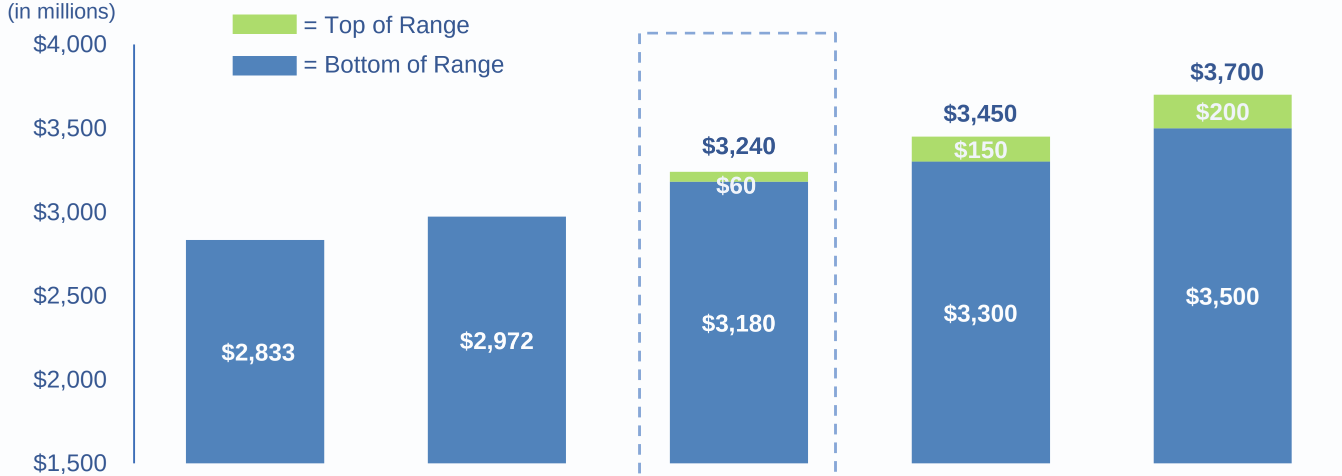
Avg yield on earning assets 2Q18: 3.99%
Avg cost of funds 2Q18: 0.24%

Source for peer data: SNL Financial (based on data available as of August 2, 2018)

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

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

Year End Rate Base Forecast



	2016	2017	2018	2019	2020
Rate Base Growth[1]	4%	5%	7-9%	4-7%	5-8%
RAM Plant Addition Cap			~$275	~$275	~$275
Capex (net of CIAC)	$318	$401	$400	$400-500[4]	$400-500[4]
Major Capex Projects					
[50 MW] • Schofield [2]	$34	$83	$26		
• ERP[2]	--	29	31		
[20 MW] • JBPH PV Solar Facility [2]	--	6	38	8	
• CIP Battery Energy Storage System[3]	--	--	3	47	54
• JBPH Battery Energy Storage System[3]	--	--	--	37	6
• Grid Modernization Project Phase 1[3]	--	--	--	$86M between 2019 and 2023	
• Other Projects[3]	--	19	27	28	26

---

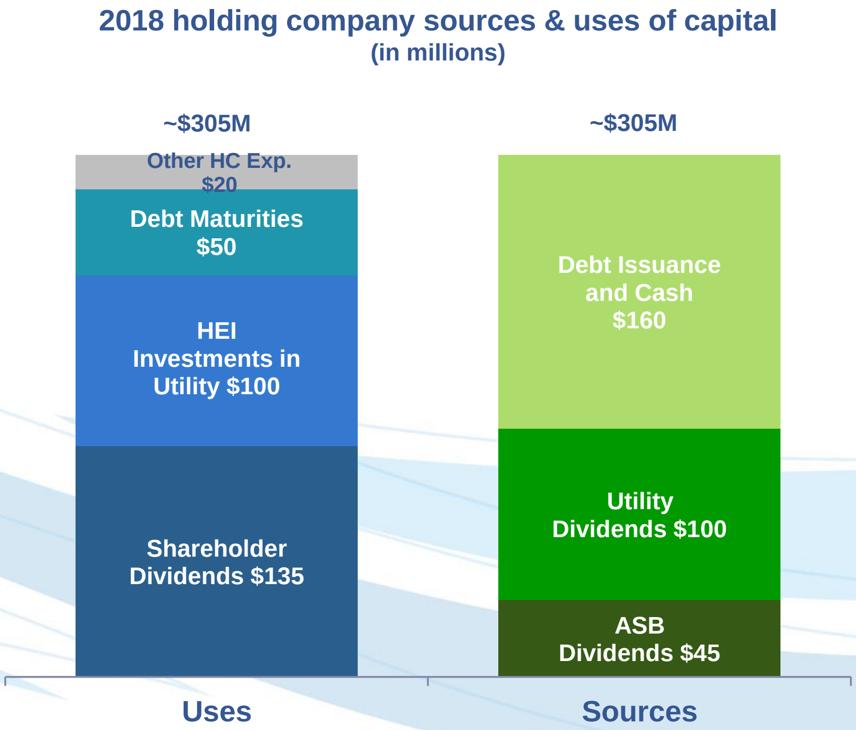
1 Rate base is impacted primarily by plant additions but also includes other items (i.e., unamortized contributions in aid of construction, accumulated deferred income taxes, certain regulatory assets, etc.)

2 Schofield Generating Station (Schofield) was placed into service in June 2018; Enterprise Resource Planning (ERP) system forecasted to be placed into service in 2018; Joint Base Pearl Harbor-Hickam (JBPH) PV Solar Facility forecasted to be placed into service in Q2 2019

3 Campbell Industrial Park (CIP) Battery Energy Storage System, JBPH Battery Energy Storage System, and Grid Modernization Phase 1, as well as other projects are pending Commission approval

4 Includes projects pending application and pending Commission approval under the PSIP strategy for years 2019 and 2020

HEI financing outlook 2018*



- Intend to maintain a consolidated investment grade profile
- No new equity required

* Based on July 2018 forecast.

HEI 2018 EPS guidance (as of August 3, 2018)

HEI EPS: $1.80 - $2.00 per share

No new equity issuances through 2018

Utility EPS: $1.33 - $1.46

Key Assumptions:

- No change to decoupling or recovery mechanisms
- Schofield Generating Station recovery under MPIR
- No material impact from new fuel cost risk sharing mechanism
- O&M[1]: forecasted at 4% above 2017 levels, including one-time items but excluding pension
- Fuel efficiency: similar to rate case levels, subject to changes due to demands on the system
- Equity capitalization at approved rate case levels

Bank EPS: $0.68 - $0.74

Key Assumptions:

- Low to mid-single digit earning asset growth
- NIM: ~3.7% to 3.8%
- Provision expense: $14 million to $18 million
- ROA > 1.10%

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

[1] Excludes operations and maintenance (O&M) expenses covered by surcharges or by third parties that are neutral to net income. Includes O&M on Schofield Generating Station pending recovery through MPIR.

Reference the cautionary note regarding forward-looking statements (FLS) accompanying this presentation which provides additional information on important factors that could cause results to differ. The company undertakes no obligation to publicly update or revise FLS, including EPS guidance, whether as a result of new information, future events, or otherwise. See also the FLS and risk factors in HEI's SEC Form 10-K for the year ended December 31, 2017 and SEC Form 10-Q for the quarter ended June 30, 2018.

Summary

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

- **Hawaiian Electric**
  - Modernizing our grid to enable more renewables, customer options
  - Continued momentum toward state's renewable goals
  - Creating resilient, sustainable communities through technology, smart use of resources and partnerships

- **American Savings Bank**
  - Continued strong performance
  - Focused on making banking easier for customers, deepening customer relationships and improving efficiency and credit quality
  - Building campus of the future to promote efficiency, innovation and collaboration

- **Pacific Current**
  - Supporting and investing in initiatives that advance Hawaii's clean energy, renewable ground transportation and carbon neutrality goals
  - Initial project cash flow helping fund Pacific Current start-up costs

- **Consolidated business model** provides financial resources to invest in our companies and our state's sustainable future, while supporting our dividend
  - Attractive dividend yield of 3.5%[1]; uninterrupted dividends since 1901

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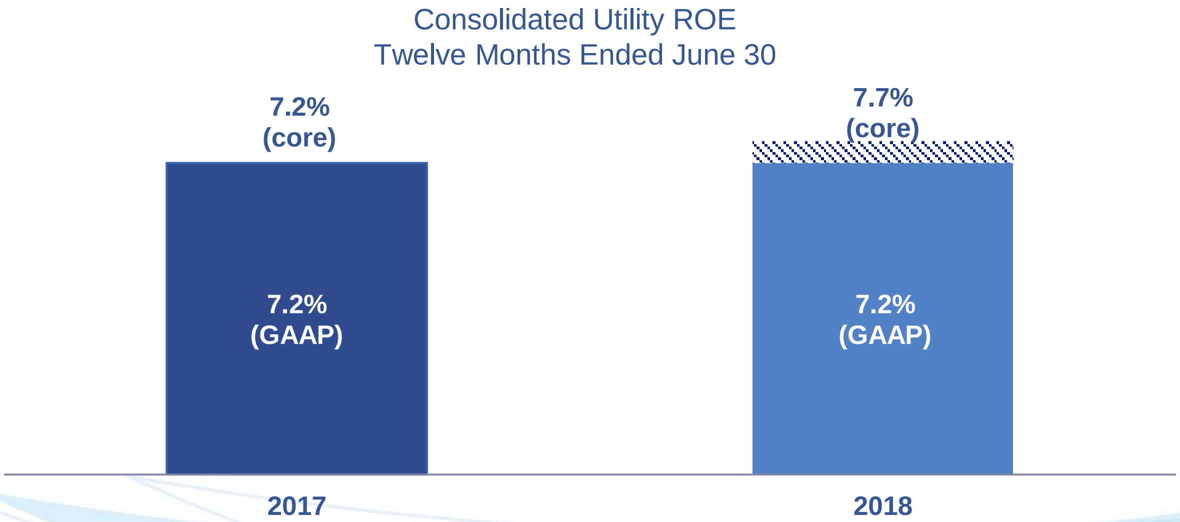
[1] As of August 2, 2018

HEI

Catalyst for a better Hawai'i

Appendices

Utility LTM ROE



	Consolidated Utility	Hawaiian Electric	Hawaii Electric Light	Maui Electric
2018 GAAP	7.2%	7.2%	7.5%	6.8%
2017 GAAP	7.2%	7.3%	6.9%	7.5%
Allowed[1]	9.4%	9.5%	9.5%	9.0%

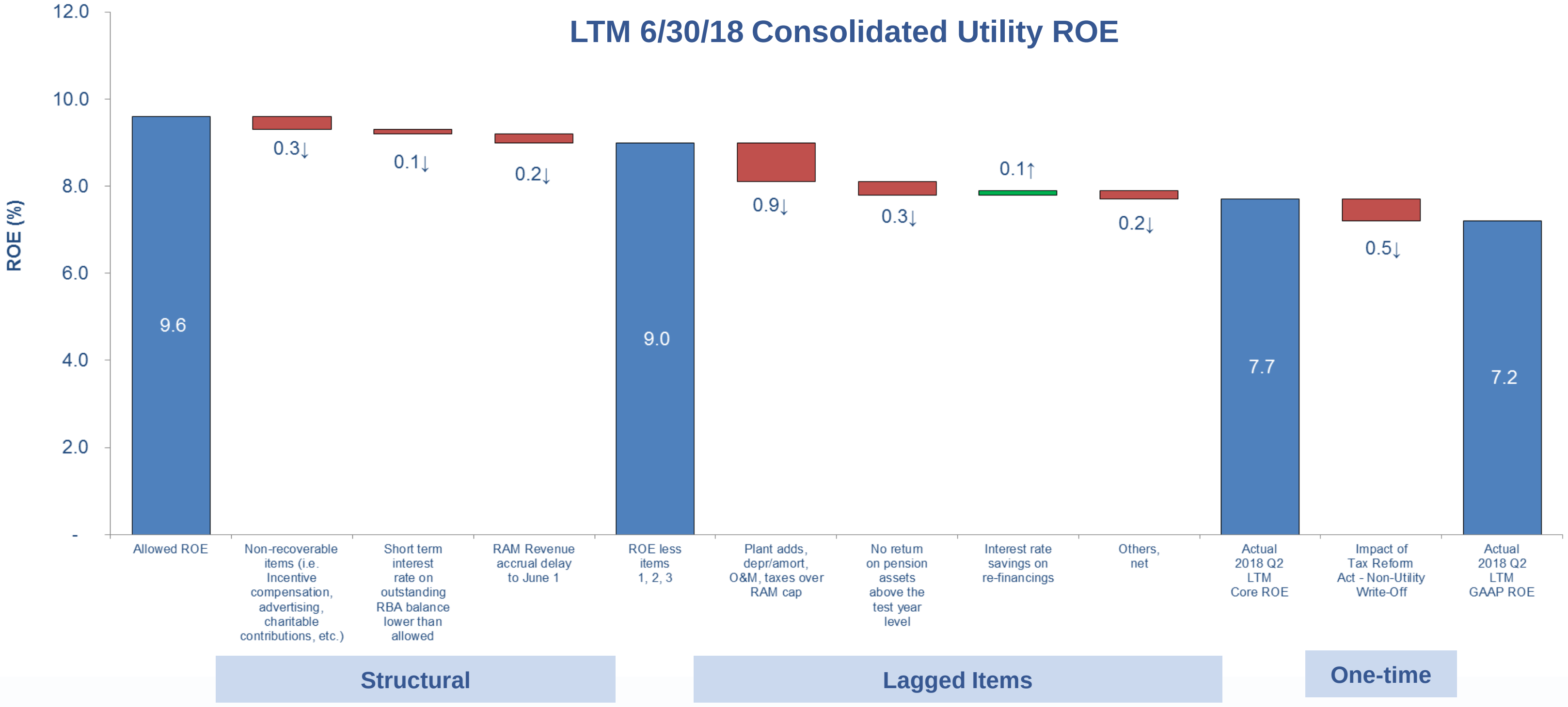
Note: Last base revenue increase: Hawaiian Electric: 2017 test year (Final D&O eff. 6/22/18); Hawaii Electric Light: 2016 test year (Final D&O eff. 6/29/18); Maui Electric: 2012 test year

Note: All ROEs calculated using net income divided by average GAAP common equity, simple average method

[1] Based on regulatory calculation. Allowed ROEs reflect Public Utilities Commission decisions in effect on June 30, 2018

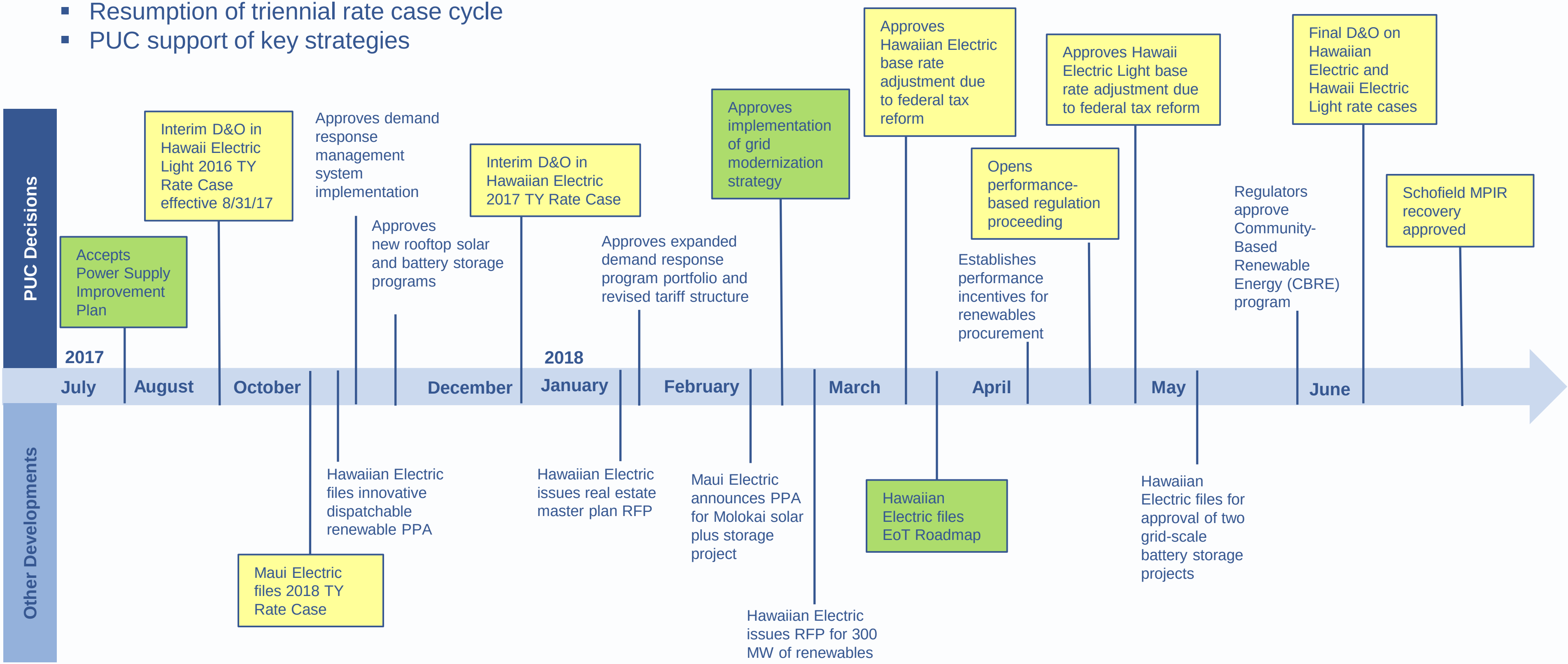
Utility LTM ROE reflects continued transition to triennial rate case cycle

- ROE gap expected to narrow as transition continues



Regulatory progress is being made at a rapid pace

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



PUC Decisions

Accepts Power Supply Improvement Plan

Interim D&O in Hawaii Electric Light 2016 TY Rate Case effective 8/31/17

Approves demand response management system implementation

Approves new rooftop solar and battery storage programs

Interim D&O in Hawaiian Electric 2017 TY Rate Case

Approves expanded demand response program portfolio and revised tariff structure

Approves implementation of grid modernization strategy

Approves Hawaiian Electric base rate adjustment due to federal tax reform

Establishes performance incentives for renewables procurement

Opens performance-based regulation proceeding

Approves Hawaii Electric Light base rate adjustment due to federal tax reform

Regulators approve Community-Based Renewable Energy (CBRE) program

Final D&O on Hawaiian Electric and Hawaii Electric Light rate cases

Schofield MPIR recovery approved

2017

July **August** **October** **December**

2018

January **February** **March** **April** **May** **June**

Other Developments

Maui Electric files 2018 TY Rate Case

Hawaiian Electric files innovative dispatchable renewable PPA

Hawaiian Electric issues real estate master plan RFP

Maui Electric announces PPA for Molokai solar plus storage project

Hawaiian Electric issues RFP for 300 MW of renewables

Hawaiian Electric files EoT Roadmap

Hawaiian Electric files for approval of two grid-scale battery storage projects

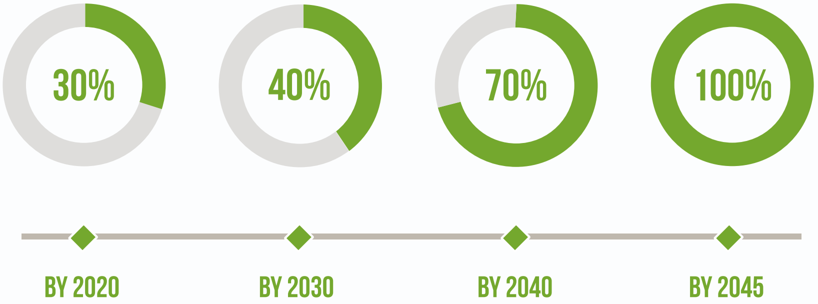
🟨 Rate cases/related proceedings

🟩 Strategic frameworks

Continued progress toward Hawaii’s renewable energy goals

Hawaiian Electric continues to utilize a diverse portfolio of resources to meet Hawaii’s RPS targets

Hawaii’s 100% by 2045 RPS goal is among the most ambitious in the nation



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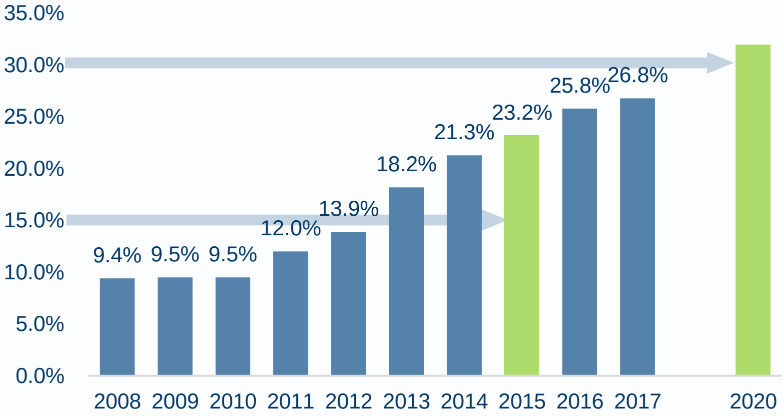
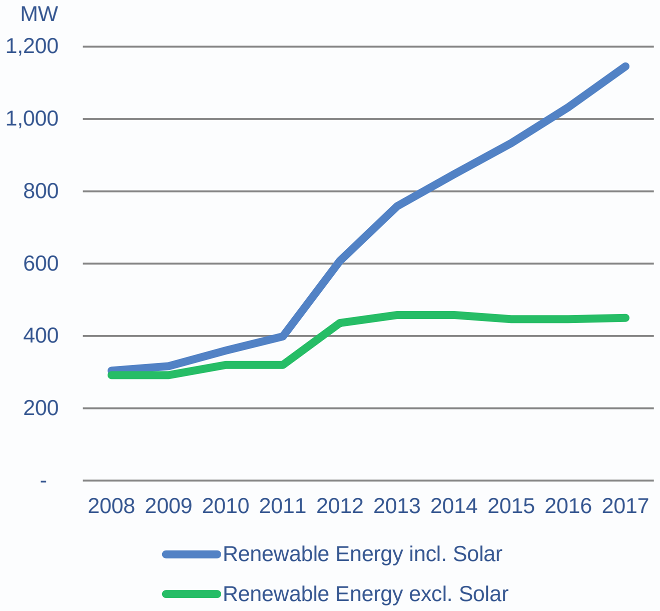


National leader in renewable energy integration and distributed generation

Rapid growth of renewables, especially solar



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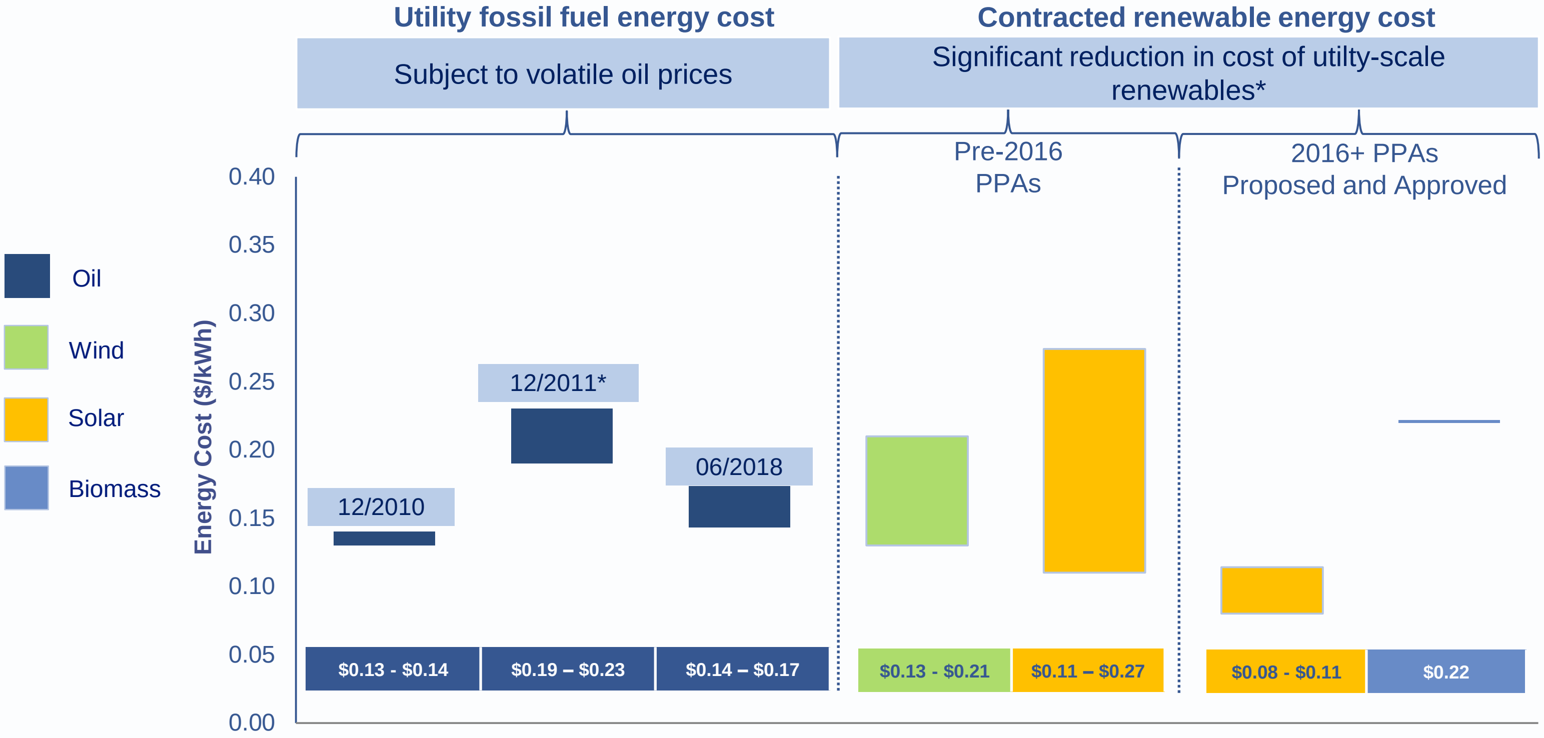
Renewable energy is cost competitive in Hawaii



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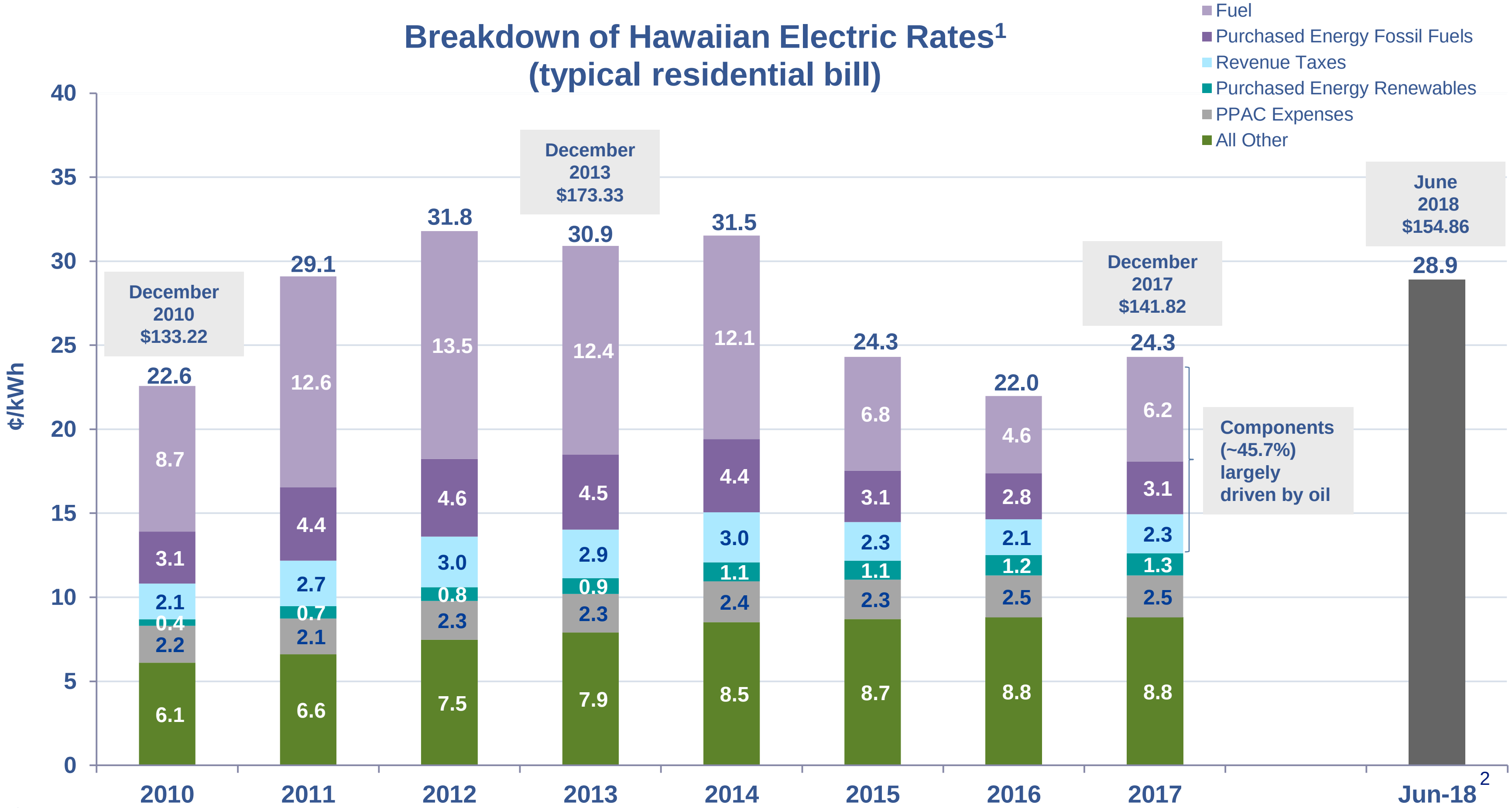
Oil is the primary driver of rates in Hawaii



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December
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June
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Components
(~45.7%)
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---

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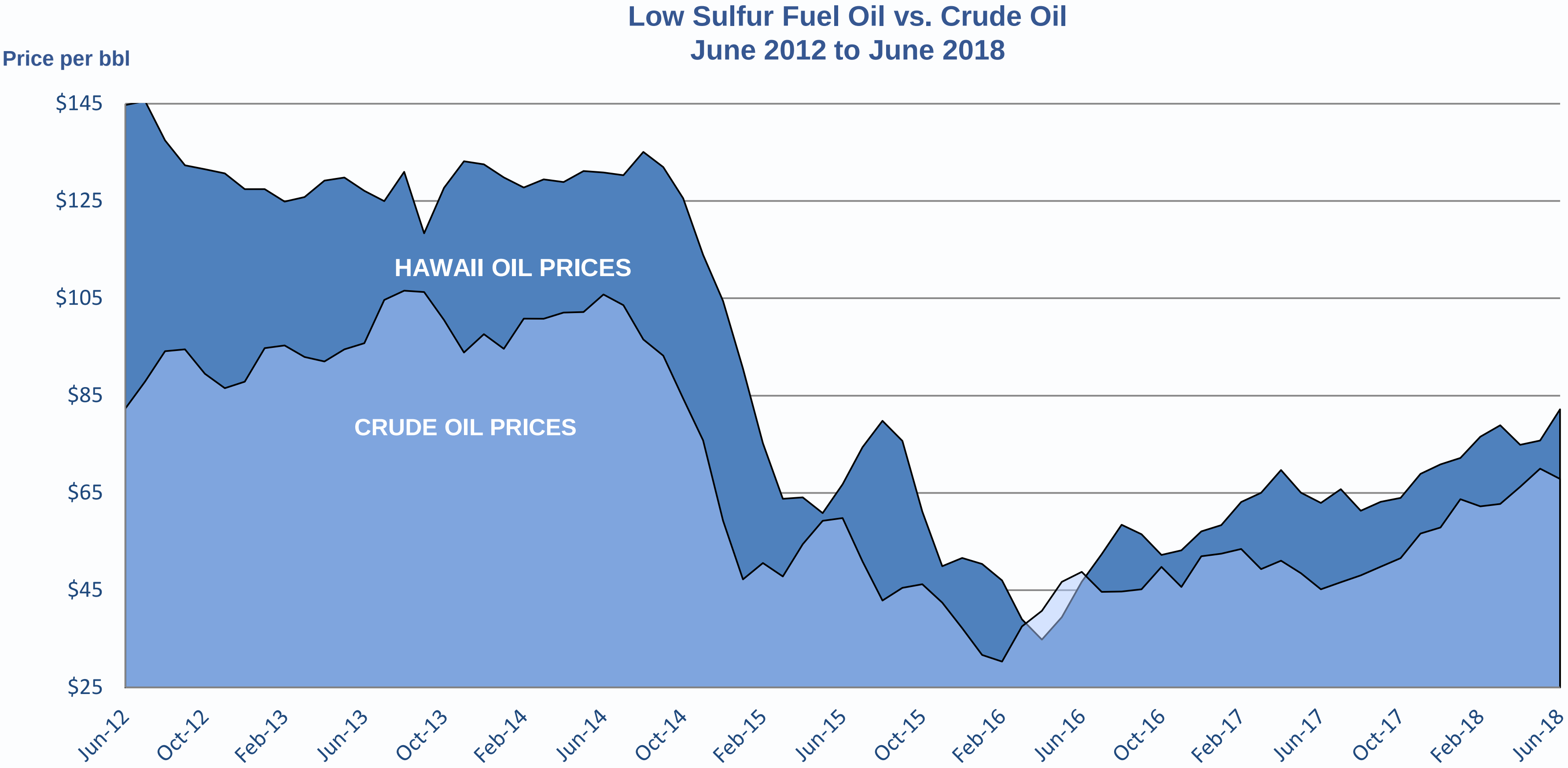
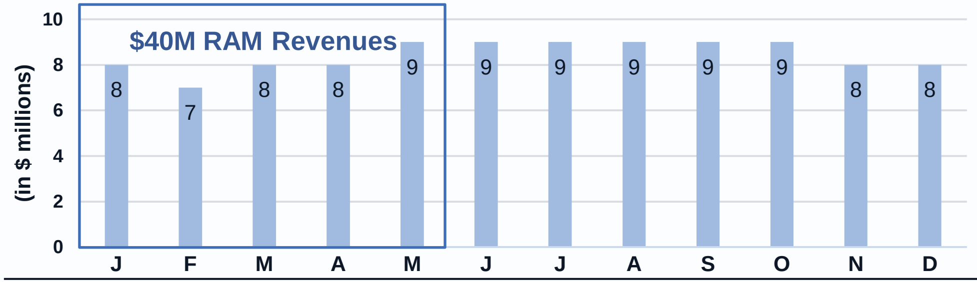
[2] Based on the May 2018 energy cost adjustment filing for residential customers only

Hawaii oil prices exceed mainland U.S.

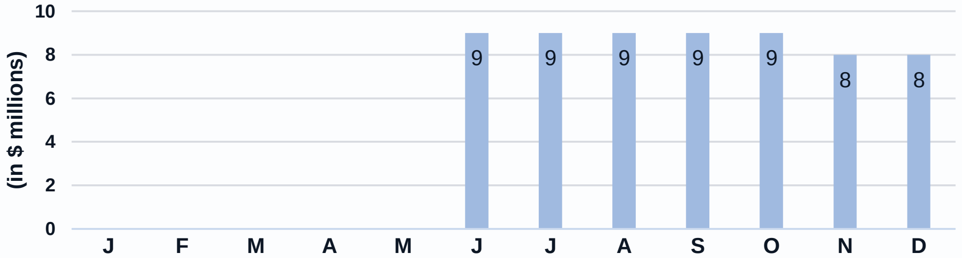


2017 impact of loss of January 1 RAM revenue recognition method

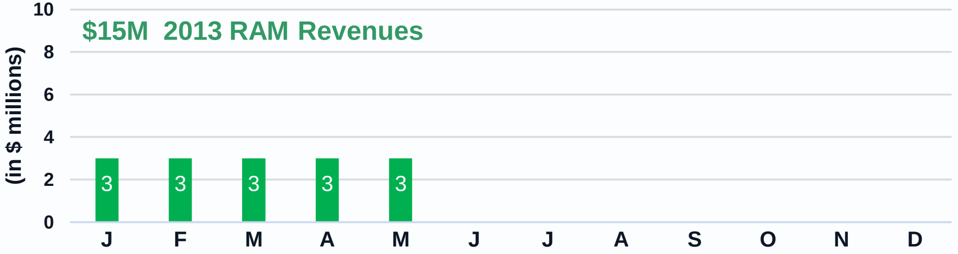
Calendar Year Method – Beginning January 2017



Lagged Method – Beginning June 2017



Recognition of Previously Unrecognized 2013 RAM Revenues



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

2017 Net Income Impact of RAM Revenues

Jan – May	Revenue	After Tax
2017 Calendar Year Method	($40M)	
Previously Unrecognized RAM Revenues	15M	
2017 Impact	($25M)	($14M)

Utility regulatory mechanisms provide financial stability during renewable transition

Mechanisms	What they do
Sales decoupling	Provides predictable revenue stream by fixing net revenues at level approved in last rate case (revenues not linked to kWh sales)
Revenue adjustment mechanism (RAM)	Annually adjusts revenue to recover general "inflation" of operations and maintenance expenses and baseline plant additions between rate cases
Major Projects Interim Recovery adjustment mechanism (MPIR)	Permits recovery through the RBA of costs (net of benefits) for major capital projects including but not restricted to projects to advance transformational efforts
Energy cost and purchased power recovery/adjustment clauses	Allow recovery of fuel and purchased power costs
Pension and post-employment benefit trackers	Allow tracking of pension and post-employment benefit costs and contributions above or below the cost included in rates in a separate regulatory asset/liability account
Renewable energy infrastructure program	Permits recovery of renewable energy infrastructure projects through a surcharge

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274
Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components	
1. Sales decoupling via a Revenue Balancing Account (RBA)	**Delinks utility revenues from electricity usage** ▪ GAAP revenue = revenue approved in the last rate case (interim or final) ▪ Recorded revenues adjusted monthly in the RBA ▪ Target (decoupling) revenues will be allocated as follows: ▪ On a cash basis, RBA annually trued-up in rates beginning June of the following year; interest recorded monthly by multiplying average of beginning and ending month balance in RBA net of deferred tax times (1.75% for Hawaiian Electric, 1.50% for Hawaii Electric Light, 1.25% for Maui Electric) divided by 12

	1Q	2Q	3Q	4Q
Hawaiian Electric (prior to 2/16/18)	23.46%	24.75%	26.49%	25.30%
Hawaiian Electric (after 2/16/18)	23.88%	24.45%	26.29%	25.38%
Hawaii Electric Light (prior to 8/31/17)	24.23%	24.54%	25.87%	25.36%
Hawaii Electric Light (after 8/31/17)	24.74%	24.45%	25.61%	25.20%
Maui Electric	23.92%	24.77%	26.21%	25.10%

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274

Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components	
2. RAM Revenue Adjustment Allowed (Order No. 32735*)	**Lesser of:** ▪ **2a** - RAM Revenue Adjustment based on the RAM provisions in place prior to Order No. 32735** -or- ▪ **2b** - RAM Revenue Adjustment Cap ("RAM Cap")

2a. RAM Revenue Adjustment Determined According to Tariffs and Procedures Prior to Order No. 32735 (2 components)	**Base Expenses (O&M) – Component 1**
	▪ Base expenses = expense levels in last approved rate case (interim or final), adjusted for annual indexed increases, and excluding expenses covered by a separate tracking mechanism[1] and increases in labor expenses for merit employees since the last approved rate case
	  ▪ Union labor escalation rate = rate per the union labor agreement less 0.76% productivity factor
	  ▪ Non-labor escalation rate = consensus estimated annual change in GDPPI per the Blue Chip Economic Indicators published each February
	▪ O&M in excess of the last rate case level and/or the indexed increases, is not covered by the RAM
	▪ Annually, O&M RAM adjustment filed by 3/31 and adjusted rates commence on 6/1 for following 12 month period, if not suspended

* Order No. 32735 issued by the PUC on March 31, 2015

** With the exception of the 90% limitation on the incremental rate base RAM

[1] Includes fuel, purchased power, DSM, pension, other post employment benefits, approved projects under the renewable energy infrastructure surcharge.

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274

Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components	
2a. RAM Revenue Adjustment Determined According to Tariffs and Procedures Prior to Order No. 32735	**RAM for Rate Base – Component 2** ▪ **Change in rate base compared to test year levels in last rate case, for certain items including annual adjustment for plant additions, associated rate base items and depreciation expense** Rate Base RAM - Return on Investment Adjustment (ROIA) ▪ Major Capital Projects (> $2.5M): average annual amount based on prior year ending balance (at project amounts not to exceed amounts approved by the PUC) and projected ending balance for the current year (based on approved projects scheduled to be in service by Sep 30th of the current year, at amounts approved by the PUC) ▪ Baseline Capital Projects (≤ $2.5M): average annual amount based on the prior year ending balance (actual) and projected ending balance for the current year (based on simple average of preceding 5 years) ▪ Offset by avg balances for accumulated depreciation, contributions in aid of construction and plant related deferred income taxes ▪ Rate Base RAM - Return on Investment Adjustment (ROIA) (i.e., ROR times the change in rate base from the last rate case) Depreciation & Amortization: Recovery of incremental depreciation and contributions in aid of construction amortization compared to test year levels in last rate case ▪ Annually, rate base RAM adjustment filed by 3/31 and adjusted rates commence on 6/1 for following 12 month period, if not suspended

Examples of items not covered in 2a:

- Non-labor O&M increases > GDPPI
- Non-union labor expense increases
- Costs for large capital projects > PUC approved estimate
- Costs for base-level capital projects > 5-year historical average, until following year
- Investments other than plant (e.g., software projects, fuel inventory)

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274

Hawaii PUC Docket No. For the decoupling review: 2013 - 0141

Components	
2b. RAM Revenue Adjustment Cap (Order No. 32735)	**Cumulative RAM for 2018 RAM Revenue Adjustment –** ▪ Prior year RAM Cap Target Revenues times GDPPI (2.1% for 2018) + prior year RAM Cap Revenue Adjustment
3. Earnings Sharing Credit	**Sharing of earnings with customers for ratemaking ROE > 9.5% after 12/2017 for Hawaiian Electric and after 8/2017 for Hawaii Electric Light; 9% for Maui Electric** ▪ First 100 bps = 25% sharing with customers ▪ Next 200 bps = 50% sharing with customers ▪ Exceeding 300 bps = 90% sharing with customers

Major Project Infrastructure Recovery (MPIR) Mechanism

Hawaii PUC Docket No. 2013-0141

- MPIR adjustment mechanism established by PUC on April 27, 2017 in decoupling reexamination proceeding
  - 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 PUC approval of applicable project
  - 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
    - Upon January 1 of the year after project is placed in service, may commence accrual of return and associated taxes on full amount of plant investment

  - “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 all known and measureable net savings or benefits of project

- Recovery of Schofield Generating Station (SGS) project capital costs (cap of $142 million) through MPIR approved June 27, 2018
  - SGS project O&M costs may be recoverable through MPIR upon company’s filing of a business case containing acceptable cost estimates

- Pending MPIR applications
  - Joint Base Pearl Harbor Hickam PV project
  - Joint Base Pearl Harbor Hickam Battery Energy Storage System (BESS) project
  - Campbell Industrial Park Generating Station Contingency & Regulating Reserve BESS project
  - Phase 1 Grid Modernization project

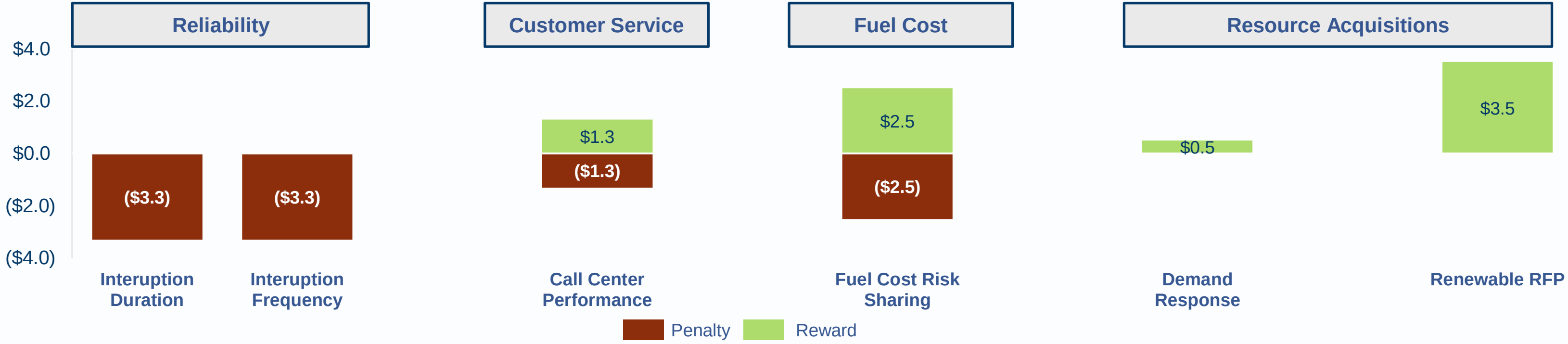
Performance-based regulation (PBR) proceeding

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

- Aspects of traditional PBR already in effect include decoupling, 3-year rate case cycle, performance incentives relating to reliability, customer service, demand response and renewable energy procurement
- Commission objectives:
  - Enhance alignment between utility and customer interests
  - Greater cost control and reduced rate volatility
  - Efficient investment and allocation of resources regardless of classification as capital or operating expense
  - Fair distribution of risks between utilities and customers
- Docket to proceed in two phases:
  - Phase 1 (~ 9 months): Examine regulatory framework, identify areas of performance deserving of further focus for PBR framework development and/or performance incentive mechanisms
  - Phase 2 (~12 months): PUC said that it *"…intends to work collaboratively with stakeholders to: streamline and/or refine elements of the existing regulatory framework; develop incentive mechanisms to better address specific objectives or areas of utility performance; and explore regulatory frameworks that result in more incentive-neutral utility investment decisions between capital- and service-based solutions."*
- PUC Staff Report issued 7/10/18 providing an initial set of proposed regulatory goals (i.e., enhance customer experience, improve utility performance, advance societal outcomes) along with a preliminary set of associated outcomes
- Initial technical workshop with stakeholders held 7/23-7/24/18
- SB 2939 (Hawaii Ratepayer Protection Act) signed into law 4/24/18
  - Requires Commission to implement PBR by 1/1/20

Performance Incentive Mechanisms (PIMs)

Current Performance Incentive Mechanisms[1]



PIMs approved by PUC Docket No. 2013-0141 on April 27, 2017 for all three companies in decoupling re-examination proceeding

- **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)
- $8.0 million maximum penalty/$1.3 million maximum reward for the three companies combined
- Reward/penalty amounts graduated, subject to deadband
- Reward/penalty recovered/credited annually through RBA Rate Adjustment
- Reward/penalty amounts re-determined upon issuance of interim or final orders in rate cases

Other PIMS[2]

- **Demand Response** (Docket No. 2015-0412), established by PUC on January 25, 2018
  - One time incentive for timely acquisition of cost-effective DR from RFP respondents
  - Incentive up to 5% of aggregate annual contract value subject to cap of $500,000
  - Tariff approval pending
- **Renewable RFP**—Competitive bidding process to acquire dispatchable renewable generation (Docket No. 2017-0352), established by PUC on April 6, 2018
  - Incentive based on 80% customer/20% utility split of savings for each PPA in Phase 1, compared to benchmark of 11.5 cents per kilowatt-hour for renewable projects paired with storage and 9.5 cents per kWh for renewable energy only projects, up to cap of $3.5 million (recoverable, if applicable, over a two year period in two phases based on the contract and then on one year of performance)
- **PUC will consider additional PIMs in pending Performance Based Regulation (PBR) docket**

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[1] Applies to all companies, except for fuel cost sharing, which currently applies to Oahu only

[2] In addition to the Performance Incentive Mechanisms described here, PUC has established a Heat Rate incentive mechanism designed to incentivize efficient operation of units (and penalize inefficient operation of units). 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

Part of Hawaiian Electric 2017 Rate Case Final Decision & Order (D&O)
Hawaii PUC Docket No. 2016-0328

- 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 to be part of the new Energy Cost Recovery Clause (which will replace existing Energy Cost Adjustment Clause)
  - Symmetrical mechanism
  - Applies to utility fossil fuel generation (not IPP generation or non-fossil fuels)
  - Variations in fossil fuel price above or below baseline price shared 98% customers / 2% utility
  - Utility annual upside / downside capped at $2.5 million
- Hawaiian Electric implementation proposal, filed July 23, 2018 includes:
  - Baseline Prices: Proposed to be January fuel prices of each year for each fossil fuel type
  - Implementation Date: Proposed to be January 1, 2019
- Technical conference to be held among utility, Commission, Consumer Advocate and intervenor that proposed fuel cost risk sharing mechanism

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 (DER), Community-Based Renewable Energy, Demand Response and Energy Efficiency programs
- Includes growth of private rooftop solar to an estimated total of 165,000 private systems by 2030
- Includes additional ~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

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

Grid Modernization Strategy

Hawaii PUC Docket No. 2017-0226

- In February 2018 the PUC 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 DER levels consistent with PSIP
- Provides customer choice through customer energy options (DER, DR, 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 over the next six years; applied for first phase of implementation ($86.3 million)
- Related upcoming filings include plan for executing near-term roadmap and proposed integrated grid-planning process
- The utilities filed their Integrated Grid Planning Report on March 1, 2018, outlining an innovative systems approach to energy planning to yield the most cost-effective renewable energy pathways that are rooted in customer and stakeholder input

Electrification of Transportation (EoT) Strategic Roadmap

Hawaii PUC Docket No. 2018-0135

- Commission opened new docket for EoT Strategic Roadmap and requested public comments by July 16, 2018
  - Overwhelmingly positive response reflected in public comments from residents, commercial customers, private industry, and advocacy groups
- Proposes role of the utility and identifies partners to increase adoption of electric vehicles (EV) and other electrification activities
- Customer and stakeholder engagement used to define and develop plans; engagement and partnership development to continue
- Initiatives include:
  - Increasing EV adoption by helping lower cost and educating consumers
  - Accelerating buildout of charging infrastructure
  - Supporting electrification of buses and other heavy equipment
  - Incentivizing charging at times that align with grid needs and save customers money
- EoT expansion:
  - Assists with integration of renewable energy to help meet state's 100% RPS goal
  - Increases Hawaii's energy security and reduces greenhouse gas emissions
  - Provides long-term value and benefits to all customers whether or not they own an EV
- Coordinated with other utility initiatives, including grid modernization, power supply improvement plan, integrated grid planning, distributed energy resources and demand response programs
- Related upcoming filings include electric bus tariff application to support early electric bus fleet conversions, network planning for minimum charging backbone infrastructure, and greater public outreach and education

Demand Response

Hawaii PUC Docket No. 2015-0412

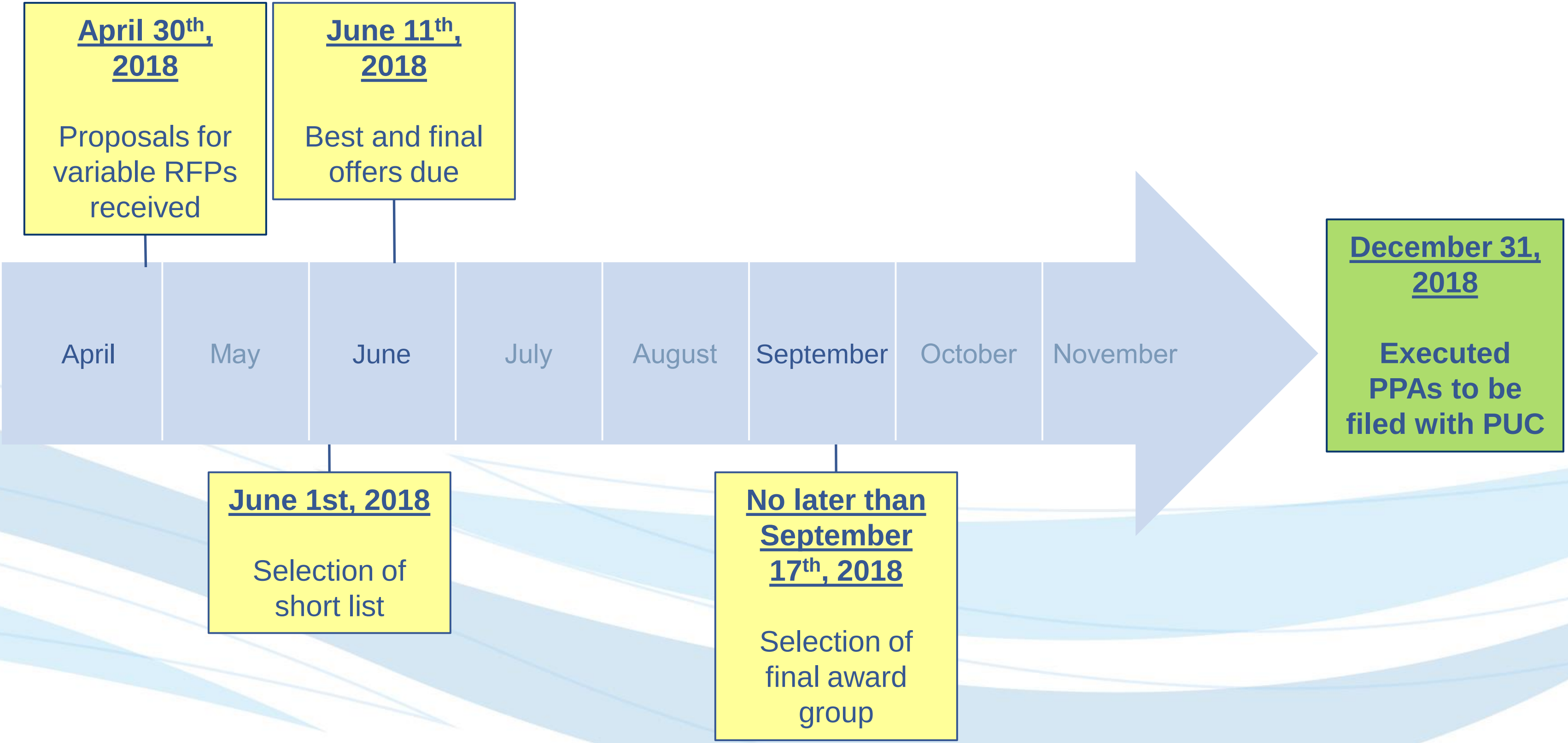
- In January 2018, the Companies received approval to proceed with launching an aggregator-based demand response (DR) portfolio:
  - Companies are currently negotiating with 2 selected aggregators 5-year contracts for the delivery of load building services, load reduction services and Contingency Reserve Services. Contract execution is expected in September, followed immediately by customer enrollment and enablement. Additional RFP will be issued in the fall of 2018.
  - Aggregators are offering to deliver the services via Commercial & Industrial and Residential customers, leveraging:
    - Behind-the-meter storage
    - Grid interactive water heaters
    - Traditional water heaters
    - Electric vehicle chargers
    - Commercial and industrial building loads
  - The Companies have the opportunity to realize a Performance Incentive Mechanism (“PIM”)
  - For this initial wave of procurement, the Companies ae targeting the following services and quantities:
    - Oahu contingency reserves: 36MW
    - Oahu load building: 44MW
    - Oahu load reduction: 44MW
    - Maui load building: 14MW
    - Maui load reduction: 14MW
- In February 209, the Companies will go-live with a Siemens Distributed Energy Management System designed to coordinate all Grid Services contributing assets

Distributed Energy Resources (DER)

Hawaii PUC Docket No. 2014-0192

- In February 2018, the Companies launched two new DER programs:
  - Smart Export: For customers installing rooftop PV combined with battery storage. Customers may export energy between 4pm – 9 am for credit, but are not credited for energy exported during daytime hours.
  - CGS+: For customers installing rooftop PV only (no storage required). Customers can export energy to the grid during the daytime for credit, but must use advanced equipment allowing utility to control system to maintain grid stability. The controllability function can be accomplished through a second meter installed by the utilities or through a third-party aggregator.
- In May 2018, the utilities filed proposed aggregator requirements and a standard DER Aggregation Agreement to implement the aggregator option for CGS+ customers. The Commission invited comments from the DER parties on the Companies' proposals.
- In June 2018, the Commission issued an order that will allow existing Net Energy Metering (NEM) customers to add non-exporting systems to their current systems, and still remain NEM customers. The utilities are currently working with the DER parties on a process to operationalize this "NEM+" program.

Renewable Dispatchable RFP Timeline



April 30th, 2018

Proposals for variable RFPs received

June 11th, 2018

Best and final offers due

April May June July August September October November

June 1st, 2018

Selection of short list

No later than September 17th, 2018

Selection of final award group

December 31, 2018

Executed PPAs to be filed with PUC

Revised draft of Maui Electric Firm RFP to be filed with PUC in third quarter. Further timing will depend on PUC order.

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
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)
Deprec. & amort. expenses	$24.6M	$23.9M	$29.6M
Return on average common equity	10.60% with mechanisms	10.60% with mechanisms	9.50% with mechanisms
Common equity capitalization (%)	56.94%	56.94%	57.02%
Return on rate base	8.05%	8.05%	7.43%
Average rate base	$473.3M	$482.4M	$462.4M
GWh sales	1,047.0	1,047.0	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): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

[1] Revenues at current effective rates include revenues based on the Final rates approved in Maui Electric Company's 2012 test year rate case and revenues from the ECAC, PPAC, the estimated RAM Revenue Adjustment for the 2018 RAM period, and the RBA and other operating revenues.

Hawaiian Electric Rate Case: 2017 Test Year

Hawaii PUC Docket No. 2016-0328

	Application (12/16/16)	Settlement (11/15/17)	Interim D&O (12/15/17 as modified)	March 2018 Settlement/ Tax Reform Act Impact (3/5/18)	Final D&O (6/22/18)
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[7]	\$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): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

[1] Revenues at current effective rates include revenues based on the Final rates approved in Hawaiian Electric Company's 2011 test year rate case and revenues from the ECAC, PPAC, the estimated RAM Revenue Adjustment for the 2017 RAM period, and the RBA and other operating revenues.

[2] In Settlement Agreement, Parties settled on all issues except whether the ROE of 9.75% should be reduced by up to 25 basis points for the impact of decoupling.

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

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

[5] Interim rate increase became effective February 16, 2018.

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

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

Hawaiian Electric TY2017 Changes to Fossil Target Heat Rates and Deadband

Part of Hawaiian Electric 2017 Rate Case Final Decision & Order (D&O)
Hawaii PUC Docket No. 2016-0328

- As part of the Final D&O in Hawaiian Electric’s 2017 rate case, the Commission approved:

  - Increase to the low sulfur fuel oil (LSFO) heat rate to 11,165 from 11,079 Btu/kWh-sales
  - Widened deadband to ±125 from ±50 Btu/kWh-sales
  - Removed target heat rate for diesel and biodiesel (full heat rate pass through)

- Proposed ECRC tariff was filed on July 23 and is subject to PUC approval

Hawaii Electric Light Rate Case: 2016 Test Year

Hawaii PUC Docket No. 2015-0170

	Application (9/19/16)	Settlement (7/11/17)	Interim D&O (eff. 8/31/17)	Adjustment to Interim Increase (eff 5/1/18)	Final D&O (6/29/18)
Amount requested	$19.3M (6.5% increase over revenues at current effective rates) [1]	Approximately $9.9M (at 9.5% ROE)-$11.1M (at 9.75% ROE)[2] (3.4%-3.8% increase over revenues at current effective rates)	Approximately $9.9M (at 9.5% ROE)[3] (3.4% increase over revenues at current effective rates)	Lower tax rate results in reduced requirements over interim D&O; Maintains 9.5% ROE[4]	Commission approves Adjustment to Interim Increase as adjusted final revenue requirement
Deprec. & amort. expenses	$37.8M	$37.8M	$37.8M	$37.7M	$37.7M
Return on average common equity	10.60% with mechanisms	9.5%-9.75% With mechanisms	9.5% With mechanisms	9.5% With mechanisms	9.5% With mechanisms
Common equity capitalization (%)	57.12%	56.69%	56.69%	56.69%	56.69%
Return on rate base	8.44%	7.80%-7.94%	7.80%	7.80%	7.80%
Average rate base	$478.8M	$482.1M	$482.1M	$481.3M	$481.3M
GWh sales	1,040.7	1,040.7	1,040.7	1,040.7	1,040.7

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Adjustment Clause (ECAC): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

1 Revenues at current effective rates include revenues based on the Final rates approved in Hawaii Electric Light’s 2010 test year rate case and revenues from the ECAC, PPAC, the RAM Revenue Adjustment for the 2016 RAM period, and the RBA and other operating revenues.

2 In Settlement Agreement, Parties settled on all issues except whether the ROE of 9.75% should be reduced by up to 25 basis points for the impact of decoupling.

3 Interim rate increase became effective on August 31, 2017. Parties filed separate opening and reply briefs on September 20, 2017 and October 5, 2017, respectively.

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

Maui Electric Rate Case: 2012 Test Year

Hawaii PUC Docket No. 2011-0092

	Application (7/22/11)	Interim D&O (eff.6/1/12)	Final D&O (eff.8/1/13)
Base Request	\$27.5M[1] (6.7% increase)	\$13.1M[3] (3.2% increase)	\$5.3M[4] (1.3% increase)
Depr. & amort. expenses	\$19.8M without mechanisms	\$19.7M with mechanisms	\$19.7M with mechanisms
Return on average common equity	11.00%	10.00%	9.00%
Common equity capitalization (%)	56.85%	56.86%	56.86%
Return on average rate base	8.72%	7.91%	7.34%
Average rate base amount[2]	\$393M	\$393M	\$393M
GWh sales	1,201.8	1,201.8	1,201.8

Existing Balancing Accounts, Trackers and/or Surcharges

Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause.

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

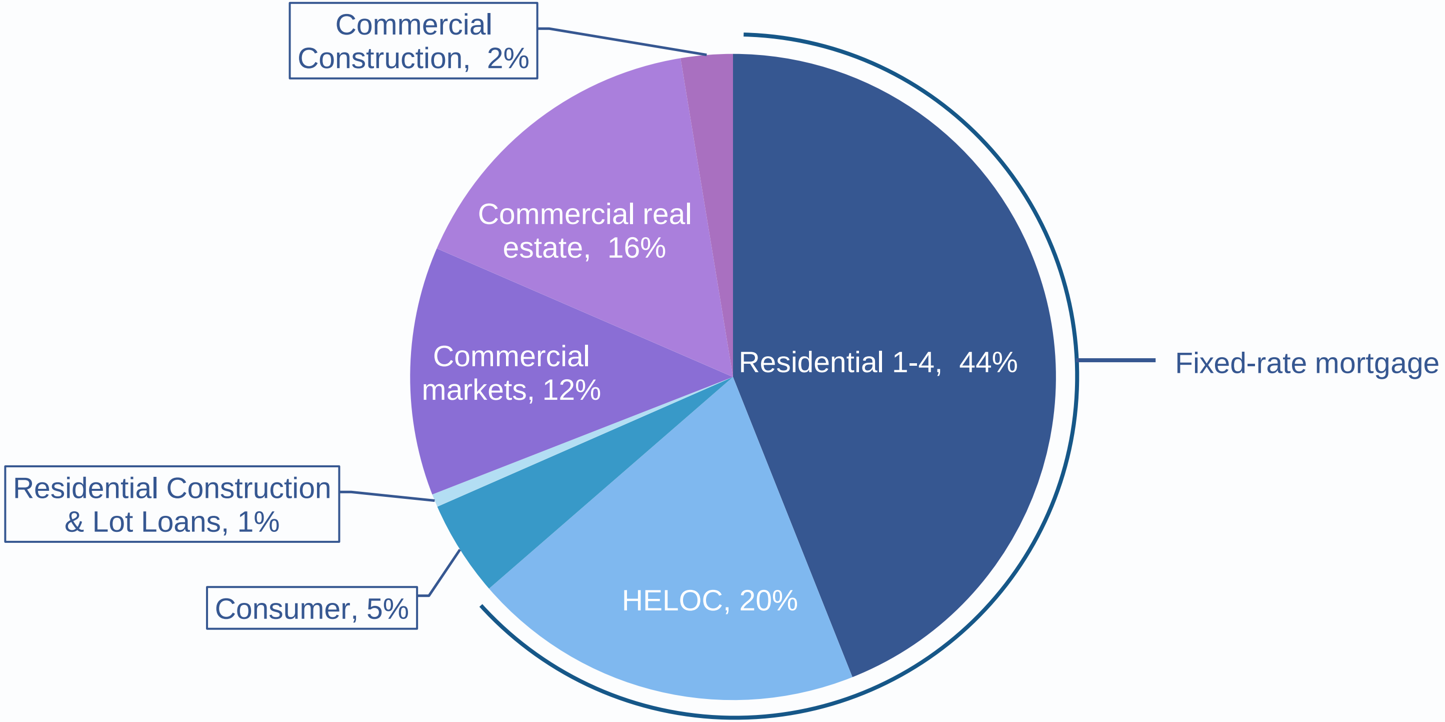
[2] Current effective rates are based on the adjusted interim D&O in the Maui Electric's 2010 test year rate case. Average rate base in that D&O was \$387M.

[3] Based on updated settlement which included the implementation of final rates in the 2010 test year rate case. On May 21, 2012, the Commission issued an interim D&O which approved interim rates effective on June 1, 2012.

[4] Final rates became effective as of August 1, 2013. Maui Electric refunded \$9.7 million (which includes interest and related revenue taxes since June 1, 2012) to customers from September to October 2013. On July 2, 2013, the Commission denied Maui Electric's motion for partial reconsideration of the 9.00% ROE in the final D&O but allowed the deferral of IRP costs incurred from June 1, 2012 until determination of the level and method of recovery in the IRP docket.

Low-risk loan mix

Total loans at 6/30/18 - $4.8B[1]



Note: $ in millions, unless otherwise noted

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

ASB peer group – 2018

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

Note: Based on publicly traded banks, savings and thrifts in the U.S. that have a total average assets between $4 billion and $9 billion for the years 2015-2017 (based upon data available in SNL as of April 18, 2018). Any institution whose business is not directly comparable with ASB or did not have data present for all 3 years were excluded. The peer group is updated annually and banks that no longer report as a separate entity (e.g. mergers, acquisitions, failed banks, etc.) are not included in the median calculations from the time of the transaction or failure.

** Subset of 17 banks representing ASB's high performing peer group, based on a 3-year average return on average assets rank equal or above the 75th percentile.

Overall, tax reform a net positive moving forward

	2017 one-time adjustments*	Primary ongoing impacts
Hawaiian Electric	($9.2) million • Reduction of net deferred tax asset	• Benefits from lower tax rates to flow to customers • Loss of bonus depreciation increases need for financing of capex and should incrementally increase rate base going forward • Domestic Production Activities Deduction (DPAD) repealed and Contributions in Aid of Construction (CIAC) exclusion eliminated • Exempt from limit on deductibility of interest
	+	
American Savings Bank	$1 million • Reduction of deferred tax liability • Net of one-time non-executive employee bonus	• Net income increases with lower tax rate • Marginally higher cost structure due to compensation increases • Higher earnings increase capacity for dividends to holding company
	+	
Pacific Current	None	• Earnings subject to lower tax rates
	+	
Holding Company and Other	($6) million • Reduction of deferred tax asset	• Net loss increases with lower tax rate • As consolidated taxpayer with subsidiaries, are subject to 30% of adjusted taxable income limitation, however, protected by net interest income from Bank
	=	
Consolidated Enterprise	($14.2) million	• Modest impact due to elimination of performance-based compensation deduction under 162(m) • Consolidated impact expected to be a net positive

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

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

- Focused on helping achieve Hawaii's sustainability goals
- Initial project cash flow helping fund start-up costs

PACIFIC CURRENT

Acquired Hamakua Energy Plant, Hawaii Island

- Critical dispatchable generating resource as island transitions to 100% renewable energy by 2045
- Contracted cash flows and non-recourse financing support investment grade profile
- Accretive from outset, expected to continue over contract life
- Evaluating potential to use biofuel and options for unused land/transmission interconnection next to plant

Awarded and contracted for solar plus battery storage projects at 5 campuses in University of Hawaii system

- Selected in competitive process
- Contracted cash flows and non-recourse financing support investment grade profile
- Investment-grade counterparties: University of Hawaii (off-taker); Johnson Controls, Inc. (EPC contractor)
- Accretive beginning first full year post COD (COD expected in 2019)

Continued favorable outlook for Hawaii’s economy

Tourism

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

Unemployment Rate (%)

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

Real personal income

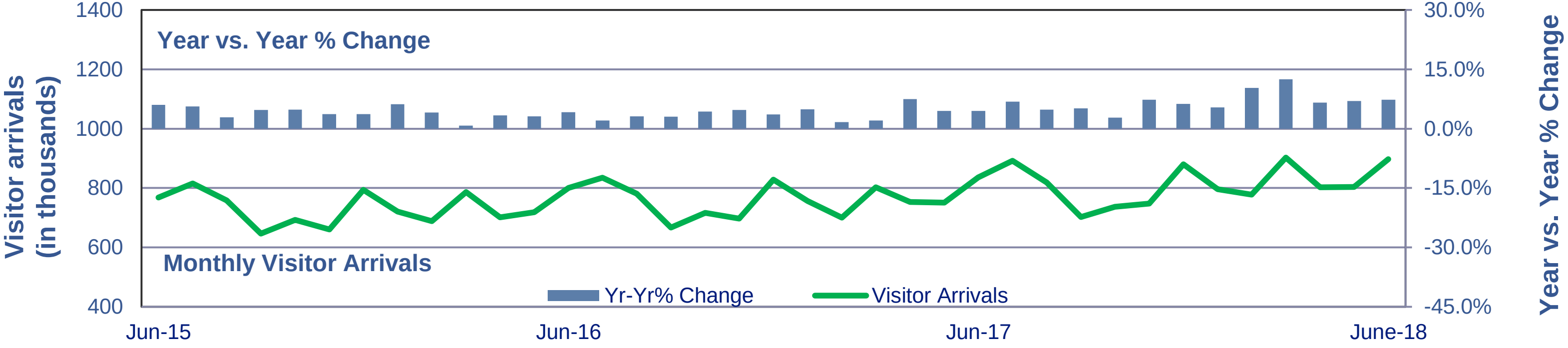
	2017	2018	2019
Hawaii	+0.5%	+2.0%	+1.8%

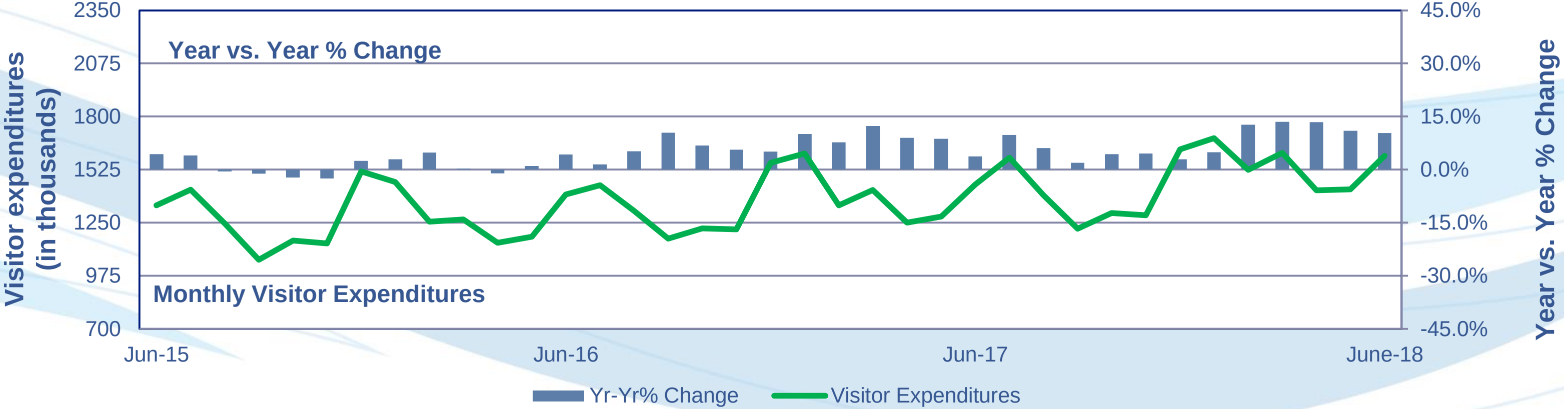
Real State GDP

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

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

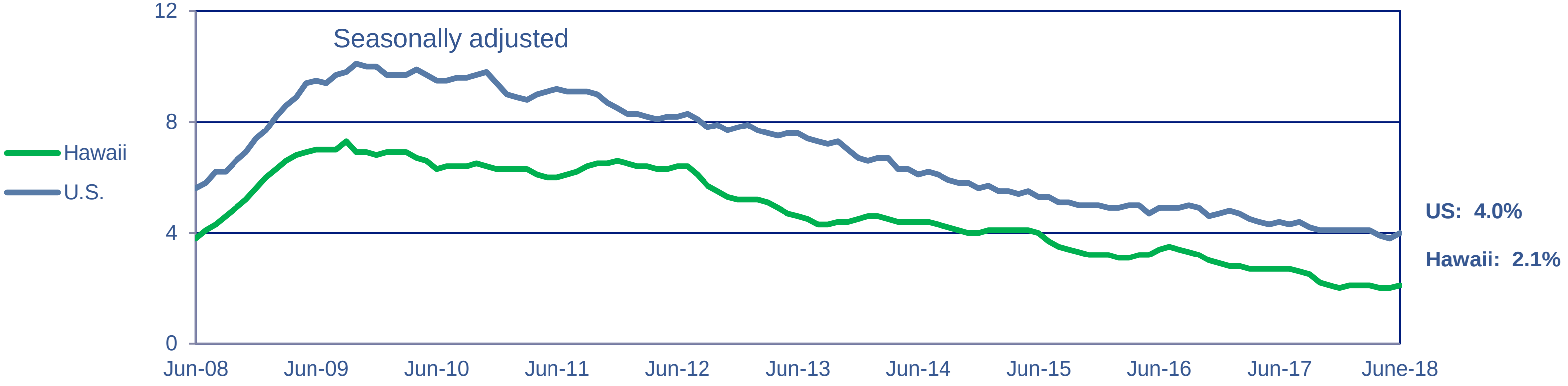
June 2018 Hawaii visitor arrivals up 7.3% and visitor expenditures up 10.3%





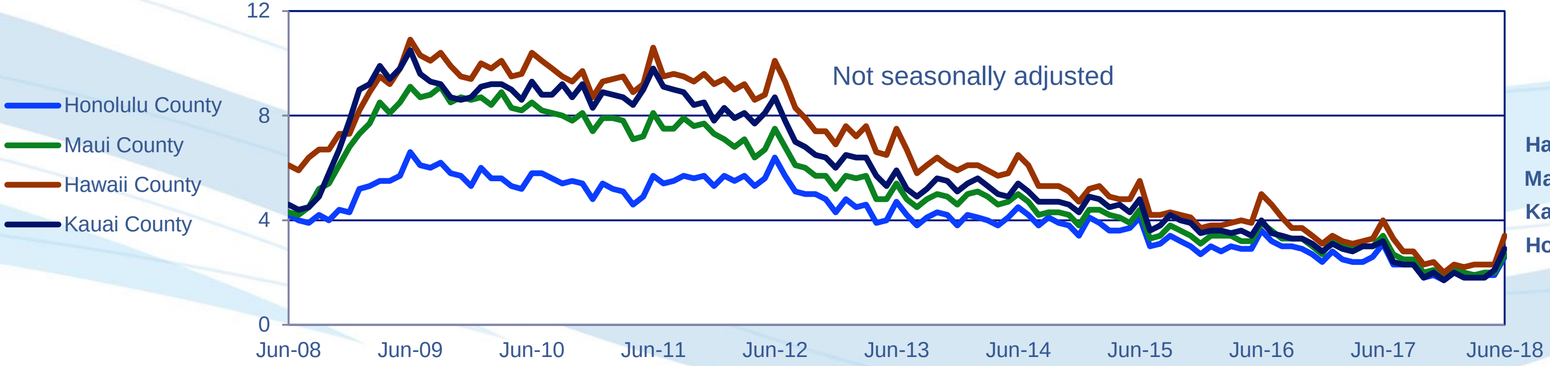
Source: State of Hawaii Department of Business, Economic Development and Tourism

Hawaii unemployment rate remains low at 2.1%



US: 4.0%

Hawaii: 2.1%



Hawaii County: 3.4%

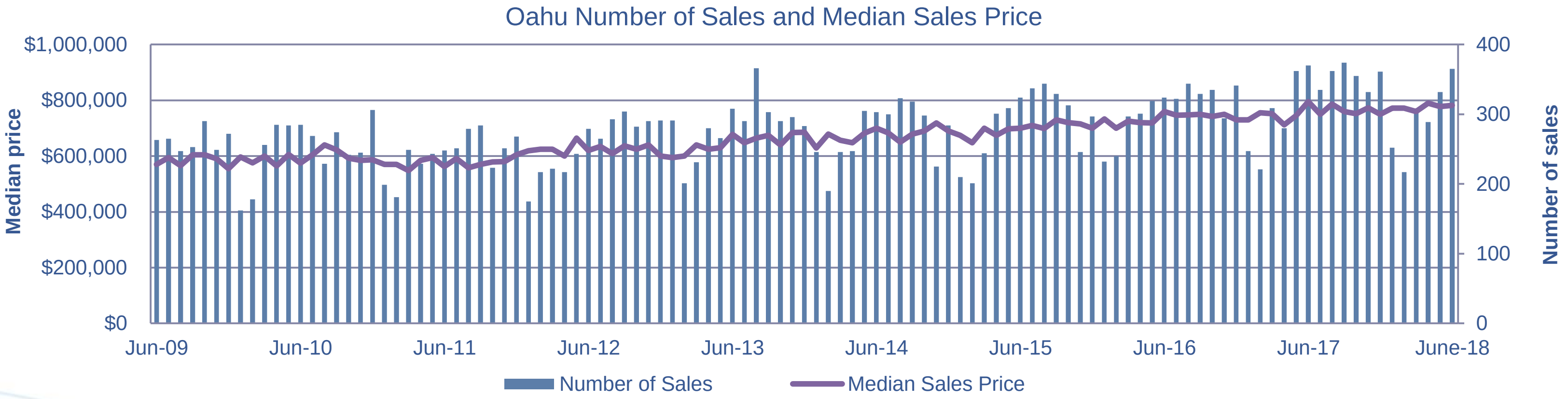
Maui County: 2.7%

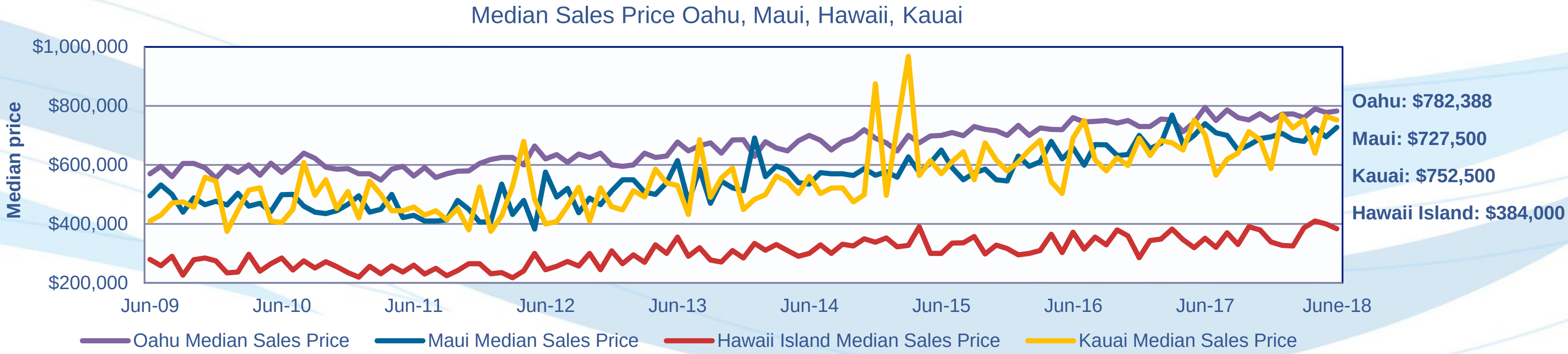
Kauai County: 2.9%

Honolulu County: 2.6%

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

Hawaii real estate market remains strong





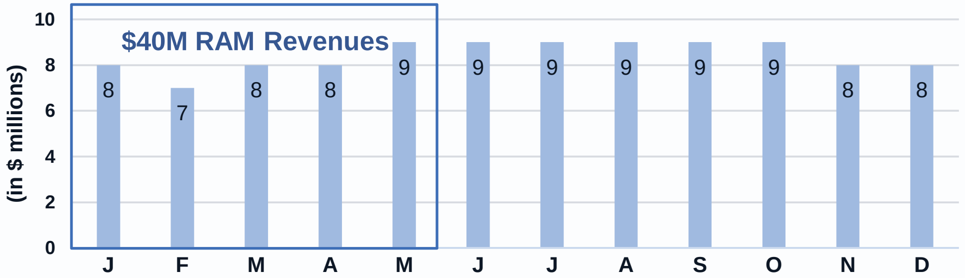
Source: Title Guaranty (2008 - current)

HEI

Catalyst for a better Hawai'i

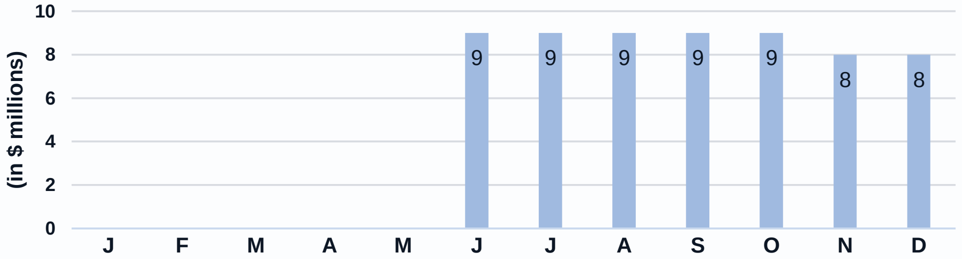
2017 impact of loss of January 1 RAM revenue recognition method

Calendar Year Method – Beginning January 2017

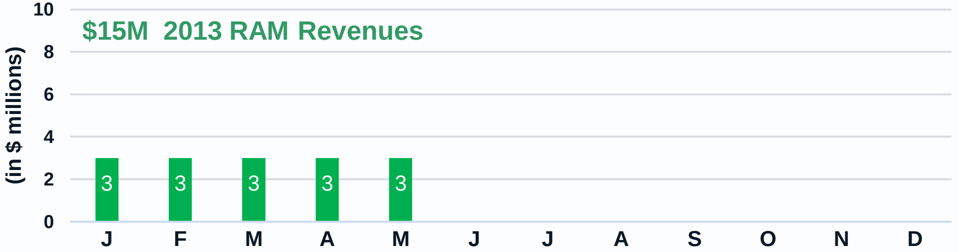


$40M RAM Revenues

Lagged Method – Beginning June 2017



Recognition of Previously Unrecognized 2013 RAM Revenues



$15M 2013 RAM Revenues

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

2017 Net Income Impact of RAM Revenues

Jan – May	Revenue	After Tax
2017 Calendar Year Method	($40M)	
Previously Unrecognized RAM Revenues	15M	
2017 Impact	($25M)	($14M)

Utility regulatory mechanisms provide financial stability during renewable transition

Mechanisms	What they do
Sales decoupling	Provides predictable revenue stream by fixing net revenues at level approved in last rate case (revenues not linked to kWh sales)
Revenue adjustment mechanism (RAM)	Annually adjusts revenue to recover general “inflation” of operations and maintenance expenses and baseline plant additions between rate cases
Major Projects Interim Recovery adjustment mechanism (MPIR)	Permits recovery through the RBA of costs (net of benefits) for major capital projects including but not restricted to projects to advance transformational efforts
Energy cost and purchased power recovery/adjustment clauses	Allow recovery of fuel and purchased power costs
Pension and post-employment benefit trackers	Allow tracking of pension and post-employment benefit costs and contributions above or below the cost included in rates in a separate regulatory asset/liability account
Renewable energy infrastructure program	Permits recovery of renewable energy infrastructure projects through a surcharge

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274

Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components

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

Delinks utility revenues from electricity usage

- GAAP revenue = revenue approved in the last rate case (interim or final)
  - Recorded revenues adjusted monthly in the RBA
  - Target (decoupling) revenues will be allocated as follows:

	1Q	2Q	3Q	4Q
Hawaiian Electric (prior to 2/16/18)	23.46%	24.75%	26.49%	25.30%
Hawaiian Electric (after 2/16/18)	23.88%	24.45%	26.29%	25.38%
Hawaii Electric Light (prior to 8/31/17)	24.23%	24.54%	25.87%	25.36%
Hawaii Electric Light (after 8/31/17)	24.74%	24.45%	25.61%	25.20%
Maui Electric	23.92%	24.77%	26.21%	25.10%

- On a cash basis, RBA annually trued-up in rates beginning June of the following year; interest recorded monthly by multiplying average of beginning and ending month balance in RBA net of deferred tax times (1.75% for Hawaiian Electric, 1.50% for Hawaii Electric Light, 1.25% for Maui Electric) divided by 12

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274

Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components	
2. RAM Revenue Adjustment Allowed (Order No. 32735*)	**Lesser of:** ▪ **2a** - RAM Revenue Adjustment based on the RAM provisions in place prior to Order No. 32735** -or- ▪ **2b** - RAM Revenue Adjustment Cap ("RAM Cap")
2a. RAM Revenue Adjustment Determined According to Tariffs and Procedures Prior to Order No. 32735 (2 components)	**Base Expenses (O&M) – Component 1** ▪ Base expenses = expense levels in last approved rate case (interim or final), adjusted for annual indexed increases, and excluding expenses covered by a separate tracking mechanism[1] and increases in labor expenses for merit employees since the last approved rate case ▪ Union labor escalation rate = rate per the union labor agreement less 0.76% productivity factor ▪ Non-labor escalation rate = consensus estimated annual change in GDPPI per the Blue Chip Economic Indicators published each February ▪ O&M in excess of the last rate case level and/or the indexed increases, is not covered by the RAM ▪ Annually, O&M RAM adjustment filed by 3/31 and adjusted rates commence on 6/1 for following 12 month period, if not suspended

* Order No. 32735 issued by the PUC on March 31, 2015

** With the exception of the 90% limitation on the incremental rate base RAM

[1] Includes fuel, purchased power, DSM, pension, other post employment benefits, approved projects under the renewable energy infrastructure surcharge.

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274

Hawaii PUC Docket No. for the decoupling review: 2013 - 0141

Components	
2a. RAM Revenue Adjustment Determined According to Tariffs and Procedures Prior to Order No. 32735	**RAM for Rate Base – Component 2** ▪ **Change in rate base compared to test year levels in last rate case, for certain items including annual adjustment for plant additions, associated rate base items and depreciation expense** Rate Base RAM - Return on Investment Adjustment (ROIA) ▪ Major Capital Projects (> $2.5M): average annual amount based on prior year ending balance (at project amounts not to exceed amounts approved by the PUC) and projected ending balance for the current year (based on approved projects scheduled to be in service by Sep 30th of the current year, at amounts approved by the PUC) ▪ Baseline Capital Projects (≤ $2.5M): average annual amount based on the prior year ending balance (actual) and projected ending balance for the current year (based on simple average of preceding 5 years) ▪ Offset by avg balances for accumulated depreciation, contributions in aid of construction and plant related deferred income taxes ▪ Rate Base RAM - Return on Investment Adjustment (ROIA) (i.e., ROR times the change in rate base from the last rate case) Depreciation & Amortization: Recovery of incremental depreciation and contributions in aid of construction amortization compared to test year levels in last rate case ▪ Annually, rate base RAM adjustment filed by 3/31 and adjusted rates commence on 6/1 for following 12 month period, if not suspended

Examples of items not covered in 2a:

- Non-labor O&M increases > GDPPI
- Non-union labor expense increases
- Costs for large capital projects > PUC approved estimate
- Costs for base-level capital projects > 5-year historical average, until following year
- Investments other than plant (e.g., software projects, fuel inventory)

Components of decoupling

Hawaii PUC Docket No. 2008 - 0274

Hawaii PUC Docket No. For the decoupling review: 2013 - 0141

Components	
2b. RAM Revenue Adjustment Cap (Order No. 32735)	**Cumulative RAM for 2018 RAM Revenue Adjustment –** ▪ Prior year RAM Cap Target Revenues times GDPPI (2.1% for 2018) + prior year RAM Cap Revenue Adjustment
3. Earnings Sharing Credit	**Sharing of earnings with customers for ratemaking ROE > 9.5% after 12/2017 for Hawaiian Electric and after 8/2017 for Hawaii Electric Light; 9% for Maui Electric** ▪ First 100 bps = 25% sharing with customers ▪ Next 200 bps = 50% sharing with customers ▪ Exceeding 300 bps = 90% sharing with customers

Major Project Infrastructure Recovery (MPIR) Mechanism

Hawaii PUC Docket No. 2013-0141

- MPIR adjustment mechanism established by PUC on April 27, 2017 in decoupling reexamination proceeding
  - 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 PUC approval of applicable project
  - 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
    - Upon January 1 of the year after project is placed in service, may commence accrual of return and associated taxes on full amount of plant investment

  - “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 all known and measureable net savings or benefits of project

- Recovery of Schofield Generating Station (SGS) project capital costs (cap of $142 million) through MPIR approved June 27, 2018
  - SGS project O&M costs may be recoverable through MPIR upon company’s filing of a business case containing acceptable cost estimates

- Pending MPIR applications
  - Joint Base Pearl Harbor Hickam PV project
  - Joint Base Pearl Harbor Hickam Battery Energy Storage System (BESS) project
  - Campbell Industrial Park Generating Station Contingency & Regulating Reserve BESS project
  - Phase 1 Grid Modernization project

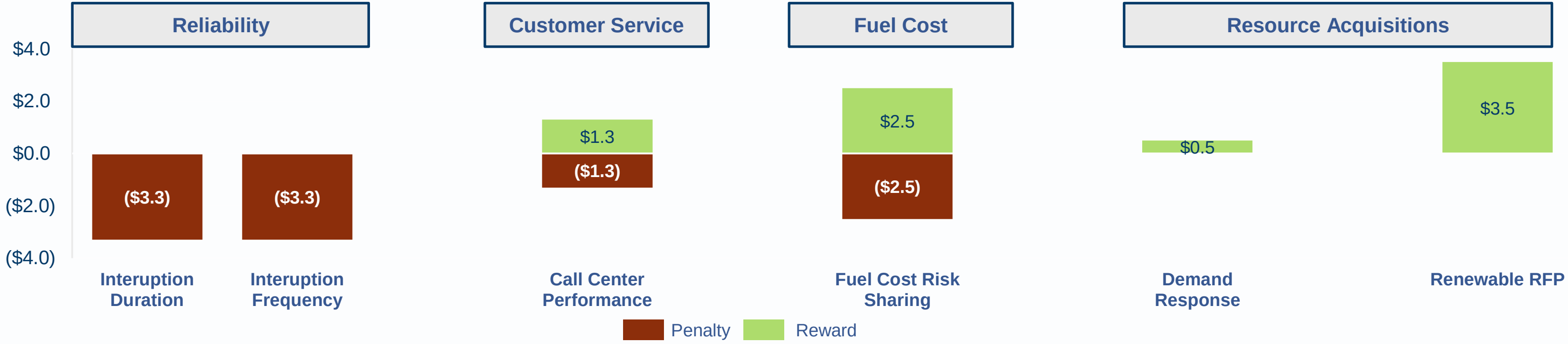
Performance-based regulation (PBR) proceeding

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

- Aspects of traditional PBR already in effect include decoupling, 3-year rate case cycle, performance incentives relating to reliability, customer service, demand response and renewable energy procurement
- Commission objectives:
  - Enhance alignment between utility and customer interests
  - Greater cost control and reduced rate volatility
  - Efficient investment and allocation of resources regardless of classification as capital or operating expense
  - Fair distribution of risks between utilities and customers
- Docket to proceed in two phases:
  - Phase 1 (~ 9 months): Examine regulatory framework, identify areas of performance deserving of further focus for PBR framework development and/or performance incentive mechanisms
  - Phase 2 (~12 months): PUC said that it *"…intends to work collaboratively with stakeholders to: streamline and/or refine elements of the existing regulatory framework; develop incentive mechanisms to better address specific objectives or areas of utility performance; and explore regulatory frameworks that result in more incentive-neutral utility investment decisions between capital- and service-based solutions."*
- PUC Staff Report issued 7/10/18 providing an initial set of proposed regulatory goals (i.e., enhance customer experience, improve utility performance, advance societal outcomes) along with a preliminary set of associated outcomes
- Initial technical workshop with stakeholders held 7/23-7/24/18
- SB 2939 (Hawaii Ratepayer Protection Act) signed into law 4/24/18
  - Requires Commission to implement PBR by 1/1/20

Performance Incentive Mechanisms (PIMs)

Current Performance Incentive Mechanisms[1]



PIMs approved by PUC Docket No. 2013-0141 on April 27, 2017 for all three companies in decoupling re-examination proceeding

- **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)
- $8.0 million maximum penalty/$1.3 million maximum reward for the three companies combined
- Reward/penalty amounts graduated, subject to deadband
- Reward/penalty recovered/credited annually through RBA Rate Adjustment
- Reward/penalty amounts re-determined upon issuance of interim or final orders in rate cases

Other PIMS[2]

- **Demand Response** (Docket No. 2015-0412), established by PUC on January 25, 2018
  - One time incentive for timely acquisition of cost-effective DR from RFP respondents
  - Incentive up to 5% of aggregate annual contract value subject to cap of $500,000
  - Tariff approval pending
- **Renewable RFP**—Competitive bidding process to acquire dispatchable renewable generation (Docket No. 2017-0352), established by PUC on April 6, 2018
  - Incentive based on 80% customer/20% utility split of savings for each PPA in Phase 1, compared to benchmark of 11.5 cents per kilowatt-hour for renewable projects paired with storage and 9.5 cents per kWh for renewable energy only projects, up to cap of $3.5 million (recoverable, if applicable, over a two year period in two phases based on the contract and then on one year of performance)
- **PUC will consider additional PIMs in pending Performance Based Regulation (PBR) docket**

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

2 In addition to the Performance Incentive Mechanisms described here, PUC has established a Heat Rate incentive mechanism designed to incentivize efficient operation of units (and penalize inefficient operation of units). 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

Part of Hawaiian Electric 2017 Rate Case Final Decision & Order (D&O)
Hawaii PUC Docket No. 2016-0328

- 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 to be part of the new Energy Cost Recovery Clause (which will replace existing Energy Cost Adjustment Clause)

  - Symmetrical mechanism
  - Applies to utility fossil fuel generation (not IPP generation or non-fossil fuels)
  - Variations in fossil fuel price above or below baseline price shared 98% customers / 2% utility
  - Utility annual upside / downside capped at $2.5 million

- Hawaiian Electric implementation proposal, filed July 23, 2018 includes:

  - Baseline Prices: Proposed to be January fuel prices of each year for each fossil fuel type
  - Implementation Date: Proposed to be January 1, 2019

- Technical conference to be held among utility, Commission, Consumer Advocate and intervenor that proposed fuel cost risk sharing mechanism

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 (DER), Community-Based Renewable Energy, Demand Response and Energy Efficiency programs
- Includes growth of private rooftop solar to an estimated total of 165,000 private systems by 2030
- Includes additional ~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

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

Grid Modernization Strategy

Hawaii PUC Docket No. 2017-0226

- In February 2018 the PUC 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 DER levels consistent with PSIP
- Provides customer choice through customer energy options (DER, DR, 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 over the next six years; applied for first phase of implementation ($86.3 million)
- Related upcoming filings include plan for executing near-term roadmap and proposed integrated grid-planning process
- The utilities filed their Integrated Grid Planning Report on March 1, 2018, outlining an innovative systems approach to energy planning to yield the most cost-effective renewable energy pathways that are rooted in customer and stakeholder input

Electrification of Transportation (EoT) Strategic Roadmap

Hawaii PUC Docket No. 2018-0135

- Commission opened new docket for EoT Strategic Roadmap and requested public comments by July 16, 2018
  - Overwhelmingly positive response reflected in public comments from residents, commercial customers, private industry, and advocacy groups
- Proposes role of the utility and identifies partners to increase adoption of electric vehicles (EV) and other electrification activities
- Customer and stakeholder engagement used to define and develop plans; engagement and partnership development to continue
- Initiatives include:
  - Increasing EV adoption by helping lower cost and educating consumers
  - Accelerating buildout of charging infrastructure
  - Supporting electrification of buses and other heavy equipment
  - Incentivizing charging at times that align with grid needs and save customers money
- EoT expansion:
  - Assists with integration of renewable energy to help meet state’s 100% RPS goal
  - Increases Hawaii’s energy security and reduces greenhouse gas emissions
  - Provides long-term value and benefits to all customers whether or not they own an EV
- Coordinated with other utility initiatives, including grid modernization, power supply improvement plan, integrated grid planning, distributed energy resources and demand response programs
- Related upcoming filings include electric bus tariff application to support early electric bus fleet conversions, network planning for minimum charging backbone infrastructure, and greater public outreach and education

Demand Response

Hawaii PUC Docket No. 2015-0412

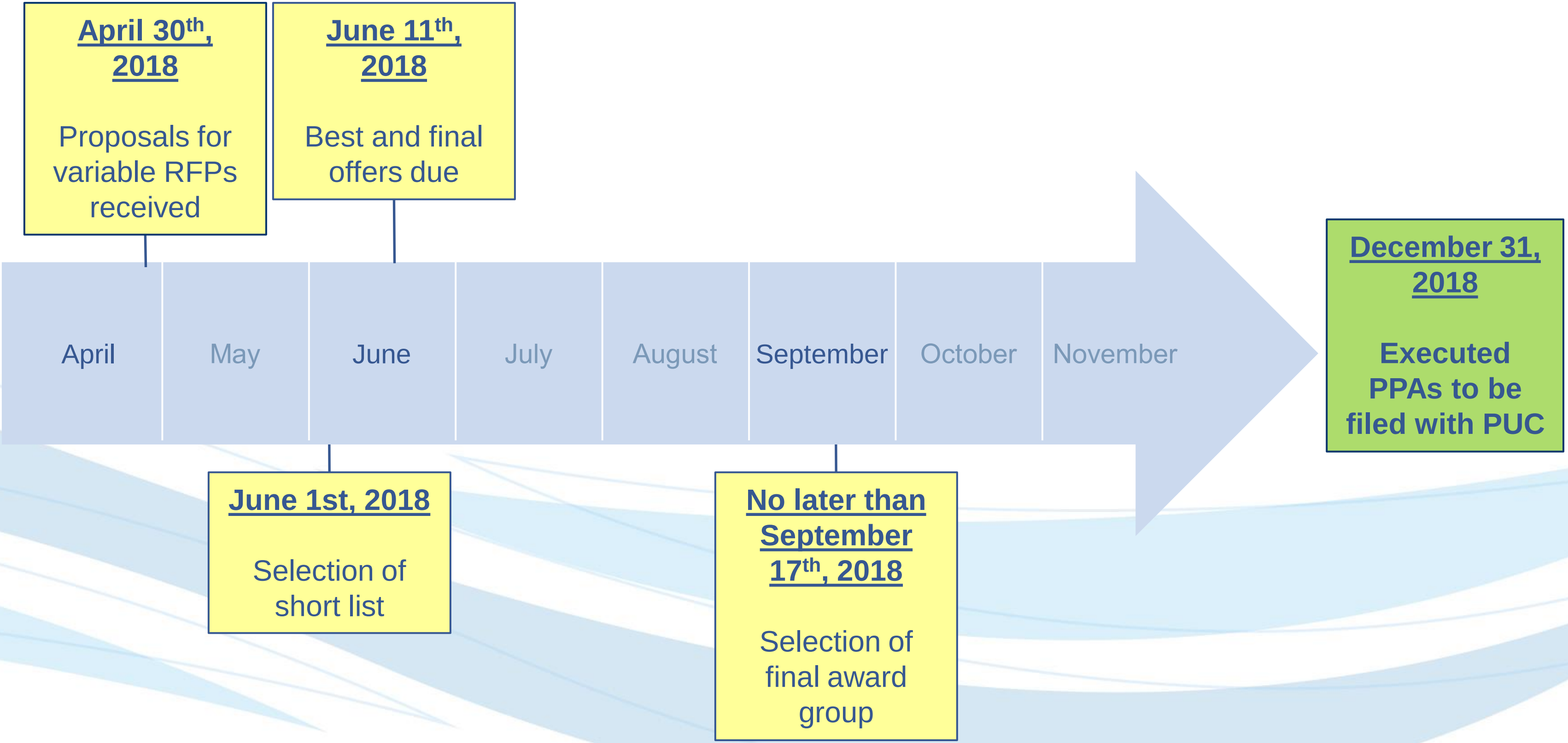
- In January 2018, the Companies received approval to proceed with launching an aggregator-based demand response (DR) portfolio:
  - Companies are currently negotiating with 2 selected aggregators 5-year contracts for the delivery of load building services, load reduction services and Contingency Reserve Services. Contract execution is expected in September, followed immediately by customer enrollment and enablement. Additional RFP will be issued in the fall of 2018.
  - Aggregators are offering to deliver the services via Commercial & Industrial and Residential customers, leveraging:
    - Behind-the-meter storage
    - Grid interactive water heaters
    - Traditional water heaters
    - Electric vehicle chargers
    - Commercial and industrial building loads
  - The Companies have the opportunity to realize a Performance Incentive Mechanism (“PIM”)
  - For this initial wave of procurement, the Companies ae targeting the following services and quantities:
    - Oahu contingency reserves: 36MW
    - Oahu load building: 44MW
    - Oahu load reduction: 44MW
    - Maui load building: 14MW
    - Maui load reduction: 14MW
- In February 209, the Companies will go-live with a Siemens Distributed Energy Management System designed to coordinate all Grid Services contributing assets

Distributed Energy Resources (DER)

Hawaii PUC Docket No. 2014-0192

- In February 2018, the Companies launched two new DER programs:
  - Smart Export: For customers installing rooftop PV combined with battery storage. Customers may export energy between 4pm – 9 am for credit, but are not credited for energy exported during daytime hours.
  - CGS+: For customers installing rooftop PV only (no storage required). Customers can export energy to the grid during the daytime for credit, but must use advanced equipment allowing utility to control system to maintain grid stability. The controllability function can be accomplished through a second meter installed by the utilities or through a third-party aggregator.
- In May 2018, the utilities filed proposed aggregator requirements and a standard DER Aggregation Agreement to implement the aggregator option for CGS+ customers. The Commission invited comments from the DER parties on the Companies' proposals.
- In June 2018, the Commission issued an order that will allow existing Net Energy Metering (NEM) customers to add non-exporting systems to their current systems, and still remain NEM customers. The utilities are currently working with the DER parties on a process to operationalize this "NEM+" program.

Renewable Dispatchable RFP Timeline



April 30th, 2018

Proposals for variable RFPs received

June 11th, 2018

Best and final offers due

April

May

June

July

August

September

October

November

December 31, 2018

Executed PPAs to be filed with PUC

June 1st, 2018

Selection of short list

No later than September 17th, 2018

Selection of final award group

Revised draft of Maui Electric Firm RFP to be filed with PUC in third quarter. Further timing will depend on PUC order.

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
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)
Deprec. & amort. expenses	$24.6M	$23.9M	$29.6M
Return on average common equity	10.60% with mechanisms	10.60% with mechanisms	9.50% with mechanisms
Common equity capitalization (%)	56.94%	56.94%	57.02%
Return on rate base	8.05%	8.05%	7.43%
Average rate base	$473.3M	$482.4M	$462.4M
GWh sales	1,047.0	1,047.0	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): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

[1] Revenues at current effective rates include revenues based on the Final rates approved in Maui Electric Company's 2012 test year rate case and revenues from the ECAC, PPAC, the estimated RAM Revenue Adjustment for the 2018 RAM period, and the RBA and other operating revenues.

Hawaiian Electric Rate Case: 2017 Test Year

Hawaii PUC Docket No. 2016-0328

	Application (12/16/16)	Settlement (11/15/17)	Interim D&O (12/15/17 as modified)	March 2018 Settlement/ Tax Reform Act Impact (3/5/18)	Final D&O (6/22/18)
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 [7]	$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): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

1 Revenues at current effective rates include revenues based on the Final rates approved in Hawaiian Electric Company's 2011 test year rate case and revenues from the ECAC, PPAC, the estimated RAM Revenue Adjustment for the 2017 RAM period, and the RBA and other operating revenues.

2 In Settlement Agreement, Parties settled on all issues except whether the ROE of 9.75% should be reduced by up to 25 basis points for the impact of decoupling.

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

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

5 Interim rate increase became effective February 16, 2018.

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

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

Hawaiian Electric TY2017 Changes to Fossil Target Heat Rates and Deadband

Part of Hawaiian Electric 2017 Rate Case Final Decision & Order (D&O)
Hawaii PUC Docket No. 2016-0328

- As part of the Final D&O in Hawaiian Electric's 2017 rate case, the Commission approved:
  - Increase to the low sulfur fuel oil (LSFO) heat rate to 11,165 from 11,079 Btu/kWh-sales
  - Widened deadband to ±125 from ±50 Btu/kWh-sales
  - Removed target heat rate for diesel and biodiesel (full heat rate pass through)

- Proposed ECRC tariff was filed on July 23 and is subject to PUC approval

Hawaii Electric Light Rate Case: 2016 Test Year

Hawaii PUC Docket No. 2015-0170

	Application (9/19/16)	Settlement (7/11/17)	Interim D&O (eff. 8/31/17)	Adjustment to Interim Increase (eff 5/1/18)	Final D&O (6/29/18)
Amount requested	\$19.3M (6.5% increase over revenues at current effective rates) [1]	Approximately \$9.9M (at 9.5% ROE)-\$11.1M (at 9.75% ROE)[2] (3.4%-3.8% increase over revenues at current effective rates)	Approximately \$9.9M (at 9.5% ROE)[3] (3.4% increase over revenues at current effective rates)	Lower tax rate results in reduced requirements over interim D&O; Maintains 9.5% ROE[4]	Commission approves Adjustment to Interim Increase as adjusted final revenue requirement
Deprec. & amort. expenses	\$37.8M	\$37.8M	\$37.8M	\$37.7M	\$37.7M
Return on average common equity	10.60% with mechanisms	9.5%-9.75% With mechanisms	9.5% With mechanisms	9.5% With mechanisms	9.5% With mechanisms
Common equity capitalization (%)	57.12%	56.69%	56.69%	56.69%	56.69%
Return on rate base	8.44%	7.80%-7.94%	7.80%	7.80%	7.80%
Average rate base	\$478.8M	\$482.1M	\$482.1M	\$481.3M	\$481.3M
GWh sales	1,040.7	1,040.7	1,040.7	1,040.7	1,040.7

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Adjustment Clause (ECAC): Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause (PPAC).

[1] Revenues at current effective rates include revenues based on the Final rates approved in Hawaii Electric Light's 2010 test year rate case and revenues from the ECAC, PPAC, the RAM Revenue Adjustment for the 2016 RAM period, and the RBA and other operating revenues.

[2] In Settlement Agreement, Parties settled on all issues except whether the ROE of 9.75% should be reduced by up to 25 basis points for the impact of decoupling.

[3] Interim rate increase became effective on August 31, 2017. Parties filed separate opening and reply briefs on September 20, 2017 and October 5, 2017, respectively.

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

Maui Electric Rate Case: 2012 Test Year

Hawaii PUC Docket No. 2011-0092

	Application (7/22/11)	Interim D&O (eff.6/1/12)	Final D&O (eff.8/1/13)
Base Request	\$27.5M[1] (6.7% increase)	\$13.1M[3] (3.2% increase)	\$5.3M[4] (1.3% increase)
Depr. & amort. expenses	\$19.8M without mechanisms	\$19.7M with mechanisms	\$19.7M with mechanisms
Return on average common equity	11.00%	10.00%	9.00%
Common equity capitalization (%)	56.85%	56.86%	56.86%
Return on average rate base	8.72%	7.91%	7.34%
Average rate base amount[2]	\$393M	\$393M	\$393M
GWh sales	1,201.8	1,201.8	1,201.8

Existing Balancing Accounts, Trackers and/or Surcharges

Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause.

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

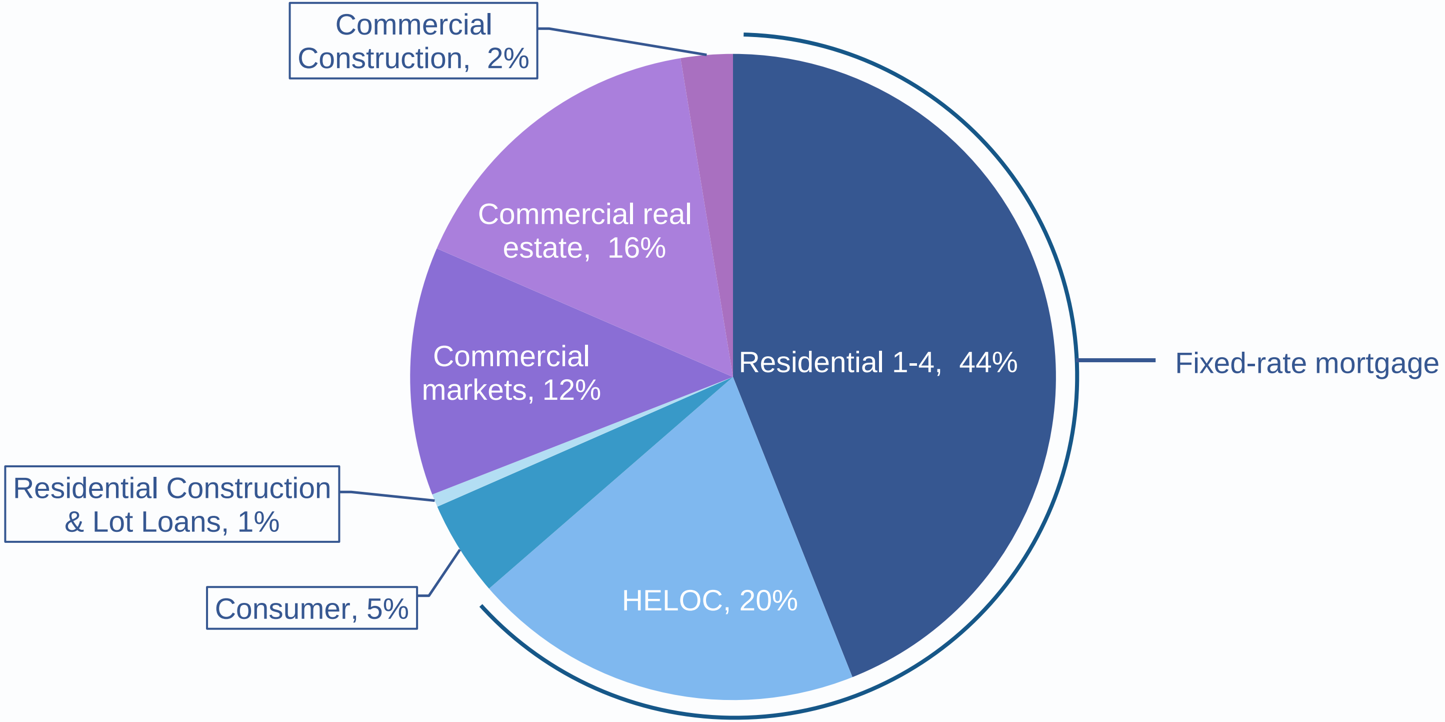
[2] Current effective rates are based on the adjusted interim D&O in the Maui Electric's 2010 test year rate case. Average rate base in that D&O was \$387M.

[3] Based on updated settlement which included the implementation of final rates in the 2010 test year rate case. On May 21, 2012, the Commission issued an interim D&O which approved interim rates effective on June 1, 2012.

[4] Final rates became effective as of August 1, 2013. Maui Electric refunded \$9.7 million (which includes interest and related revenue taxes since June 1, 2012) to customers from September to October 2013. On July 2, 2013, the Commission denied Maui Electric's motion for partial reconsideration of the 9.00% ROE in the final D&O but allowed the deferral of IRP costs incurred from June 1, 2012 until determination of the level and method of recovery in the IRP docket.

Low-risk loan mix

Total loans at 6/30/18 - $4.8B[1]



Note: $ in millions, unless otherwise noted

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

ASB peer group – 2018

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

Note: Based on publicly traded banks, savings and thrifts in the U.S. that have a total average assets between $4 billion and $9 billion for the years 2015-2017 (based upon data available in SNL as of April 18, 2018). Any institution whose business is not directly comparable with ASB or did not have data present for all 3 years were excluded. The peer group is updated annually and banks that no longer report as a separate entity (e.g. mergers, acquisitions, failed banks, etc.) are not included in the median calculations from the time of the transaction or failure.

** Subset of 17 banks representing ASB's high performing peer group, based on a 3-year average return on average assets rank equal or above the 75th percentile.

Overall, tax reform a net positive moving forward

	2017 one-time adjustments*	Primary ongoing impacts
Hawaiian Electric	($9.2) million • Reduction of net deferred tax asset	• Benefits from lower tax rates to flow to customers • Loss of bonus depreciation increases need for financing of capex and should incrementally increase rate base going forward • Domestic Production Activities Deduction (DPAD) repealed and Contributions in Aid of Construction (CIAC) exclusion eliminated • Exempt from limit on deductibility of interest
American Savings Bank	$1 million • Reduction of deferred tax liability • Net of one-time non-executive employee bonus	• Net income increases with lower tax rate • Marginally higher cost structure due to compensation increases • Higher earnings increase capacity for dividends to holding company
Pacific Current	None	• Earnings subject to lower tax rates
Holding Company and Other	($6) million • Reduction of deferred tax asset	• Net loss increases with lower tax rate • As consolidated taxpayer with subsidiaries, are subject to 30% of adjusted taxable income limitation, however, protected by net interest income from Bank
Consolidated Enterprise	($14.2) million	• Modest impact due to elimination of performance-based compensation deduction under 162(m) • Consolidated impact expected to be a net positive

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

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

- Focused on helping achieve Hawaii's sustainability goals
- Initial project cash flow helping fund start-up costs

PACIFIC CURRENT

Acquired Hamakua Energy Plant, Hawaii Island

- Critical dispatchable generating resource as island transitions to 100% renewable energy by 2045
- Contracted cash flows and non-recourse financing support investment grade profile
- Accretive from outset, expected to continue over contract life
- Evaluating potential to use biofuel and options for unused land/transmission interconnection next to plant

Awarded and contracted for solar plus battery storage projects at 5 campuses in University of Hawaii system

- Selected in competitive process
- Contracted cash flows and non-recourse financing support investment grade profile
- Investment-grade counterparties: University of Hawaii (off-taker); Johnson Controls, Inc. (EPC contractor)
- Accretive beginning first full year post COD (COD expected in 2019)

Continued favorable outlook for Hawaii's economy

Tourism

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

Unemployment Rate (%)

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

Real personal income

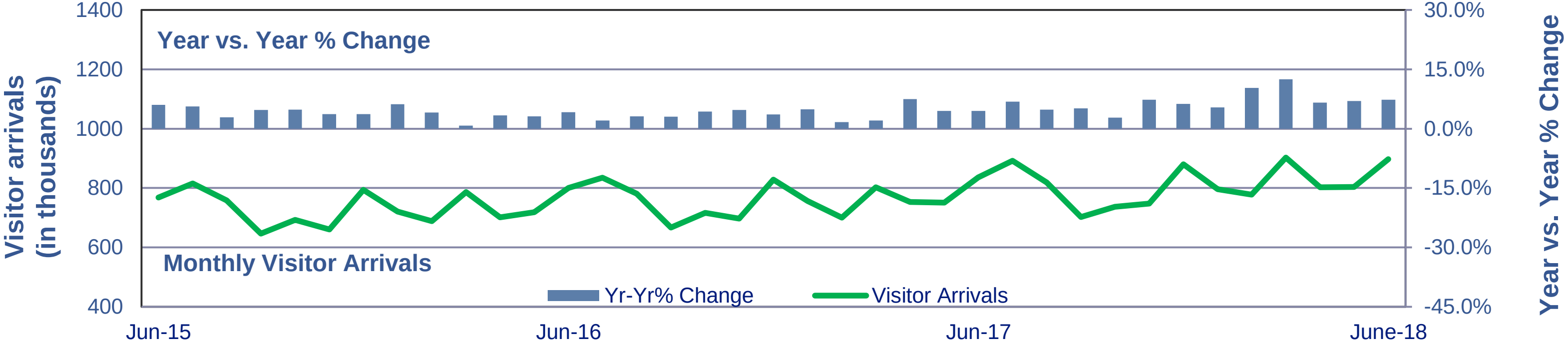
	2017	2018	2019
Hawaii	+0.5%	+2.0%	+1.8%

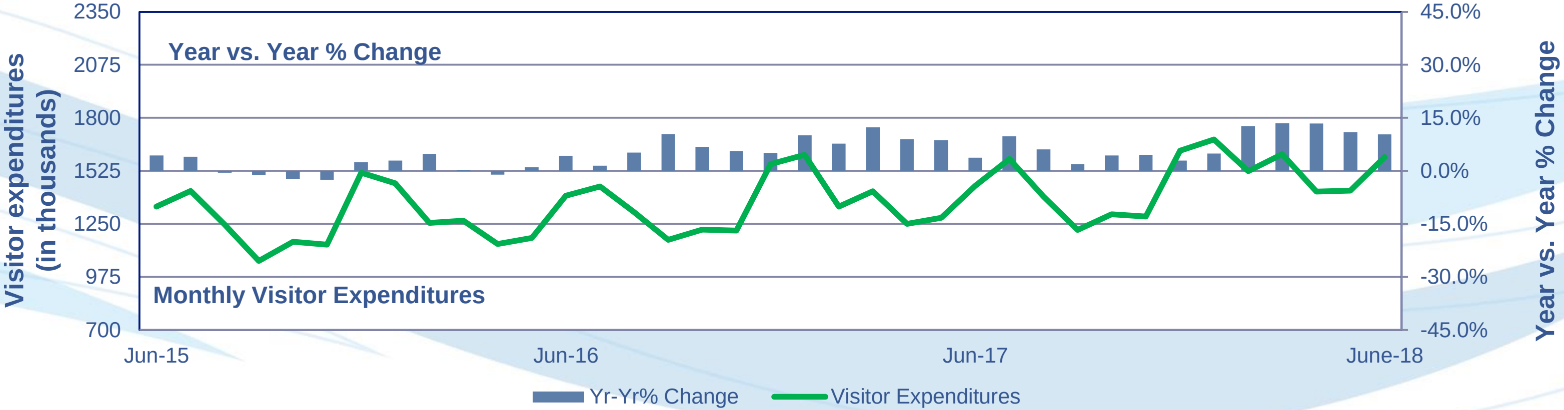
Real State GDP

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

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

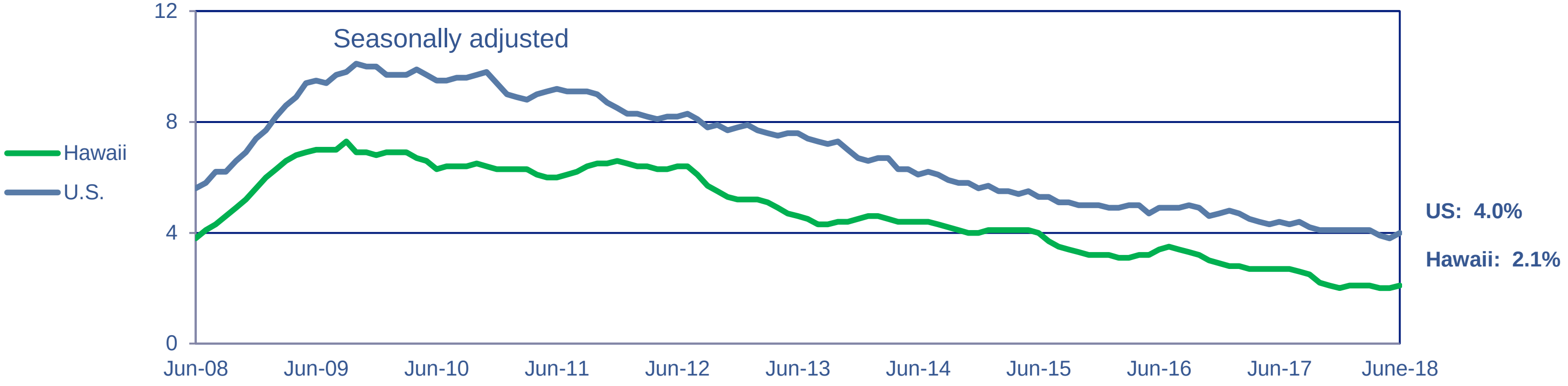
June 2018 Hawaii visitor arrivals up 7.3% and visitor expenditures up 10.3%





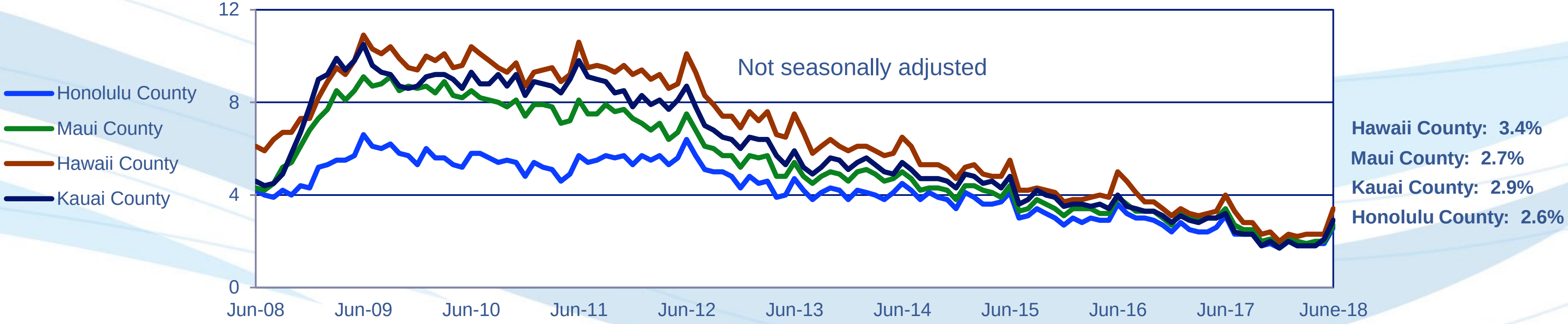
Source: State of Hawaii Department of Business, Economic Development and Tourism

Hawaii unemployment rate remains low at 2.1%



US: 4.0%

Hawaii: 2.1%

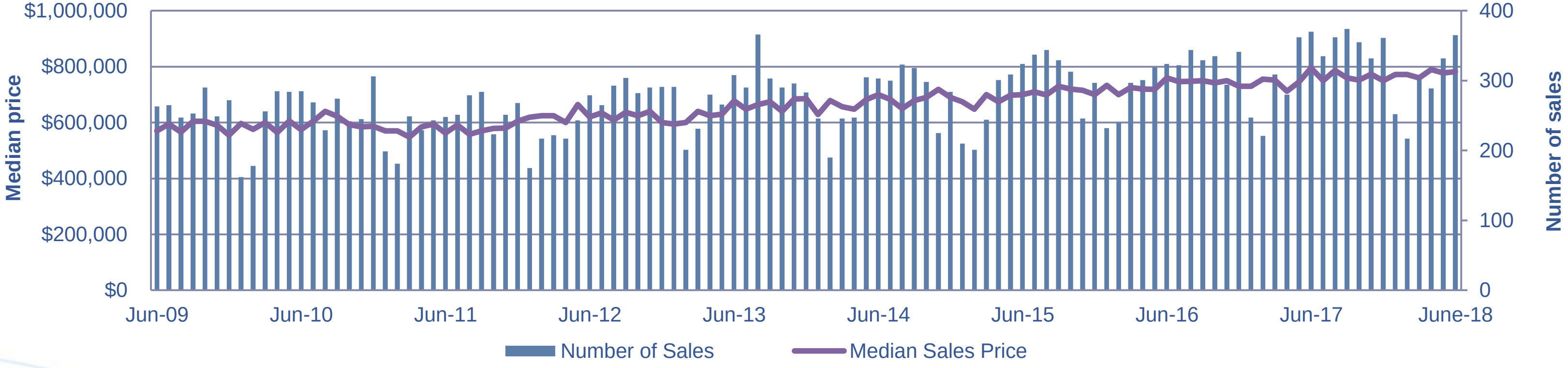


Hawaii County: 3.4%
Maui County: 2.7%
Kauai County: 2.9%
Honolulu County: 2.6%

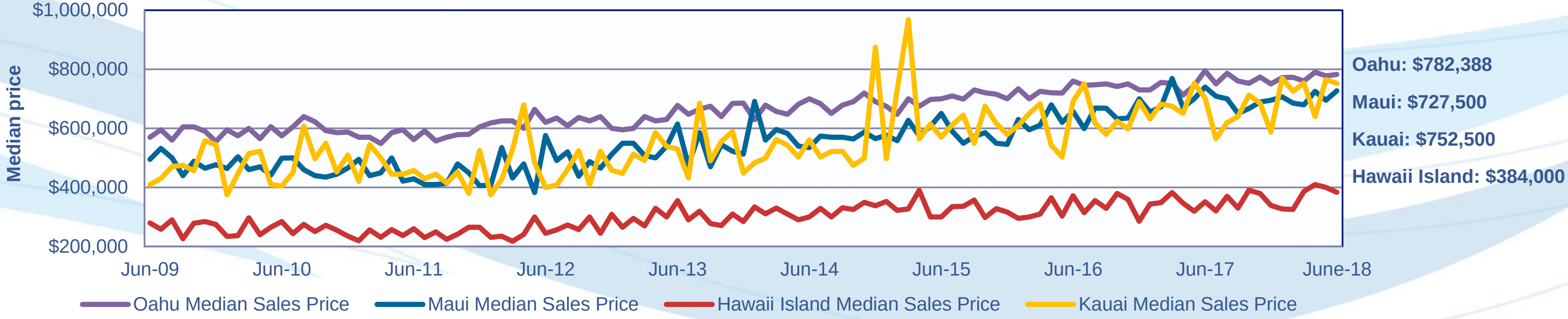
Source: U.S. Bureau of Labor Statistics and the State of Hawaii Department of Labor and Industrial Relations

Hawaii real estate market remains strong

Oahu Number of Sales and Median Sales Price



Median Sales Price Oahu, Maui, Hawaii, Kauai



Oahu: $782,388

Maui: $727,500

Kauai: $752,500

Hawaii Island: $384,000

Source: Title Guaranty (2008 - current)

HEI

Catalyst for a better Hawai'i

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

HEI and Hawaiian Electric Company management use certain non-GAAP measures to evaluate the performance of HEI and the utility. Management believes these non-GAAP measures provide useful information and are a better indicator of the companies' core operating activities than the corresponding GAAP measures given the non-recurring nature of certain items. Non-GAAP core measures presented here may not be comparable to similarly titled measures used by other companies. The accompanying tables provide the return on average common equity (ROACE) and adjusted non-GAAP core ROACE for HEI and the utility.

The reconciling adjustments from GAAP earnings to core earnings used in the calculation of the twelve months ended June 30, 2017 ROACE include income, costs and associated taxes related to the terminated merger between HEI and NextEra Energy, Inc. For more information on the transactions, see HEI's Form 8-K filed on July 18, 2016, and HEI's Form 8-K filed on July 19, 2016. The reconciling adjustments from GAAP earnings to core earnings used in the calculation of the twelve months ended June 30, 2018 ROACE exclude the impact of the federal tax reform act recorded in the fourth quarter of 2017 due to the adjustment of deferred tax balances and the $1,000 employee bonuses paid by the bank related to federal tax reform. Management does not consider these items to be representative of the company's fundamental core earnings and has shown the non-GAAP (core) ROACE in order to provide better comparability between periods.

The accompanying table also provides the calculation of utility GAAP other operation and maintenance (O&M) expense adjusted for "O&M-related net income neutral items," which are O&M expenses covered by specific surcharges or by third parties. These "O&M-related net income neutral items" are grossed-up in revenue and expense and do not impact net income.

RECONCILIATION OF GAAP[1] TO NON-GAAP MEASURES

Hawaiian Electric Industries, Inc. and Subsidiaries (HEI)

(Unaudited)

	Twelve months ended June 30	
	2018	2017
HEI CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**8.6%**	**12.1%**
Based on non-GAAP (core)[2]	**9.2%**	**8.9%**

Hawaiian Electric Company, Inc. and Subsidiaries

	Twelve months ended June 30	
	2018	2017
HAWAIIAN ELECTRIC CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)		
Based on GAAP	**7.19%**	**7.23%**
Based on non-GAAP (core)[2]	**7.69%**	**7.23%**

	Three months ended June 30		Six months ended June 30	
($ in millions)	2018	2017	2018	2017
HAWAIIAN ELECTRIC CONSOLIDATED OTHER OPERATION AND MAINTENANCE (O&M) EXPENSE				
GAAP (as reported)	**$ 112.6**	**$ 104.9**	**$ 220.3**	**$ 203.8**
Excluding other O&M-related net income neutral items[3]	0.1	0.9	0.5	2.0
Non-GAAP (Adjusted other O&M expense)	**$ 112.5**	**$ 104.0**	**$ 219.8**	**$ 201.7**

Note: Columns may not foot due to rounding

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

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

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