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DELTA REPORT

10-K

HAWAIIAN ELECTRIC INDUSTR

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	10067
CHANGES	1070
DELETIONS	3869
ADDITIONS	5128

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022 December 31, 2023
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Exact Name of Registrant as Specified in Its Charter	Commission File Number	I.R.S. Employer Identification No.
Hawaiian Electric Industries, Inc.	1-8503	99-0208097
Hawaiian Electric Company, Inc.	1-4955	99-0040500

State of Hawaii
(State or other jurisdiction of incorporation)
1001 Bishop Street, Suite 2900, Honolulu, Hawaii 96813 - Hawaiian Electric Industries, Inc. (HEI)
1099 Alakea Street, Suite 2200, Honolulu, Hawaii 96813 - Hawaiian Electric Company, Inc. (Hawaiian Electric)
(Address of principal executive offices and zip code)
Registrant's telephone number, including area code:
(808) 543-5662 - HEI
(808) 543-7771 - Hawaiian Electric
Not applicable
(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol	Name of each exchange on which registered
Hawaiian Electric Industries, Inc.	Common Stock, Without Par Value	HE	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of each class
Hawaiian Electric Industries, Inc.	None
Hawaiian Electric Company, Inc.	Cumulative Preferred Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Hawaiian Electric Industries, Inc. Yes ☒ No ☐ Hawaiian Electric Company, Inc. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Hawaiian Electric Industries, Inc. Yes ☐ No ☒ Hawaiian Electric Company, Inc. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Hawaiian Electric Industries, Inc. Yes ☒ No ☐ Hawaiian Electric Company, Inc. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Hawaiian Electric Industries, Inc. Yes ☒ No ☐ Hawaiian Electric Company, Inc. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Hawaiian Electric Industries, Inc.:				Hawaiian Electric Company, Inc.:			
Large accelerated filer	☒	Smaller reporting company	☐	Large accelerated filer	☐	Smaller reporting company	☐
Accelerated filer	☐	Emerging growth company	☐	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐			Non-accelerated filer	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Hawaiian Electric Industries, Inc. Yes ☐ No ☐ Hawaiian Electric Company, Inc. Yes ☐ No ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Hawaiian Electric Industries, Inc. ☒ Hawaiian Electric Company, Inc. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Hawaiian Electric Industries, Inc. ☐ Hawaiian Electric Company, Inc. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Hawaiian Electric Industries, Inc. ☐ Hawaiian Electric Company, Inc. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Hawaiian Electric Industries, Inc. Yes ☐ No ☒ Hawaiian Electric Company, Inc. Yes ☐ No ☒

		Aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrants as of	Number of shares of common stock outstanding of the registrants as of			Aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrants as of	Number of shares of common stock outstanding of the registrants as of	
		June 30, 2022	June 30, 2022	February 15, 2023		June 30, 2023	February 15, 2024	
Hawaiian Electric Industries, Inc. (Without Par Value)	Hawaiian Electric Industries, Inc. (Without Par Value)	$4,477,193,306	109,466,829	109,472,304	Hawaiian Electric Industries, Inc. (Without Par Value)	$3,967,939,884	109,611,599	110,151,798
Hawaiian Electric Company, Inc. ($6-2/3 Par Value)	Hawaiian Electric Company, Inc. ($6-2/3 Par Value)	None	17,753,533	17,854,278	Hawaiian Electric Company, Inc. ($6-2/3 Par Value)	None	17,854,278	

DOCUMENTS INCORPORATED BY REFERENCE

Hawaiian Electric's Exhibit 99.1, consisting of:

- Hawaiian Electric's Directors, Executive Officers and Corporate Governance—Part III
- Hawaiian Electric's Executive Compensation—Part III
- Hawaiian Electric's Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters—Part III
- Hawaiian Electric's Certain Relationships and Related Transactions, and Director Independence—Part III
- Hawaiian Electric's Principal Accounting Fees and Services—Part III

Selected sections of Proxy Statement of HEI for the 2023 2024 Annual Meeting of Shareholders to be filed-Part III

This combined Form 10-K represents separate filings by Hawaiian Electric Industries, Inc. and Hawaiian Electric Company, Inc. Information contained herein relating to any individual registrant is filed by each registrant on its own behalf. Hawaiian Electric makes no representations as to any information not relating to it or its subsidiaries.

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GLOSSARY OF TERMS

Defined below are certain terms used in this report:

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Terms	Definitions
ABOs	Accumulated benefit obligations
ACL	Allowance for credit losses as determined under the credit loss standard (ASU No. 2016-13, adopted by the Company on January 1, 2020), which requires the measurement of lifetime expected credit losses for financial assets held at the reporting date (based on historical experience, current conditions and reasonable and supportable forecasts)
AES Hawaii	AES Hawaii, Inc.
AFS	Available-for-sale
AFUDC	Allowance for funds used during construction
AOCI	Accumulated other comprehensive income (loss)
APBO	Accumulated postretirement benefit obligation
ARA	Annual revenue adjustment
AROs	Asset retirement obligations
ASB	American Savings Bank, F.S.B., a wholly-owned subsidiary of ASB Hawaii Inc.
ASB Hawaii	ASB Hawaii, Inc., a wholly-owned subsidiary of Hawaiian Electric Industries, Inc. and the parent company of American Savings Bank, F.S.B.
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BESS	Battery Energy Storage System
Btu	British thermal unit
CBRE	Community-based renewable energy
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
Company	When used in Hawaiian Electric Industries, Inc. sections and in the Notes to Consolidated Financial Statements, "Company" refers to Hawaiian Electric Industries, Inc. and its direct and indirect subsidiaries, including, without limitation, Hawaiian Electric Company, Inc. and its subsidiaries (listed under Hawaiian Electric); ASB Hawaii, Inc. and its subsidiary, American Savings Bank, F.S.B.; and Pacific Current, LLC and its subsidiaries (listed under Pacific Current). The Old Oahu Tug Service, Inc. was dissolved in March 2022. When used in Hawaiian Electric Company, Inc. sections, "Company" refers to Hawaiian Electric Company, Inc. and its direct subsidiaries.
Consolidated Financial Statements	HEI's or Hawaiian Electric's Consolidated Financial Statements, including notes, in Item 8 of this Form 10-K
Consumer Advocate	Division of Consumer Advocacy, Department of Commerce and Consumer Affairs of the State of Hawaii
CSSM	Collective Shared Savings Mechanism
D&O	Decision and order from the PUC
DBF	State of Hawaii Department of Budget and Finance
DER	Distributed energy resources
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
DRIP	HEI Dividend Reinvestment and Stock Purchase Plan
ECRC	Energy cost recovery clause
EIP	2010 Equity and Incentive Plan, as amended
EPA	Environmental Protection Agency - federal
EPRM	Exceptional Project Recovery Mechanism
EPS	Earnings per share
ERISA	Employee Retirement Income Security Act of 1974, as amended
ERL	Environmental Response Law of the State of Hawaii
ERP/EAM	Enterprise Resource Planning/Enterprise Asset Management
ESM	Earnings Sharing Mechanism
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
federal	U.S. Government
FERC	Federal Energy Regulatory Commission
FHLB	Federal Home Loan Bank

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Terms	Definitions
FDIC	Federal Deposit Insurance Corporation
federal	U.S. Government
FERC	Federal Energy Regulatory Commission
FHLB	Federal Home Loan Bank
FICO	Fair Isaac Corporation
Fitch	Fitch Ratings, Inc.
FRB	Federal Reserve Board
GAAP	Accounting principles generally accepted in the United States of America
GCOD	Guaranteed commercial operation date
GHG	Greenhouse gas
Gramm Act	Gramm-Leach-Bliley Act of 1999
GSPA	Grid Services Purchase Agreement
GWh	Gigawatt-hour/s (as applicable)
Hamakua Energy	Hamakua Energy, LLC, an indirect subsidiary of Pacific Current
Hawaii Electric Light	Hawaii Electric Light Company, Inc., an electric utility subsidiary of Hawaiian Electric Company, Inc.
Hawaiian Electric	Hawaiian Electric Company, Inc., an electric utility subsidiary of Hawaiian Electric Industries, Inc. and parent company of Hawaii Electric Light Company, Inc., Maui Electric Company, Limited and Renewable Hawaii, Inc.
Hawaiian Electric's MD&A	Hawaiian Electric Company, Inc.'s Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this Form 10-K
HEI	Hawaiian Electric Industries, Inc., direct parent company of Hawaiian Electric Company, Inc., ASB Hawaii, Inc. and Pacific Current, LLC. The Old Oahu Tug Service, Inc. was dissolved in March 2022.
HEI's 2023 2024 Proxy Statement	Selected sections of Proxy Statement for the 2023 2024 Annual Meeting of Shareholders of Hawaiian Electric Industries, Inc. to be filed after the date of this Form 10-K and not later than 120 days after December 31, 2022 December 31, 2023, which are incorporated in this Form 10-K by reference
HEI's MD&A	Hawaiian Electric Industries, Inc.'s Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this Form 10-K
HEIRSP	Hawaiian Electric Industries Retirement Savings Plan
HELOC	Home equity line of credit
HPOWER	City and County of Honolulu with respect to a power purchase agreement for a refuse-fired plant
HSFO	High sulfur fuel oil
HTM	Held-to-maturity
IIJA	Infrastructure Investment and Jobs Act
IPP	Independent power producer
Ka'ie'ie Waho	Ka'ie'ie Waho Company, LLC, a subsidiary of Pacific Current
Kalaeloa	Kalaeloa Partners, L.P.
kW	Kilowatt/s (as applicable)
kWh	Kilowatt-hour/s (as applicable)
LIBOR	London Inter-Bank Offered Rate
LMI	Low-to-moderate income
LSFO	Low sulfur fuel oil
LTIP	Long-term incentive plan
Mahipapa	Mahipapa, LLC, a subsidiary of Pacific Current
Maui Electric	Maui Electric Company, Limited, an electric utility subsidiary of Hawaiian Electric Company, Inc.
Maui windstorm and wildfires	The fires in the West Maui (Lahaina) and Upcountry Maui areas that caused fatalities and widespread property damage in Lahaina on August 8, 2023
Mauo	Mauo, LLC, a subsidiary of Pacific Current
MBtu	Million British thermal unit
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Moody's	Moody's Investors Service's
MPIR	Major Project Interim Recovery
MRP	Multi-year rate period
MSR	Mortgage servicing right
MW	Megawatt/s (as applicable)
MWh	Megawatt-hour/s (as applicable)

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MWh	Megawatt-hours (as applicable)
NA	Not applicable
NII	Net interest income
NPBC	Net periodic benefits costs
NPPC	Net periodic pension costs
O&M	Other operation and maintenance

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Terms	Definitions
NPBC	Net periodic benefits costs
NPPC	Net periodic pension costs
O&M	Other operation and maintenance
OCC	Office of the Comptroller of the Currency
OPEB	Postretirement benefits other than pensions
OTS	Office of Thrift Supervision, Department of Treasury
Pacific Current	Pacific Current, LLC, a wholly owned subsidiary of HEI and parent company of Hamakua Holdings, LLC, Mauo, LLC, Alenuihaha Developments, LLC, Kaʻieʻie Waho Company, LLC, Kaʻaipuaʻa, LLC, Upena, LLC and Mahipapa, LLC
PBO	Projected benefit obligation
PBR	Performance-based regulation
PCB	Polychlorinated biphenyls
PGV	Puna Geothermal Venture
PIMs	Performance incentive mechanisms
PPA	Power purchase agreement
PPAC	Purchased power adjustment clause
PUC	Public Utilities Commission of the State of Hawaii
PURPA	Public Utility Regulatory Policies Act of 1978
PV	Photovoltaic
QF	Qualifying Facility under the Public Utility Regulatory Policies Act of 1978
QTL	Qualified Thrift Lender
RAM	Revenue adjustment mechanism
RBA	Revenue balancing account
Registrant	Each of Hawaiian Electric Industries, Inc. and Hawaiian Electric Company, Inc.
RFPRFPs	Request for proposals
RHI	Renewable Hawaii, Inc., a wholly-owned nonregulated subsidiary of Hawaiian Electric Company, Inc.
ROACE	Return on average common equity
RPS	Renewable portfolio standards
S&P	S&P Global Ratings
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SEC	Securities and Exchange Commission
See	Means the referenced material is incorporated by reference (or means refer to the referenced section in this document or the referenced exhibit or other document)
SLHCs	Savings & Loan Holding Companies
SOFR	The previously planned distribution to HEI shareholders of all of the common stock of ASB Hawaii immediately prior to the Merger, which was terminatedSecured Overnight Financing Rate
SPRBs	Special Purpose Revenue Bonds
SSM	Shared Savings Mechanism
state	State of Hawaii
Tax Act	2017 Tax Cuts and Jobs Act (H.R. 1, An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018)
TDR	Troubled debt restructuring
ULSD	Ultra-low sulfur diesel
Utilities	Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited
VIE	Variable interest entity

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

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

- the impact of the Maui windstorm and wildfires including the potential liabilities from the many lawsuits filed against the Company and potential regulatory penalties which may result in significant costs that may be unrecoverable (or not reimbursed on a timely basis) through insurance and/or rates;
- an increase in insurance premiums and the inability to fully recover premiums through rates or the potential inability to obtain wildfire and general liability insurance coverage at reasonable rates, if available at all;
- the uncertainties surrounding the Company's access to capital and credit markets due to the uncertainties associated with the costs related to the Maui windstorm and wildfires;
- extreme weather events, including windstorms and other natural disasters, particularly those driven or exacerbated by climate change, which could increase the risk of the Utilities' equipment being damaged, becoming inoperable or contributing to a wildfire;
- the material reduction or extended delay in dividends or other distributions from one or more operating subsidiaries to HEI;
- further downgrades by securities rating agencies in their ratings of the securities of HEI and Hawaiian Electric and their impact on results of financing efforts;
- the risks of suffering losses and incurring liabilities that are uninsured (e.g., damages to the Utilities' transmission and distribution system and losses from business interruption) or underinsured (e.g., losses not covered as a result of insurance deductibles or other exclusions or exceeding policy limits), and the risks associated with the operation of transmission and distribution assets and power generation facilities, including public and employee safety issues, and assets causing or contributing to wildfires;
- international, national and local economic and political conditions—including the state of the Hawaii tourism, defense and construction industries; the strength or weakness of the Hawaii and continental U.S. real estate markets (including the fair value and/or the actual performance of collateral underlying loans held by ASB, which could result in higher loan loss provisions and write-offs); decisions concerning the extent of the presence of the federal government and military in Hawaii; the implications and potential impacts of future Federal federal government shutdowns, including the impact to our customers' ability to pay their electric bills and/or bank loans and the impact on the state of Hawaii economy; the implications and potential impacts of U.S. and foreign capital and credit market conditions and federal, state and international responses to those conditions; the potential impacts of global and local developments (including global economic conditions and uncertainties, unrest, terrorist acts, wars, conflicts, political protests, deadly virus epidemic or other crisis); the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; and pandemics;
- the ongoing lingering impact of the COVID-19 pandemic, including any recurrence of the COVID-19 pandemic due to new variants and the potential reinstatement of related government orders and restrictions, and the resulting impact on our employees, customers and suppliers;
- the ability to adequately address risks and capitalize on opportunities related to our environmental, social and governance priority areas, which currently include safety, reliability and resilience, including relating to wildfires and other extreme weather events, decarbonization, economic health and affordability, reliability and resilience, secure digitalization, diversity, equity and inclusion, employee engagement, and climate-related risks and opportunities;
- citizen activism, including civil unrest, especially in times of severe economic depression and social divisiveness, which could negatively impact customers and employees, impair the ability of the Company and the Utilities to operate and maintain their facilities in an effective and safe manner, and citizen or stakeholder activism that could delay the construction, increase project costs or preclude the completion of third-party or Utility projects that are required to meet electricity demand, resilience and reliability objectives and renewable portfolio standards (RPS) and other climate-related goals;

- the effects of future actions or inaction of the U.S. government or related agencies, including those related to the U.S. debt ceiling or budget funding, monetary policy, trade policy and tariffs, energy and environmental policy, and other policy and regulatory changes advanced or proposed by President Biden and his administration;
- weather, natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the increasing effects of climate change, such as more severe storms, flooding, droughts, heat waves, and rising sea levels) and wildfires, including their impact on the resilience and reliability and cost of the Company's and Utilities' operations, collateral underlying ASB loans and the economy;
- the timing, speed and extent of changes in interest rates and the shape of the yield curve, which could result in lower portfolio yields and net interest margin, or higher borrowing costs;
- changes in interest rates and market liquidity, as well as the magnitude of such changes, which may reduce interest margins, impact funding sources, alter valuations and affect the ability to originate and distribute financial products in the primary and secondary markets;
- the continued 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 potential higher cost of such financings, if available;

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- the risks inherent in changes in the value of the Company's pension and other retirement plan assets and ASB's securities available for sale, and the risks inherent in changes in the value of the Company's pension liabilities, including changes driven by interest rates and mortality improvements;
- changes in laws, regulations (including tax regulations), market conditions, interest rates and other factors that result in changes in assumptions used to calculate retirement benefits costs and funding requirements;
- increasing competition in the banking industry from traditional financial institutions as well as from non-traditional providers of financial services, including financial service subsidiaries of commercial and manufacturing companies (e.g., increased price competition for loans and deposits, or an outflow of deposits to alternative investments or platforms, which may have an adverse impact on ASB's net interest margin and portfolio growth);
- 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 or resilience proposals, among others, and related costs; reliance by the Utilities on outside

parties such as the state, independent power producers (IPPs) and developers; supply-chain challenges; and uncertainties surrounding technologies, solar power, wind power, biofuels, environmental assessments required to meet RPS and other climate-related goals; the impacts of implementation of the renewable energy and resilience proposals on future costs of electricity and potential penalties imposed by the PUC for delays in the commercial operations of renewable energy projects;

- the ability of the Utilities to develop, implement and recover the costs of implementing the Utilities' action plans included in their updated Power Supply Improvement Plans, Demand Response Portfolio Plan, Distributed Generation Interconnection Plan, Grid Modernization Plans, and business model changes, which have been and are continuing to be developed and updated in response to the orders issued by the PUC, the PUC's April 2014 statement of its inclinations on the future of Hawaii's electric utilities and the vision, business strategies and regulatory policy changes required to align the Utilities' business model with customer interests and the state's public policy goals, and subsequent orders of the PUC;
- the ability of the Utilities to recover undepreciated cost of fossil fuel generating units, if they are required to be retired before the end of their expected useful life;
- 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;
- high and/or volatile fuel prices, which increases working capital requirements and customer bills, or delivery of adequate fuel by suppliers (including as a result of the Russia-Ukraine war and the Israel-Hamas war), which could affect the reliability of utility operations, and the continued availability to the electric utilities of their energy cost recovery clauses (ECRCs);
- the continued availability to the electric utilities or modifications of other cost recovery mechanisms, including the purchased power adjustment clauses (PPACs), annual revenue adjustment (ARA) 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 kilowatt-hour sales;
- the ability of the Utilities to recover increasing or additional costs and earn a reasonable return on capital investments not covered by the ARA, while providing the customer dividend required by performance-based regulation (PBR);
- the impact from the PUC's implementation of PBR for the Utilities pursuant to Act 005, Session Laws 2018, including the potential addition of new performance incentive mechanisms (PIMs), third-party proposals adopted by the PUC in its implementation of PBR, and the implications of not achieving performance incentive goals;
- the impact of fuel price levels and volatility on customer satisfaction and political and regulatory support for the Utilities;

- unfavorable changes in economic conditions, such as sustained inflation, higher interest rates or recession, may negatively impact the ability of the Company's customers to pay their utility bills or loan payments, reduce loan production, and increase operating costs of the Utilities or Bank that cannot be passed on to, or recovered, from customers;
- 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 and related cost impacts of adding intermittent sources of renewable energy to the electric grid;
- the growing risk that energy production from renewable generating resources may be curtailed and the interconnection of additional resources will be constrained as more generating resources are added to the Utilities' electric systems and as customers reduce their energy usage;
- the ability of IPPs to deliver the firm capacity anticipated in their power purchase agreements (PPAs);
- the potential that, as IPP contracts near the end of their terms, there may be less economic incentive for the IPPs to make investments in their units to ensure the availability of their units;
- the ability of the Utilities to negotiate, periodically, favorable agreements for significant resources such as fuel supply contracts and collective bargaining agreements and avoid or mitigate labor disputes and work stoppages;
- new technological developments that could affect the operations and prospects of the Utilities and ASB or their competitors such as the commercial development of energy storage and microgrids and banking through alternative channels, including use of digital currencies, which could include a central bank digital currency;

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- cybersecurity risks and the potential for cyber incidents, including potential incidents at HEI, its subsidiaries (including at ASB branches and electric utility plants), its third-party service providers, contractors and customers with whom they have shared data (IPPs, distributed energy resources (DER) aggregators and customers enrolled under DER programs) and incidents at data processing centers used, to the extent not prevented by intrusion detection and prevention systems, anti-virus software, firewalls and other general IT controls;
- failure to achieve remaining cost savings commitment related to the management audit committed savings of $33 million over the 2021 to 2025 multi-year rate period (MRP);
- federal, state, county and international governmental and regulatory actions, such as existing, new and changes in laws, rules and regulations applicable to HEI, the Utilities and ASB (including changes in taxation and tax rates, increases in capital requirements, regulatory policy changes, environmental laws and regulations (including resulting compliance costs and risks of fines and penalties and/or liabilities), the regulation of greenhouse gas emissions, governmental fees and assessments (such as Federal Deposit Insurance Corporation assessments), and potential carbon pricing or "cap and trade" legislation that may fundamentally alter costs to produce electricity and accelerate the move to renewable generation);

- developments in laws, regulations and policies governing protections for historic, archaeological and cultural sites, and plant and animal species and habitats, as well as developments in the implementation and enforcement of such laws, regulations and policies;
- discovery of conditions that may be attributable to historical chemical releases, including any necessary investigation and remediation, and any associated enforcement, litigation or regulatory oversight;
- decisions by the PUC in rate cases and other proceedings (including the risks of delays in the timing of decisions, adverse changes in final decisions from interim decisions and the disallowance of project costs as a result of adverse regulatory audit reports or otherwise);
- decisions by the PUC and by other agencies and courts on land use, environmental and other permitting issues (such as required corrective actions, restrictions and penalties that may arise, such as with respect to environmental conditions or RPS);
- potential enforcement actions by the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (FRB), the Federal Deposit Insurance Corporation (FDIC) and/or other governmental authorities (such as consent orders, required corrective actions, restrictions and penalties that may arise, for example, with respect to compliance deficiencies under existing or new banking and consumer protection laws and regulations or with respect to capital adequacy);
- the risks associated with the geographic concentration of HEI's businesses and ASB's loans, ASB's concentration in a single product type (i.e., first mortgages) and ASB's significant credit relationships (i.e., concentrations of large loans and/or credit lines with certain customers);
- changes in accounting principles applicable to HEI and its subsidiaries, including the adoption of new U.S. accounting standards, the potential discontinuance of regulatory accounting related to PBR or other regulatory changes, the effects of potentially required consolidation of variable interest entities (VIEs), or required finance lease or on-balance-sheet operating lease accounting for PPAs with IPPs;
- downgrades by securities rating agencies in their ratings of the securities of HEI and Hawaiian Electric and their impact on results of financing efforts;
- faster than expected loan prepayments that can cause a decrease in net interest income and portfolio yields, an acceleration of the amortization of premiums on loans and investments and the impairment of mortgage-servicing assets of ASB;

- changes in ASB's loan portfolio credit profile and asset quality and/or mix, which may increase or decrease the required level of provision for credit losses, allowance for credit losses (ACL) and charge-offs;
- changes in ASB's deposit levels, cost or mix which may have an adverse impact on ASB's cost of funds;
- unanticipated changes from the expected discontinuance of LIBOR London Inter-Bank Offered Rate (LIBOR) and the transition to an alternative reference rate, which may include adverse impacts to the Company's cost of capital, loan portfolio and interest income on loans;
- the final outcome of tax positions taken by HEI and its subsidiaries;
- the risks of suffering losses and incurring liabilities that are uninsured (e.g., damages to the Utilities' transmission and distribution system and losses from business interruption) or underinsured (e.g., losses not covered as a result of insurance deductibles or other exclusions or exceeding policy limits), and the risks associated with the operation of transmission and distribution assets and power generation facilities, including public and employee safety issues, and assets causing or contributing to wildfires;
- the ability of the Company's non-regulated subsidiary, Pacific Current, LLC (Pacific Current), to achieve its performance and growth objectives, which in turn could affect its ability to service its non-recourse debt;
- the Company's reliance on third parties and the risk of their non-performance, which has increased due to the impact from the COVID-19 pandemic supply chain issues; and
- other risks or uncertainties described elsewhere in this report (e.g., Item 1A. Risk Factors) and in other reports 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 report, 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.

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PART I

ITEM 1. BUSINESS

HEI Consolidated

HEI and subsidiaries and lines of business. HEI is a holding company with its subsidiaries principally engaged in electric utility, banking, and non-regulated renewable/sustainable infrastructure businesses operating in the State of Hawaii. As a holding company with no significant operations of its own, HEI's sources of funds are dividends or other distributions from its operating subsidiaries, borrowings, and sales of equity. The rights of HEI and its creditors and shareholders to participate in any distribution of the assets of any of HEI's subsidiaries are subject to the prior claims of the creditors and preferred shareholders of such subsidiary, except to the extent that claims of HEI in its capacity as a creditor are recognized as primary. The abilities of certain of HEI's subsidiaries to pay dividends or make other distributions to HEI are subject to contractual and regulatory restrictions (see Note 14 15 of the Consolidated Financial Statements). HEI is headquartered in Honolulu, Hawaii and has three reportable segments—Electric utility, Bank, and Other.

Electric Utility. Hawaiian Electric and its operating utility subsidiaries, Hawaii Electric Light Company, Inc. (Hawaii Electric Light) and Maui Electric Company, Limited (Maui Electric), are regulated electric public utilities that provide essential electric service to approximately 95% of Hawaii's population through the operation of five separate grids that serve communities on the islands of Oahu, Hawaii, Maui, Lanai and Molokai. See also "Electric utility" section below.

Bank. ASB is one of the largest financial institutions in the State of Hawaii (based on total assets), with assets totaling approximately $9.5 billion $9.7 billion as of December 31, 2022 December 31, 2023. ASB provides a wide array of banking and other financial services to Hawaii consumers and businesses. See also "Bank" section below.

Other. The "Other" segment is composed of HEI's corporate-level operating, general and administrative expenses and the results of Pacific Current, LLC (Pacific Current). Pacific Current was formed in September 2017 to focus on investing in non-regulated clean energy and sustainable infrastructure in the State of Hawaii to help reach the state's sustainability goals. See also "Electric utility—Hawaii Electric Light firm capacity PPAs" section below and Note 2 4 of the Consolidated Financial Statements for additional information on Pacific Current activities. The "Other" segment also includes ASB Hawaii, Inc. (ASB Hawaii) (a holding company), which owns ASB.

Additional information. For additional information about HEI, see HEI's MD&A, HEI's "Quantitative and Qualitative Disclosures about Market Risk" and HEI's Consolidated Financial Statements.

The Company's website address is www.hei.com, where annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports (last 10 years) are made available free of charge in the Investor Relations section as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC (and available at the SEC's website at www.sec.gov). The information on the Company's website is not incorporated by reference in this annual report on Form 10-K unless, and except to the extent, specifically incorporated herein by reference. HEI and Hawaiian Electric intend to continue to use HEI's website as a means of disclosing additional information. Accordingly, investors should routinely monitor such portions of HEI's website, in addition to following HEI's, Hawaiian Electric's and ASB's press releases, SEC filings and public conference calls and webcasts. Investors may also wish to refer to the PUC website at dms.puc.hawaii.gov/dms hpuc.my.site.com/cdms/s/ in order to review documents filed with and issued by the PUC. No information at the PUC website is incorporated herein by reference, and the Company has no control over its accuracy or completeness.

Regulation. HEI and Hawaiian Electric are each holding companies within the meaning of the Public Utility Holding Company Act of 2005 and implementing regulations, which requires holding companies and their subsidiaries to grant the Federal Energy Regulatory Commission (FERC) access to books and records relating to FERC's jurisdictional rates. FERC granted HEI and Hawaiian Electric a waiver from its record retention, accounting and reporting requirements, effective May 2006.

HEI is subject to an agreement entered into with the PUC (the PUC Agreement) which, among other things, requires PUC approval of any change in control of HEI. The PUC Agreement also requires HEI to provide the PUC with periodic financial information and other reports concerning intercompany transactions and other matters. It also prohibits the electric utilities from loaning funds to HEI or its nonutility subsidiaries and from redeeming common stock of the electric utility subsidiaries without PUC approval. Further, the PUC could limit the ability of the electric utility subsidiaries to pay dividends on their common stock. See also Note 14 15 of the Consolidated Financial Statements and "Electric utility—Regulation" below.

In October 2021, Pacific Current requested informal guidance from the PUC regarding application of the affiliate transaction requirements (ATRs) to certain investments. In response, in January 2022, the PUC issued guidance (Order No. 38186, Docket No. 2018-0065) providing that, if Pacific Current acquires or invests in an unaffiliated entity that has been awarded a power purchase agreement with the Utilities through the Stage 1 or 2 Request for proposals (RFPs), such entity would become an "Affiliate" or "Affiliate-Related Entity" under the ATRs, and any wholesale power transactions between the entity and the Utilities, including under the awarded power purchase agreement, would require PUC review and approval. Such a requirement may impact Pacific Current's competitiveness in acquiring and investing in new utility-scale projects in the Utilities' service territory and thereby impact the pace and extent of Pacific Current's growth. As a result of the D&O, Pacific Current intends to focus its future growth activities on projects not subject to a power purchase agreement with the Utilities or projects outside of the Utilities' service territory.

HEI and ASB Hawaii are subject to Federal Reserve Board (FRB) regulation, supervision and reporting requirements as savings and loan holding companies. As a result of the enactment of the Dodd-Frank Act, supervision and regulation of HEI and ASB Hawaii, as thrift holding companies, moved to the FRB, and supervision and regulation of ASB, as a federally chartered savings bank, moved to the Office of the Comptroller of the Currency (OCC) in July 2011. In the event the OCC has reasonable cause to believe that any activity of HEI or ASB Hawaii constitutes a serious risk to the financial safety, soundness or stability of ASB, the OCC is authorized to impose certain restrictions on HEI, ASB Hawaii and/or any of their subsidiaries. Possible restrictions include precluding or limiting: (i) the payment of dividends by ASB; (ii) transactions between ASB, HEI or ASB Hawaii, and their subsidiaries or affiliates; and (iii) any activities of ASB that might expose ASB to the liabilities of HEI and/or ASB Hawaii and their other affiliates. See also Note 14 15 of the Consolidated Financial Statements.

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The Gramm-Leach-Bliley Act of 1999 (Gramm Act) permitted banks, insurance companies and investment firms to compete directly against each other, thereby allowing "one-stop shopping" for an array of financial services. Although the Gramm Act further restricted the creation of so-called "unitary savings and loan holding companies" (i.e., companies such as HEI whose subsidiaries include one or more savings associations and one or more nonfinancial subsidiaries), the unitary savings and loan holding company relationship among HEI, ASB Hawaii and ASB is "grandfathered" under the Gramm Act so that HEI and its subsidiaries will be able to continue to engage in their current activities so long as ASB maintains its qualified thrift lender (QTL) status test discussed under "Bank—Regulation—Qualified thrift lender test." ASB met the QTL test at all times during 2022; 2023; however, the failure of ASB to satisfy the QTL test in the future could result in a need for HEI to divest ASB. Under the Gramm Act, any proposed sale of ASB would have to satisfy applicable statutory and regulatory requirements and potential acquirers of ASB would most likely be limited to companies that are already qualified as, or capable of qualifying as, either a traditional savings and loan association holding company or a bank holding company, or as one of the authorized financial holding companies permitted under the Gramm Act.

HEI is also affected by provisions of the Dodd-Frank Act relating to corporate governance and executive compensation, including provisions requiring shareholder "say on pay" and "say on pay frequency" votes, mandating additional disclosures concerning executive compensation and compensation consultants and advisors and further restricting proxy voting by brokers in the absence of instructions. See "Bank—Legislation and regulation" in HEI's MD&A for a discussion of effects of the Dodd-Frank Act on HEI and ASB.

Environmental regulation. HEI and its subsidiaries are subject to federal and state statutes and governmental regulations pertaining to water quality, air quality and other environmental factors. See the "Environmental regulation" discussions in the "Electric utility" and "Bank" sections below, and Note 1 of the Consolidated Financial Statements.

Human Capital Resources.

Employees. The Company had total and full-time employees as follows:

December 31	December 31	2022		2021		2020	
December 31							
December 31							
	Total						
	Total						
	Total						
	employees						
	employees						
	employees						
HEI[1]							
HEI[1]							
HEI[1]							
Hawaiian Electric and its subsidiaries							
Hawaiian Electric and its subsidiaries							
Hawaiian Electric and its subsidiaries							
ASB							
ASB							
ASB							

	Total employees	Full-time employees		Total employees	Full-time employees	Total employees	Full-time employees
HEI and Pacific Current	79	79	*	49	49	49	49
Hawaiian Electric and its subsidiaries	2,605	2,511		2,504	2,469	2,636	2,579
ASB	1,072	1,050		1,096	1,079	1,084	1,064
	3,756	3,640		3,649	3,597	3,769	3,692

* [1] Includes Pacific Current. The increase in employees from 2021 is related to Pacific Current's acquisition of a closed-loop biomass plant in 2022.

The employees of HEI and its direct and indirect subsidiaries, other than the electric utilities, are not covered by any collective bargaining agreement. The Utilities target compensation at market rates, and due to the significant increase in competitive market pay for linemen over the past few years, provided an 11.4% market rate adjustment and a 4% annual incentive effective February 1, 2024. The International Brotherhood of Electrical Workers Local 1260 represents roughly half of the Utilities' workforce covered by a collective bargaining agreement that expires on October 31, 2024 agreement. On January 26, 2024, a new three-year contract was ratified and will be in effect from November 1, 2024 through October 31, 2027. The contract provides for a 3% general wage increase in each year of the three-year contract, double time for callouts, and a 1% incentive payment upon achievement of specified objectives.

Diversity & inclusion. Diversity and inclusion are essential to the continued success of the Company. The Company values

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gender, religious beliefs, race, marital status, ethnicity, parental status, age, education, physical and mental ability, income, socio-economic status, sexual orientation, occupation, language, geographic location, and many more components, components. The Company and believes that an inclusive and collaborative culture produces excellent performance encourages collaboration, excellence and innovation, and helps guide the Company's decision-making and its

ability to meet its customers' and community's needs. Additionally, because the Company's businesses operate Operating exclusively in Hawaii, which is one of the most racially diverse states states* in the U.S., the Company believes it is important that its workforce reflects this diversity.

The diversity demographic information that follows below is based on total disaggregated by the sex/gender and race of all employees, including employees those on long-term leave, and part-time employees and temporary employees. status.

*World Population Review: Most Diverse States 2024 (worldpopulationreview.com)

Diversity representation

	HEI[5]		Hawaiian Electric		ASB	
	Female	Racially diverse[1]	Female	Racially diverse[1]	Female	Racially diverse[1]
Executives[2]	40.0 %	70.0 %	37.5 %	56.3 %	40.0 %	80.0 %
Leaders[3]	77.8 %	100.0 %	28.9 %	85.0 %	64.9 %	84.6 %
All workforce[4]	60.0 %	88.8 %	28.8 %	89.9 %	65.1 %	88.9 %

	HEI[5]		Hawaiian Electric		ASB	
	Female	Racially diverse[1]	Female	Racially diverse[1]	Female	Racially diverse[1]
Executives[2]	44.4 %	55.6 %	28.6 %	57.1 %	44.4 %	77.8 %
Leaders[3]	61.5 %	92.3 %	29.2 %	83.7 %	64.5 %	84.7 %
All workforce[4]	52.0 %	89.3 %	29.2 %	89.8 %	65.9 %	89.0 %

1 Racially diverse defined as all races/ethnicities that are not 'White' (as defined by the EEO-1 categories)

2 Executives includes EE0-1 category 1.1-Executive/Sr. Level Officials

3 Leaders includes EE0-1 category 1.2-First/Mid-Level Officials

4 All Workforce includes EE0-1 categories 1.1-Executive/Sr. Level Officials, 1.2-First/ Mid-Level Officials, 2-Professionals, 3-Technicians, 4-Sales Workers, 5-Administrative Support Workers, 6-Craft Workers, 7-Operatives, 8-Laborers and Helpers, 9-Service Workers

5 Includes Pacific Current and Mahipapa LLC employees but excludes new employees related to the acquisition of a closed-loop biomass plant in 2022 for which complete employee information was not available

Racial composition	Racial composition	Diversity-All workforce			
		Hawaii[1]	HEI[2]	Hawaiian Electric	ASB
White	White	20.8 %	12.0 %	10.1 %	11.1 %
Asian	Asian	36.5 %	66.0 %	51.1 %	60.1 %
Black	Black	1.8 %	0.0 %	0.6 %	0.8 %
Hispanic	Hispanic	11.1 %	0.0 %	4.2 %	5.1 %
Native Hawaiian or other Pacific Islander	Native Hawaiian or other Pacific Islander	9.6 %	6.0 %	12.4 %	13.8 %
American Indian or Alaska Native	American Indian or Alaska Native	0.1 %	2.0 %	0.3 %	0.2 %

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American Indian or Alaska Native					
American Indian or Alaska Native					
Two or more races	Two or more races	19.8 %	14.0 %	21.3 %	8.9 %
Two or more races					
Two or more races					

1 Source: 2021 2022 U.S. Census Bureau American Community Survey 1-Year Estimate

2 Includes Pacific Current and Mahipapa LLC employees but excludes new employees related to the acquisition of a closed-loop biomass plant in 2022 for which complete employee information was not available

Employee development & training. In order to meet the changing demands of the industries in which the Company operates, address the needs of the Company's stakeholders, attract, engage and retain talented employees, and design and carry out the Company's strategies, it is crucial for the Company's workforce to be highly skilled in their areas of focus and be able to adapt and evolve over time. As such, the Company invests in specific skill enhancement training as well as industry and leadership development programs.

Hawaiian Electric. Hawaiian Electric offers Hawaiian Electric and HEI holding company employees skills and professional training programs, including leadership development courses, employee development courses, technical training, apprenticeship programs, operational, environmental compliance, cybersecurity awareness and required safety training. Hawaiian Electric also offers tailored leadership development programs, including supervisor training to transition new supervisors to critical operational, administrative, and leadership roles as well as leadership and employee assessments geared to improve productivity and effectiveness in the workplace. Leadership development metrics are included in executive and management incentive plans. Learning and development initiatives align with individual and organizational performance, and are integrated with reinforced in the annual performance evaluations to reinforce development as integral parts of individual performance goals. Annual evaluation process. Ongoing leadership succession planning ensures the identification and development of successors, high potential individuals, and nurtures a leadership pipeline.

ASB. ASB invests in continuous training and development of its employees. Curriculum includes technical banker training programs that cover all aspects of banking laws, banking operations, new product and service offerings, legal and regulatory compliance and company procedures and ethics. The Bank delivers company-wide financial education, empowering its employees to make wise personal decisions to help meet their financial goals and provide valuable customer guidance. ASB offers opportunities for all employees to grow and build their careers, through a multitude of professional training and leadership sessions, topics, including Communicating with Confidence, Managing Conflict, Diversity and Inclusion, Emotional Intelligence, and Respect in the Workplace. ASB further invests in leadership development through their leadership cohort targeted

programs, designed to help employees grow professionally and personally, enhance their leadership skills and broaden their understanding knowledge of the banking industry. These include an 8-week personal leadership program Leading the ASB Way which is required for individual contributors or aspiring managers, a 6-month development experience for mid-level managers, all newly hired/promoted leaders, and Leadership Academy, a robust 12-15 month cohort program for well-established

leaders. Offerings are delivered in across various learning modalities including classroom instruction, small group discussions, online instructor-led, resources, and on-the-job learning formats. application. ASB's focus on meaningful growth and development opportunities positions the Bank to recruit and retain top talent.

Safety and health. As a key priority, core value, the Company strives to create workplace environments where employees feel physically that prioritize the physical and emotionally safe. emotional well-being of its employees. For the Utility, safety is of paramount importance due to the inherent risks involved in certain aspects of its operations and the critical importance to role the Utility plays in maintaining the electrical grid for the State of Hawaii of maintaining the electrical grid. During the COVID-19 pandemic, the Company has continued to modify its operations and policies to align with guidance from the Centers of Disease Control and Prevention and the State of Hawaii Department of Health (DOH). The Company also monitors the rates of infection within the state and makes adjustments, accordingly, to limit the risk of transmission in the workplace and ensure the health of the Company's employees. Hawaii.

Hawaiian Electric. Hawaiian Electric is committed to maintaining a strong safety culture. Due to the intrinsic nature of its operations, safety is part of paramount importance. Hawaiian Electric's DNA. Management strives to provide proactively assumes the responsibility of providing visible leadership and strategic direction for the health and safety management system and programs in their area of responsibility. oversight. This leadership and direction help are instrumental to build building and maintain sustaining a strong resilient safety culture and drive continual safety improvement, allocates improvement. Allocating adequate resources to enable seamless implementation of safety programs and holds holding leaders accountable for the implementation of safety programs and resulting health and safety performance. performance are a strategic requirement. This commitment is shown in the Executive compensation which is tied to the achievement of quantified severity recordable incidents and total case incident rate targets (TCIR). lost workdays targets. These targets reward improvements in workplace safety, promote employee well-being, and help reduce expenses over time. contribute to long-term expense reductions. Hawaiian Electric promotes a safety culture that aims for zero incidents, through all employees with every employee taking ownership of their own safety, for themselves, as well as that of their co-workers, contractors, and the public. More information on such targets is available in HEI's annual proxy statement.

Hawaiian Electric also provides is creating a variety culture of total well-being to support its employees from hire to retire and beyond by instituting best practices and advancing wellness as a business strategy. Some of the programs and benefits that support employee foster employees' total well-being include emotional, physical, financial occupational, social, spiritual, intellectual, environmental and emotional well-being. financial. These programs include access to fitness an extensive Employee Assistance Program for employees and yoga classes, online their family members, participation in various community charity walks, wellness related trainings and resources, an onsite vaccination program, preventive screenings, a wide variety of corporate wellness activities, and education, gym and group fitness discounts, and financial well-being wellness classes.

ASB. ASB is committed to supporting the continued health and safety of its employees through a wellness program which takes a holistic approach to improving the health and well-being of its employees by focusing that focuses on all various aspects of wellness including nutrition, fitness, mindfulness and finances. ASB also encourages participation in the program through various physical challenges and community charity walks. ASB also offers outdoor and virtual fitness classes, including high intensity interval training and yoga. ASB's employees can also participate in a program which allows employees them to enjoy national fitness center chains or workout in their homes at a reduced price. To further support ASB's employees' well-being, ASB rewards everyone who completes an annual preventative health screening with a Wellness Holiday, offers a robust employee assistance program, and provides many family friendly family-friendly benefits, including generous and gender-neutral parental leave.

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Workforce Stability. The Company's employees are its greatest asset and the Company strives to create a highly desirable place to work.

Hawaiian Electric. Hawaiian Electric seeks to provide compensation and benefits that are comprehensive, market-competitive, and internally equitable to attract, engage, and retain highly skilled employees. Hawaiian Electric believes that employee engagement is key to creating a desirable, inclusive, rewarding place to work and conducts employee engagement surveys on a regular cycle, and, more recently, change management surveys to assess and support the organizations' adaptability to change. Hawaiian Electric is expanding its strategic workforce planning initiative to build its workforce to support future transformation plans.

ASB. ASB seeks to attract, develop, and retain high performers who not only excel at their jobs but who also align with ASB's priorities and objectives. ASB strives to provide competitive pay and benefits and an award-winning culture that attracts top talent. ASB regularly conducts anonymous employee surveys to gather feedback on their work experience. Topics covered include confidence in company leadership, career growth opportunities, diversity and inclusion, and suggestions on how to create a great place to work. Survey results are shared with leaders, who prioritize actions and activities in response to feedback to drive meaningful improvements in employee engagement. ASB's talent management process is integrated into its business process and its human capital management strategy is part of its business strategy. ASB's investment in creating a great place to work and innovative, inclusive programs have resulted in it being recognized both locally and nationally for its workplace culture.

Properties. HEI leases office space from nonaffiliated lessors in downtown Honolulu under leases that expire in December 2027. See "Electric Utility" and "Bank" sections for a description of properties they own and lease.

Hamakua Energy, LLC (Hamakua Energy), an indirect wholly owned subsidiary of Pacific Current, which is included in the "Other" segment, owns a 60-MW dual-train combined-cycle facility and a total of approximately 93 acres located on the Hamakua coast on the island of Hawaii. Its power plant is situated on approximately 59 acres and the remaining 34 acres includes surrounding parcels of which 30 acres are located on the ocean front. Ka'ie'ie Waho Company, LLC (Ka'ie'ie Waho), a wholly owned subsidiary of Pacific Current, owns a 6-MW solar photovoltaic facility located on approximately 20 acres on the

southern coast of the island of Kauai. Mahipapa, LLC (Mahipapa), a wholly owned subsidiary of Pacific Current, owns a 7.5- MW biomass facility located on approximately 65 acres of land and leases 3,500 acres on the island of Kauai.

Electric utility

Hawaiian Electric and subsidiaries and service areas. Hawaiian Electric, Hawaii Electric Light and Maui Electric (Utilities) are regulated operating electric public utilities engaged in the production, purchase, transmission, distribution and sale of electricity on the islands of Oahu; Hawaii; and Maui, Lanai and Molokai, respectively.

In 2022, 2023, the electric utilities' revenues and net income amounted to approximately 91% 89% and 78% 97% respectively, of HEI's consolidated revenues and net income, compared to approximately 91% and 78% in 2022 and approximately 89% and 72% in 2021, and approximately 88% and 86% in 2020, respectively.

The islands of Oahu, Hawaii, Maui, Lanai and Molokai have a combined population estimated at 1.4 million, or approximately 95% of the total population of the State of Hawaii, and comprise a service area of 5,815 square miles. The principal communities served include Honolulu (on Oahu), Hilo and Kona (on Hawaii) and Wailuku and Kahului (on Maui). The service areas also include numerous suburban communities, resorts, U.S. Armed Forces installations and agricultural operations. In November 2020, the PUC approved Hawaiian Electric's acquisition of the electric distribution systems serving 12 U.S. Army installations on Oahu, including Schofield Barracks, Wheeler Army Airfield, Tripler Army Medical Center, Fort Shafter and Army housing areas.

The state has granted Hawaiian Electric, Hawaii Electric Light and Maui Electric nonexclusive franchises, which authorize the Utilities to construct, operate and maintain facilities over and under public streets and sidewalks. Each of these franchises will continue in effect for an indefinite period of time until forfeited, altered, amended or repealed.

Climate change action plan. The In 2021, the Utilities have set an aggressive goal to cut carbon emissions from power generation 70% by 2030, compared with 2005 levels. The emissions covered by this goal include stack emissions from generation owned by Hawaiian Electric and independent power producers (IPPs) who sell electricity to the Utilities. In addition, the Utilities have committed to achieving net zero carbon emissions from power generation by 2045 or sooner. These commitments are aligned with the Intergovernmental Panel on Climate Change recommendation of no more than 1.5°C average global warming to avoid potentially devastating climate events.

Key elements of the 2030 plan to reduce emissions include:

- The closing of the state's last coal plant, which occurred in September 2022 upon expiry of the PPA
- Adding nearly 50,000 rooftop solar systems, more than a 50% increase, compared to the approximately 90,000 systems online in 2021 when the Climate Change action plan was developed
- Retiring at least six fossil-fueled generating units and significantly reducing the use of others as new renewable resources come online
- Adding additional renewable energy projects capable of generating a total of at least 1 gigawatt beyond resources in place in 2021, including shared solar (community-based renewable energy)
- Using more grid-scale and customer-owned energy storage
- Expanding geothermal resources
- Creating innovative programs that provide customers incentives for using clean, lower-cost energy at certain times of the day and using less fossil-fueled energy at night

By Since the time the 2030 goal was established, delays and cancellations in the commercial operation of new renewable third-party generation resources and higher costs as a result of supply chain disruptions and inflationary pressures, as well as federal policies related to solar panel imports, have slowed the pace of progress toward reducing greenhouse gas (GHG) emissions. The downgrade of Hawaiian Electric's credit ratings after the Maui windstorm and wildfires is anticipated to be an additional impediment to completion of new renewable portfolio standard is expected energy and storage projects. As a result of these challenges, the Utilities expect the planned 70% reduction in carbon emissions to exceed 70%, be achieved later than the original 2030 target date. However, the Utilities will continue to replace significant amounts of fossil fuel generation with renewable resources available energy between now and 2030 and expect to provide close to 100% meet or exceed the State of the electricity generated on Hawaii Island and in Maui County. Achieving the 70% carbon emissions reduction by 2030 is highly dependent on the successful completion of renewable IPP projects under Phase 1, Phase 2, Phase 3 and other RFPs. Hawaii's RPS goals.

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After 2030, progress on elimination of carbon from power generation assumes continued use of proven resources, including wind, solar, geothermal, hydroelectric, biofuels and energy storage, along with the development of new technologies.

Those technologies may include offshore wind, green hydrogen, wave energy and carbon-capture—all currently under development around the world—as well as other solutions that will emerge. A diverse portfolio of resources will also enhance resilience to climate-related events.

Sales of electricity.

Years ended December 31	Years ended December 31	2022		2021		2020		Years ended December 31	2023		2022		2021	
(dollars in thousands)	(dollars in thousands)	Customer accounts*	Electric sales revenues	Customer accounts*	Electric sales revenues	Customer accounts*	Electric sales revenues	(dollars in thousands)	Customer accounts*	Electric sales revenues	Customer accounts*	Electric sales revenues	Customer accounts*	Electric sale revenues
Hawaiian Electric	Hawaiian Electric	306,978	$ 2,422,232	308,721	$ 1,772,183	307,378	$ 1,592,463							
Hawaii Electric Light	Hawaii Electric Light	88,757	479,566	88,103	375,775	87,357	329,195							
Maui Electric	Maui Electric	73,933	464,823	73,788	359,648	73,304	317,872							
		469,668	$ 3,366,621	470,612	$ 2,507,606	468,039	$ 2,239,530							

* As of December 31.

Regulatory mechanisms. Base electric rates are set in rate cases, and on April 29, 2020, the PUC issued an order terminating the mandatory triennial rate case cycle in anticipation of the performance-based regulation framework (PBR Framework). The regulatory framework in effect in 2020 included a number of mechanisms designed to provide utility financial stability during the transition toward the state's 100% renewable energy goals. For example, under the sales decoupling mechanism, the Utilities are allowed to recover from customers, target test year revenues, independent of the level of kilowatt-hour (kWh) sales. The decoupling mechanism (i.e., the Revenue Balancing Account) continues under the PBR Framework.

On December 23, 2020, the PUC issued a D&O in Phase 2 of the PBR proceeding, establishing the PBR Framework for the Utilities. The PBR Framework includes, among other matters, a five-year multi-year rate plan with an index-driven annual revenue adjustment (ARA), which replaces the RAM, modification of the MPIR mechanism (renamed Exceptional Project Recovery Mechanism (EPRM)) to include deferred and operation and maintenance (O&M) expense projects and to permit the Utilities to include the full amount of approved costs in the EPRM for recovery in the first year the project goes into service, pro-rated for the portion of the year the project is in service, and continuation of (i) the revenue balancing account, (ii) the pension and other postretirement benefit tracking mechanisms, and (iii) energy cost recovery clause, purchased power adjustment clause, and other recovery mechanisms. See "Commitments and contingencies-Regulatory proceedings-Performance-based regulation framework" in Note 34 of the Consolidated Financial Statements.

A summary of these regulatory mechanisms, most of which have been either maintained, modified, or approved under PBR as noted, is as follows:

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Mechanism	Description	PBR Framework (effective June 2021)
Sales decoupling	Provides predictable revenue stream by fixing net revenues at the level approved in last rate case (revenues not linked to kWh sales).	Maintained under PBR.
Annual Revenue Adjustment (ARA)	Annually adjusts revenue levels during a Multi-Year Rate Period, determined by formula which includes an inflation factor, a predetermined productivity adjustment (currently set at zero), adjustments for exceptional circumstances not in the Utilities' control and a customer dividend.	Replaced the Revenue Adjustment Mechanism (RAM) effective June 1, 2021. The transition to the ARA includes the continuation of the 2020 RAM revenue adjustment.
Exceptional Project Recovery Mechanism (EPRM)	Reduces regulatory lag and permits recovery of revenues for net costs of approved eligible projects placed in service during the Multi-Year Rate Period through the revenue balancing account (RBA) that is not provided for by other effective tariffs, the ARA, Performance Incentive Mechanism (PIMS) or Shared Savings Mechanisms (SSMs).	Formerly known as the Major Project Interim Recovery (MPIR) adjustment mechanism. The EPRM was modified to include recovery of both capital and O&M expenses and to permit the Utilities to include the full amount of approved costs for recovery in the first year that projects are placed into service, pro-rated for the portion of the year that projects are in service.
Energy cost recovery clause (ECRC) and purchased power adjustment clause (PPAC)	Allows for timely recovery of fuel and purchased power costs to reduce earnings volatility. Symmetrical fossil fuel cost risk-sharing (98% customer/2% utility) mechanism established for Hawaiian Electric, Hawaii Electric Light and Maui Electric capped at $2.5 million, $0.6 million and $0.6 million annually, respectively.	Maintained under PBR.
Performance incentive mechanism (PIM) / Shared Savings Mechanism (SSM)	Annually adjusts revenue to recover from or credit customers for specific areas of the Utilities' performance measured against the PUC's approved targets.	Maintained under PBR with a portfolio of SSMs and new PIMs added to encourage acceleration in renewables, grid services, interconnection of DERs, low-to-moderate income energy efficiency, advanced metering infrastructure, generation-based reliability (penalties only), interconnection of utility scale renewable projects, and cost control of non-ARA costs and allows for financial rewards for exemplary performance.
Pension and other post-employment benefit trackers	Allow tracking of pension and other post-employment benefit costs and contributions above or below the cost included in rates in a separate regulatory asset/liability account.	Maintained under PBR.
Renewable energy infrastructure program	Permits recovery of renewable energy infrastructure projects through a surcharge.	Maintained under PBR.
Expedited Pilot Process	Fosters innovation by establishing an expedited implementation process for pilots that test new technologies, programs, business models and other arrangements. Proposed pilots are subject to PUC approval with a total annual cap of $10 million.	Approved under PBR to allow for timely cost recovery of annual expenditures of approved pilot projects through an adjustment to target revenues.
Earnings Sharing Mechanism (ESM)	Protects the Utilities and customers from excessive earnings or losses, as measured by the Utilities' achieved rate making ROACE.	Maintained under PBR, adjusted to reflect a symmetrical ESM for achieved rate making ROACE outside of a 300 basis points dead band above or below the current authorized ROACE of 9.5% for each of the Utilities.

Seasonality. kWh sales of the Utilities follow a seasonal pattern, but they do not experience extreme seasonal variations experienced by some electric utilities on the U.S. mainland. In Hawaii, kWh sales tend to increase in the warmer, more humid months as a result of increased demand for air conditioning, and with cloudy and rainy weather due to lower production by privately owned customer photovoltaic (PV) systems. In 2022, 2023, kWh sales increased decreased compared to the prior year due to impacts from the easing Maui windstorm and wildfires. In addition, the continued adoption of remaining pandemic related restrictions energy efficiency measures and increased domestic travel distributed energy resources contributed to Hawaii, which the reduction in turn increased the demand for electricity. kWh sales.

Significant customers. The Utilities derived approximately 12%, 11% 12% and 11% of their operating revenues in 2023, 2022 2021 and 2020, 2021, respectively from the sale of electricity to various federal government agencies. Hawaiian Electric continues to work with various federal agencies to implement measures that will help them achieve their energy efficiency, resilience and clean energy objectives.

Selected consolidated electric utility operating statistics.

Years ended December 31	Years ended December 31	2022	2021	2020	2019	2018	Years ended December 31	2023	2022	2021	2020	2019
MWh sales (thousands)	MWh sales (thousands)						MWh sales (thousands)					
Residential	Residential	2,415.2	2,491.6	2,525.4	2,439.3	2,410.8						
Commercial	Commercial	2,628.8	2,572.5	2,456.0	2,793.0	2,810.8						
Industrial	Industrial	3,295.7	3,174.3	3,118.0	3,467.2	3,425.1						
Other	Other	14.3	22.7	20.8	40.5	42.1						
		8,354.0	8,261.1	8,120.2	8,740.0	8,688.8						

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MWh net generated and purchased (thousands)	**MWh net generated and purchased (thousands)**					
Net generated	Net generated	5,011.9	4,501.0	4,629.2	4,972.7	4,966.4
Net generated	Net generated					
Purchased	Purchased	3,750.4	4,153.7	3,896.2	4,168.6	4,139.3
		8,762.3	8,654.7	8,525.4	9,141.3	9,105.7
MWh customer-sited solar (thousands)	MWh customer-sited solar (thousands)	1,522.4	1,418.0	1,325.8	1,224.6	948.4
RPS (%)[1]	RPS (%)[1]	31.8	38.4	34.5	28.4	26.7
Losses and system uses (%)	Losses and system uses (%)	4.4	4.3	4.5	4.2	4.4
Energy supply (December 31)	**Energy supply (December 31)**					
Net generating capability—MW						
Net generating capability—MW						
Net generating capability—MW	Net generating capability—MW	1,738	1,738	1,737	1,737	1,739
Firm and other purchased capability—MW[2]	Firm and other purchased capability—MW[2]	362	540	517	517	517
		2,100	2,278	2,254	2,254	2,256
Net peak demand—MW[3]	Net peak demand—MW[3]	1,467	1,471	1,471	1,601	1,598
Btu per net kWh generated	Btu per net kWh generated	10,941	10,988	10,834	10,860	10,826
Average fuel oil cost per MBtu (cents)	Average fuel oil cost per MBtu (cents)	2,310.9	1,305.4	1,028.7	1,337.6	1,420.2
Customer accounts (December 31)	**Customer accounts (December 31)**					
Residential	Residential	413,744	414,713	412,484	409,689	407,505
Residential	Residential					
Commercial	Commercial	54,416	54,373	54,035	54,233	54,075
Industrial	Industrial	696	698	694	700	696
Other	Other	812	828	826	844	813

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		469,668	470,612	468,039	465,466	463,089
Electric revenues (thousands)	**Electric revenues (thousands)**					
Residential	Residential					
Residential	Residential	$1,069,974	$ 843,655	$ 770,135	$ 791,398	$ 788,028
Commercial	Commercial	1,077,521	802,878	708,180	829,000	843,326
Industrial	Industrial	1,211,242	853,293	754,775	884,722	882,443
Other	Other	7,884	7,780	6,440	11,915	12,410
		$3,366,621	$2,507,606	$2,239,530	$2,517,035	$2,526,207
Average revenue per kWh sold (cents)	**Average revenue per kWh sold (cents)**	40.30	30.35	27.58	28.80	29.07
Residential	Residential	44.30	33.86	30.50	32.44	32.69
Commercial	Commercial	40.99	31.21	28.83	29.68	30.00
Industrial	Industrial	36.75	26.88	24.21	25.52	25.76
Other	Other	55.24	34.19	31.01	29.39	29.47
Residential statistics	**Residential statistics**					
Average annual use per customer account (kWh)	Average annual use per customer account (kWh)	5,821	6,022	6,145	5,967	5,923
Average annual use per customer account (kWh)						
Average annual use per customer account (kWh)						
Average annual revenue per customer account	Average annual revenue per customer account	$ 2,579	$ 2,039	$ 1,874	$ 1,936	$ 1,936
Average number of customer accounts	Average number of customer accounts	414,910	413,725	410,973	408,768	407,044

1. In July 2022, Governor Ige signed Act 240 (H.B.2089), which amended the RPS calculation from renewable energy as a percentage of sales to renewable energy as a percentage of total generation. The amended RPS calculation results in a lower calculated percentage than the amount calculated under the previous methodology.

2 Puna Geothermal Venture (PGV) with 34.6 MW of firm capacity went offline due to lava flow on Hawaii Island since in May 2018, but returned to service with firm capacity of 13 MW in the first quarter of 2021 and ramped up to is currently providing 25.7 MW. Additionally, AES Hawaii provided 180 MW in the second quarter of 2022 firm capacity from its coal-fired cogeneration plant. The purchase power agreement expired on September 1, 2022 and continued to provide 25.7 MW for the remainder of 2022. was not renewed. The AES Hawaii coal plant has ceased operations.

3 Sum of the net peak demands on all islands served, noncoincident and nonintegrated.

Generation statistics. The following table contains certain generation statistics as of and for the year ended December 31, 2022 December 31, 2023. The net generating and firm purchased capability available for operation at any given time may be more or less than shown because of capability restrictions or temporary outages for inspection, maintenance, repairs or unforeseen circumstances.

	Hawaiian Electric	Hawaii Electric Light	Maui Electric			
	Island of Oahu	Island of Hawaii	Island of Maui	Island of Lanai	Island of Molokai	Total

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Net generating and firm purchased capability (MW) as of December 31, 2022[1]													
	Hawaiian Electric												
		Island of Oahu											
		Island of Oahu											
		Island of Oahu							Island of Hawaii	Island of Maui	Island of Lanai	Island of Molokai	Total
Net generating and firm purchased capability (MW) as of December 31, 2023[1]													
Conventional oil-fired steam units													
Conventional oil-fired steam units													
Conventional oil-fired steam units	Conventional oil-fired steam units	999.5	50.1	35.9	—	—	1,085.5						
Diesel internal combustion engine	Diesel internal combustion engine	—	29.5	96.8	9.4	9.8	145.5						
Simple-cycle combustion turbines	Simple-cycle combustion turbines	230.8	46.3	—	—	2.2	279.3						
Dual train combined-cycle unit	Dual train combined-cycle unit	—	56.3	113.6	—	—	169.9						
Biodiesel internal combustion engine	Biodiesel internal combustion engine	57.4	—	—	—	—	57.4						
Firm contract power[2]	Firm contract power[2]	276.5	85.7	—	—	—	362.2						
	1,564.2												
		1,564.2	267.9	246.3	9.4	12.0	2,099.8						
Net peak demand (MW)[3]													
Net peak demand (MW)[3]													
Net peak demand (MW)[3]	Net peak demand (MW)[3]	1,072.0	187.7	195.1	6.0	5.8	1,466.6						
Reserve margin	Reserve margin	45.2 %	42.7 %	29.5 %	56.7 %	107.1 %	43.2 %	Reserve margin	47.5 %	43.0 %	34.6 %	56.7 %	106.9 %	45.2 %
Annual load factor	Annual load factor	69.2 %	68.2 %	63.1 %	69.2 %	62.4 %	68.2 %	Annual load factor	69.0 %	67.6 %	62.6 %	66.7 %	61.2 %	68.0 %
MWh net generated and purchased (thousands)	MWh net generated and purchased (thousands)	6,495.2	1,121.1	1,077.9	36.4	31.7	8,762.3						

[1] Hawaiian Electric units at normal ratings; Hawaii Electric Light and Maui Electric units at reserve ratings.

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2 Nonutility generators - Hawaiian Electric: 208 MW (Kalaeloa Partners, L.P., oil-fired) and 68.5 MW (HPOWER, refuse-fired); Hawaii Electric Light: 60 MW (Hamakua Energy, oil-fired). Hawaii Electric Light also has a firm capacity PPA with PGV for 34.6 MW that went offline due to lava flow on Hawaii Island since May 2018, but returned to service with firm capacity of 13 MW in the first quarter of 2021 and ramped up to 25.7 MW in the second quarter of 2022. 2021. PGV's current capability of 25.7 MW has been incorporated into the utility's firm contract power capability as of December 31, 2022 December 31, 2023.

3 Noncoincident and nonintegrated.

Generating reliability and reserve margin. Hawaiian Electric serves the island of Oahu and Hawaii Electric Light serves the island of Hawaii. Maui Electric has three separate electrical systems—one each on the islands of Maui, Molokai and Lanai. Hawaiian Electric, Hawaii Electric Light and Maui Electric have isolated electrical systems that are not currently interconnected to each other or to any other electrical grid and, thus, each maintains a higher level of reserve generation and cost structure than is typically carried by interconnected mainland U.S. utilities, which are able to share reserve capacity. These higher levels of reserve margins are required to meet peak electric demands, to provide for scheduled maintenance of generating units (including the units operated by IPPs relied upon for firm capacity) and to allow for the forced outage of the largest generating unit in the system.

Nonutility generation. The Utilities have supported state and federal energy policies which encourage the development of renewable energy sources that reduce the use of fuel oil as well as the development of qualifying facilities. The Utilities' renewable energy sources and potential sources range from wind, solar, photovoltaic, geothermal, wave and hydroelectric power to energy produced by municipal waste and other biofuels.

The rate schedules of the electric utilities contain ECRCs and PPACs that allow them to recover costs of fuel and purchase power expenses.

In addition to the firm capacity PPAs described below, the electric utilities also purchase energy on an as-available basis directly from nonutility generators and through its Feed-In Tariff programs, as well as through a new renewable dispatchable generation power purchase agreement. agreements. The electric utilities also receive renewable energy from customers under its Net Energy Metering and Customer Grid Supply programs.

The PUC has allowed rate recovery for the firm capacity and purchased energy costs for the electric utilities' approved firm capacity and as-available energy PPAs.

Hawaiian Electric firm capacity PPAs. Hawaiian Electric currently has two major firm capacity PPAs that provide a total of 276.5 MW of firm capacity, representing 18% of Hawaiian Electric's total net generating and firm purchased capacity on the Island of Oahu as of December 31, 2022 December 31, 2023.

Under a 1988 PPA, as amended, Hawaiian Electric is committed to purchase 208 MW of firm capacity from Kalaeloa Partners, L.P. (Kalaeloa). The Kalaeloa facility, which is a Qualifying Facility (QF), is a combined-cycle operation, consisting of two oil-fired combustion turbines burning low sulfur fuel oil (LSFO) and a steam turbine that utilizes waste heat from the combustion turbines. The PPA term ended on May 23, 2016 and was extended while the parties were in negotiations for a new agreement. The parties executed an Amended and Restated Power Purchase Agreement (ARPPA) on October 29, 2021, which among other provisions extends the term for ten contract years after the effective date. The ARPPA was approved on November 23, 2022. The parties executed a letter agreement to establish that the rates under the ARPPA became effective on January 1, 2023.

Hawaiian Electric also entered into a PPA in March 1986 and a firm capacity amendment in April 1991 with the City and County of Honolulu with respect to a refuse-fired plant (HPOWER). Under the PPA, as amended and restated, Hawaiian Electric is committed to purchase 68.5 MW of firm capacity annually up until the PPA expires on April 2, 2033.

Hawaiian Electric formerly entered into a PPA with AES Hawaii, Inc. (AES Hawaii), a Hawaii-based, indirect subsidiary of The AES Corporation. The PPA, under which AES Hawaii provided 180 MW of firm capacity from its coal-fired cogeneration plant, expired on September 1, 2022 and was not renewed. The shutdown of the AES Hawaii coal plant represents the end of coal use for power generation in Hawaii. See "Commitments and contingencies–Power purchase agreements–AES Hawaii, Inc." in Note 3 of the Consolidated Financial Statements for an update regarding this PPA.

Hawaii Electric Light firm capacity PPAs. Hawaii Electric Light has two major firm capacity PPAs that provide a total of 85.7 MW of firm capacity, representing 32% of Hawaii Electric Light's total net generating and firm purchased capacity on the Island of Hawaii as of December 31, 2022 December 31, 2023.

In October 1997, Hawaii Electric Light entered into an agreement with Encogen, which was succeeded by Hamakua Energy Partners, L. P. (HEP). The agreement requires Hawaii Electric Light to purchase up to 60 MW (net) of firm capacity for a period of 30 years, expiring on December 31, 2030. The dual-train combined-cycle facility consists of two oil-fired combustion turbines and a steam turbine that utilizes waste heat from the combustion turbines, which primarily burns naphtha (a mixture of liquid hydrocarbons) and, starting in late 2019, biodiesel (comprising approximately 21% 24% of HEP's fuel mix in 2022) 2023). In November 2017, Hamakua Energy, an indirect subsidiary of HEI, purchased the plant from HEP.

Hawaii Electric Light has a 35-year PPA, as amended, with Puna Geothermal Venture (PGV) for 34.6 MW of firm capacity from its geothermal steam facility, which will expire on December 31, 2027. However, the PGV facility went offline in May 2018 due to lava flow on Hawaii Island. In March 2019, Hawaii Electric Light entered into a Rebuild Agreement with PGV, which sets forth the parties' respective responsibilities associated with restoration of the facility. The Rebuild Agreement shall govern the terms until PGV becomes fully operational. In December 2019, Hawaii Electric Light entered into an Amended and Restated PPA with PGV to, among other things, extend the term by 25 years to 2052 and expand the firm capacity capable of being delivered to 46 MW, subject to PUC approval. PGV returned to service at a level providing limited output without firm capacity in the fourth quarter of 2020 and is currently providing 25.7 MW of capacity. In December 2019, Hawaii Electric Light entered into an Amended and Restated PPA (ARPPA) with PGV to, among other things, extend the term by 25 years to 2052 and expand the firm capacity capable of being delivered to 46 MW. The ARPPA was approved by the PUC subject to certain conditions on December 29, 2023. See "New renewable PPAs" in the "Developments in renewable energy efforts" section in Hawaiian Electric's MD&A.

In May 2012, Hawaii Electric Light signed a PPA with Hu Honua Bioenergy, LLC (Hu Honua) for 21.5 MW of renewable, dispatchable firm capacity fueled by locally grown biomass on the island of Hawaii. This PPA was approved by the PUC in December 2013, however, the approval was appealed. The Supreme Court of Hawaii issued a decision remanding the matter to the PUC for further proceedings. See "Commitments and contingencies–Power purchase agreements–Hu Honua Bioenergy, LLC" in Note 3 of the Consolidated Financial Statements for an update regarding this PPA.

Maui Electric firm capacity PPAs. Maui Electric currently has no firm capacity PPAs.

Fuel oil usage and supply. The rate schedules of the Utilities include ECRCs under which electric rates (and consequently the revenues of the electric utility subsidiaries generally) are adjusted for changes in the weighted-average price paid for fuel oil and certain components of purchased power, and the relative amounts of company-generated power and purchased power. See discussion of rates and issues relating to the ECRC below under "Rates."

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Hawaiian Electric's steam generating units consume LSFO and Hawaiian Electric's combustion turbine peaking units consume diesel. Hawaiian Electric's Schofield Generating Station consumes mostly B99 grade biodiesel, but is permitted to also burn ultra-low sulfur diesel (ULSD).

Hawaii Electric Light's and Maui Electric's steam generating units burn high sulfur fuel oil (HSFO) and Hawaii Electric Light's and Maui Electric's Maui combustion turbine generating units burn diesel. Hawaii Electric Light's and Maui Electric's Maui, Molokai, and Lanai diesel engine generating units burn ULSD.

See "Fuel contracts" in Hawaiian Electric's MD&A.

The following table sets forth the average cost of fuel oil used by Hawaiian Electric, Hawaii Electric Light and Maui Electric to generate electricity in 2023, 2022 2021 and 2020: 2021:

	Hawaiian Electric		Hawaii Electric Light		Maui Electric		Consolidated	
	$/Barrel	¢/MBtu	$/Barrel	¢/MBtu	$/Barrel	¢/MBtu	$/Barrel	¢/MBtu
2023								
2022	144.63	2,339.5	131.36	2,183.4	135.39	2,274.5	141.49	2,310.9
2021	79.10	1,275.9	80.52	1,333.9	83.45	1,404.0	80.06	1,305.4
2020	62.06	1,003.7	63.21	1,048.3	66.81	1,122.7	63.00	1,028.7

	Hawaiian Electric		Hawaii Electric Light		Maui Electric		Consolidated	
	$/Barrel	¢/MBtu	$/Barrel	¢/MBtu	$/Barrel	¢/MBtu	$/Barrel	¢/MBtu
2023								
2022	144.63	2,339.5	131.36	2,183.4	135.39	2,274.5	141.49	2,310.9
2021	79.10	1,275.9	80.52	1,333.9	83.45	1,404.0	80.06	1,305.4
2020	62.06	1,003.7	63.21	1,048.3	66.81	1,122.7	63.00	1,028.7

The average per-unit cost of fuel oil consumed to generate electricity for Hawaiian Electric, Hawaii Electric Light and Maui Electric reflects a different volume mix of fuel types and grades as follows:

	Hawaiian Electric		Hawaii Electric Light		Maui Electric	
	% LSFO	% Biodiesel/Diesel	% HSFO	% Diesel	% HSFO	% Diesel
2023						
2022	93	7	36	64	24	76
2021	93	7	41	59	22	78
2020	94	6	39	61	24	76

	Hawaiian Electric		Hawaii Electric Light		Maui Electric	
	% LSFO	% Biodiesel/Diesel	% HSFO	% Diesel	% HSFO	% Diesel
2023						
2022	93	7	36	64	24	76
2021	93	7	41	59	22	78
2020	94	6	39	61	24	76

The prices that Hawaiian Electric and Hawaii Electric Light pay for purchased energy from certain older nonutility generators are generally linked to the price of oil. The AES Hawaii energy prices varied primarily with an inflation index. The energy prices for Kalaeloa, which purchases LSFO from Par Hawaii Refining, LLC (PAR), vary primarily with the price of Asian crude oil. On December 31, 2019, Hawaii Electric Light and PGV entered into an Amended and Restated Power Purchase Agreement, which delinks the pricing for energy delivered from the facility from fossil fuel prices. Hamakua Energy's energy prices vary primarily with the cost of naphtha.

The Utilities estimate that 75% 74% of the net energy they generate will come from fossil fuel oil in 2023 2024 compared to 67% 75% in 2022. 2023. Hawaiian Electric generally maintains an average system fuel inventory level equivalent to 47 days of forward consumption. Hawaii Electric Light and Maui Electric generally maintain an average system fuel inventory level equivalent to approximately one month's supply of both HSFO and diesel. The PPA with Hamakua Energy requires that it maintains certain minimum fuel inventory levels.

Rates. Hawaiian Electric, Hawaii Electric Light and Maui Electric are subject to the regulatory jurisdiction of the PUC with respect to rates, issuance of securities, accounting and certain other matters. See "Regulation" below.

General rate increases require the prior approval of the PUC after public and contested case hearings. Rates for Hawaiian Electric and its subsidiaries include ECRCs, and PPACs. Under current law and practices, specific and separate PUC approval is not required for each rate change pursuant to automatic rate adjustment clauses previously approved by the PUC. Public Utility Regulatory Policies Act of 1978 (PURPA) requires the PUC to periodically review the adjustment clauses related to energy cost of electric and gas utilities in the state, and such clauses, as well as the rates charged by the utilities generally, are subject to change. PUC approval is also required for all surcharges and adjustments before they are reflected in rates.

See "Utility projects" under "Commitments and contingencies" in Note 3 4 of the Consolidated Financial Statements.

Competition. See "Competition" in Hawaiian Electric's MD&A.

Regulation. The PUC regulates the rates, issuance of securities, accounting and certain other aspects of the operations of Hawaiian Electric and its electric utility subsidiaries. See the previous discussion under "Rates".

On September 15, 2014, the State of Hawaii and the U.S. Department of Energy executed a Memorandum of Understanding (MOU) recognizing that Hawaii is embarking on the next phase of its clean energy future. The MOU provides the framework for a comprehensive, sustained effort to better realize its vast renewable energy potential and allow Hawaii

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to push forward in three main areas: the power sector, transportation and energy efficiency. This next phase is focused on stimulating deployment of clean energy infrastructure as a catalyst for economic growth, energy system innovation and test bed investments.

Energy efficiency. The PUC issued an order on January 3, 2012 approving a framework for Energy Efficiency Portfolio Standards (EEPS) that set 2008 as the initial base year for evaluation and linearly allocated the 2030 goal to interim incremental reduction goals of 1,375 GWH by 2015 and 975 GWH by each of the years 2020, 2025 and 2030. Pursuant to the PUC's EEPS framework, the PUC has contracted with a public benefits fee administrator to operate and manage energy efficiency programs, and any incentive and/or penalty mechanisms applicable solely to the public benefit fee administrator and related to the achievement of the goals are at the discretion of the PUC.

The Division of Consumer Advocacy's 2021 Compliance Resolution Fund Report states that Hawaii continues to progress towards its 2030 Renewable Portfolio Standards and EEPS goals. The EEPS has contributed to lower kWh sales; however, the implementation of sales decoupling has delinked sales and revenues. See "Regulatory mechanisms" above.

Electrification of Transportation. In June 2018, the PUC initiated a proceeding to review the Utilities' Electrification of Transportation (EoT) Strategic Roadmap, which provided an economic analysis for light duty electric vehicles on the island of Oahu, Maui and Hawaii. In July 2019 the Utilities filed a study analyzing data regarding the critical backbone for electric vehicle charging needs in their service territories. In October 2019, the Utilities filed their EoT Workplan, establishing a schedule to continue implementation of the EoT roadmap with a focus on EV rate design and make-ready charging infrastructure in the near-term. The Utilities followed through on the EoT Workplan in 2020, with three filings: the electric bus make ready infrastructure pilot, Charge Ready Hawaii commercial infrastructure pilot, and two commercial EV rates, EV-J and EV-P. The electric bus make ready infrastructure pilot, EV-J and EV-P, and Charge Ready Hawaii commercial infrastructure pilot were approved by the PUC on May 7, 2021, December 30, 2021 and January 24, 2022, respectively, and launched in the first and fourth quarters of 2022. In August 2020, the Utilities committed to electrifying 100% of its class 1 vehicles (sedans, SUVs and light trucks) by 2035. The Utilities launched the Smart Charge Hawaii Telematics pilot in May 2023 and are currently acquiring participants and collecting data. The Utilities operate 30 32 public DC fast chargers (DCFC) as part of the EV-U pilot and EV-MAUI tariff. They filed a request in the fourth quarter of 2021 to expand and make permanent the public charging pilot with an additional 150 DCFCs and 150 level 2 charging stations at 75 locations. This In December 2023, the Utilities filed their supplemental reply statement of position and the request will be is ready for decision making making. On January 11, 2024, the Federal Highways Administration announced that Hawaii was not awarded grants for the fiscal year 2022-2023 Charging and Fueling Infrastructure Program funds, which the Utilities applied for in the first quarter partnership with Hawaii Department of 2023. Transportation.

Renewable Portfolio Standards. In 2015, Hawaii's RPS law was amended to require electric utilities to meet an RPS of 15%, 30%, 40%, 70% and 100% by December 31, 2015, 2020, 2030, 2040 and 2045, respectively. Energy savings resulting from energy efficiency programs do not count toward the RPS since 2014 (only electrical generation using renewable energy as a source counts). In July 2022, Governor Ige signed Act 240 (H.B.2089), that amended the RPS calculation from renewable energy as a percentage of sales to renewable energy as a percentage of total generation. The amended RPS calculation results in a lower calculated percentage than the amount calculated under the previous methodology. For example, the 2022 RPS achieved under the revised RPS calculation would have been 39.1% under the prior method versus 31.8% under the revised method. The change in the definition is to be applied prospectively to future milestone measurements and will require that the Utilities acquire more renewable energy than under the previous RPS calculation to comply with the RPS milestones; however, the Utilities expect to continue to meet the RPS milestones under the amended RPS law to exceed the 2030 RPS requirement of 40%. The ability of the Utilities to meet RPS milestones after 2030 may be impacted by the Utilities' current credit ratings. In 2023, the Utilities' RPS was 33.3%.

Affiliate transactions. Certain transactions between HEI's electric public utility subsidiaries (Hawaiian Electric, Hawaii Electric Light and Maui Electric) and HEI and affiliated interests (as defined by statute) are subject to regulation by the PUC.

In December 1996, the PUC issued an order in a docket to review the relationship between HEI and Hawaiian Electric and the effects of that relationship on the operations of Hawaiian Electric. The order required Hawaiian Electric to continue to provide the PUC with periodic status reports on its compliance with the PUC Agreement (pursuant to which HEI became the holding company of Hawaiian Electric). Hawaiian Electric files such status reports annually. In the order, the PUC also required the Utilities to present a comprehensive analysis of the impact that the holding company structure and investments in nonutility subsidiaries have on a case-by-case basis on the cost of capital to each utility in future rate cases and remove any such effects from the cost of capital. The Utilities have made presentations in their subsequent rate cases to support their positions that there was no evidence that would modify the PUC's finding that Hawaiian Electric's access to capital did not suffer as a result of HEI's involvement in nonutility activities and that HEI's diversification did not permanently raise or lower the cost of capital incorporated into the rates paid by Hawaiian Electric's utility customers.

In December 2018, the PUC established a set of requirements governing transactions and sharing of information between the Utilities and its affiliates (Affiliate Transaction Requirements, ATRs), which was subsequently modified and clarified in January 2019 following the Utilities' motion for reconsideration. The PUC stated the intent of the ATRs is to establish safeguards to avoid potential market power benefits and cross-subsidization between regulated and unregulated activities. The requirements include rules on interactions with affiliates, information handling, business development, political activities, promotional activities, sales of products and services, and employee sharing restrictions. The ATRs include implementing an internal code of conduct, a compliance plan, including policies and procedures to comply with the requirements, and having an audit conducted every three years that examines the compliance with the requirements. Penalties for non-compliance depend on the severity of the violation, and can range from daily fines to divestiture of the Utilities by the holding company. On January 26, 2023, the PUC approved the Utilities' internal code of conduct. The PUC also directed the Utilities to make language changes to parts of the Utilities' 2023 Compliance Plan. On February 6, 2023 May 24, 2023, the Utilities filed a motion for clarification and/or reconsideration of brief with the PUC's order which instructed a change to PUC discussing the definition of "Affiliate" as used in the 2023 Affiliate Transaction Requirements Compliance Plan.

Plan, as ordered by the PUC.

Other regulations. The Utilities are not subject to regulation by the FERC under the Federal Power Act, except under Sections 210 through 212 (added by Title II of PURPA and amended by the Energy Policy Act of 1992), which permit the FERC to order electric utilities to interconnect with qualifying cogenerators and small power producers, and to wheel power to other electric utilities. Title I of PURPA, which relates to retail regulatory policies for electric utilities, and Title VII of the Energy Policy Act of 1992, which addresses transmission access, also apply to the Utilities. The Utilities are also required to file various operational reports with the FERC.

Because they are located in the State of Hawaii, Hawaiian Electric and its subsidiaries are exempt by statute from limitations set forth in the Powerplant and Industrial Fuel Use Act of 1978 on the use of petroleum as a primary energy source.

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Regulatory Developments. See “Regulatory proceedings” in Note 3 4 of the Consolidated Financial Statements for additional discussions.

See also “HEI–Regulation” above.

Environmental regulation. Hawaiian Electric, Hawaii Electric Light and Maui Electric, like other utilities, are subject to periodic inspections by federal, state and, in some cases, local environmental regulatory agencies, including agencies responsible for the regulation of water quality, air quality, hazardous and other waste and hazardous materials. These inspections may result in the identification of items needing corrective or other action. Except as otherwise disclosed in this

report (see “Risk Factors” in Item 1A, and Notes 1 and 3 4 of the Consolidated Financial Statements), the Utilities believe that each subsidiary has appropriately responded to environmental conditions requiring action and that, as a result of such actions, such environmental conditions will not have a material adverse effect on the capital expenditures, earnings and competitive position of the Utilities.

Water quality controls. The generating stations, substations and other utility facilities operate under federal and state water quality regulations and permits, including, but not limited to, the Clean Water Act National Pollution Discharge Elimination System (governing point source discharges, including wastewater and storm water discharges) and the Safe Drinking Water Act Underground Injection Control (regulating disposal of wastewater into the subsurface).

Oil pollution controls. The Oil Pollution Act of 1990 (OPA) establishes programs that govern actual or threatened oil releases and imposes strict liability on responsible parties for clean-up costs and damages to natural resources and property. The federal Environmental Protection Agency (EPA) regulations under OPA require certain facilities that use or store oil to prepare and implement Spill Prevention, Control and Countermeasures (SPCC) Plans in order to prevent releases of oil to navigable waters of the U.S. Certain facilities are also required to prepare and implement Facility Response Plans (FRPs) to ensure prompt and proper response to releases of oil. The utility facilities that are subject to SPCC Plan and FRP requirements have prepared and implemented SPCC Plans and FRPs.

Air quality controls. The Clean Air Act (CAA) establishes permitting programs to reduce air pollution. The CAA amendments of 1990, established the federal Title V Operating Permit Program (in Hawaii known as the Covered Source Permit program) to ensure compliance with all applicable federal and state air pollution control requirements. The 1977 CAA Amendments established the New Source Review (NSR) permitting program, which affect new or modified generating units by requiring a permit to construct under the CAA and the controls necessary to meet the National Ambient Air Quality Standards.

Title V operating permits have been issued for all of the Utilities’ affected generating units.

Hazardous waste and toxic substances controls. The operations of the electric utility are subject to EPA regulations that implement provisions of the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, also known as Superfund), the Superfund Amendments and Reauthorization Act (SARA), and the Toxic Substances Control Act (TSCA).

RCRA underground storage tank (UST) regulations require all facilities that use USTs for storing petroleum products to comply with established leak detection, spill prevention, standards for tank design and retrofits, financial assurance, operator training, and tank decommissioning and closure requirements. All of the Utilities’ USTs currently meet the applicable requirements.

The Emergency Planning and Community Right-to-Know Act under SARA Title III requires the Utilities to report potentially hazardous chemicals present in their facilities in order to provide the public with information so that emergency procedures can be established to protect the public in the event of hazardous chemical releases. Since January 1, 1998, the steam electric industry category has been subject to Toxics Release Inventory (TRI) reporting requirements.

The TSCA regulations specify procedures for the handling and disposal of polychlorinated biphenyls (PCBs), a compound found in some transformer and capacitor dielectric fluids. The TSCA regulations also apply to responses to releases of PCBs to the environment. The Utilities have instituted procedures to monitor compliance with these regulations and have implemented a program to identify and replace PCB transformers and capacitors in their systems. On October 22, 2021, the EPA published its proposed rule entitled “Alternate PCB Extraction Methods and Amendments to PCB Cleanup and Disposal Regulations” in the Federal Register. The EPA is proposing to expand options for the methods used to characterize and verify the cleanup of PCBs, and amend the performance-based disposal option along with other amendments to improve the implementation of the regulations, clarify ambiguity, and correct technical errors. The EPA comments period closed on January 20, 2022.

Hawaii’s Environmental Response Law (ERL), as amended, governs releases of hazardous substances, including oil, to the environment in areas within the state’s jurisdiction. Responsible parties under the ERL are may be jointly, severally, and strictly liable for a release of a hazardous substance. Responsible parties include owners or operators of a facility where a hazardous substance is located and any person who at the time of disposal of the hazardous substance owned or operated any facility at which such hazardous substance was disposed.

The Utilities periodically discover leaking oil-containing equipment such as USTs, piping, and transformers. Each subsidiary reports releases from such equipment when and as required by applicable law and addresses the releases in compliance with applicable regulatory requirements.

Additional information. For additional information about Hawaiian Electric, see Hawaiian Electric’s MD&A, Hawaiian Electric’s “Quantitative and Qualitative Disclosures about Market Risk” and Hawaiian Electric’s Consolidated Financial Statements, including the Notes thereto.

Properties. As of December 31, 2022 December 31, 2023, the Utilities’ ownership in generating assets was as follows:

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Property	Location (island)	Principal Fuel Type	Generating Capacity (MW)	Status
Hawaiian Electric:				
Waiau[1]	Oahu	LSFO / Diesel	480.8	Active
Kahe[1]	Oahu	LSFO	620.5	Active
Campbell Industrial Park (CIP)[1]	Oahu	Diesel	129.0	Active
Honolulu Power Plant[1]	Oahu	N/A	—	Deactivated Retired in 20142023
Schofield Generating Station[2]	Oahu	Biodiesel / ULSD	49.4	Active
West Loch PV Project[3]	Oahu	Renewable (Solar)	20.0	Active
Hawaii Electric Light[4]:				
Shipman	Hawaii	N/A	—	Retired in 2015
Waimea	Hawaii	ULSD	7.5	Active
Keahole	Hawaii	Diesel / ULSD	77.6	Active
Puna	Hawaii	HSFO / Diesel	36.7	Active
Hill/Kanoelehua	Hawaii	HSFO / ULSD	55.4	Active
Distributed generators at substation sites	Hawaii	ULSD	5.0	Active
Maui Electric[5]:				
Kahului	Maui	HSFO	35.9	Active
Maalaea	Maui	Diesel / ULSD	210.4 208.4	Active
Miki Basin	Lanai	ULSD	9.4	Active
Palaau	Molokai	ULSD	12.0	Active
Distributed generators at substation sites	Maui	ULSD	3.8	Active

[1] The four plants are situated on Hawaiian Electric-owned land having a combined area of 542 acres.

[2] Hawaiian Electric has a 35-year land lease on 8.13 acres, effective September 1, 2016 (with an option to extend an additional 10 years), with the Department of the Army.

[3] Hawaiian Electric has a 37-year land lease on 102 acres, effective July 1, 2017, with the Secretary of the Navy.

[4] The plants are situated on Hawaii Electric Light-owned land having a combined area of approximately 44 acres. The distributed generators are located within Hawaii Electric Light-owned substation sites having a combined area of approximately four acres.

[5] The four plants are situated on Maui Electric-owned land having a combined area of 60.7 acres. The distributed generators are located within Maui Electric-owned substation sites having a combined area of approximately three acres.

As of December 31, 2022 December 31, 2023, the Utilities' ownership in fuel storage facilities was as follows:

Facility	Location (island)	Fuel Type	Capacity (barrels in thousands)	Generation Serviced
Hawaiian Electric:				
Barbers Point Tank Farm	Oahu	LSFO	1,000	Kahe, Waiau
Generation sites - various (in aggregate)	Oahu	LSFO	770	Various
Generation sites - various (in aggregate)	Oahu	Diesel	132	Various
Generation sites - various (in aggregate)	Oahu	Biodiesel	11	Various
Hawaii Electric Light[1]:				
Generation sites - various (in aggregate)	Hawaii	HSFO	48	Various
Generation sites - various (in aggregate)	Hawaii	Diesel	82	Various
Maui Electric[2]:				
Generation sites - various (in aggregate)	Maui	HSFO	81	Various
Generation sites - various (in aggregate)	Maui	Diesel	95	Various

[1] There are an additional 19,200 barrels of diesel and 24,770 barrels of HSFO storage capacity for Hawaii Electric Light-owned fuel off-site at Island Energy Services, LLC-owned terminalling facilities.

[2] There are an additional 56,358 barrels of diesel oil storage capacity off-site at Aloha Petroleum, Ltd-owned terminalling facilities.

Other properties. The Utilities own overhead transmission and distribution lines, underground cables, pole (some jointly) and metal high voltage towers. Electric lines are located over or under public and nonpublic properties.

Hawaiian Electric owns a total of 133 acres of land on which substations, transformer vaults, distribution baseyards and the Kalaeloa cogeneration facility are located. Hawaiian Electric also owns buildings and approximately 11.6 acres of land located in Honolulu, which house its operating and engineering departments. It also leases an office building and

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certain office spaces in Honolulu, land for office spaces and storage in Pearl City, and a warehousing center in Kapolei.

Hawaii Electric Light owns 6 acres of land in Kona, which is used for a baseyard, and one acre of land in Hilo, which houses its accounting, customer services and administrative offices. Hawaii Electric Light also leases 3.7 acres of land for its baseyard in Hilo under a lease expiring in 2030. In addition, Hawaii Electric Light owns a total of approximately 150 acres of land, and leases a total of approximately 6 acres of land, on which hydro facilities, substations and switching stations, microwave facilities and transmission lines are located. The deeds to the sites located in Hilo contain certain restrictions, but the restrictions do not materially interfere with the use of the sites for public utility purposes.

Maui Electric's administrative offices, as well as its engineering and distribution departments, are situated on 9.1 acres of Maui Electric-owned land in Kahului. Maui Electric also owns approximately 18 20 acres of land which house some of its substations, leases approximately 3,600 square feet of land for its telecommunication and microwave facilities, leases approximately 6,000 square feet of land at Kahului Harbor for pipeline purposes, and leases 17,958 square feet of land at Puunene for the Puunene Substation. Maui Electric also owns approximately 89 87 acres of undeveloped land at Waena, Palaau, and Kahului. Fuel storage facilities are located on Maui Electric-owned properties at Kahului Baseyard, Kahului Power Plant, Maalaea Power Plant, Miki Basin, Palaau, Hana, and Hana. the Kuihelani Substation. Two, 1-MW stand-by diesel generators are located within the Maui Electric-owned land at Hana Substation. One, 1.83-MW stand-by diesel generator is located within the Maui Electric-owned land at Kuihelani Substation.

See "Hawaiian Electric and subsidiaries and service areas" above for a discussion of the nonexclusive franchises of Hawaiian Electric and subsidiaries.

See "Generation statistics" above for a further discussion of some of the electric utility properties.

Bank

General. ASB is one of the largest financial institutions headquartered in the State of Hawaii with assets of $9.5 billion $9.7 billion and deposits of $8.2 billion $8.1 billion, as of December 31, 2022 December 31, 2023. ASB is a full-service community bank that serves both consumer and commercial customers and operates 38 35 branches on the islands of Oahu (27) (25), Maui (5) (4), Hawaii (3), Kauai (2), and Molokai (1) as of December 31 2022. Subsequently, ASB closed two additional branches on the island of Oahu to reduce the total branch count to 36 branches as of February 2023. December 31, 2023.

In 2022, 2023, ASB's revenues and net income amounted to approximately 9% 11% and 33% 27% of HEI's consolidated revenues and net income, respectively, compared to approximately 9% and 33% in 2022 and approximately 11% and 41% in 2021 and approximately 12% and 29% in 2020.

2021.

At the time of HEI's acquisition of ASB, HEI agreed with the Office of Thrift Supervision (OTS), Department of Treasury's predecessor regulatory agency, that ASB's regulatory capital would be maintained at a level of at least 6% of ASB's total liabilities, or at such greater amount as may be required from time to time by regulation. Under the agreement, HEI's obligation to contribute additional capital to ensure that ASB would have the capital level required by the OTS was limited to a maximum aggregate amount of approximately $65.1 million. As of December 31, 2022 December 31, 2023, as a result of certain HEI contributions of capital to ASB over the years, HEI's maximum obligation under the agreement to contribute additional capital has been reduced to approximately $28.3 million. $28.3 million. ASB is subject to OCC regulations on dividends and other distributions and ASB must receive a letter from the FRB communicating the OCC's and FRB's non-objection to the payment of any dividend ASB proposes to declare and pay to ASB Hawaii and HEI. In addition to OCC oversight, federal law and Federal Reserve Board policy require that HEI, as a savings and loan holding company, serve as a source of financial and managerial strength for any FDIC-insured depository institution that it controls. Accordingly, if ASB were to be in financial distress or to otherwise be viewed by the regulators as in unsatisfactory condition, HEI could be required to provide additional capital or liquidity support or take other action, in support of ASB.

Lending activities. See Note 4 5 of the Consolidated Financial Statements for the composition of ASB's loan portfolio.

Origination, purchase and sale of loans. Generally, residential and commercial real estate loans originated by ASB are collateralized by real estate located in Hawaii. For additional information, including information concerning the geographic distribution of ASB's mortgage-backed securities portfolio and the geographic concentration of credit risk, see Note 15 16 of the Consolidated Financial Statements. The demand for loans is primarily dependent on the Hawaii real estate market, business conditions, interest rates and loan refinancing activity.

Residential mortgage lending. ASB originates fixed rate and adjustable rate loans secured by single family residential property, including investor-owned properties, with maturities of up to 30 years. ASB's general policy is to require private mortgage insurance when the loan-to-value ratio of the property exceeds 80% of the lower of the appraised value or purchase price at origination. For non-owner-occupied residential property purchases, the loan-to-value ratio typically may not exceed 75% of the lower of the appraised value or purchase price at origination.

Construction and development lending. ASB provides fixed rate loans for the construction of one-to-four unit residential and commercial properties. Construction loan projects are typically short term in nature. Construction and development financing generally involves a higher degree of credit risk than long-term financing on improved, occupied real estate. Accordingly, construction and development loans are generally priced higher than loans collateralized by completed structures. ASB's underwriting, monitoring and disbursement practices with respect to construction and development financing are designed to ensure sufficient funds are available to complete construction projects. See "Bank—Loan portfolio risk elements" in HEI's MD&A and "Multifamily residential and commercial real estate lending" below.

Multifamily residential and commercial real estate lending. ASB provides permanent financing and construction and development financing collateralized by multifamily residential properties (including apartment buildings) and collateralized by commercial and industrial properties (including office buildings, shopping centers and warehouses) for its own portfolio as well as for participation with other lenders. Commercial real estate lending typically involves long lead times to originate and fund. As a result, production results can vary significantly from period to period.

Consumer lending. ASB offers a variety of secured and unsecured consumer loans. Loans collateralized by deposits are limited to 90% of the available account balance. ASB offers home equity lines of credit, clean energy loans, secured and unsecured VISA cards (through a third party issuer), checking account overdraft protection and other general purpose consumer loans.

Commercial lending. ASB provides both secured and unsecured commercial loans to business entities. This lending activity is designed to diversify ASB's asset structure, shorten maturities, improve rate sensitivity of the loan portfolio and attract commercial checking deposits. ASB offers commercial loans with terms generally up to ten years.

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Loan origination fee and servicing income. In addition to interest earned on residential mortgage loans, ASB receives income from servicing loans, for late payments and from other related services. Servicing fees are received on loans originated and subsequently sold by ASB where ASB acts as collection agent on behalf of third-party purchasers.

ASB charges the borrower at loan settlement a loan origination fee. See “Loans” in Note 1 of the Consolidated Financial Statements.

Deposits and sources of funds. Deposits continue to be the largest source of funds for ASB for use in lending, meeting liquidity requirements and making investments, and are affected by market interest rates, competition and management’s responses to these factors. factors In 2020 and 2021 deposits had increased in part due to PPP loan proceeds and consumer economic impact payments from the CARES Act stimulus program. In 2022, 2023, with the rising interest rate environment and inflationary

pressures in the economy, there core deposit outflow continued and was an outflow replaced by higher costing term certificates and other borrowings. Retention of core deposits. Retention and sustained growth of these low-cost deposit types deposits will be challenging in the current environment. ASB borrows on a short-term basis to compensate for seasonal or other reductions in deposit flows. ASB may borrow on a longer-term basis to support expanded lending or investment activities. Advances from the Federal Home Loan Bank (FHLB) of Des Moines, borrowings from the Federal Reserve Bank and securities sold under agreements to repurchase continue to be additional sources of funds, but they are a higher cost funding source than deposits.

Competition. The banking industry in Hawaii is highly competitive. At December 31, 2022 December 31, 2023, there were 7 financial institutions insured by the FDIC headquartered in the State of Hawaii. While ASB is one of the largest financial institutions in Hawaii, based on total assets, ASB faces vigorous competition for deposits and loans from two larger banking institutions based in Hawaii and from smaller institutions that heavily promote their services in niche areas, such as providing financial services to small and medium-sized businesses, as well as national financial services organizations. Competition for loans and deposits comes primarily from other savings institutions, commercial banks, credit unions, securities brokerage firms, money market and mutual funds and other investment alternatives. ASB faces additional competition in seeking deposit funds from various types of corporate and government borrowers, including insurance companies. Competition for origination of mortgage loans comes primarily from mortgage banking and brokerage firms, commercial banks, other savings institutions, insurance companies and real estate investment trusts. These entities may have a physical presence in the State of Hawaii or operate from out of state and provide online services. See also “Bank—Executive overview and strategy” in HEI’s MD&A.

To remain competitive and continue building core franchise value, ASB continues to develop and introduce new products and services to meet the needs of its consumer and commercial customers. Additionally, the banking industry is constantly changing and ASB is making the investment in its people and technology necessary to adapt and remain competitive.

The primary factors in ASB’s competition for mortgage and other loans are the competitive interest rates and loan origination fees it charges, the wide variety of loan programs it offers and the quality and efficiency of the services it provides to borrowers and the business community. ASB believes that it is able to compete for such loans primarily through the competitive interest rates and loan fees it charges, the type of mortgage loan programs it offers and the efficiency and quality of the services it provides to individual borrowers and the business community.

The primary factors in competing for deposits are interest rates, the quality and range of services offered, marketing, convenience of locations, hours of operation, availability and functionality of other non-branch channels such as online and mobile banking and perceptions of the institution’s financial soundness and safety. To compete effectively, ASB offers a variety of savings and checking accounts at competitive rates, convenient business hours, convenient branch locations with interbranch deposit and withdrawal privileges at each branch, convenient automated teller machines and other banking options including online and mobile banking platforms. ASB also conducts advertising and promotional campaigns.

ASB has been diversifying its loan portfolio from single-family home mortgages to higher-spread, shorter-duration consumer, commercial and commercial real estate loans. The origination of consumer, commercial and commercial real estate loans involves risks and other considerations different from those associated with originating residential real estate loans. For example, the sources and level of competition may be different and credit risk is generally higher than for residential mortgage loans. These different risk factors are considered in the underwriting and pricing standards and in the allowance for credit losses established by ASB for its consumer, commercial and commercial real estate loans.

Regulation. ASB, a federally chartered saving bank, is subject to examination and comprehensive regulation by the Department of Treasury, OCC and the FDIC, and is subject to reserve requirements established by the Board of Governors of the Federal Reserve System. Regulation by these agencies focuses in large measure on the adequacy of ASB’s capital and the results of periodic “safety and soundness” examinations conducted by the OCC. In addition, ASB’s holding companies are subject to the regulatory supervision of the FRB. See “HEI Consolidated–Regulation” above.

See “Bank—Legislation and regulation” in HEI’s MD&A for the final capital rules under the Basel III regulatory capital framework.

Examinations. ASB is subject to periodic “safety and soundness” examinations and other examinations by the OCC. In conducting its examinations, the OCC utilizes the Uniform Financial Institutions Rating System adopted by the Federal Financial Institutions Examination Council, which system utilizes the “CAMELS” criteria for rating financial institutions. The six components in the rating system are: Capital adequacy, Asset quality, Management, Earnings, Liquidity and Sensitivity to market risk. The OCC examines and rates each CAMELS component. An overall CAMELS rating is also given, after taking into account all of the component ratings. A financial institution may be subject to formal regulatory or administrative direction or supervision such as a “memorandum of understanding” or a “cease and desist” order following an examination if its CAMELS rating is not satisfactory. An institution is prohibited from disclosing the OCC’s report of its safety and soundness examination or the component and overall CAMELS rating to any person or organization not officially connected with the institution as an officer, director, employee, attorney or auditor, except as provided by regulation. The OCC also regularly

examines ASB’s information technology practices and its performance under Community Reinvestment Act measurement criteria.

The Federal Deposit Insurance Act, as amended, addresses the safety and soundness of the deposit insurance system, supervision of depository institutions and improvement of accounting standards. Pursuant to this Act, federal banking agencies have promulgated regulations that affect the operations of ASB and its holding companies (e.g., standards for safety and soundness, real estate lending, accounting and reporting, transactions with affiliates and loans to insiders).

Deposit insurance coverage. The Federal Deposit Insurance Act, as amended, and regulations promulgated by the FDIC, govern insurance coverage of deposit accounts. In July 2010, the Dodd-Frank Act permanently raised the current standard maximum deposit insurance amount to $250,000. Generally, the amount of all deposits held by a depositor

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in the same capacity (even if held in separate accounts) is aggregated for purposes of applying the insurance limit.

See “Federal Deposit Insurance Corporation assessment” in Note 4 5 of the Consolidated Financial Statements for a discussion of FDIC deposit insurance assessment rates.

Recent legislation and issuances. See “Bank–Legislation and regulation” in HEI’s MD&A.

Affiliate transactions. Significant restrictions apply to certain transactions between ASB and its affiliates, including HEI and its direct and indirect subsidiaries. For example, ASB is prohibited from making any loan or other extension of credit to an entity affiliated with ASB unless the affiliate is engaged exclusively in activities which the FRB has determined to be permissible for bank holding companies. There are also various other restrictions which apply to certain transactions between ASB and certain executive officers, directors and insiders of ASB. ASB is also barred from making a purchase of or any investment in securities issued by an affiliate, other than with respect to shares of a subsidiary of ASB.

Financial derivatives and interest rate risk. ASB is subject to OCC rules relating to derivatives activities, such as interest rate swaps, interest rate lock commitments and forward commitments. See “Derivative financial instruments” in Note 4 5 of the Consolidated Financial Statements for a description of interest rate lock commitments and forward commitments used by ASB. Currently ASB does not use interest rate swaps to manage interest rate risk, but may do so in the future. Generally speaking, the

OCC rules permit financial institutions to engage in transactions involving financial derivatives to the extent these transactions are otherwise authorized under applicable law and are safe and sound. The rules require ASB to have certain internal procedures for handling financial derivative transactions, including involvement of the ASB Board of Directors.

Management believes ASB’s interest rate risk processes are aligned with the Interagency Advisory on Interest Rate Risk Management and appropriate with earnings and capital levels, balance sheet complexity, business model and risk tolerance.

Liquidity. OCC regulations require ASB to maintain sufficient liquidity to ensure safe and sound operations. ASB’s principal sources of liquidity are customer deposits, borrowings, the maturity and repayment of portfolio loans and securities and the sale of loans into secondary market channels. ASB’s principal sources of borrowings are advances from the FHLB of Des Moines and securities sold under agreements to repurchase from broker/dealers. ASB is approved by the FHLB of Des Moines to borrow an amount of up to 45% of assets to the extent it provides qualifying collateral and holds sufficient FHLB of Des Moines stock. As of December 31, 2022 December 31, 2023, ASB’s unused FHLB of Des Moines borrowing capacity was approximately $1.6 $1.9 billion. ASB utilizes growth in deposits, advances from the FHLB of Des Moines, borrowings from Federal Reserve Bank and securities sold under agreements to repurchase to fund maturing and withdrawable deposits, repay maturing borrowings, fund existing and future loans and make investments. As of December 31, 2022 December 31, 2023, ASB had loan commitments, undisbursed loan funds and unused lines and letters of credit of $2.1 billion $1.8 billion. Management believes ASB’s current sources of funds will enable it to meet these obligations while maintaining liquidity at satisfactory levels.

Supervision. The Federal Deposit Insurance Corporation Improvement Act of 1991 (the FDICIA) establishes a statutory framework that is triggered by the capital level of a financial institution and subjects it to progressively more stringent restrictions and supervision as capital levels decline. The prompt corrective action capital requirements establish thresholds for varying degrees of oversight and intervention by regulators. Declines in levels of capital, depending on their severity, will result in increasingly stringent mandatory and discretionary regulatory consequences. Capital levels may decline for any number of reasons, including reductions that would result if there were losses from operations, deterioration in collateral values or the inability to dispose of real estate owned (typically acquired by foreclosure). The regulators have substantial discretion in the corrective actions they might direct and could include restrictions on dividends and other distributions that ASB may make to HEI (through ASB Hawaii) and the requirement that ASB develop and implement a plan to restore its capital. The OCC rules implement the system of prompt corrective action. In particular, the rules define the relevant capital measures for the categories of “well capitalized,” “adequately capitalized,” “undercapitalized,” “significantly undercapitalized” and “critically undercapitalized.” As of December 31, 2022 December 31, 2023, ASB was “well-capitalized.”

Interest rates. FDIC regulations restrict the ability of financial institutions that are undercapitalized to offer interest rates on deposits that are significantly higher than the rates offered by competing institutions. As of December 31, 2022 December 31, 2023, ASB was “well capitalized” and thus not subject to these interest rate restrictions.

Qualified thrift lender test. ASB is a “qualified thrift lender” (QTL) under its federal thrift charter and, in order to maintain this status, ASB is required to maintain at least 65% of its assets in “qualified thrift investments,” measured on a monthly average basis in 9 out of the previous 12 months, which include housing-related loans (including mortgage-backed securities) as well as certain small business loans, education loans, loans made through credit card accounts and a basket (not exceeding 20% of total assets) of other consumer loans and other assets. Institutions that fail to maintain QTL status are subject to various penalties, including limitations on their activities. In ASB’s case, the activities of HEI, ASB Hawaii and HEI’s other subsidiaries would also be subject to restrictions if ASB failed to maintain its QTL status, and a failure or inability to comply with those restrictions could effectively result in the required divestiture of ASB. As of December 31, 2022 December 31, 2023, and at all times during 2022, 2023, ASB was a qualified thrift lender.

Federal Home Loan Bank System. ASB is a member of the FHLB System, which consists of 11 regional FHLBs, and ASB’s regional bank is the FHLB of Des Moines. The FHLB System provides a central credit facility for member institutions. Historically, the FHLBs have served as the central liquidity facilities for savings associations and sources of long-term funds for financing housing. At such time as an advance is made to ASB or renewed, it must be collateralized by collateral from one of the following categories: (1) fully disbursed, whole first mortgages on improved residential property, or securities representing a whole interest in such mortgages; (2) securities issued, insured or guaranteed by the U.S. Government or any agency thereof; (3) FHLB deposits; and (4) other real estate-related collateral that has a readily ascertainable value and with respect to which a security interest can be perfected. The aggregate amount of outstanding advances collateralized by such other real estate-related collateral may not exceed 300% of ASB’s capital.

ASB’s required holding in the stock of the FHLB is both membership and activity-based. Membership is based on a percentage of total assets (0.12% (0.06%) while the portion related to activity is based on a percentage of outstanding activity, mainly advances (4% (4.5%). As of December 31, 2022 December 31, 2023, ASB was required and owned capital stock in the FHLB of Des Moines in the amount of $26.6 $14.7 million.

Community Reinvestment. The Community Reinvestment Act (CRA) requires financial institutions to help meet the credit needs of their communities, including low- and moderate-income areas, consistent with safe and sound lending practices. The OCC will consider ASB’s CRA record in evaluating an application for a new deposit facility, including the establishment of a branch, the relocation of a branch or office, or the acquisition of an interest in another bank. ASB currently holds a “satisfactory” CRA rating.

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Secured Overnight Financing Rate (SOFR) Rules. The Federal Reserve Board announced the adoption of a final rule that implements the Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on SOFR that will replace replaced LIBOR in certain financial contracts after June 30, 2023. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U. S. Treasury securities. The Federal Reserve Bank of New York, in cooperation with the U.S. Department of the Treasury's Office of Financial Research, publishes SOFR daily. In particular, some residential mortgage promissory notes held by ASB are based on LIBOR but do not identify a specific replacement index. The Adjustable Interest Rate (LIBOR) Act addresses the issue by specifying a specific SOFR rate that replaces certain LIBOR rates. ASB is preparing itself to meet the June 30, 2023, deadline. implemented SOFR successfully.

Other laws. ASB is subject to federal and state consumer protection laws which affect deposit and lending activities, such as the Truth in Lending Act, the Truth in Savings Act, the Equal Credit Opportunity Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act and several federal and state financial privacy acts intended to protect consumers' personal information and prevent identity theft, such as the Gramm Act and the Fair and Accurate Transactions Act. ASB is also subject to federal laws regulating certain of its lending practices, such as the Flood Disaster Protection Act, and laws requiring reports to regulators of certain customer transactions, such as the Currency and Foreign Transactions Reporting Act and the International Money Laundering Abatement and Anti-Terrorist Financing Act. ASB's relationship with Cetera Investment Services LLC and Cetera Investment Advisers LLC is also governed by regulations adopted by the FRB under the Gramm Act, which regulate "networking" relationships under which a financial institution refers customers to a broker-dealer for securities services and employees of the financial institution are permitted to receive a nominal fee for the referrals. These laws may provide for substantial penalties in the event of noncompliance.

Proposed legislation. See the discussion of proposed legislation in "Bank–Legislation and regulation" in HEI's MD&A.

Environmental regulation. ASB may be subject to the provisions of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), ERL and regulations promulgated thereunder, which impose liability for environmental cleanup costs on certain categories of responsible parties. CERCLA and ERL exempt persons whose ownership

in a facility is held primarily to protect a security interest, provided that they do not participate in the management of the facility.

Additional information. For additional information about ASB, see the sections under "Bank" in HEI's MD&A, HEI's "Quantitative and Qualitative Disclosures about Market Risk" and HEI's Consolidated Financial Statements, including Note 4 5 thereto.

Properties. ASB owns or leases several office buildings in Honolulu and owns land on which a number of its branches are located.

The following table sets forth the number of bank branches owned and leased by ASB by island:

	Number of branches		
December 31, 2022	Owned	Leased	Total
Oahu	8	19	27
Maui	1	4	5
Hawaii	2	1	3
Kauai	1	1	2
Molokai	—	1	1
	12	26	38

	Number of branches		
December 31, 2023	Owned	Leased	Total
Oahu	8	19	27
Maui	1	4	5
Hawaii	2	1	3
Kauai	1	1	2
Molokai	—	1	1
	12	26	38

As of December 31, 2022 December 31, 2023, the net book value (NBV) of branches and office facilities was $168 million ($163 million represents the NBV of the land and improvements for the branches and office facilities owned by ASB and $5 million represents the NBV of ASB's leasehold improvements). As of December 31, 2022, the NBV of branches and office facilities was $171 million ($165 million represents the NBV of the land and improvements for the branches and office facilities owned by ASB and $6 million represents the NBV of ASB's leasehold improvements). As of December 31, 2021, the NBV of branches and office facilities was $175 million ($168 million represents the NBV of the land and improvements for the branches and office facilities owned by ASB and $7 million $6 million represents the NBV of ASB's leasehold improvements). The leases expire on various dates through December 2040, but many of the leases have extension provisions.

As of December 31, 2022 December 31, 2023, ASB owned 122 117 automated teller machines.

In January and February 2023, ASB closed two branches on the island of Oahu that were leased by the Bank.

ITEM 1A. RISK FACTORS

The businesses of HEI and its subsidiaries involve numerous risks which, if realized, could have a material and adverse effect on the Company's financial statements. For additional information for certain risk factors enumerated below and other risks of the Company and its operations, see "Cautionary Note Regarding Forward-Looking Statements" above and HEI's MD&A, HEI's "Quantitative and Qualitative Disclosures about Market Risk," the Notes to the Consolidated Financial Statements, Hawaiian Electric's MD&A and Hawaiian Electric's "Quantitative and Qualitative Disclosures About Market Risk."

Holding company and company-wide risks.

COVID-19—Our business, financial condition, liquidity Potential losses resulting from the Maui windstorm and results of operations have been affected and wildfires could continue to be adversely impacted by the ongoing effects of the COVID-19 pandemic and economic conditions. While COVID-19 restrictions in Hawaii have been lifted as vaccination rates increased and new daily case counts moderated, which lead to improved economic conditions in the state, new COVID-19 variants could result in a reinstatement of restrictions that could threaten the ongoing economic recovery and have a material adverse effect on HEI's and Hawaiian Electric's financial condition, liquidity, cash flows and

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results of operations. On August 8, 2023, a number of brush fires in the Company. For example, an economic downturn or recession could result West Maui (Lahaina) and Upcountry Maui areas caused widespread property damage, including damage to property of the Utilities, and 101 confirmed fatalities in an increase Lahaina at this time (the Maui windstorm and wildfires). The Maui windstorm and wildfires were fueled by extreme winds and drought-like conditions in late payments, non-payments, higher costs, those parts of Maui. According to the Maui Police Department's Preliminary After-Action Report, in addition to the loss of life, over 3,450 acres burned and reduced access over 3,000 structures were destroyed in those areas. In Lahaina, a fire was reported at about 6:30 a.m. (the "Morning Fire") and appears to credit, which have been caused by power lines that fell in high winds and spread into a field near Lahaina Intermediate School. The Maui Fire Department responded promptly to the Morning Fire, and according to the Fire Department's public statement that morning, by 9 a.m. the Morning Fire was "100% contained." The Maui fire chief subsequently reported that the Fire Department had determined that the Morning Fire was "extinguished" and left the scene. Shortly before 3 p.m. that day, while the power remained off, Utility crew members saw a small fire in the same field about 75 yards away from Lahainaluna Road. They immediately called 911 and reported the fire (the "Afternoon Fire"). At the time of the Afternoon Fire, the Company's power lines in the area where that fire ignited were not energized and had not been energized for more than six hours. By the time the Maui Fire Department arrived back on the scene, it was not able to contain the Afternoon Fire and it spread out of control toward Lahaina. No determination as to the cause of the Afternoon Fire has been made. The Company believes that most of the property damage and all of the fatalities are from the Afternoon Fire.

Multiple lawsuits have been filed against the Utilities and HEI alleging, among other things, that they were negligent in failing to prevent the wildfires that led to the property destruction and loss of life. If the Utilities and HEI are held responsible for damages caused by the Maui windstorm and wildfires, it could have a significant material impact on our HEI's and Hawaiian Electric's financial condition, liquidity, cash flows and results of operations. The Company has $165 million in insurance coverage for third party claims, but the aggregate losses associated with the Maui windstorm and wildfires could significantly exceed that amount. Also, the Company is incurring legal and consulting fees to manage the lawsuits and financial implications related to the Maui windstorm and wildfires, and those amounts are likely to be material.

HEI's and Hawaiian Electric's access to capital markets and other sources of debt and equity financings in a timely manner and on acceptable terms will continue to be negatively impacted as a result of the downgrades in their debt credit ratings to below investment grade. In August 2023, HEI and Hawaiian Electric received multiple downgrades to their debt, including to ratings below investment grade, by Fitch, Moody's and S&P. Unless and until these debt ratings are upgraded to investment grade, the Company will continue to have restricted access to capital markets and other sources of debt and equity financings, if at all, in a timely manner and on acceptable terms. Accordingly, the Company's financial condition, liquidity, cash flows and results of operations may be adversely impacted if debt credit ratings are maintained at below investment grade for an extended period of time.

Extreme weather events and other natural disasters, particularly those exacerbated by climate change such as the Maui windstorm and wildfires, could materially affect Hawaiian Electric's assets, particularly if they fail or are found to have contributed to a wildfire. Extreme weather-related incidents and other natural disasters, including volcanic eruptions, mudslides, hurricanes, tsunamis and other storms, can interfere with the generation and transmission of electricity, and can seriously damage the infrastructure necessary to deliver electricity to customers.These risks are increasing, as climate change has exacerbated some of the conditions that lead to these extreme weather events and natural disasters. Such an event can result in lost revenue and increased expenses for the Utilities, but it also can result in regulatory penalties and disallowances if Hawaiian Electric is unable to restore power on a timely basis. Also, an extreme event can lead to significant claims for damages, including for loss of life and property, and has been the case with the Maui windstorm and wildfires. Therefore, these events could materially affect the Company's business, reputation, financial condition and results of operations.

During the pandemic, the Utilities placed a moratorium on customer disconnections, which led to increasing past due past due accounts receivables that had an impact on liquidity. Although the Utilities have adequate access to liquidity sources, there can be no assurance that the Utilities will be able to secure additional liquidity sources at a reasonable cost, or at all, in the future. In addition to lower and lagged collections caused by the pandemic, the Utilities incurred higher costs and expenses. While the Utilities have been granted deferral treatment of certain COVID-19 related costs, such as higher bad debt expense, non-collection of late payment fees, higher financing costs, sequestration costs for mission-critical employees and other costs and expenses,there can be no assurance that the PUC will grant recovery of such costs, and the denial of such cost recovery could be material. Additionally, in light of the significant impact that economic conditions have had on residents and businesses in the state, a stipulated settlement between Hawaiian Electric and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, reflecting no base rate increase, was submitted in the Hawaiian Electric 2020 test year rate case, and approved by the PUC in October 2020. While the Utilities were successful in offsetting the no base rate increase with

corresponding cost decreases, such reduction of cost in future periods is not assured and, therefore, the inability to achieve targeted cost savings could adversely affect the Utilities' results of operations in future periods.

ASB's balance sheet has historically been asset sensitive and its net interest income is highly sensitive to interest rates. Accordingly, an extended economic slowdown or recession could have a significant impact on its net interest income if interest rates decline. In addition, while economic conditions improved in 2022, the emergence of new COVID-19 variants could lead to an extended economic slowdown or recession that may affect the ability of borrowers to make payments on their loans, which would have an adverse impact on ASB's provision for credit losses and its results of operations.

While the Company believes that it has sufficient liquidity to continue to operate under current economic conditions, there can be no assurance that sufficient liquidity will be available if there is a significant slowdown in economic activity for an extended period of time or if economic conditions worsen from current levels, leading to a recession.

Holding Company Risk—HEI is a holding company that derives its income from its operating subsidiaries and depends on the ability of those subsidiaries to pay dividends or make other distributions to HEI and on its own ability to raise capital. HEI is a legal entity separate and distinct from its various subsidiaries. As a holding company with no significant operations of its own, HEI's cash flows and consequent ability to service its obligations and pay dividends on its common stock is dependent upon its receipt of dividends or other distributions from its operating subsidiaries and its ability to issue common stock or other

equity securities and to incur additional debt. A material reduction or delay in dividends or other distributions by one or both of Hawaiian Electric and ASB for an extended period of time, such as a continuation or expansion of the reduction in dividends that HEI currently is experiencing due to the Maui windstorm and wildfires, could have a material adverse effect on the Company's business, financial condition and results of operations. The ability of HEI's subsidiaries to pay dividends or make other distributions to HEI, in turn, is subject to the risks associated with their operations and to contractual and regulatory restrictions, including:

- the provisions of an HEI agreement with the PUC, which could limit the ability of HEI's principal electric public utility subsidiary, Hawaiian Electric, to pay dividends to HEI in the event that the consolidated common stock equity of the Utilities falls below 35% of total capitalization of the electric utilities;

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- the provisions of an HEI agreement entered into with federal bank regulators in connection with its acquisition of its bank subsidiary, ASB, which requires HEI to contribute additional capital to ASB (up to a maximum amount of additional capital of $28.3 million $28.3 million as of December 31, 2022 December 31, 2023 under the Regulatory Capital Maintenance/Dividend Agreement dated May 26, 1988, between HEI, HEIDI (HEI Diversified Inc.) and the Federal Savings and Loan Insurance Corporation) upon request of the regulators in order to maintain ASB's regulatory capital at the level required by regulation;
- obligations under federal law and Federal Reserve Board policy, which require that a savings and loan holding company serve as a source of financial and managerial strength for any FDIC-insured depository institution that it controls, and accordingly, if ASB were to be in financial distress or to otherwise be viewed by the regulators as in unsatisfactory condition, HEI could be required to provide additional capital or liquidity support or take other action, in support of ASB; ASB. In addition, ASB may continue its suspension of its quarterly dividend to conserve cash to help ensure its maximum possible liquidity and capital position;
- the minimum capital and capital distribution regulations of the OCC that are applicable to ASB and capital regulations that become applicable to HEI and ASB Hawaii;
- the receipt of a letter from the FRB communicating the OCC's and the FRB's non-objection to the payment of any dividend ASB proposes to declare and pay to ASB Hawaii and HEI; and
- the provisions of preferred stock resolutions and debt instruments of HEI and its subsidiaries.

Credit and Capital Market Risk—The Company, and its lowered credit rating, is subject to risks associated with the Hawaii economy, including catastrophic events such as the Maui windstorm and wildfire (in the aggregate and on an individual island basis), volatile U.S. capital markets and changes in the interest rate and credit market environment that have or could result in higher retirement benefit plan funding requirements, declines in ASB's interest rate margins and investment values, higher delinquencies and charge-offs in ASB's loan portfolio and restrictions on the ability of HEI or its subsidiaries to borrow money or issue securities. The two largest components of Hawaii's economy are tourism and the federal government (including the military). Because the core businesses of HEI's subsidiaries are providing local public electric utility services (through Hawaiian Electric and its subsidiaries) and banking services (through ASB) in Hawaii, the Company's operating results are significantly influenced by: Hawaii's economy, which in turn is influenced by economic conditions in the mainland U.S. (particularly California) and Asia (particularly Japan) as a result of the impact of those conditions on tourism; by the impact of interest rates on the construction and real estate industries and by the impact of federal government spending in Hawaii, which can be affected by world conditions; and, from time to time, the expiration of federal government appropriations bills. In addition, the Hawaii economy could be directly or indirectly affected by 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 and local developments (including economic conditions and uncertainties; unrest, terrorist acts, wars (such as the Russia-Ukraine war and the Israel-Hamas war), conflicts, political protests, deadly virus epidemic, pandemics, or other crisis; the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade).

HEI's and Hawaiian Electric's credit ratings only reflect the view, at the time the ratings are issued, of the applicable rating agency. There is no assurance that any such credit rating will remain in effect for any given period of time or that such rating will not be lowered, suspended or withdrawn entirely by the applicable rating agency if, in such rating agency's judgment,

circumstances, such as current, past or future effects or events so warrant. Any such lowering, suspension or withdrawal of any rating may have an adverse effect on the availability of capital to the Company or the market price or marketability of HEI's and/or Hawaiian Electric's securities, which could increase the cost of capital of HEI and Hawaiian Electric, and such increased costs, including interest charges, under HEI's and/or Hawaiian Electric's debt securities and credit facilities, would result in reductions in HEI's consolidated net income in future periods. Further, if Because HEI's or and Hawaiian Electric's commercial paper credit ratings were to be downgraded, HEI and Hawaiian Electric might not be able are unable to sell commercial paper and might be were required to draw on more expensive bank lines of credit or and to defer capital or other expenditures. Neither HEI nor Hawaiian Electric management can predict the duration of the downgrades and future rating agency actions or their effects on the future cost of capital of HEI or Hawaiian Electric. Such ratings are not recommendations to buy, sell or hold any securities; such ratings may be subject to revision or withdrawal at any time by the rating agencies; and each rating should be evaluated independently of any other rating.

Changes in the U.S. capital markets can also have significant effects on the Company. For example, pension funding requirements are affected by the market performance of the assets in the master pension trust maintained for pension plans, and by the discount rate used to estimate the service and interest cost components of net periodic pension cost and value obligations. The Utilities' pension tracking mechanisms help moderate pension expense; however, a significant reduction in the discount rate or in the value of the Company's defined benefit pension plan assets could result in a substantial increase in the gap between the projected benefit obligations under the plans and the value of plan assets, resulting in increases in funding requirements.

Because the earnings of ASB depend primarily on net interest income, interest rate risk is a significant risk of ASB's operations. HEI and the Utilities are also exposed to interest rate risk primarily due to their periodic borrowing requirements, the discount rate used to determine pension funding requirements and the possible effect of interest rates on the electric utilities' rates of return. Interest rates are sensitive to many factors, including general economic conditions and the policies of government and regulatory authorities. HEI cannot predict future changes in interest rates, nor be certain that interest rate risk management strategies it or its subsidiaries have implemented will be successful in managing interest rate risk.

Interest rate risk also represents a market risk factor affecting the fair value of ASB's investment securities. Increases and decreases in prevailing interest rates generally translate into decreases and increases in the fair values of those instruments, respectively. Disruptions in the credit markets, a liquidity crisis in the banking industry or increased levels of residential mortgage delinquencies and defaults may result in decreases in the fair value of ASB's investment securities and an impairment, requiring ASB to write down its investment securities. As of December 31, 2022 December 31, 2023, ASB's investment in U.S. Treasury and federal agency obligations, and mortgage-backed securities have an implicit guarantee from the U.S. government. Decreases in the fair value of ASB's investment securities may also result in lower equity capital balances as unrealized losses in the available-for-sale investment securities portfolio are recorded as a decrease in equity capital through accumulated other comprehensive losses. The lower equity capital balance could result in a lower tangible equity capital ratio and restrict ASB's permissible activities if the tangible equity capital ratio falls below 2%. A negative tangible equity capital ratio would impact ASB's availability to borrow funds from the FHLB of Des Moines.

Geographic Concentration Risk—The Company is subject to the risks associated with the geographic concentration of its businesses and current lack of interconnections that could result in service interruptions at the Utilities or higher default rates on loans held by ASB. The business of the Utilities is concentrated on the individual islands they serve in the State of Hawaii. Their operations are more vulnerable to service interruptions than that of many U.S. mainland utilities because none of the systems of the Utilities are interconnected with the systems on the other islands they serve. Because of this lack of interconnections, it is necessary to maintain higher generation reserve margins than are typical for U.S. mainland utilities to help ensure reliable service. Service interruptions, including, in particular, extended interruptions that could result from a natural disaster or terrorist activity, could adversely impact the revenues and costs of some or all of the Utilities.

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Substantially all of ASB's consumer loan customers are Hawaii residents. A significant portion of the commercial loan customers are also located in Hawaii. While a majority of customers are on Oahu, ASB also has customers on the neighbor islands (whose economies have traditionally been weaker are smaller and less diverse than Oahu's economy during economic downturns) economy). Substantially all of the real estate underlying ASB's residential and commercial real estate loans are located in Hawaii. These assets may be subject to a greater risk of default due to geographic concentration than other comparable assets held by financial institutions with more diverse geographic exposure in the event of adverse economic, political or business developments or natural disasters affecting Hawaii and affect the ability of ASB's customers to make payments of principal and interest on their loans.

Competitive and Technological Risk—Increasing competition and technological advances could cause HEI's businesses to lose customers or render their operations obsolete. The banking industry in Hawaii, and certain aspects of the electric utility industry, are competitive. The success of HEI's subsidiaries in meeting competition and responding to technological advances will continue to have a direct impact on HEI's consolidated financial performance. For example:

- ASB, one of the largest financial institutions in the state, is in direct competition for deposits and loans not only with two larger institutions that have substantial capital, technology and marketing resources, but also with smaller Hawaii institutions and other U.S. institutions, including credit unions, mutual funds, mortgage brokers, finance companies, non-traditional providers of financial services and investment banking firms. Larger financial institutions may have greater access to capital at lower costs, which could impair ASB's ability to compete effectively. New or significant advances in technology (e.g., significant advances in internet or mobile banking) or customer adoption of alternative banking channels could render the operations of ASB less competitive or obsolete.
- The Utilities face competition from IPPs; customer self-generation, with or without cogeneration; customer energy storage; and the potential formation of community-based, cooperative ownership or municipality structures for electrical service on all islands it serves. With the exception of certain identified projects, the Utilities are required to use competitive bidding to acquire a future generation resource unless the PUC finds competitive bidding to be unsuitable. The PUC sets policies for distributed generation interconnection agreements and standby rates. The results

  of competitive bidding, competition from IPPs, customer self-generation, and potential cooperative ownership or municipality structures for electric utility service, and the rate at which technological developments facilitating nonutility generation of electricity, combined heat and power technology, off-grid microgrids, and customer energy storage may render the operations of the Utilities less competitive or outdated and adversely affect the Utilities and the results of their operations.

Cybersecurity Risk—The Company may be is subject to information technology and operational system failures, network disruptions, cyber attacks and breaches in data security that could materially and adversely affect its businesses and reputation reputation.. The Company and its subsidiaries rely on information technology systems, some of which are managed or hosted by third party service providers, to manage its business data, communications, and other business processes. Such information technology systems may be are vulnerable to cyberattacks or other security incidents, which could result in unauthorized access to confidential data, ransomware demands or disruptions to operations. In addition, there is increasing cybersecurity risk associated with the broad adoption of a remote working environment as a result of the pandemic. environment. If the Company is unable to prevent or adequately respond to and resolve an incident, it may have a material impact on the Company's business, financial condition, results of operations or business and reputation.

Utilities. The Utilities rely on evolving and increasingly complex operational and information systems, networks and other technologies, which are interconnected with the systems and network infrastructure owned by third parties to support a variety of business processes and activities, including procurement and supply chain, invoicing and collection of payments, customer relationship management, human resource management, the acquisition, generation and delivery of electrical service to customers, and to process financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting and legal and tax requirements. The Utilities use their systems and infrastructure to create, collect, store, and process sensitive information, including personal information regarding customers, employees and their dependents, retirees, and other individuals. Despite the Utilities security measures, all of their Their systems are vulnerable to disability, failures or unauthorized access caused by natural disasters, cybersecurity incidents, security breaches, user error, unintentional defects created by system changes, military or terrorist actions, nation-state threat actors, criminal organizations, power or communication failures or similar events. Any such failure could have a material adverse impact on the Utilities' ability to process transactions and provide service, as well the Utilities' financial condition and results of operations. Further, a data breach involving theft, improper disclosure, or other unauthorized access to or acquisition of confidential information could subject the Utilities to penalties for violation of applicable privacy laws, claims by third parties, and enforcement actions by government agencies. A data breach could also reduce the value of proprietary information, and harm the reputation of the Utilities.

Private and public entities, such as the North American Electric Reliability Corporation, and the U.S. federal government, including the Departments of Defense, Homeland Security and Energy, and the White House, have noted that cyber-attacks cyberattacks targeting utility systems are increasing in sophistication, magnitude, and frequency. The Utilities' systems have been, and will likely continue to be, a target of attacks. Further, the Utilities' operational networks may be subject to new unforeseen operational/cybersecurity risks due to modernizing the reliance on legacy operational components or modernizing and interconnecting existing infrastructure with new technologies and control systems, including those owned by third parties, such as independent power producers, distributed energy resource aggregators and customers. customers. Although the Utilities have not experienced a material cybersecurity breach to date, such incidents may occur and may have a material adverse effect on the Utilities and the Company in the future. In order to address cybersecurity risks to their information systems, the Utilities maintain security measures designed to protect their information technology systems, network infrastructure and other assets. The Utilities actively monitor developments in the area of cybersecurity and are involved in various related government and industry groups, and brief the Company's Board quarterly on relevant cybersecurity issues. Although the Utilities continue to make investments in their cybersecurity program, including personnel, technologies, cyber insurance and training of Utilities personnel, personnel; however, there can be no assurance that these systems or their expected functionality will be implemented, maintained, or expanded effectively; nor can security measures completely eliminate the possibility of a cybersecurity breach. The Utility maintains Utilities maintain cyber liability insurance that covers certain damages caused by cyber incidents. However, there is no guarantee that adequate insurance will continue to be available at rates the Utility believes Utilities believe are reasonable or that the costs of responding to and recovering from a cyber incident will be covered by insurance or recoverable

in rates. If the Utilities' operational technologies or networks were to malfunction or fail or cybersecurity measures were to be breached, the Utilities could suffer financial loss, business disruptions, liability to customers, regulatory intervention or damage to their reputations. reputations.

Due to the size, scope and complexity of the Utilities' business, the development and maintenance of information technology systems to process and track information is critical and challenging. The Utilities often rely on third-party vendors to host, maintain, modify, and update its systems and these third-party vendors could cease to exist, fail to establish

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adequate processes to protect the Utilities systems and information, experience supply chain compromises or other internal or external security incidents. In addition, the Utilities are pursuing complex business transformation initiatives, which include the implementation of new systems and the upgrade or replacement of existing systems. Significant system changes increase the risk of system interruptions. Although the Utilities maintain change control processes to mitigate this risk, system interruptions, which may occur. Further, delay or failure to complete the integration of information systems and processes may result in delays in regulatory cost recovery, or the failure to realize the benefits anticipated to be derived from these initiatives.

The Utilities have Utilities' disaster recovery and incident response plans in place to protect their businesses from information technology service interruptions. The disaster recovery plans, however, may not be successful in preventing the loss of customer data, service interruptions and disruptions to operations or damage to important facilities. If any of these systems fail to operate properly or become disabled and the Utilities' disaster recovery plans do not effectively resolve the issues in a timely manner, the Utilities could suffer financial loss, business disruptions, liability to customers, regulatory intervention or damage to their reputations, any of which could have a material adverse effect on the Utilities' and the Company's financial condition and results of operations.

ASB. ASB is highly dependent on its ability to process, on a daily basis, a large number of transactions and relies heavily on communication and information systems, including those of third-party vendors and other service providers. If any of these systems fail to operate properly or become disabled even for a brief period of time, ASB could suffer financial loss, business disruptions, liability to customers, regulatory intervention or damage to its reputation, any of which could have a material adverse effect on ASB's and the Company's financial condition and results of operations. Communication and information system failures can result from a variety of risks including, but not limited to, events that are wholly or partially out of ASB's control, such as communication line integrity, weather, terrorist acts, natural disasters, accidental disasters, unauthorized breaches of security systems, energy delivery systems, cyberattacks and other events.

ASB is under continuous threat of loss due to cyberattacks, especially as ASB continues to expand customer capabilities to utilize the Internet and other digital channels to transact business. Two of the most significant cyberattack risks that ASB faces are e-fraud and loss of sensitive customer data. Loss from e-fraud occurs when cybercriminals extract funds directly from ASB or its customers' accounts using fraudulent schemes that may include Internet-based funds transfers. ASB has been subject to e-fraud incidents historically. Loss of sensitive customer data are attempts to steal sensitive customer data, such as account numbers and social security numbers, through unauthorized access to computer systems, including computer hacking. Such attacks are less frequent, but could present significant reputational, legal and regulatory costs if successful. Intrusion detection and prevention systems, anti-virus software, firewalls and other general information technology controls have been put in place to help detect and prevent cyberattacks or information system breaches. A disaster Disaster recovery plan has and incident response plans have been developed in the event of a to respond to unplanned incidents such as natural disaster, security breach, military or terrorist action, power or communication failure or similar event. The disaster recovery plan, however, may not be successful in preventing the loss of customer data, service interruptions, disruptions to operations or damage to important facilities. Although ASB devotes significant resources to maintain and regularly upgrade its systems and processes that are designed to protect the security of ASB's computer systems, software, networks disasters, cyberattacks and other technology assets and the confidentiality, integrity and availability of information belonging to ASB and its customers, disruptive events. However there can be no assurance that such failures, interruptions or security breaches will not occur or, if they do occur, that they will be adequately corrected protected or recovered by ASB or its vendors.

If any Despite the security measures we have implemented, certain cyber incidents could materially disrupt operational systems; result in loss of these trade secrets or other proprietary or competitively sensitive information; compromise personally identifiable information regarding customers or employees; delay our ability to deliver products to customers; and/or jeopardize the security of our facilities. Additionally unauthorized access to our computer systems fail or stored data could result in the theft, including cyber-theft, or improper disclosure of confidential information, and the deletion or modification of records could cause interruptions in our operations.

Further, a data breach involving theft, improper disclosure, or other unauthorized access to operate properly or become disabled even acquisition of confidential information could subject the Bank to penalties for violation of applicable privacy laws, claims by third parties, and enforcement actions by government agencies. In addition, ASB's operational systems may be subject to new cybersecurity risks due to modernizing and interconnecting existing infrastructure with new technologies and control systems, including those owned by third parties. Although ASB has not experienced a brief period of time, ASB could suffer financial loss, business disruptions, liability material cybersecurity breach to customers, regulatory intervention or damage to its reputation, any of which could date, such incidents may occur and may have a material adverse effect on ASB's and the Company's financial condition and results of operations. Bank should a material incident occur.

Uninsured Losses—HEI's businesses could suffer losses that are uninsured due to a lack of affordable insurance coverage, unavailability of insurance coverage or limitations on the insurance coverage the Company does have. In the ordinary course of business, HEI and its subsidiaries purchase insurance coverages (e.g., property and liability coverages) to protect against loss of, or damage to, their properties and against claims made by third parties and employees for property damage or personal injuries. However, the protection provided by such insurance is limited in significant respects and, in some instances, there is no coverage. Some of the insurance coverages have substantial deductibles or has limits on the maximum amounts that may be recovered. In common with other companies in its line of business, the Utilities' overhead and underground transmission and distribution systems (with the exception of substation buildings and contents), which have a replacement value roughly estimated at $9 billion $12 billion, are largely not insured against loss or damage because the amount of transmission and distribution system insurance capacity is limited and the premiums are cost prohibitive. Similarly, the Utilities have no business interruption insurance as the premiums for such insurance would be cost prohibitive, particularly since the Utilities are not interconnected to other systems. If a hurricane or other uninsured catastrophic natural disaster were to occur, and if the PUC did not allow the affected Utilities to recover from ratepayers restoration costs and revenues lost from business interruption, the lost revenues and

repair expenses could result in a significant decrease in HEI's consolidated net income or in significant net losses for the affected periods.

Related to damages and costs incurred as a result of the Maui windstorm and wildfires, the Company has property insurance with a total policy limit of $500 million, subject to a $1 million retention, for wildfire damages related to Utility-owned non-generating assets, including overhead transmission and distribution assets within 1,000 feet of such assets. The

Company also has $165 million of excess liability insurance, subject to a $0.3 million retention, for third party claims including claims related to wildfires, and $145 million directors and officers liability insurance, subject to a $1.0 million retention, to cover claims related to shareholder and derivative lawsuits. The aggregate damages and costs associated with the Maui windstorm and wildfires could significantly exceed the Company's policy limits.

ASB generally does not obtain credit enhancements, such as mortgagor bankruptcy insurance, but does require standard hazard and hurricane insurance and may require flood insurance for certain properties. ASB is subject to the risks of borrower defaults and bankruptcies, special hazard losses not covered by the required insurance and the insurance

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company's inability to pay claims on existing policies.

Environmental Regulation—Increased federal and state environmental regulation will require an increasing commitment of resources and funds and could result in construction delays or penalties and fines for non-compliance. HEI and its subsidiaries are subject to federal, state and local environmental laws and regulations relating to air quality, water quality, hazardous substances, waste management, natural resources and health and safety, which regulate, among other matters, the operation of existing facilities, the construction and operation of new facilities and the proper cleanup and disposal of hazardous and toxic wastes and substances. These laws and regulations could result in increased capital, operating, and other costs. HEI or its subsidiaries are currently involved in investigatory or remedial actions at current, former or third-party sites and there is no assurance that the Company will not incur material costs relating to these sites. In addition, compliance with these legal requirements requires the Utilities to commit significant resources and funds toward, among other things, environmental monitoring, installation of pollution control equipment and payment of emission fees. These laws and regulations, among other things, require that certain environmental permits be obtained in order to construct or operate certain facilities, and obtaining such permits can entail significant expense and cause substantial construction delays. Also, these laws and regulations may be amended from time to time, including amendments that increase the burden and cost of compliance. For example, emission and/or discharge limits may be tightened, more extensive permitting requirements may be imposed and additional substances may become regulated. In addition, significant regulatory uncertainty exists regarding the impact of federal or state greenhouse gas emission limits and reductions.

If HEI or its subsidiaries fail to comply with environmental laws and regulations, even if caused by factors beyond their control, that failure may result in civil or criminal penalties and fines or the cessation of operations that could have a material adverse on the Company's financial condition or results of operations.

Electric utility risks.

The following risks are generally specific to Hawaiian Electric, but could have a material adverse effect on the Company's consolidated results of operations, financial condition and liquidity.

Regulatory Risk—Actions of the PUC are outside the control of the Utilities and could result in inadequate or untimely rate increases, rate reductions or refunds or unanticipated delays, expenses or writedowns in connection with the construction of new projects. The rates the Utilities are allowed to charge for their services and the timeliness of permitted rate increases are among the most important items influencing the Utilities' results of operations, financial condition and liquidity. The PUC has broad discretion over the rates that the Utilities charge their customers. On December 23, 2020, as part of the D&O establishing the PBR Framework, the PUC established a five-year Multi-year Rate Period (MRP) during which there will be no general rate cases. In the fourth year of the MRP, the PUC will comprehensively review the PBR Framework to determine if any modifications or revisions are appropriate.

Any adverse decision by the PUC concerning the level or method of determining electric utility rates at the end of the MRP, including the items and amounts that may be included in rate base, the returns on equity or rate base found to be reasonable, the potential consequences of exceeding or not meeting such returns, the denial of exceptional project recovery applications during the MRP, adverse impact of adjustments made to the PBR Framework, decisions on recovery of exogenous items under the PBR Framework, or any prolonged delay in rendering a decision in a rate or other proceeding could have a material adverse effect on Hawaiian Electric's consolidated results of operations, financial condition and liquidity.

To improve the timing and certainty of the recovery of their costs, the Utilities have proposed and/or received approval of various cost recovery mechanisms, including an ECRC (includes a PUC-ordered 98%/2% risk-sharing split between customers and the Utilities for fossil fuel price variations from baseline prices, with a current annual aggregate exposure cap of +/- $3.7 million), a PPAC, and pension and OPEB tracking mechanisms, as well as a decoupling mechanism, an exceptional project recovery mechanism (EPRM) (formerly Major Project Interim Recovery (MPIR) adjustment mechanism), and a Renewable Energy Infrastructure Program surcharge. A change in, or the elimination of, any of these cost recovery mechanisms, could have a material adverse effect on the Utilities. See "Regulatory mechanisms" in Electric Utility's Business.

Under the PBR Framework, the Utilities' annual revenue adjustment (ARA) includes a customer dividend consisting of a negative adjustment of 0.22% compounded annually and a flow through of the "pre-PBR" savings commitment from the management audit recommendations developed in the 2020 test year rate case. The ability of the Utilities to recover increasing costs and earn a reasonable return on capital investments not covered by the ARA or not achieving the customer dividend and cost savings commitment could have a material adverse effect on the Utilities. Under the PBR Framework, the existing PIMs continue, and the PUC established new PIMs and is working on additional PIMs with stakeholders. The assessment of penalties for not achieving performance goals or the failure to achieve PIMs rewards could affect the Utilities' ability to achieve their allowed ROACEs and have a material adverse effect on the Utilities.

Related to the Maui windstorm and wildfires, the Utilities received PUC approval to temporarily suspend Maui Electric's Transmission and Distribution (T&D) System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) PIMs from August 8, 2023 through June 30, 2024. If the temporary suspension of Maui Electric's T&D PIMs is not extended beyond June 30, 2024, Maui Electric's maximum annual penalty for T&D SAIDI and SAIFI could have a $0.4 million impact on the Utilities' results of operations. The Utilities also obtained PUC approval to defer certain non-labor expenses incurred from August 8, 2023 through December 31, 2024 that are not already a part of base rates. If the PUC denies recovery of any deferred costs, such costs would be charged to expense in the period that those costs are no longer considered probable of recovery. Additionally, on August 31, 2023, the PUC issued an order temporarily suspending the ESM until further notice. The intent of the order is to address the unintended consequence of customers potentially bearing the costs associated with the Maui windstorm and wildfires through the operation of the ESM without prior PUC review. See "Performance-based regulation framework" and "Regulatory assets for Maui windstorm and wildfires related costs" in Note 4 of the Consolidated Financial Statements.

Based on the current operations of the Utilities and regulatory framework, including the impact of the approved PBR Framework, the Utilities continue to follow regulatory accounting under Accounting Standards Codification (ASC) 980. Continued accounting in this manner requires that certain criteria relating to the recoverability of such costs through rates be met, including achieved financial results that support the recovery of costs. If events or circumstances should change, such that the criteria are no longer satisfied, the Utilities expect that their regulatory assets (amounting to $243 million $295 million as of December 31, 2022 December 31, 2023), net of regulatory liabilities (amounting to $1,056 million $1,151 million as of December 31, 2022 December 31, 2023), would be charged to the statement of income in the period of discontinuance. See "Performance-based regulation framework" in Note 3 4 of the Consolidated Financial Statements.

The Utilities could be required to refund to their customers, with interest, revenues that have been or may be received under interim rate orders in their rate case proceedings and other proceedings, if and to the extent they exceed the amounts allowed in final orders.

Many public utility projects require PUC approval and various permits (e.g., environmental and land use permits) from other governmental agencies. Difficulties in obtaining, or the inability to obtain, the necessary approvals or permits, or any adverse decision or policy made or adopted, or any prolonged delay in rendering a decision, by an agency with respect to such approvals and permits, can result in significantly increased project costs or even cancellation of projects. In the event a project does not proceed, or if the PUC

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disallows cost recovery for all or part of a project, or if project costs exceed caps imposed by the PUC in its approval of the project, project costs may need to be written off in amounts that could result in significant reductions in Hawaiian Electric's consolidated net income.

See risk factor, "COVID-19—Our business, financial condition, liquidity and results of operations are being and could continue to be adversely impacted by the ongoing effects of the COVID-19 pandemic" in the *"Holding company and company-wide"* risk factor sectionfor a discussion regarding the risks related to the recovery of deferred COVID-19 costs and expenses.

Weather Conditions Risk—Electric utility operations are significantly influenced by weather conditions and natural disasters. The Utilities' results of operations can be affected by the weather and natural disasters. Weather conditions, particularly temperature and humidity, directly influence the demand for electricity. In addition, Additionally, severe weather and natural disasters such as hurricanes, earthquakes, tsunamis, lava flows and lightning storms, some of which may become more severe intense and/or frequent as a result because of global climate changes, have occurred in the past (such changes. Recent natural disasters such as the Kilauea eruption in 2018, which resulted in PGV's shutdown, and the Mauna Loa eruption in 2022) 2022, and will likely continue to occur the Maui windstorm and wildfires in the future. 2023, resulted in disruption or destruction of electric utility operations. When these types of events occur, they can cause outages and property damage and require the Utilities to incur significant additional expenses that may not be recoverable.

Climate Change Risk—Electric utility operations may be significantly influenced by climate change. While the timing, extent and ultimate effects of climate change cannot be determined with any certainty, climate change is predicted to result in sea level rise, which could potentially impact coastal and other low-lying areas (where much of the Utilities' electric infrastructure is sited), and could cause erosion of beaches, saltwater intrusion into aquifers and surface ecosystems, higher water tables and increased flooding and storm damage due to heavy rainfall. The effects of climate change on the weather (for example, floods, hurricanes, heat waves or drought conditions, the latter of which could increase wildfire risk), sea levels, and water availability and quality, all have the potential to materially adversely affect the results of operations, financial condition and liquidity of the Utilities. For example, severe weather and its related impacts could cause significant harm to the Utilities' physical facilities.

Third Party Performance Risk—Electric utility operations depend heavily on third-party suppliers of fuel and purchased power. The Utilities rely on fuel suppliers and shippers, and IPPs to deliver fuel and power, respectively, in accordance with

contractual agreements. Approximately 72% 79% of the net energy generated or purchased by the Utilities in 2022 2023 was generated from the burning of fossil fuel oil, and purchases of power by the Utilities provided about 43% 38% of their total net energy generated and purchased for the same period. Failure or delay by fuel suppliers and shippers to provide fuel pursuant to existing contracts, or failure by a major IPP to deliver the firm capacity anticipated in its PPA, could disrupt the ability of the Utilities to deliver electricity, affect the Utilities' maintenance schedules that could affect future reliability and require the Utilities to incur additional expenses to meet the needs of their customers that may not be recoverable. In addition, as the 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. Also, as these contractual agreements end, the Utilities may not be able to purchase fuel and power on terms equivalent to the current contractual agreements.

Capacity Risk—The capacity provided by the Utilities' generating resources and third-party purchased power may not be sufficient to meet customers' energy requirements. The Utilities rely upon their generating resources and purchased power from third parties to meet their customers' energy requirements. The Utilities update their generation capacity evaluation each year to determine the Utilities' ability to meet reasonably expected demands for service and provide reasonable reserves for emergencies and other unplanned events. These evaluations are impacted by a variety of factors, including customer energy demand, energy conservation and efficiency initiatives, economic conditions, and weather patterns. If the capacity provided by the Utilities' generating resources and third-party purchased power is not adequate relative to customer demand, the Utilities may have to contract to buy more power from third parties, invest in additional generating facilities over the long-term, or extend the operating life of existing utility units. Any failure to meet customer energy requirements could negatively impact the satisfaction of the Utilities' customers, which could have an adverse impact on the Utilities' business, reputation and results of operations.

Related to the Maui windstorm and wildfires, the Utilities continue to expect potential generation shortfalls on Maui in 2024. The Energy Reserve Margin, the planning criteria used to determine generation adequacy, is the percentage which the system generation capacity must exceed the system load in each hour. The Utilities' Energy Reserve Margin analysis indicates shortfalls in 2024, but is satisfied from 2025 through 2028 with the addition of planned generation and storage resource additions. The Utilities have plans to address this issue in 2024 through managing maintenance schedules of existing generations, and if necessary, may request for voluntary customer conservation during periods of high power demands. The environment for resource planning has increased in complexity and uncertainty and the Utilities will continue using a portfolio approach to meet its obligation to serve. This includes increased renewable energy, energy storage, and other potential options, both supply side and customer programs. If the Utilities are unable to meet customer energy requirements, it could negatively impact the satisfaction of the Utilities' customers, which could have an adverse impact on the Utilities' business, reputation and results of operations.

Stakeholder Activism Risk—Electric utility and third-party purchased power projects may be significantly impacted by stakeholder activism. The potential impact of stakeholder activism could increase total utility project costs, and delay the permitting, construction and overall timing or preclude the completion of third-party or utility projects that are required to meet electricity demand, resilience and reliability objectives, and RPS and other climate related goals. If a utility project cannot be completed, the project costs may need to be written off in amounts that could result in significant reductions in Hawaiian Electric's consolidated net income and negatively impact its financial condition and liquidity.

Operational Risk—Electric utility generating facilities are subject to operational risks that could result in unscheduled plant outages, unanticipated and/or increased operation and maintenance expenses and increased power purchase costs. Operation of electric generating facilities involves certain risks which can adversely affect energy output and efficiency levels. Included among these risks are facility shutdowns or power interruptions due to insufficient generation or a breakdown or failure of equipment or processes. In addition, operations could be negatively impacted by interruptions in fuel supply, inability to negotiate satisfactory collective bargaining agreements when existing agreements expire or other labor disputes, inability to comply with regulatory or permit requirements, disruptions in delivery of electricity, operator error, adverse weather or environmental conditions and catastrophic events such as earthquakes, tsunamis, hurricanes, fires, explosions, lava flows, floods or other similar occurrences affecting the Utilities' generating facilities or transmission and distribution systems.

Legislative Risk—The Utilities may be adversely affected by new legislation or administrative actions. Congress, the Hawaii legislature and governmental agencies periodically consider legislation and other initiatives that could have uncertain or negative effects on the Utilities and their customers. Congress, the Hawaii legislature and governmental

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agencies have adopted, or are considering adopting, a number of measures that will significantly affect the Utilities, as described below.

Renewable Portfolio Standards law. The 2001 Hawaii Legislature adopted a law requiring the Utilities to meet a renewable portfolio standard, which has been amended over the years. The most recent amendment to Hawaii's RPS law occurred in 2015, which requires the electric utilities to meet an RPS of 15%, 30%, 40%, 70% and 100% by December 31, 2015, 2020, 2030, 2040 and 2045 respectively. Energy savings resulting from energy efficiency programs do not count toward the RPS after 2014. In July 2022, which Governor Ige signed Act 240 (H.B.2089), that amended the RPS calculation from renewable energy as a percentage of sales to renewable energy as a percentage of total generation. The amended RPS calculation results in a lower calculated percentage than the amount calculated under the previous methodology. The change in the definition is to be applied prospectively to future milestone measurements and will require that the Utilities acquire more renewable energy than under the previous RPS calculation to comply with the RPS milestones. The Utilities are committed to achieving these goals and met the 2015 and 2020 RPS; however, due to the exclusion of energy savings in calculating RPS after 2014 and risks such as potential delays in IPPs being able to deliver contracted renewable energy, it is possible the Utilities may not attain the required renewable percentages in the future, and management cannot predict the future consequences of failure to do so (including potential penalties to be assessed by the PUC). On December 19, 2008, the PUC approved a penalty of $20 for every MWh megawatt-hour (MWh) that an electric utility is deficient under Hawaii's RPS law. The PUC noted, however, that this penalty may be reduced, in the PUC's discretion, due to events or circumstances that are outside an electric utility's reasonable control, to the extent the event or circumstance could not be reasonably foreseen and ameliorated, as described in the RPS law and in an RPS framework adopted by the PUC. In addition, the PUC ordered that the Utilities will be prohibited from recovering any RPS penalty costs through rates.

Renewable energy. In 2007, a measure was passed by the Hawaii legislature stating that the PUC may consider the need for increased renewable energy in rendering decisions on utility matters. Due to this measure, it is possible that, if energy from a renewable source is more expensive than energy from fossil fuel, the PUC may still approve the purchase of energy from the renewable source, resulting in higher costs.

Global climate change and greenhouse gas emissions reduction. National and international concern about climate change and the contribution of greenhouse gas (GHG) emissions (including carbon dioxide emissions from the combustion of fossil fuels) to climate change have led to federal legislative and regulatory proposals and action by the state of Hawaii to reduce GHG emissions.

In July 2007, the State Legislature passed Act 234, which requires a statewide reduction of GHG emissions by January 1, 2020 to levels at or below the statewide GHG emission levels in 1990. On June 20, 2014, the Governor signed the final rules required to implement Act 234 and these rules went into effect on June 30, 2014. In general, Act 234 and the GHG rule require affected sources that have the potential to emit GHGs in excess of established thresholds to reduce their GHG emissions by 16% below 2010 emission levels by 2020. In accordance with state requirements, the Utilities submitted an Emissions Reduction Plan (ERP) to the DOH State of Hawaii Department of Health on June 30, 2015, with the most recent revision filed on June 9, 2020, to reflect the partnership established between the Utilities and several IPPs. In this plan, the partnership committed to a 16% reduction in GHG emissions in accordance with the rule, which the partnership achieved in 2017 in advance of the 2020 requirement. The DOH State of Hawaii Department of Health issued the air permits incorporating the ERP, including provisions to address the period of unavailability of the PGV facility on Hawaii Island. It is expected that with the advent of additional renewable projects and the application to the PUC with respect to the expansion of the PPA for the PGV project, the goals should be attainable.

Hawaii Revised Statutes (HRS) § 269-6(b) requires that "in making determinations of the reasonableness of the costs pertaining to electric or gas utility system capital improvements and operations, the PUC shall explicitly consider, quantitatively or qualitatively, the effect of the state's reliance on fossil fuels on price volatility, export of funds for fuel imports, fuel supply reliability risk, and greenhouse gas emissions." Based on HRS § 269-6(b) and recent case law discussing the scope of this section, the Utilities are performing GHG analyses to quantitatively or qualitatively describe the GHG emissions of proposed projects that are submitted to the PUC for approval.

In June 2018, House Bill 2182 was signed into law as Act 15 and took effect on July 1, 2018. Among its provisions, Act 15 aligned the state's clean energy and carbon sequestration efforts with climate initiative goals and established a statewide carbon neutral goal by 2045. Under this Act, efforts would be made to "sequester more atmospheric carbon and greenhouse gases than emitted within the state as quickly as practicable, but no later than 2045." The Hawaii Climate Change Mitigation and Adaptation Commission, administratively placed under the State Department of Land and Natural Resources, was charged with endeavoring to achieve the target, and giving consideration to the impact of its plans, decisions and strategies on the state's ability to attain the goal. The general functions, duties and powers of the Hawaii Climate Change Mitigation and Adaptation Commission are set forth in HRS § 225P-3. To achieve its mandates, the Hawaii Climate Change Mitigation and Adaptation Commission may recommend plans, decisions and strategies that could have an impact on various entities including the Utilities. In July 2022, House Bill 1800 was signed into law as Act 238 and took effect on July 1, 2022. The Act established a goal for the statewide greenhouse gas emissions limit to be at least 50% below 2005 levels by 2030.

The Utilities have taken, and continue to identify opportunities to take, direct action to reduce GHG emissions from their operations, including, but not limited to, supporting demand-side management programs that foster energy efficiency, using renewable resources for energy production and purchasing power from IPPs generated by renewable resources, and burning renewable biodiesel at selected Hawaiian Electric and Maui Electric generating units. In November 2021, the Utilities committed to a 70% reduction in power generation GHG emissions by 2030 compared to a 2005 baseline and achievement of net zero carbon emissions from power generation by 2045. While the reduction is not mandated by law, the Utilities could suffer reputational harm if it fails to achieve its commitments, which may negatively impact its business. Since the time the 2030 goal was established, delays and cancellations in the commercial operation of new renewable third-party generation resources and higher costs as a result of supply chain disruptions and inflationary pressures, as well as federal policies related to solar panel imports, have slowed the pace of progress toward reducing GHG emissions. The downgrade of Hawaiian Electric's credit ratings after the Maui windstorm and wildfires is anticipated to be an additional impediment to completion of new renewable energy and storage projects. As a result of these challenges, the Utilities expect the planned 70% reduction in carbon emissions to be achieved later than the original 2030 target date. However, the Utilities will continue to replace significant amounts of fossil fuel generation with renewable energy between now and 2030 and expect to meet or exceed the State of Hawaii's RPS goals.

The foregoing legislation or legislation that now is, or may in the future be, proposed, such as potential carbon "cap and trade" legislation that, if applicable, may fundamentally alter costs to produce electricity and accelerate the move to renewable generation, present risks and uncertainties for the Utilities.

Renewable Transition Risk—The Utilities may be subject to increased operational challenges and their results of operations, financial condition and liquidity may be adversely impacted in meeting the commitments and objectives of clean energy initiatives, Renewable Portfolio Standards (RPS) and other climate related goals. The far-reaching nature of the Utilities' renewable energy commitments and the RPS and other climate related goals present risks to the Company. Among such risks are: (1) the potential delay by the Public

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Utilities Commission of the State of Hawaii (PUC) in considering (and potential disapproval of actual or proposed) renewable energy proposals and related costs; (2) the dependence on outside parties, such as the state, developers and third-party suppliers of renewable purchased energy, which if the Utilities are unsuccessful in negotiating purchased power agreements with such IPPs or if a major IPP delays or fails to deliver the anticipated capacity and/or energy in its purchased power agreement, could impact the Utilities' achievement of their commitments to RPS and other climate related goals, eligibility for performance incentive mechanisms associated with the speed of increasing renewable generation, the ability to retire fossil fuel units, and/or the Utilities' ability to deliver reliable service; (3) delays in acquiring or unavailability of non-fossil fuel supplies for renewable generation; (4) the impact of intermittent power to the electrical grid and reliability of service if appropriate supporting infrastructure is not installed or does not operate effectively; (5) the inability to recover the undepreciated cost of fossil fuel generating units if they are required to be retired before the end of their expected useful life; (6) uncertainties surrounding current and future renewable technologies,

such as solar power, wind power, biofuels, battery storage, hydro, hydrogen, as well as related environmental assessments required to meet RPS and other climate related goals; (7) the impacts of implementation of the renewable energy proposals on future costs of electricity and potential penalties imposed by the PUC for delays in the commercial operations of renewable energy projects; (8) the likelihood that the Utilities may need to make substantial investments in related infrastructure, which could result in increased borrowings and, therefore, materially impact the financial condition and liquidity of the Utilities; (9) the imputed debt related to the pending renewable power purchase agreements under the stage 1, stage 2, stage 3 and other RFPs could result in a credit rating downgrade for the Utilities and the Company; and (10) the commitment to support a variety of initiatives, which, if approved by the PUC, may have a material impact on the results of operations and financial condition of the Utilities depending on their design and implementation. These initiatives include, but are not limited to, programs to enable more customer-sited generation. The implementation of these or other programs may adversely impact the results of operations, financial condition and liquidity of the Utilities.

Bank risks.

The following risks are generally specific to ASB, but could have a material adverse effect on the Company's consolidated results of operations, financial condition and liquidity.

Interest Rate Risk—Fluctuations in interest rates could result in lower net interest income, impair ASB's ability to originate new loans, or impair the ability of ASB's adjustable-rate borrowers to make increased payments or cause such borrowers to repay their adjustable-rate loans payment obligations or impact ASB's ability to attract and retain deposits. Interest rate risk is a significant risk of ASB's operations. ASB's net interest income consists primarily of interest income received on fixed-rate and adjustable-rate loans, mortgage-backed securities and investments, less interest expense consisting primarily of interest paid on deposits and other borrowings. Interest rate risk arises when earning assets mature or when their interest rates change reprice in a time frame different from that of the costing liabilities. Changes in market interest rates, including changes in the relationship between short-term and long-term market interest rates tenors (e.g., a flat or an inverted yield curve) or between different interest rate indices, and the duration and severity of the changes in market interest rates can impact ASB's net interest margin. See "Quantitative and Qualitative Disclosures about Market Risk."

Although ASB pursues an asset-liability management strategy designed to mitigate its risk from changes in market interest rates, unfavorable adverse movements in interest rates could result in lower net interest income. income or net interest margin. Residential 1-4 family fixed-rate mortgage loans comprised about 38% 37% of ASB's loan portfolio as of December 31, 2022 and do not re-price with movements in interest rates. ASB continues to face a challenging interest rate environment. December 31, 2023. Increases in market interest rates could have an adverse impact on ASB's cost of funds. Higher market interest rates could lead to higher interest rates paid on deposits and other borrowings. Significant increases in market interest rates, or the perception that an increase may occur, could adversely affect ASB's ability to originate new loans and grow. loans. An increase in market interest rates, especially a sudden increase,

similar to the rapid federal funds rate increases experienced in 2022, could also adversely affect the ability of ASB's adjustable-rate borrowers to meet their higher payment obligations. If this occurred, it could cause an increase in nonperforming assets and charge-offs. Conversely, a decrease in interest rates or a mismatching of maturities of interest sensitive financial instruments could result in an acceleration in the prepayment of loans and mortgage-backed securities and impact ASB's ability to reinvest its liquidity in similar yielding assets.

ASB relies on customer deposits as a sizable source of relatively stable and low-cost funds. funding. Changes in market interest rates impact the interest paid on deposits and can significantly impact the Bank's net interest income. income and net interest margin. Changes in interest rates may also impact the level of low-cost core deposits that the Bank's customers maintain in their accounts, which may require ASB to seek higher costing wholesale borrowings.

LIBOR Sunset Transition Risk—Changes in the method for determining London Interbank Offered Rate (LIBOR) and the potential replacement of LIBOR may affect our loan portfolio and interest income on loans. On July 27, 2017, the United Kingdom's Financial Conduct Authority (FCA), which regulates LIBOR, announced that it intended to phase out LIBOR by the end of 2021. On March 5, 2021, the ICE Benchmark Administration Limited (IBA), as administrator of LIBOR, publicly announced that it intended to cease publication of one week and two-month USD LIBOR tenors on December 31, 2021 and the remaining USD LIBOR tenors on June 30, 2023. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee composed of large U.S. financial institutions, announced replacement of U.S. dollar LIBOR with a new index calculated by short-term repurchase agreements, backed by U.S. Treasury securities called the Secured Overnight Financing Rate (SOFR). ASB has loans and other financial instruments with rates that are either directly or indirectly tied to LIBOR. Failure to adequately manage this transition process with our customers could adversely impact the Bank's reputation.

ASB has formed a cross-functional project team to oversee the transition. The project team reports to Management and the Board on a periodic basis. The project team is organized around key work streams which cover products, systems and operational processes impacted by the transition as well as client communication. The project team has completed an inventory of existing LIBOR-indexed products, which are monitored on an ongoing basis. In addition, the project team has retired all LIBOR-based originations as of December 31, 2021 and continues to offer floating rate loans with alternative indices, including SOFR. ASB will continue to monitor legacy contracts and will continue the orderly transition away from LIBOR by June 30, 2023 in accordance with the OCC and other federal financial institution regulatory agencies' statement on LIBOR transition.

Credit Risk—ASB's allowance for credit losses may not cover actual loan losses. ASB's allowance for credit losses is ASB's estimate of lifetime expected credit losses on financial instruments and other commitments to extend credit and is based on a continuing assessment of:

- existing risks in the loan portfolio;
- historical loss experience with ASB's loans;
- changes in collateral value;
- current conditions (for example, economic conditions, real estate market conditions and interest rate environment); and

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- reasonable and supportable forecasts that affect the collectability of the reported amount.

If ASB's actual loan losses exceed its allowance for credit losses, it may incur losses, its financial condition may be materially and adversely affected, and additional capital may be required to enhance its capital position. In addition, various regulatory agencies, as an integral part of their examination process, regularly review the adequacy of ASB's allowance. These agencies may require ASB to establish additional allowances based on their judgment of the information available at the time of their examinations. No assurance can be given that ASB will not sustain loan losses in excess of present or future levels of its allowance for credit losses.

Operational Risk—ASB's operations are affected by factors that are beyond its control, that could result in lower revenues, higher expenses or decreased demand for its products and services. ASB's results of operations depend primarily on the income generated by the supply of, and demand for, its products and services, which primarily consist of loans and deposit services. ASB also generates income from other non-deposit products and services. ASB's revenues and expenses may be adversely affected by various factors, including:

- local, regional, national and other economic and political conditions that could result in declines in employment and real estate values, which in turn could adversely affect the ability of borrowers to make loan payments and the ability of ASB to recover the full amounts owing to it under defaulted loans;
- the ability of borrowers to obtain insurance and the ability of ASB to place insurance where borrowers fail to do so, particularly in the event of catastrophic damage to collateral securing loans made by ASB;
- 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 profiles and asset quality, which may increase or decrease the required level of allowance for credit losses;
- technological disruptions affecting ASB's operations or financial or operational difficulties experienced by any outside vendor on whom ASB relies to provide key components of its business operations, such as business processing, network access or internet connections;
- events of default and foreclosure of loans whereby ASB becomes the owner of mortgage properties that presents environmental risk or potential clean up liability;
- the impact of legislative and regulatory changes, including changes affecting capital requirements, increasing oversight of and reporting by banks, or affecting the lending programs or other business activities of ASB;
- additional legislative changes regulating the assessment of overdraft, interchange and credit card fees, which can have a negative impact on noninterest income;
- public opinion about ASB and financial institutions in general, which, if negative, could impact the public's trust and confidence in ASB and adversely affect ASB's ability to attract and retain customers and expose ASB to adverse legal and regulatory consequences;
- increases in operating costs (including employee compensation expense and benefits and regulatory compliance costs), inflation and other factors, that exceed increases in ASB's net interest, fee and other income; and
- the ability of ASB to maintain or increase the level of deposits, ASB's lowest costing funds.

Banking Regulatory Risk—Banking and related regulations could result in significant restrictions being imposed on ASB's business or in a requirement that HEI divest ASB. ASB is subject to examination and comprehensive regulation by the Department of Treasury, the OCC and the FDIC, and is subject to reserve requirements established by the Board of Governors of the Federal Reserve System. In addition, the FRB is responsible for regulating ASB's holding companies, HEI and ASB Hawaii. The regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities and examination policies to address not only ASB's compliance with applicable banking laws and regulations, but also capital adequacy, asset quality, management ability and performance, earnings, liquidity and various other factors.

Under certain circumstances, including any determination that ASB's relationship with HEI results in an unsafe and unsound banking practice, these regulatory authorities have the authority to restrict the ability of ASB to transfer assets and to make distributions to its shareholders (including payment of dividends to HEI), or they could seek to require HEI to sever its relationship with or divest its ownership of ASB. Payment by ASB of dividends to HEI may also be restricted by the OCC and FRB under its prompt corrective action regulations or its capital distribution regulations if ASB's capital position deteriorates. In order to maintain its status as a QTL, ASB is required to maintain at least 65% of its assets in "qualified thrift investments." Institutions that fail to maintain QTL status are subject to various penalties, including limitations on their activities. In ASB's case, the activities of HEI and HEI's other subsidiaries would also be subject to restrictions, and a failure or inability to comply with those restrictions could effectively result in the required divestiture of ASB. Federal legislation has also been proposed in the past that could operate to eliminate the thrift charter or the grandfathered status of HEI as a unitary thrift holding company, which in turn would result in a required divestiture of ASB. In the event of a required divestiture, federal law substantially limits the types of entities that could potentially acquire ASB.

Bank Regulatory Risk - Heightened regulatory requirements if ASB's total assets exceed $10 billion. As of December 31, 2022 December 31, 2023, ASB had total assets of approximately $9.5 billion $9.7 billion and it is possible that total assets could exceed $10 billion in the near future. The Dodd-Frank Act and its implementing regulations impose enhanced supervisory requirements on financial institutions with more than $10 billion in total assets. For financial institutions with more than $10 billion in total assets, such requirements include, among other things:

- Applicability of Volcker Rule requirements and restrictions;
- Increased capital leverage, liquidity and risk management standards;
- Examinations by the CFPB for compliance with federal consumer financial protection laws and regulations; and
- Limits on interchange fees on debit cards (Durbin Amendment).

The Economic Growth, Regulatory Relief and Consumer Protection Act (EGRRCPA), which was enacted in 2018, amended the Dodd-Frank Act to raise the $10 billion stress testing threshold to $250 billion, among other things. The federal financial regulators issued final rules in 2019 to increase the threshold for these stress testing requirements from $10 billion to $250 billion, consistent with the EGRRCPA.

ASB is already subject to limits for its interchange fees on debit cards as the Bank's parent company, HEI, has total assets exceeding $10 billion and the Durbin Amendment did not exclude unitary thrift holding companies from the threshold for holding company assets subject to interchange fee limits.

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Federal financial regulators may require ASB to take actions to prepare for compliance with the foregoing requirements before it exceeds $10 billion in total assets. ASB's regulators may consider its preparation for compliance with these regulatory requirements when examining the Bank's operations or considering any request for regulatory approval. ASB may, therefore, incur compliance costs before it reaches $10 billion in total assets and may be required to maintain the additional compliance procedures even if the Bank does not grow at the anticipated rate or at all.

Failure to comply with these new requirements may negatively impact the results of ASB's operations and financial condition. To ensure compliance, the Bank may be required to invest significant resources, which may necessitate hiring additional personnel and implementing additional internal controls. These additional compliance costs may have a material adverse effect on our business, results of operations and financial condition.

Legislative Risk—Legislative and regulatory initiatives could have an adverse effect on ASB's business. From time to time, new legislative and other regulatory initiatives are enacted, which could have an adverse effect on ASB's business. For example, the Dodd-Frank Act, which became law in July 2010, has had a substantial impact on the financial services industry. Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and/or reputational damage, which could have a material adverse effect on ASB's business, results of operations, financial condition and liquidity.

Product Concentration Risk—A large percentage of ASB's loans and securities are collateralized by real estate, and adverse changes in the real estate market and/or general economic or other conditions may result in loan losses and adversely affect the Company's profitability. As of December 31, 2022 December 31, 2023 approximately 83% 84% of ASB's loan portfolio was comprised of loans primarily collateralized by real estate, most of which was concentrated in the State of Hawaii. During 2022, ASB's home equity lines of credit (HELOC) increased 20% and the residential 1-4 family portfolios increased by 8%, comprising approximately 70% of total real estate loans. ASB's financial results may be adversely affected by changes in prevailing economic conditions, either nationally or in the state. ASB had been pursuing a strategy that included expanding its commercial, commercial real estate and consumer lines of business. Commercial and commercial real estate loans have a higher risk profile than residential loans, in part due to larger average balances than residential loans. Though both commercial and commercial real estate loans have shorter terms and earn higher spreads than residential mortgage loans, these loan types generally entail higher underwriting and other service costs and present greater credit risks than traditional residential mortgages. Commercial loans are secured by the assets of the business and, upon default, any collateral repossessed may not be sufficient to repay the outstanding loan balance. In addition, loan collections are dependent on the borrower's continuing financial stability and, thus, are more likely to be affected by current economic conditions and adverse business developments. Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. Commercial real estate loans may not be fully amortizing, meaning that they have a significant principal balance or "balloon" payment due at maturity. In addition, commercial real estate properties, particularly industrial and warehouse properties, are generally subject to relatively greater environmental risks than noncommercial properties and to the corresponding burdens and costs of compliance with environmental laws and regulations. Also, there may be costs and delays involved in enforcing rights of a property owner against tenants in default under terms of leases with respect to commercial properties. For example, a tenant may seek protection under bankruptcy laws, which could result in termination of the tenant's lease.

ASB also has a national syndicated lending portfolio where ASB is a participant in credit facilities agented by established and reputable national lenders. Management selectively chooses each deal based on conservative credit criteria to ensure a high-quality, well diversified portfolio. In the event the borrower encounters financial difficulties and ASB is unable to sell its participation interest in the loan in the secondary market, ASB is typically reliant on the originating lender for managing any loan workout or foreclosure proceedings that may become necessary. Accordingly, ASB has less control over such proceedings than loans it originates and may be required to accommodate the interests of other participating lenders in resolving delinquencies or defaults on participated loans, which could result in outcomes that are not fully consistent with ASB's preferred strategies. In addition, a significant proportion of ASB's syndicated loans are originated in states other than Hawaii and are subject to the local regional and regulatory risks specific to those states.

Similar to the national syndicated lending portfolio, ASB does not service commercial loans in which it has participation interests rather than being the lead or agent lender and is subject to the policies and practices of the agent lender, who is the loan servicer, in resolving delinquencies or defaults on participated loans.

The consumer loan portfolio primarily consists of personal solar and sustainable home improvement loans as well as unsecured loans with risk-based pricing. Repayment is based on the borrower's financial stability as these loans have no collateral and there is less assurance that ASB will be able to collect all payments due under these loans or have sufficient collateral to cover all outstanding loan balances.

General Risk Factors.

ESG Sustainability Risk—Increased scrutiny and changing stakeholder expectations with respect to our environmental, social and governance (ESG) (sustainability) programs may result in increased costs and expenses and may expose the Company to new or incremental risks. Companies across all industries, including HEI, face increasing stakeholder scrutiny related to ESG sustainability practices. These stakeholders include investors, customers, consumers, employees, lenders and other stakeholders, and in recent years, certain stakeholders have placed increasing importance on the impact and social cost of their investments. This increased focus and activism related to ESG sustainability may hinder the cost of, or access to, capital or financing as these investors or lenders may elect to increase their required returns on capital offered to the company, reallocate capital or not commit capital as a result of their assessment of a company's ESG sustainability risk profile. Additionally, if the Company fails to adapt, or is perceived to have failed in addressing investor, lender, and other stakeholder ESG sustainability expectations or standards, which continue to evolve, or if the Company fails to fully and accurately report its progress on managing risk under its ESG sustainability initiatives, the Company may suffer reputational damage and its business or financial condition could be materially and adversely affected.

Human Capital Risk—HEI's businesses may be unable to attract, hire, engage and retain a highly skilled and diverse workforce, including senior management, which could affect the Company's execution of its growth strategy and profitability and adversely affect its future performance. The skill and experience of the Company's employees, particularly with respect to the senior management team, are vital to the Company's success. The management teams of HEI's businesses have significant industry experience and would be difficult to replace. Failure to attract, hire, develop, motivate, and retain highly qualified and diverse employee talent, to develop and implement adequate succession plans for the senior management team, or to maintain a successful work culture that fosters collaboration, innovation, and good communication could disrupt the Company's operations and adversely affect its businesses and its future success. In addition, a variety of economic and social factors are exacerbating the current labor supply shortage for qualified individuals, which may make it difficult to staff critical positions and retain key

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employees, and could result in significantly higher costs to maintain appropriate staffing levels with the right talent. The inability to fill these positions or a delay in staffing these positions could have a significant impact on the Company's initiatives and strategies, which in turn would adversely affect the Company's businesses and their future prospects.

Inflation Risk—The Company's costs and expenses could increase as a result of inflationary pressures and such increases may not be fully offset by an increase in revenues. A variety of economic and social factors have recently driven inflation to levels above the Federal Reserve Board's long-term target of 2%. Long-term inflationary pressures could result in higher labor, fuel oil, commodities, materials and supplies, outside services and capital costs, among others, that may not fully be offset by

an increase in revenues, which would adversely affect the Company's profitability and results of operations. For example, while the Utilities' annual revenue adjustment mechanism provides for an annual inflationary adjustment, recent months' annualized rates of inflation have surpassed the rate of the last inflationary adjustment for the Utilities' target revenues. To the extent the Utilities' increase in actual expenses exceeds the amount provided by the last inflationary adjustment and the Utilities are unable to offset such excess with other efficiencies or cost savings, the Utilities' profitability could be adversely impacted. Similarly, to the extent that higher labor and other costs at ASB, due to inflation or other factors, is not fully offset by an increase in non-interest income or net interest income, which is dependent on interest rates, the shape of the yield curve, earning assets growth and low-cost deposit liabilities, the Bank's profitability and results of operations would be adversely impacted.

Pension Liability Risk—HEI and Hawaiian Electric and their subsidiaries may incur higher retirement benefits expenses and have and will likely continue to be subject to substantial liabilities for retirement benefits. Retirement benefits expenses and cash funding requirements could increase in future years depending on numerous factors, including, but not limited to, the performance of the U.S. equity markets, trends in interest rates and health care costs, plan amendments, mortality improvements, new laws relating to pension funding and changes in accounting principles. For the Utilities, however, retirement benefits expenses, as adjusted by the pension and postretirement benefits other than pensions (OPEB) tracking mechanisms, have been an allowable expense for rate-making purposes.

Tax Legislation Risk—Adverse tax rulings or developments or changes in tax legislation could result in significant increases in tax payments and/or expense. Governmental taxing authorities could challenge a tax return position taken by HEI or its subsidiaries and if the taxing authorities prevail, HEI's consolidated tax payments and/or expense, including applicable penalties and interest, could increase significantly. Additionally, changes in tax legislation or IRS interpretations could increase the Company's tax burden and adversely affect the Company's financial position, results of operations, and cash flows.

Litigation Risk—The Company could be subject to the risk of uninsured losses in excess of its accruals for litigation matters, such as litigation related to the Maui windstorm and wildfires. HEI and its subsidiaries are involved in routine litigation in the ordinary course of their businesses, most of which is covered by insurance (subject to policy limits and deductibles). However, other HEI and its subsidiaries are also involved, and may continue to become involved, in litigation may arise that is not routine and/or involves claims that may not be fully covered by insurance. insurance, as may be the case with litigation related to the Maui windstorm and wildfires. Because of the uncertainties associated with the litigation related to the Maui windstorm and wildfires and other routine litigation, there is a risk that this litigation against HEI or its subsidiaries, even if vigorously defended, could result in costs of defense and judgment or settlement amounts not covered by insurance and in excess of reserves established in HEI's consolidated financial statements.

Changes in Accounting Estimates Risk—Changes in accounting principles and estimates could affect the reported amounts of the Company's assets and liabilities or revenues and expenses. HEI's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the U.S. Changes in accounting principles (including the possible adoption of International Financial Reporting Standards or new U.S. accounting standards), or changes in the Company's application of existing accounting principles, could materially affect the financial statement presentation of HEI's or the Utilities' consolidated results of operations and/or financial condition. Further, in preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change include the amounts reported for electric utility revenues; allowance for credit losses; income taxes; investment securities, property, plant and equipment; regulatory assets and liabilities; derivatives; pension and other postretirement benefit obligations; and contingencies and litigation.

Changes in accounting principles can also impact HEI's consolidated financial statements. For example, if management determines that a PPA requires the consolidation of the IPP in the financial statements, the consolidation could have a material effect on Hawaiian Electric's and HEI's consolidated financial statements, including the recognition of a significant amount of assets and liabilities and, if such a consolidated IPP were operating at a loss and had insufficient equity, the potential recognition of such losses.

ITEM 1B. UNRESOLVED STAFF COMMENTS

HEI: None.

Hawaiian Electric: Not applicable.

ITEM 1C. CYBERSECURITY

Cybersecurity risk oversight and management is a critical component of the Company's overall enterprise risk management and top priority for the Company and its Board of Directors. The Company's Board of Directors have delegated management of Enterprise Risk Management, which includes cybersecurity, to the HEI/Hawaiian Electric Audit and Risk Committees and ASB Risk Committees (collectively, the ARCs). The ARCs exercise their oversight responsibility of cybersecurity through quarterly (or more frequently if necessary) cybersecurity risk updates and incidents, if any, by management (primarily the Utilities' Chief Information Security Officer and Chief Information Officer, and the ASB Director, Information Security). In early 2023, in recognition of the increased cybersecurity threats and heightened cybersecurity risks facing the Company, the ARCs formed the Cybersecurity Working Group (CWG) comprised of three directors, one from each of the Company's Board of Directors. The purpose of the CWG is to oversee and conduct periodic meetings with management to discuss cyber risk, risk treatment, and operational activities relative to cyber risk treatment and to report matters to the ARCs. The CWG also evaluates cybersecurity areas highlighted by the ARCs including areas the CWG deems higher risk or topical and reports back to the ARCs on a quarterly basis. The CWG also coordinates with the Company's management on semi-annual trainings and annual tabletop exercises for the Board of Directors.

Electric utility

System overview. The Utilities rely on evolving and increasingly complex operational and information systems, networks and other technologies, which are interconnected with the systems and network infrastructure owned by third parties, to support a variety of business processes and activities, including procurement and supply chain, invoicing and collection of payments, customer relationship management, human resource management, the acquisition, generation and delivery of electrical service to customers, and to process

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financial information and results of operations for internal reporting purposes and to comply with regulatory, financial reporting, legal and tax requirements. The Utilities use their systems and infrastructure to create, collect, store, and process sensitive information, including personal information regarding customers, employees and their dependents, retirees, and other individuals.

Risk management and strategy. The Utilities have a cybersecurity program in place, which is integrated into the overall risk management program and includes a risk management strategy and risk assessment policy, which are disseminated and maintained by the Chief Information Security Officer (CISO), revisited annually and, which govern the enterprise cybersecurity risk and maturity assessment process. The program is aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), and leverages a risk-based approach to optimize its security investment and advance its security program's maturity and security posture over time.

The Utilities cybersecurity program adopts security measures designed to protect the confidentiality, integrity, and availability of information technology systems, network infrastructure and other assets. The Utilities' security measures, such as awareness and training, monitoring, etc. are designed to prevent, detect, and minimize the effects of a cybersecurity incident. These measures are periodically evaluated and audited against the NIST CSF by internal audit and independent third-party cybersecurity specialists.

The CISO actively monitors developments in the area of cybersecurity and is involved in various related government and industry groups and briefs the Company's Board quarterly or as needed on relevant cybersecurity issues. The Utilities continue to make investments in their cybersecurity program, including personnel, technologies, cyber insurance and training of Utilities personnel.

The Utilities have disaster recovery and incident response plans in place to protect their businesses from information technology service interruptions. The disaster recovery plans are established to help prevent the loss of customer data, service interruptions and disruptions to operations or damage to important facilities. In addition, the Utilities also maintain cyber liability insurance that covers certain damages caused by cyber incidents.

Despite the Utilities security measures, all of their systems are vulnerable to disability, failures or unauthorized access caused by natural disasters, cybersecurity incidents, security breaches, user error, unintentional defects created by system changes, military or terrorist actions, power or communication failures or similar events.

To date, the Utilities are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect the Utilities, including their business strategy, results of operations or financial condition. For further information, see "The Company is subject to information technology and operational system failures, network disruptions, cyber attacks and breaches in data security that could materially and adversely affect its businesses and reputation" in Item 1A. Risk Factors.

Governance. Cybersecurity governance is a critically important part of managing security and risk, and helps ensure that the Utilities' cybersecurity program aligns with its business objectives, complies with government and industry regulations, and achieves the goals that leadership has set out for managing security and risk.

The Company's Board of Directors oversees risks from cybersecurity threats. Oversight includes quarterly or as needed reporting from the CISO on the overall cybersecurity risk reduction program maturity, emerging and current cybersecurity risks, and the cybersecurity threat landscape.

The CISO has over 30 years of experience in assessing and managing cyber risks, is responsible for day-to-day management of cybersecurity risks and regularly reports to the Board of Directors through the CWG.

Bank

Digital information, information technology and automation are essential components of the ASB's operations and growth strategy. ASB relies on evolving and increasingly complex operational and information systems, networks and other technologies, which are interconnected with the systems and network infrastructure owned by third parties to support a variety of business processes and activities. Such activities include delivery of banking services to retail and commercial customers, customer relationship management and processing financial information and results of operations for internal and external reporting purposes. We primarily use third-party systems and infrastructure to create, collect, store, and process sensitive information, including personal information of customers, employees and their dependents.

ASB's Management Committee establishes the Bank's strategy and makes risk-informed decisions, which includes assessing and responding to cybersecurity risk. The Bank's Risk Committee of the Board of Directors oversee risks from cybersecurity threats. Oversight includes quarterly or as needed reporting on cybersecurity risk management activities, program maturity, current and emerging cybersecurity risks, and the cybersecurity threat landscape. ASB maintains a cybersecurity program that is integrated into the overall risk management program and is overseen by the Director, Information Security and governed by an Information Security policy, standards and procedures. The cybersecurity program employs a risk-based approach for managing risks through a combination of automated tools, manual processes, and third-party assessments to identify, assess, mitigate and monitor potential cybersecurity risks. In addition to policies, standards and procedures, ASB's cybersecurity program also includes periodic risk and maturity assessments, awareness and training, monitoring, and an incident response plan.

Periodic risk assessments are conducted that are aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework and ASB leverages the results of such assessments to help optimize security investments and advance the cybersecurity program's maturity and security posture over time. The Bank's Risk Committee of the Board annually reviews and approves ASB's Information Security Policy and Gramm-Leach-Bliley Act programs and receives quarterly, or as needed, reporting on any key cybersecurity developments.

The Bank actively monitors cybersecurity developments and is involved in various industry groups and cybersecurity professional organizations. While the Bank continues to make investments in the cybersecurity program, including personnel, technologies and training of Bank personnel, there can be no assurance that these systems or their expected functionality will be implemented, maintained, or expanded effectively; nor can security measures completely eliminate the possibility of a cybersecurity breach.

While in depth processes and technological solutions are in place to help minimize the potential for a successful cyberattack, ASB maintains a cybersecurity incident response plan to help ensure a timely, consistent and compliant response to actual or attempted cybersecurity incidents. The Response Plan includes (1) detection, (2) analysis, which may include timely notice to the Board if deemed material or appropriate, (3) containment, (4) eradication, (5) recovery and (6) post-incident review.

ASB maintains a formal information security training program for all teammates that includes training on matters such as phishing and email security best practices. Teammates are also required to complete compulsory training on data privacy and the Code of Conduct.

The Bank engages with third parties to assess and test its cybersecurity posture including having independent third parties perform internal and external penetration testing as well as social engineering and phishing testing of teammates. Results of third-party testing are reported to the Management Committee and Risk Committee of the Board.

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ASB relies on its information technology systems and networks in connection with many of its business activities. Some of these networks and systems are managed by third-party service providers and are not under the Bank's direct control. The Bank has implemented processes to manage the cybersecurity risks associated with its use of third-party service providers.

To date, ASB is not aware of any risks from cybersecurity threats, including or as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect the Bank, including their business strategy, results of operations or financial condition. For further information, see "Cybersecurity Events or other disruptions of our information technology systems could adversely affect our business" in Item 1A, Risk Factors of this Annual Report.

Other segment

HEI does not have an information technology (IT) or cybersecurity risk management (CRM) department, including the resources or expertise, to manage IT/CRM-related matters and processes. HEI relies on Hawaiian Electric to provide most of its IT/CRM-related services pursuant to a Service Level Agreement (SLA), amended, as of November 1, 2023 between HEI and Hawaiian Electric. HEI also employs third party cybersecurity consultants to assist in managing CRM-related matters. The SLA outlines specific services that Hawaiian Electric provides to HEI which includes support on all IT/CRM-related matters, IT service desk support, electronic file storage and backup, hardware and software installation, inventory and maintenance, standard networking and telecommunication support, and other various IT/CRM matters, including periodic reporting to HEI's board of directors and CWG. Refer to Hawaiian Electric's cybersecurity discussion for more information.

The SLA services provide by Hawaiian Electric are mainly for applications and systems on Hawaiian Electric's infrastructure, networks and servers. The SLA does not cover support for certain software applications that were procured outside of Hawaiian Electric's procurement and IT policies and procedures. These include the HEI's general ledger application itself, excluding the infrastructure that the general ledger application is installed on, and certain cloud-based software. Although these applications are not supported by Hawaiian Electric, security measures and internal control procedures related to user access and periodic security reviews have been implemented on these applications and are performed on an on-going basis in accordance with Hawaiian Electric's IT policies and procedures. These controls are required to protect HEI's financial and other sensitive information, as well as to prevent cybersecurity breaches on Hawaiian Electric's infrastructure, networks and servers. In the event of a cybersecurity breach on these unsupported applications, HEI employs third party cybersecurity consultants to assess and resolve issues resulting from a breach, depending on its severity. Hawaiian Electric may also provide guidance and support to assist HEI in assessing and resolving cybersecurity breaches. HEI has also formulated disaster recovery plans, which are updated on an annual basis, involving all of its applications, including those applications not supported by Hawaiian Electric.

HEI's cybersecurity governance is primarily integrated within Hawaiian Electric's cybersecurity governance plan and processes. HEI's board of directors and CWG are tasked with overseeing risks from cybersecurity threats through routine quarterly, or as needed, updates and periodic deep-dive sessions. These updates provide updates on cybersecurity incidents, as well as overall cybersecurity risk reduction program maturity, emerging and current cybersecurity risks, and the cybersecurity threat landscape.

The HEI CFO oversees all IT and cybersecurity matters at HEI, including having oversight responsibility for the services delivered under the SLA. Since the HEI CFO does not have the expertise in cybersecurity, the HEI CFO works with the Hawaiian Electric CISO and, if necessary, with third-party cybersecurity consultants on assessing, identifying, and managing material cybersecurity matters impacting HEI. There were no cybersecurity incidents that have materially affected or are reasonably likely to materially affect HEI, including its business strategy, results of operations or financial condition.

ITEM 2. PROPERTIES

HEI and Hawaiian Electric: See the "Properties" sections under "HEI," "Electric utility" and "Bank" in Item 1. Business above.

ITEM 3. LEGAL PROCEEDINGS

HEI and Hawaiian Electric: HEI and Hawaiian Electric (including their direct and indirect subsidiaries) may be involved in ordinary routine PUC proceedings, environmental proceedings and/or litigation incidental to their respective businesses. See the

descriptions of legal proceedings (including judicial proceedings and proceedings before the PUC and environmental and other administrative agencies) in "Item 1. Business," in HEI's MD&A and in the Notes 32, 4 and 45 of the Consolidated Financial Statements. The outcomes of litigation and administrative proceedings are necessarily uncertain and there is a risk that the outcome of such matters could have a material adverse effect on the financial position, results of operations or liquidity of HEI or one or more of its subsidiaries for a particular period in the future.

ITEM 4. MINE SAFETY DISCLOSURE

HEI and Hawaiian Electric: Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS (HEI)

The executive officers of HEI are listed below. Mss. Kimura and Teranishi are officers of HEI subsidiaries rather than of HEI, but are deemed to be executive officers of HEI under SEC Rule 3b-7 promulgated under the 1934 Exchange Act. HEI executive officers serve from the date of their initial appointment and are reappointed annually by the HEI Board (or annually by the applicable HEI subsidiary board), and thereafter are appointed for one-year terms or until their successors have been duly appointed and qualified or until their earlier resignation or removal. HEI executive officers may also hold offices with HEI subsidiaries and affiliates in addition to their current positions listed below.

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Name	Age	Business experience for last 5 years and prior positions with the Company
Scott W. H. Seu	57 58	HEI President and Chief Executive Officer since 1/22 HEI Director since 1/22 ASB Chair of the Board Director since 1/22, Chair 1/22 to 8/23 ASB Hawaii Director since 1/22 · Hawaiian Electric President and Chief Executive Officer, 2/20 to 12/21 · Hawaiian Electric Director, 2/20 to 12/21 · Hawaiian Electric Senior Vice President, Public Affairs, 1/17 to 2/20 · Hawaiian Electric Vice President, System Operation, 5/14 to 12/16 · Hawaiian Electric Vice President, Energy Resources and Operations, 1/13 to 4/14 · Hawaiian Electric Vice President, Energy Resources, 8/10 to 12/12 · Hawaiian Electric Manager, Resource Acquisition Department, 3/09 to 8/10 · Hawaiian Electric Manager, Energy Projects Department, 5/04 to 3/09 · Hawaiian Electric Manager, Customer Installations Department, 1/03 to 5/04 · Hawaiian Electric Manager, Environmental Department, 4/98 to 12/02 · Hawaiian Electric Principal Environmental Scientist, 1/97 to 4/98 · Hawaiian Electric Senior Environmental Scientist, 5/96 to 12/96 · Hawaiian Electric Environmental Scientist, 8/93 to 5/96
Scott T. DeGhetto	Paul K. Ito 52 60	HEI Executive Vice President, Chief Financial Officer and Treasurer, since 1/10/23 · HEI Vice President - Tax, Controller and Treasurer and Interim Chief Financial Officer, 7/22 to 12/22 · HEI Vice President - Tax, Controller and Treasurer, 11/19 to 7/22 · HEI Vice President - Tax and Controller, 2/18 to 11/19 · Prior to joining the Company in 2018: Alexander October 2023: Moelis & Baldwin, Senior Vice President, Chief Financial Officer and Treasurer 2012 - 2018 Company, Managing Director, Power, Utilities & Renewable Energy, 2011-2023.
Kurt K. Murao	53 54	HEI Executive Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary since 1/20 · HEI Vice President - Legal & Administration and Corporate Secretary, 10/16 to 12/19 · HEI Associate General Counsel, 3/11 to 10/16
Shelee M. T. Kimura	49 50	Hawaiian Electric President and Chief Executive Officer since 1/22 · Hawaiian Electric Senior Vice President, Customer Service and Public Affairs, 3/21 to 12/21 · Hawaiian Electric Senior Vice President, Customer Service, 2/19 to 3/21 · Hawaiian Electric Senior Vice President, Business Development & Strategic Planning, 1/17 to 2/19 · Hawaiian Electric Vice President, Corporate Planning & Business Development, 5/14 to 1/17 · HEI Director, Investor Relations, Strategic Planning & Budget, 11/09 to 5/14 · HEI Manager, Corporate Finance and Investments, 8/04 to 11/09
Ann C. Teranishi	48 49	ASB President and Chief Executive Officer since 5/21 ASB Director since 5/21 · ASB Executive Vice President, Operations, 2/18 to 5/21 · ASB Senior Vice President, Director of Operations, 1/17 to 1/18 · ASB Senior Vice President, Customer Experience, 5/14 to 1/17 · ASB Senior Vice President, Director of Retail Credit Management, 4/13 to 4/14 · ASB Senior Vice President, Director of Consumer Credit Management, 4/11 to 4/13 · ASB Senior Vice President, Director of Regulatory Compliance, 9/07 to 3/11

Family relationships; executive arrangements

There are no family relationships between any HEI executive officer and any other HEI executive officer or any HEI director or director nominee. There are no arrangements or understandings between any HEI executive officer and any other person pursuant to which such executive officer was selected.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

HEI:

Certain of the information required by this item is disclosed in Note 14, 15, "Regulatory restrictions on net assets" and "Equity compensation plan information" under "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" of this Form 10-K.

HEI's common stock is traded on the New York Stock Exchange under the ticker symbol "HE." The total number As of February 15, 2024, HEI had 4,753 registered shareholders (i.e., holders of record of HEI common stock (i.e. stock), registered holders) as 16,928 DRIP participants and total record shareholders of February 13, 2023, was 4,990. On February 10, 2023, the HEI Board of Directors approved a 1 cent increase in the quarterly dividend from $0.35 per share to $0.36 per share, starting with the dividend in the first quarter of 2023. HEI currently expects to maintain the dividend at its present level; however, the 21,681. The HEI Board of Directors evaluates the dividend quarterly and considers many factors in the evaluation including, but not limited to, the Company's results of operations, the long-term prospects for the Company, and the current and expected future economic conditions. In August 2023, due to the potential impact from the Maui windstorm and wildfires, the HEI Board of Directors voted to suspend the quarterly cash dividend, starting after the second quarter of 2023 dividend. This action is intended to allow the Company to maximize liquidity and allocate cash to rebuilding and restoring power and help ensure a strong future for the Utility and Bank.

Purchases of HEI common shares were made during the fourth quarter to satisfy the requirements of certain plans as follows:

ISSUER PURCHASES OF EQUITY SECURITIES

Period*	Total Number of Shares Purchased **	Average Price Paid per Share **	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 to 31, 2022	19,933	$ 35.60	—	NA
November 1 to 30, 2022	12,776	38.70	—	NA
December 1 to 31, 2022	164,435	40.89	—	NA
Total	197,144		—	NA

Period*	Total Number of Shares Purchased **	Average Price Paid per Share **	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 to 31, 2023	22,544	$ 12.38	—	NA
November 1 to 30, 2023	10,401	12.93	—	NA
December 1 to 31, 2023	39,788	13.52	—	NA
Total	72,733		—	NA

NA Not applicable.

* Trades (total number of shares purchased) are reflected in the month in which the order is placed.

** The purchases were made to satisfy the requirements of the HEI Dividend Reinvestment and Stock Purchase Plan (DRIP), the Hawaiian Electric Industries Retirement Savings Plan (HEIRSP), and the ASB 401(k) Plan for shares purchased for cash or by the reinvestment of dividends by participants under those plans and none of the purchases were made under publicly announced repurchase plans or programs. Average prices per share are calculated exclusive of any commissions payable to the brokers making the purchases for the DRIP, the HEIRSP and the ASB 401(k) Plan. Of the "Total number of shares purchased," 167,202 2,194 of the 197,144 72,733 shares were purchased for the DRIP; 23,976 63,800 of the 197,144 72,733 shares were purchased for the HEIRSP; and the remaining of the 5,966 6,739 shares were purchased for the ASB 401(k) Plan. The repurchased shares were issued for the accounts of the participants under registration statements registering the shares issued under these plans.

Hawaiian Electric:

Since a corporate restructuring on July 1, 1983, all the common stock of Hawaiian Electric has been held solely by its parent, HEI, and is not publicly traded. Accordingly, information required with respect to "Market information" and "holders" is not applicable to Hawaiian Electric.

The dividends declared and paid on Hawaiian Electric's common stock for the quarters of 2022 2023 and 2021 2022 were as follows:

Quarters ended	Quarters ended	2022	2021	Quarters ended	2023	2022
(in thousands)	(in thousands)					
March 31	March 31	$ 31,475	$ 27,925			
June 30	June 30	31,475	27,925			
September 30	September 30	31,475	27,925			

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December 31	December 31	31,475	27,925
Total	Total	$125,900	$111,700

Also, see “Liquidity and capital resources” in HEI’s MD&A.

See the discussion of regulatory and other restrictions on dividends or other distributions in Note 14 15 of the Consolidated Financial Statements.

ITEM 6. [RESERVED]

HEI and Hawaiian Electric: Not applicable.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

HEI and Hawaiian Electric (in the case of Hawaiian Electric, only the information related to Hawaiian Electric and its subsidiaries):

The following discussion should be read in conjunction with the Consolidated Financial Statements and the related Notes that appear in Item 8 of this report. For information on factors that may cause HEI’s and Hawaiian Electric’s actual future results to differ from those currently contemplated by the relevant forward-looking statements, see “Cautionary Note Regarding Forward-Looking Statements” at the front of this report and “Risk Factors” in Item 1A. The general discussion of HEI’s consolidated results should be read in conjunction with the Electric utility and Bank segment discussions that follow.

HEI Consolidated

Executive overview and strategy. HEI is a holding company with operations primarily focused on Hawaii’s electric utility and banking sectors. In 2017, HEI formed Pacific Current to make investments in non-regulated renewable energy and sustainable infrastructure projects. HEI has three reportable segments—Electric utility, Bank, and Other.

Electric utility. Hawaiian Electric, Hawaii Electric Light and Maui Electric (Utilities) are regulated operating electric public utilities engaged in the production, purchase, transmission, distribution and sale of electricity on the islands of Oahu; Hawaii; and Maui, Lanai and Molokai, respectively.

Bank. ASB is a full-service community bank serving both consumer and commercial customers in the State of Hawaii and has 38 35 branches on the islands of Oahu (27) (25), Maui (5) (4), Hawaii (3), Kauai (2), and Molokai (1).

Other. The Other segment comprises the results of Pacific Current, which invests in non-regulated clean energy and sustainable infrastructure in the State of Hawaii to help reach the state’s sustainability goals, and HEI’s corporate-level operating, general and administrative expenses.

A major focus of HEI’s financial strategy is to grow core earnings/profitability at the Utilities, Bank and Pacific Current in a controlled risk manner and optimize operating, capital and tax efficiencies in order to support its dividend and deliver shareholder value. Together, HEI’s unique combination of power, sustainable investments, and financial services companies provides the Company with a strong balance sheet and the financial resources to invest in the strategic growth of its subsidiaries, while providing an attractive dividend for investors.

Recent developments. New 7-day average daily COVID-19 case counts in Hawaii have declined to low levels following peaks On August 8, 2023, a number of brush fires in the daily average case counts earlier West Maui (Lahaina) and Upcountry Maui areas caused widespread property damage, including damage to property of the Utilities, and 101 confirmed fatalities in Lahaina at this time (the Maui windstorm and wildfires). The Maui windstorm and wildfires were fueled by extreme winds and drought-like conditions in those parts of Maui. According to the Maui Police Department’s Preliminary After-Action Report, in addition to the loss of life, over 3,450 acres burned and over 3,000 structures were destroyed in those areas. In Lahaina, a fire was reported at about 6:30 a.m. (the “Morning Fire”) and appears to have been caused by power lines that fell in high winds and spread into a field near Lahaina Intermediate School. The Maui Fire Department responded promptly to the Morning Fire, and according to the Fire Department’s public statement that morning, by 9 a.m. the Morning Fire was “100% contained.” The Maui fire chief subsequently reported that the Fire Department had determined that the Morning Fire was “extinguished” and left the scene. Shortly before 3 p.m. that day, while the power remained off, Utility crew members saw a small fire in the year. The 7-day average daily case count remains relatively stable at 84 as of February 13, 2023 same field about 75 yards away from Lahainaluna Road. They immediately called 911 and reported the fire (the “Afternoon Fire”). Hospitalizations have remained at low levels with approximately 79% At the time of the state’s population vaccinated with at least one dose Afternoon Fire, the Company’s power lines in the area where that fire ignited were not energized and approximately 27% had not been energized for more than six hours. By the time the Maui Fire Department arrived back on the scene, it was not able to contain the Afternoon Fire and it spread out of control toward Lahaina. No determination as to the cause of the state’s population received a booster Afternoon Fire has been made. The Company believes that most of the property damage and all of the fatalities are from the Afternoon Fire.

The circumstances surrounding the Maui windstorm and wildfires are currently the subject of several investigations.

As of February 27, 2024, HEI and the Utilities have each been named in 108 lawsuits related to the Maui windstorm and wildfires. These civil and class action lawsuits have been filed in the last 12 months as Maui and Oahu Circuit Courts against HEI, the Utilities, and other defendants, including the County of February 13, 2023.

In March 2022, Maui, the State of Hawaii and related state ended entities, private landowners and developers, and telecommunications companies (collectively, “tort-related legal claims”). Most of these lawsuits allege that the Safe Travels program defendants were responsible for, domestic U.S. travelers and/or negligent in failing to prevent or respond to the wildfires that led to the property destruction and loss of life. Other claims include, among other things, personal injury, wrongful death, emotional distress and inverse condemnation. One lawsuit asserting similar theories and claims was filed by the County of Maui against HEI and the indoor mask mandate. On June 12, 2022, Utilities and two other lawsuits were filed by approximately 160 subrogation insurers against HEI, the U.S. Centers for Disease Control Utilities, a private landowner, and Prevention ended telecommunication companies. Additional lawsuits may be filed against the requirement that required air passengers traveling from a foreign country Company and other defendants in the future. The plaintiffs seek to recover damages and other costs, including punitive damages. In addition to the United States to show a negative COVID-19 test before boarding their flight. On October 11, 2022, Japan eliminated the daily entry cap into Japan, which had made travel to and from Hawaii more difficult. The loosening of these COVID-19 restrictions has led to an improvement in economic conditions in Hawaii over the past year. However, new variants could present potential risks to the ongoing economic recovery. At this time, tort-related legal claims, the Company does not expect that COVID restrictions will be reinstated, but will continue is also involved in a securities class action and three shareholder lawsuits. Refer to monitor the situation.

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In 2022, total tourism passenger counts increased 34% compared to 2021 as increased vaccination rates allowed for the elimination of COVID-19 restrictions in many of Hawaii's tourism markets. Domestic tourism has recovered significantly and exceeded pre-pandemic levels, with 9.6 million domestic passengers traveling to Hawaii in 2022 compared to 8.7 million passengers in 2019. However, international passenger counts remain below pre-pandemic levels with 0.8 million international passengers traveling to Hawaii in 2022 compared with 2.8 million passengers in 2019. However, with the recent lifting of travel restrictions in Japan, Hawaii's largest international tourism market, international tourism counts are expected to continue to improve in 2023.

With the improvement in tourism and economic activity in 2022, the Utilities' kWh sales in 2022 have increased 1.1% above 2021 levels, but were 4.4% below pre-pandemic levels. While the level of kWh sales does not affect Utility revenues due to decoupling, it may increase or decrease the price per kWh paid by customers. See "Decoupling" in Note 32 of the Consolidated Financial Statements for a discussion of the decoupling mechanism.

At the Bank, an improving Hawaii economy helped fuel loan growth and has supported stable credit trends. Loan growth in 2022 was broad based, driven by the improvement in Hawaii's economy, and required additional provision for credit losses. more information on these lawsuits.

However, the additional provision was partially offset by the release of credit loss reserves as a result of improved credit quality, resulting in a $2.0 million provision for credit losses in 2022, compared to a $25.8 million negative provision for credit losses in 2021. The higher interest rate environment and higher earning asset balances benefited net interest income, which increased $15.4 million to $252.6 million in 2022 compared to net interest income of $237.2 million in 2021. The increase in net interest income was partially offset by higher other borrowings and higher cost of funds. Additional federal funds rate increases may not further increase the Bank's net interest margin if core deposit growth ceases and funding is replaced with other borrowings. The higher interest rate environment also reduced the fair value of the Bank's investment portfolio, which was recorded as an other comprehensive loss (see "Transfer of available-for-sale securities to held-to-maturity" in Note 4 of the Consolidated Financial Statements).

In 2022, inflation increased rapidly as reflected in the U.S. Consumer Price Index (CPI). While inflationary pressures, as measured by CPI, appear to have peaked in June 2022, inflation remains elevated at 6.4% as of February 15, 2023. In addition, fuel costs have risen rapidly and remain at elevated levels. Fuel costs for 2022 were up 76.7% compared to 2021. Short-term interest rates have also increased significantly following the Federal Reserve's ongoing rate increases to the federal funds target rate. These inflationary pressures are expected to continue into 2023 and have led to higher costs for O&M and capital projects and higher interest expense at the Utility and HEI, as well as higher compensation and benefits cost at the bank.

For further discussion of the impacts of the COVID-19 pandemic, fuel prices and other macro-economic factors impacting the Utilities and the Bank, see "Recent Developments" in the Electric Utility and Bank sections below. There has been no material impact on the "Other" segment and Pacific Current as a result of the COVID-19 pandemic as the primary businesses of Pacific Current are supported by PPAs that provide for contractual cash flows with credit-worthy counterparties.

Environmental, Social & Governance. Sustainability. At HEI, environmental, social and governance (ESG) sustainability principles and sustainability have long been embedded as applicable within the Company's activities and are integral to the Company's efforts to create value for all of its stakeholders. With all of its operations isolated in the middle of the Pacific Ocean, the Company's long-term health and financial performance is inextricably linked with the strength of the Hawaii economy, its communities, and the environment. That is why long-term shareholder and broader stakeholder value are both served by the Company's efforts to serve as a catalyst for a better Hawaii.

In 2021, the Company identified a number of priorities that reflect the essential connection between the health of Hawaii's environment, economy and communities and HEI's long-term success. The key ESG sustainability priorities the Company is working to advance include:

- decarbonizing the Company's operations and the broader Hawaii economy;
- promoting Hawaii's economic health and improving affordability for all residents;
- ensuring reliability resilience as the Company adapts to a changing climate, which is exacerbating conditions that can lead to increasing risk of droughts, severe storms, flooding, wildfires and other extreme weather events and natural disasters;
- maintaining resilience as the Company navigates the clean energy transition and adapts to a changing climate; transition;
- advancing digitalization of the Company's operations to better serve customers and increase efficiency while protecting against cyber-security challenges;
- promoting diversity, equity and inclusion both within the Company and in the ways the Company interacts with and impacts external stakeholders;
- increasing employee engagement; and
- identifying and integrating climate-related risks and opportunities throughout the Company's planning and decision-making.

The Company has also focused on ensuring that ESG sustainability considerations are appropriately integrated into governance structures, strategies and risk management. This includes:

- Integration of Board oversight of important ESG sustainability matters into its existing governance structures and processes. processes across companies. This includes full HEI Board review of ESG-related sustainability-related strategies, Audit & Risk Committee oversight of ESG sustainability-related risks, Compensation & Human Capital Management Committee responsibility for ESG-related sustainability-related compensation matters and human capital management and Nominating and Corporate Governance Committee responsibility for ensuring an appropriate board governance framework is in place with respect to ESG. sustainability.
- Robust ESG sustainability and risk management expertise among board members, including directors with direct experience in renewable energy, climate change policy and strategy, and risk and environmental management.
- Expanded ESG sustainability goals as part of HEI and Utility executive incentive compensation.
- ESG Sustainability considerations explicitly woven into strategic planning efforts and enterprise risk management processes.

The Company is committed to transparency and providing information to allow customers, community leaders, investors and other stakeholders to understand how the Company's strategies and operations advance ESG sustainability objectives and contribute to long-term stakeholder value creation.

The Company issued its first ESG consolidated sustainability report in September 2020. The report encompassed ESG policies, principles and results reported during 2019 across the Company's two primary operating subsidiaries, Hawaiian Electric and ASB, and was aligned with Sustainability Accounting Standards Board (SASB) guidance—using the

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electric utilities standard for Hawaiian Electric, and the commercial banks, commercial finance, and mortgage finance standards for ASB. In April 2021, the The Company issued has since further developed its second ESG report, including sustainability reporting to include SASB disclosures for Hawaiian Electric and ASB and disclosures regarding risks and opportunities related to climate change, as well as associated risk management and governance processes, based on recommendations from the Task Force on Climate-related Financial Disclosures. It has also outlined key impacts for the Company under two climate scenarios, including a scenario targeted to limit global temperature rise to 2 degrees Celsius or lower. In April 2022, the Company issued its third and The Company's most comprehensive ESG report. The report includes HEI's first recent reports include HEI's enterprise-wide GHG emissions inventory, providing the basis to further guide the company's ESG Company's strategies and enable greater transparency around its progress on climate issues. Net enterprise-wide GHG emissions in measured categories have decreased over time, driven largely by reductions in the utility's utility's generation-related emissions intensity. The Company's ESG sustainability reports can be found at www.hei.com/esg. sustainability.

HEI consolidated results of operations.

(dollars in millions, except per share amounts)	(dollars in millions, except per share amounts)	2022	% change	2021	% change	2020	(dollars in millions, except per share amounts)	2023	% change	2022	% change	2021
Revenues	Revenues	$3,742	31	$2,850	10	$2,580						
Operating income	Operating income	381	(1)	386	24	311						
Net income for common stock												
Net income for common stock												
Net income for common stock	Net income for common stock	241	(2)	246	24	198						
Net income (loss) by segment:	Net income (loss) by segment:						Net income (loss) by segment:					
Electric utility	Electric utility	$ 189	6	$ 178	5	$ 169						
Bank	Bank	80	(21)	101	76	58						
Other	Other	(28)	15	(33)	(12)	(29)						
Net income for common stock	Net income for common stock	$ 241	(2)	$ 246	24	$ 198						
Basic earnings per share	Basic earnings per share	$ 2.20	(2)	$ 2.25	24	$ 1.81						
Diluted earnings per share	Diluted earnings per share	$ 2.20	(2)	$ 2.25	24	$ 1.81						
Dividends per share	Dividends per share	$ 1.40	3	$ 1.36	3	$ 1.32						
Weighted-average number of common shares outstanding (millions)	Weighted-average number of common shares outstanding (millions)	109.4	—	109.3	—	109.1						
Dividend payout ratio	Dividend payout ratio	64 %		60 %		73 %	Dividend payout ratio	59 %		60 %		73 %

In 2022, 2023, net income for HEI common stock decreased (2) (17)% to $199 million ($1.81 diluted earnings per share), compared to $241 million ($2.20 diluted earnings per share), compared to $246 million ($2.25 diluted earnings per share) in 2021, 2022, due to $21 million $27 million lower net income at ASB and $20 million higher net loss at the "Other" segment, partly offset by $11 million $5 million higher net income at the Utilities and $5 million lower net loss at the "other" segment. Utilities. The decrease in ASB's

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2022 2023 net income compared to 2021 2022 was primarily due to an increase a loss on the sale of investment securities and Maui wildfires related costs. The decrease in provision for credit losses in 2022 as the "Other" segment's 2023 net income compared to 2021 net income, which benefited from a negative provision of $25.8 million as result of improved credit quality as the local economy improved significantly from 2020. 2022 was primarily due to Maui windstorm and wildfires related costs and higher operating expenses at Pacific Current. The increase in the Utilities' 2022 2023 net income compared to 2021 2022 was principally due to higher ARA revenues, which included the customer dividend delivered to customers, partially offset by higher operating expenses. See "Electric utility," "Bank," and "HEI Consolidated—Other segment" sections below for additional information on year-to-year fluctuations.

The Company's effective tax rate (combined federal and state income tax rates) was comparable at 18% in 2023, compared to 20% in 2022, and 2021. primarily due to a decrease in income before income taxes in 2023, which increased the rate impact of certain tax items, higher nontaxable bank-owned life insurance, partially offset by the lower amortization in 2023 of the Utilities' regulatory liability related to certain excess deferred income taxes resulting from the Tax Act's decrease in the federal income tax rate.

For a discussion of 2020 2021 results, please refer to the "HEI consolidated results of operations" section in Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations—HEI Consolidated," in the Company's 2021 2022 Form 10-K.

Maui windstorm and wildfires related expenses, net. For 2023, the Company's incremental expenses related to the Maui windstorm and wildfires, which includes the $75 million contribution and insurance receivable as discussed in Note 2 of the Consolidated Financial Statements, were as follows:

	Year ended December 31, 2023			
(in thousands)	**Electric utility**	**Bank**	**Other segment**	**HEI Consolidated**
Maui windstorm and wildfires related expenses:				
Legal expenses	$ 24,737	$ 907	$ 9,232	$ 34,876
Outside services expense	10,532	2,798	1,492	14,822
Provision for credit losses	—	5,900	—	5,900
One 'Ohana Initiative contribution	75,000	—	—	75,000
Other expense	3,316	1,666	203	5,185
Interest expense	1,223	—	1,377	2,600
Total Maui windstorm and wildfires related expenses	114,808	11,271	12,304	138,383
Insurance recoveries[1]	(98,613)	—	(5,967)	(104,580)
Deferral treatment approved by the PUC[2]	(14,692)	—	—	(14,692)
Total Maui windstorm and wildfires related expenses, net of insurance recoveries and approved deferral treatment	**$ 1,503**	**$ 11,271**	**$ 6,337**	**$ 19,111**

1 Includes insurance receivable of $75 million related to the One 'Ohana Initiative contribution.

2 Related to the PUC's order, received on December 27, 2023, approving deferred accounting treatment for the Utilities' incremental non-labor expenses related to the August 2023 Maui windstorm and wildfires. Amounts were reclassified to a regulatory asset. See Item 1A. "Risk Factors" for further discussion of regulatory risks. See Note 2 of the Consolidated Financial Statements.

Note: Other segment Maui windstorm and wildfires related expenses - legal, outside services and other are included in "Expenses-Other" and interest expense is included "Interest expense, net—other than on deposit liabilities and other bank borrowings" on the HEI and subsidiaries Consolidated Statements of Income. See Electric utility and Bank sections below for more detail.

The Company expects the Electric utility and HEI to continue to incur significant expenditures in connection with the Maui windstorm and wildfires; however, the Company has partially mitigated the financial impact through insurance recoveries as well as the Utilities obtaining deferral treatment for incremental non-labor expense.

Other segment. The "other" business segment (loss)/income includes results of the stand-alone corporate operations of HEI, ASB Hawaii, and Pacific Current.

(in millions)	**(in millions)**	**2022**	**2021**	**Increase (decrease)**	**Primary reason(s)**	**(in millions)**	**2023**	**2022**	**Increase (decrease)**	**Primary reason(s)**
Revenue[1]	Revenue[1]	$ 12	$ 4	$ 8	Increase in other sales at Pacific Current subsidiaries.	Revenue[1]	$18	$ 12	$ 6	Increase in other sales at Pacific Current subsidiaries. Increase in other sales at Pacific Current subsidiaries.

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Operating loss[1]	Operating loss[1]	(20)	(22)	2	Lower HEI corporate operating loss ($22 million in 2022 vs. $25 million in 2021) primarily due to a decrease in incentive compensation and consulting expenses. Lower Pacific Current operating income ($2 million in 2022 vs $3 million in 2021) primarily due to higher expenses.	Operating loss[1]	(27)	(20)	(20)	(7)		(7)	Higher HEI corporate operating loss ($24 million in 2023 vs. $22 million in 2022) primarily due to $6 million of Maui windstorm and wildfires related costs in 2023, partly offset by decrease in incentive compensation expenses. Lower Pacific Current operating income ($3 million in 2023 operating loss vs $2 million in 2022 operating income) primarily due to lower asset performance.	Higher HEI corporate operating loss ($24 million in 2023 vs. $22 million in 2022) primarily due to $6 million of Maui windstorm and wildfires related costs in 2023, partly offset by decrease in incentive compensation expenses. Lower Pacific Current operating income ($3 million in 2023 operating loss vs $2 million in 2022 operating income) primarily due to lower asset performance.
Interest expense & other		(27)	(22)	(5)	Interest expense & other in 2022 was higher than in 2021 primarily due to higher interest expense at corporate (higher balances and rate) and Pacific Current (higher balances).								
Gain on sales of equity-method investment		8	—	8	Gain on sale of an equity-method investment at Pacific Current.								
						Interest expense & other, net of interest income	(37)	(27)	(10)				Interest expense & other, net of interest income in 2023 was higher than in 2022 primarily due to higher interest expense at corporate (higher balances and rate) and Pacific Current (higher balances).
						Gain (loss) on sales of equity-method investment	(1)	8	(9)				Primarily prior year gain and current year loss on sale of an equity-method investment at Pacific Current.

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Income tax benefit	Income tax benefit	11	11	—	Lower pretax loss, partly offset by higher deductible executive compensation in 2022.	Income tax benefit	17	11	11	6		6	Higher pretax loss		Higher pretax loss
Net loss	**Net loss**	$(28)	$(33)	$ 5											

1 Hamakua Energy's sales to Hawaii Electric Light (a regulated affiliate) are eliminated in consolidation.

Economic conditions.

Note: The statistical data in this section is from public third-party sources that management believes to be reliable (e.g., Department of Business, Economic Development and Tourism (DBEDT), University of Hawaii Economic Research Organization (UHERO), U.S. Bureau of Labor Statistics, Department of Labor and Industrial Relations (DLIR), Hawaii Tourism Authority (HTA), Honolulu Board of REALTORS® and national and local news media).

By the end of December 2022, the national and state COVID-19 restrictions were lifted and lower case counts across most states led to stronger demand for travel to Hawaii in In the fourth quarter, of 2022. The the average daily passenger count was 19.4% 1.7% higher than the comparable period in the prior year, but remained 7.2% below 2019. down 5.6% compared to the 2019 pre-COVID-19 count. The recovery in total passenger counts from the low levels in 2020, which occurred under COVID-19 restrictions, thus far has been driven by domestic travelers, with international travelers, primarily Japan, remaining at low lower levels, but gradually increasing. In December 2022, domestic passenger counts were up 3.3% activity is increasing compared to 2019 pre-COVID-19 levels, while international passenger counts were down 51% compared to 2019 pre-COVID-19 levels. On October 11, 2022, Japan eliminated 2022. In the daily entry cap into Japan, which had made travel to and from Hawaii more difficult. Since then, fourth quarter, international visitor arrivals (excluding Japan) have increased. continued to increase at a modest pace, but are still 16% below 2019 levels, whereas Japanese visitors are 45% below 2019 levels.

Hawaii's seasonally adjusted unemployment rate in December 2022 2023 was 3.2% 2.9%, which was lower compared to the December 2021 2022 rate of 4.3% 3.7%. The national unemployment rate in December 2022 2023 was 3.5% 3.7% compared to 3.9% 3.5% in December 2021. Hawaii's unemployment rate 2022. According to the most recent forecast by UHERO, issued on December 15, 2023, job growth in the state will decrease to 1% for 2024 and 2025. The Maui windstorm and wildfires destroyed a majority of the businesses in Lahaina, and tourism in West Maui is not expected to continue recover for some time. However, unemployment is forecasted to improve now that restrictions have been lifted be lower than initially expected, reflecting faster employment recovery and non-farm jobs are expected anticipated outflows from the labor force as some residents relocate off island. Accordingly, unemployment on Maui is predicted to average 4.4% in 2024, receding to 3.1% by 2026.

While economic conditions appear to be trending favorably, the Utilities' kWh sales in 2023 were down by 1.5%, compared to 2022 due to a decrease in Maui sales from the Maui windstorm and wildfires and the continued adoption of energy efficiency measures and distributed energy resources. While the level of kWh sales does not affect Utility revenues due to decoupling, it may increase this year. or decrease the price per kWh paid by customers. See "Decoupling" in Note 4 of the Consolidated Financial Statements for a discussion of the decoupling mechanism.

Hawaii real estate activity through December 2022, 2023, as indicated by Oahu's home resale market, resulted in an increase in the median sales price of 3.6% 1.5% for condominiums and a decrease of 0.05% 5.1% for single-family homes compared to the same period in 2021, 2022, with the December median single-family home price of $1,049,500, $996,500, below the record $1,153,500 set in May. May 2022. The number of closed sales decreased 11.8% 24.4% for condominiums and 23.2% 9.9% for single-family residential homes through the fourth quarter of 2022 2023 compared to 2021. 2022.

Hawaii's petroleum product prices reflect supply and demand in relate to the Asia-Pacific region and the price of crude oil in international markets. The price of crude oil increased significantly from January 2022 has decreased through July 2022, but started to decline in August 2022 2023 and since then, gradually increased through November 2022. September and then decreased through December, although remaining below 2022's peak.

At its February 1, 2023 December 13, 2023 meeting, the Federal Open Market Committee (FOMC) decided to raise maintain the federal funds rate target range of 5.25% - 5.50%. The FOMC is still assessing plans to 4.50%-4.75% adjust their stance on monetary policy depending on the economic outlook to achieve maximum employment and anticipates ongoing increases as appropriate. With inflation being above at the longer-run goal rate of 2 percent over the FOMC raised the federal funds rate 25 basis points and intends long run. The Federal Reserve stated that it will continue to further reduce the Federal Reserve's its holdings of Treasury securities agency debt, and agency mortgage-backed securities.

The most recent forecast Since its peak in June of 2022, monthly inflation rates have decreased as reflected in the U.S. Consumer Price Index (CPI). Although the inflation rate, as measured by CPI, appears to be cooling off from last year's peak, the rate is still at a moderately-high level of 3.4% as of December 2023. These inflationary pressures are expected to continue over the near- to medium-term and have led to higher costs for O&M and capital projects and higher interest expense at the Utilities and HEI, as well as higher compensation and benefits cost at the Bank.

UHERO issued on December 16, 2022, forecasts full year 2022 2024 real GDP growth of 2.0% 1.5%, an increase in total visitor arrivals of 36.9% 2.0%, a decrease an increase in real personal income of 6.4% 1.6%, and an unemployment rate of 3.8% 2.7%. This The Maui visitor industry has been recovering faster than anticipated and visitors to the rest of the state have reached record levels. The forecast anticipates a potential slowdown visitors to Hawaii will be nearly flat in recovery 2024, before returning to moderate growth in 2025. Hawaii has seen softer visitor spending in 2023 due to rising inflation, the disruption of high-priced Maui tourism along with the weak yen, which has weighed on Oahu spending. Real visitor spending is expected to drop in 2024 and 2025. The U.S. outperformed most advanced economies in 2023, but high interest rates have weighed on investment, and supply chain issues despite the return of Japanese visitors. However, labor market has softened. Consumer spending will slow as excess savings decrease, which will help bring inflation into the Fed's target range and achieve a "soft landing" 1.1% growth in the event of a U.S. recession, UHERO believes that Hawaii is unlikely to suffer as severely compared to the U.S. mainland due to anticipated visitor arrivals and a surge in public sector construction. Downward risks are forecasted to include ongoing global economic fallout from Russia's invasion of Ukraine, possibility of a global recession, and uncertainties of international and domestic visitor arrivals due to higher travel costs. If economic conditions worsen from current levels or remain depressed for an extended period of time, it could have a material unfavorable impact on the Company's financial position or results of operations.

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The Company expects economic conditions in Hawaii to remain relatively stable going forward, supported by the expected recovery in the international tourism market and increased construction spending in the public sector; however, it is difficult to predict the future path of the pandemic. 2024. If economic conditions worsen from current levels or remain depressed for an extended period of time, it could have a material unfavorable impact on the Company's financial position or results of operations.

See also "Recent Developments" in the "Electric utility" and "Bank" sections below for further discussion of the economic impact caused by the pandemic. of recent events.

Liquidity and capital resources. As The Company's objective continues to be to operate a strong, financially healthy enterprise to empower a thriving future for Hawaii. While the fundamentals of December 31, 2022, its businesses remain strong, the Company took prudent and measured actions to reinforce its commitment to serving the community for the long term. In August 2023, HEI and Hawaiian Electric fully drew down $175 million and $200 million, respectively, on their existing revolving credit facilities. The cash proceeds were primarily invested in highly liquid short-term investments and used for general corporate purposes. The Company has taken additional prudent measures to strengthen its financial position while continuing to provide reliable service to its customers and reinforcing our commitment to serving the community for the long term. Some of these proactive measures include suspending the quarterly cash dividend on HEI's common stock after payment of the second quarter dividend in September 2023 and reducing or eliminating discretionary costs. At ASB, approximately $185 million of investment securities primarily with below-market yields were sold with the proceeds used to pay down higher cost funding sources. The Company is working with financial advisors to maximize liquidity and believes it has adequate cash to meet its financial obligations and sustain operations in the short term.

As of December 31, 2023, HEI had approximately $50 million $175 million drawn on its revolving credit facility and $88 million of no commercial paper outstanding, respectively, and Hawaiian Electric had $39 million $137 million of cash and cash equivalents.

As of December 31, 2022 December 31, 2023, there was no balance Hawaiian Electric had $200 million drawn on HEI's its revolving credit facility and no commercial paper outstanding, and $106 million of cash and cash equivalents.

As of December 31, 2023, the total amount of available borrowing capacity (net of commercial paper outstanding) under HEI's and Hawaiian Electric's committed capacity under the revolving lines of credit facility was $175 million nil (see Note 5 6 of the Consolidated Financial Statements). As of December 31, 2022, there was no balance on Hawaiian Electric's revolving credit facility and the available committed capacity under the revolving credit facility was $200 million. As of December 31, 2022, ASB's unused FHLB borrowing capacity was approximately $1.6 billion and ASB had unpledged investment securities of $1.6 billion that were available to be used as collateral for additional borrowing capacity.

As of December 31, 2022, the total amount of available borrowing capacity (net of commercial paper outstanding) under the Company's HEI's and Hawaiian Electric's committed lines of credit was approximately $237 million $125 million and $112 million, which respectively.

As of December 31, 2023, ASB's unused FHLB borrowing capacity was a decrease approximately $1.9 billion and ASB had unpledged investment securities of approximately $84 million compared $0.6 billion that were available to December 31, 2021. be used as collateral for additional borrowing capacity.

On September 29, 2021, HEI executed a $125 million private placement, utilizing a delayed draw feature with two tranches. The first tranche of $75 million was drawn on December 29, 2021 and the proceeds were primarily used to invest in the Utilities' equity to support its capital expenditure program and maintain the Utilities' equity capitalization ratio at approximately 58%. The second and final tranche of $50 million was drawn on October 26, 2022, to refinance a portion of $150 million of debt that matured on November 20, 2022.

On September 29, 2022 March 16, 2023, HEI executed a private placement under which HEI has authorized the issue and sale of $110 $100 million of unsecured senior notes. notes that were fully drawn on May 30, 2023. The proceeds totaling $110 million of the unsecured senior notes, HEI Series 2023A for $39 million and HEI Series 2023B for $61 million, were drawn on November 1, 2022 used to refinance repay the remaining portion of the $150 million of debt that matured on November 20, 2022. See Note 6 of the Consolidated Financial Statements for additional information.

On October 20, 2022, HEI entered into a $100 million term loan facility in the aggregate principal amount of $100 million on May 31, 2023. The term loan facility allows HEI to draw down proceeds on a delayed basis through March 31, 2023, at which time the term loan commitment expires. On December 28, 2022, HEI drew $35 million on the term loan. Any borrowings under the facility mature on November 30, 2023. Borrowings under the facility Series 2023A and 2023B bear interest at Term SOFR, as defined in the agreement, plus an applicable margin 6.04% and a SOFR spread adjustment. 6.10%, respectively and are due June 15, 2028 and June 15, 2033, respectively. See Note 5 7 of the Consolidated Financial Statements for additional information.

The Company believes that its cash and cash equivalents and expected operating cash flow from subsidiaries, existing credit facilities, and access to the capital markets operations will be sufficient to meet the Company's cash requirements over in the next twelve months and beyond short term based on its current business plans. However, the Company expects that its HEI and the Utilities' liquidity will continue to be moderately impacted at as a result of the Utilities due August 2023 downgrades of their credit ratings to below investment grade which prevents the Company from accessing unsecured, short-term borrowings and will continue to have restricted access to the capital markets and other sources of debt and equity financing in a timely manner and on acceptable terms while the resolution of the Maui windstorm and wildfires and the ongoing related lawsuits are pending. Additionally, higher working capital requirements resulting from lingering COVID-19 impacts to the local economy and elevated fuel prices. prices, could also increase liquidity needs. For the Utilities, the while fuel prices have moderated from their highs in 2022, they remain elevated fuel prices and have increased the cost of carrying fuel inventory and have also resulted in higher customer accounts receivable balances as fuel is consumed and billed to customers. The higher While the accounts receivable balance which has increased by $101 million decreased since December 31, 2021, December 2022, it remains elevated coming out of the pandemic and has led to higher bad debt expense and may result in higher write-offs in 2022 and 2023, following the future. end of the moratorium on disconnections. The higher bad debt expense is expected to continue until the Utilities return to pre-pandemic collection practices, along with a decrease in volume, for delinquent accounts. The Maui windstorm and wildfires have not and are not anticipated to materially impact accounts receivable and higher bad debt expense. As of December 31, 2022 December 31, 2023, approximately $50 million $22 million of the Utilities' accounts receivables were over 30 days past due. Of the over 30 days past due amounts, approximately 17% 49% were on payment plans. In addition to the cash flow impact from delayed collection of accounts receivable, lower kWh sales relative to the level of kWh sales approved in the last rate case generally result in delayed timing of cash flows, resulting in higher working capital requirements (see "Recent Developments" in the Electric utility section below). At this time,

If further liquidity is deemed necessary in the delay in customer cash collections has not significantly affected short term, the Company's liquidity. The Company is prepared to address, if needed, Utilities could also reduce the potential financing requirement pace of capital spending related to the delayed timing of customer collections. non-essential projects, manage O&M expenses, seek borrowings on a secured basis, and explore asset sales.

At ASB, liquidity remains at satisfactory levels. ASB's cash and cash equivalents was $435 million as of December 31, 2023, compared to $156 million as of December 31,

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2022, compared to $251 million as of December 31, 2021 December 31, 2022. ASB remains well above the “well capitalized” level under the FDIC Improvement Act prompt correction action capital category, and while the Hawaii economic outlook has improved and is expected to continue to improve, remains stable, there are emerging risks from potential continued turmoil in the banking industry, inflation, higher interest rates and the tightening of monetary policy that increase the risk of a recession as well as ongoing COVID-19 risks, such as new variants, all of which could create increased uncertainty regarding the impact on loan performance and the allowance for credit losses (see “Recent Developments” in the Bank section below).

If further liquidity is deemed necessary, which is not contemplated at this time, the Utilities could also reduce the pace of capital spending related to non-essential projects. Additionally, the Company has the option to issue new shares rather than purchase currently outstanding shares on the open market to satisfy share issuances under its Dividend Reinvestment and Stock Purchase Plan program. The estimated amount of equity capital that could be raised by issuing new shares, rather than utilizing open market purchases, is estimated to be approximately $30 million on an annual basis, based on historical demand, but such future amount is dependent on a number of factors, including, without limitation, future share prices, number of shares and participants in the DRIP program, and the amount of new investment in HEI’s stock by DRIP participants.

HEI Consolidated material cash requirements. HEI’s material Material cash requirements of HEI Consolidated include: Utility related capital expenditures (including capital expenditures related to wildfires and wildfire mitigations), labor and benefit costs, O&M expenses, legal and consulting costs related to the Maui windstorm and wildfires, fuel and purchase power costs, and debt and interest payments; Bank related investments in loans and investment securities at the Bank; loans; HEI related labor and benefits costs, shareholder dividends, and debt and interest payments at HEI; and legal and consulting costs related to the Maui windstorm and wildfires; and HEI equity contributions to support Pacific Current’s sustainable infrastructure investments.

Forecasted HEI consolidated “net cash used in investing activities” (excluding “investing” cash flows from ASB) for 2023 through 2027 consists primarily of the net capital expenditures of the Utilities principally related to maintaining and modernizing the grid to allow for the integration of more renewable energy, improved customer reliability, greater system efficiency and enhanced resilience. The Utilities’ capital expenditures are approximately $2.2 billion over the next five years and are expected forecasted to be funded primarily through a combination of retained earnings and proceeds from other sources of debt issuance, and if required, contributions of equity from HEI to maintain the Utilities' equity capitalization at approximately 58% financings (see also discussion regarding other material cash requirements under “Financial Condition–Liquidity and capital resources,” contained in the “Electric utility” and “Bank” sections below). In addition to the funds required for the Utilities’ construction programs and debt maturities, with respect to HEI, over the next five years, approximately $50 million will be required in 2023 and $50 million in 2025 to repay maturing long-term debt. Debt maturities are expected to be repaid with the proceeds from existing cash on hand, and if available, the issuance of commercial paper, bank borrowings, other medium- or long-term debt, issuance of common stock and/or dividends from subsidiaries. The abilities of certain of HEI’s subsidiaries to pay dividends or make other distributions to HEI are subject to contractual and regulatory restrictions (see Note 15 of the Consolidated Financial Statements). Additional debt and/or equity financing, if available, may be utilized to invest in the Utilities, Bank or Pacific Current; to pay down commercial paper or other short-term borrowings; borrowings, if any; to pay interest costs; or to fund unanticipated expenditures, not included in the 2023 through 2027 forecast, such as increases in the costs of, or an acceleration of, the construction of capital projects of the Utilities or unanticipated utility capital expenditures. In addition, existing debt may be refinanced prior to maturity with additional debt or equity financing (or both).

Certain Maui windstorm and wildfires legal-related costs of HEI and the Utilities, including the *One ‘Ohana Initiative* contribution, are recoverable under $165 million of excess liability insurance and $145 million of directors and officers liability insurance policies (see further information in Note 2 of the Consolidated Financial Statements). As of December 31, 2023, HEI and the Utilities have approximately $66 million and $139 million of insurance coverage remaining under the excess liability and directors and officers liability policies, respectively, after deducting applicable retention amounts and estimated insurance recoveries, including the *One ‘Ohana Initiative* contribution.

Selected short-term and long-term contractual obligations and commitments. Information about payments under the specified contractual obligations and commercial commitments of HEI and its subsidiaries was as follows:

December 31, 2022																					
December 31, 2023																					
(in millions)																					
(in millions)																					
(in millions)																					
(in millions)																					
(in millions)																					
(in millions)																					
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(in millions)
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(in millions)

(in millions)	(in millions)	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Contractual obligations	Contractual obligations						Contractual obligations				
Investment in qualifying affordable housing projects	Investment in qualifying affordable housing projects	$ —	$ 60	$ 9	$ 1	$ 70					
Time certificates	Time certificates	496	94	19	3	612					
Short-term borrowings		173	—	—	—	173					
Other bank borrowings	Other bank borrowings										
Other bank borrowings	Other bank borrowings	695	—	—	—	695					
Long-term debt	Long-term debt	172	122	248	1,858	2,400					
Interest on CDs, other bank borrowings, short-term loan and long-term debt	Interest on CDs, other bank borrowings, short-term loan and long-term debt	100	179	162	780	1,221					
Operating and finance leases	Operating and finance leases										
PPAs classified as leases	PPAs classified as leases										
PPAs classified as leases	PPAs classified as leases	11	22	22	104	159					
Other leases	Other leases	23	37	24	39	123					
Service bureau contract, maintenance agreements and other	Service bureau contract, maintenance agreements and other	22	29	13	1	65					

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Hawaiian Electric open purchase order obligations[1]	Hawaiian Electric open purchase order obligations[1]	178	65	12	—	255
Hawaiian Electric fuel oil purchase obligations (estimate based on fuel oil price at December 31)	Hawaiian Electric fuel oil purchase obligations (estimate based on fuel oil price at December 31)	5	9	5	—	19
Hawaiian Electric power purchase–minimum fixed capacity charges not classified as leases	Hawaiian Electric power purchase–minimum fixed capacity charges not classified as leases	80	160	160	521	921
Liabilities for uncertain tax positions	Liabilities for uncertain tax positions	—	8	13	—	21
Total (estimated)	Total (estimated)	$1,955	$785	$687	$3,307	$6,734

1 Includes contractual obligations and commitments for capital expenditures and expense amounts.

The table above does not include other categories of obligations and commitments, such as deferred taxes, certain trade payables, amounts that will become payable in future periods under collective bargaining and other employment agreements and employee benefit plans, and potential refunds of amounts collected from ratepayers (e.g., under the earnings sharing mechanism). As of December 31, 2022 December 31, 2023, the fair value of the assets held in trusts to satisfy the obligations of the Company's retirement benefit plans did not exceed the retirement benefit plans' benefit obligation. Minimum funding requirements for retirement benefit plans have not been included in the tables table above; however, see Note 10 11 of the Consolidated Financial Statements for 2023 2024 estimated contributions.

See Note 3 4 of the Consolidated Financial Statements for a discussion of the Utilities' commitments. See Note 4 5 of the Consolidated Financial Statements for a further discussion of ASB's commitments.

Operating activities provided net cash of $551 million in 2023 and $454 million in 2022 and $376 million in 2021. 2022. Investing activities used net cash of $257 million in 2023 and $1,129 million in 2022 2022. In 2023, net cash used in investing activities was primarily due to capital expenditures and $1,180 million a net increase in 2021. loans receivable, partly offset by proceeds from sale of securities, receipt of repayments from available-for-sale investment securities, proceeds from sale of commercial loans and repayments from held-to-maturity investment securities. In 2022, net cash used in investing activities was primarily due to net increase in loans receivable, purchases of available-for-sale investment securities, capital expenditures, purchases of loans held for investment and net purchases of stock from Federal Home Loan Bank, partly offset by receipt of repayments from available-for-sale and held-to-maturity investment securities. In 2021, net cash used in investing activities was primarily due to purchases of available-for-sale and held-to-maturity investment securities, capital expenditures, and purchases of stock from Federal Home Loan Bank, partly offset by receipt of repayments from available-for-sale and held-to-maturity investment securities, proceeds from sale of available-for-sale investment securities, net decrease in loans held for investment, proceeds from sale of residential loans and redemption of stock from Federal Home Loan Bank.

Financing activities provided net cash of $196 million in 2023 and $568 million in 2022 2022. In 2023, net cash provided by financing activities included proceeds from other bank borrowings, revolving credit facilities and $756 million long-term debt, partly offset by repayment of other bank borrowings and long-term debt, net decreases in 2021. deposit liabilities, other bank borrowings and short-term borrowings and payment of common and preferred stock dividends. In 2022, net cash provided by financing activities included net increases in other short-term borrowings and proceeds from issuance of short-term and long-term debt and net increases in short-term borrowings, partly offset by repayment of long-term debt and payment of common and preferred stock dividends. In 2021, net cash provided by financing activities included net increases in deposits and proceeds from issuance of long-term debt, partly offset by payment of common and preferred stock dividends, repayment of long-term debt, short-term debt and net decreases in short-term borrowings.

For a discussion of 2020 2021 operating, investing and financing activities, please refer to the "Liquidity and capital resources" section in Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations—HEI Consolidated," in the Company's 2021 2022 Form 10-K.

Other than capital contributions from their parent company, intercompany services (and related intercompany payables and receivables), Hawaiian Electric's periodic short-term borrowings from HEI (and related interest) and the payment of dividends to HEI, the electric utility and bank segments are largely autonomous in their operating, investing and financing activities. (See the electric utility and bank segments' discussions of their cash flows in their respective "Liquidity and capital resources" sections below.) During 2022, 2023, Hawaiian Electric and ASB (through ASB Hawaii) paid cash dividends to HEI of $126 million $129 million and $42 million $39 million, respectively.

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In August 2023, due to the potential impact from the Maui windstorm and wildfires, the HEI Board of Directors voted to suspend the quarterly cash dividend, starting after the second quarter dividend. This action is intended to allow the Company to provide additional liquidity and allocate cash to rebuilding and restoring power and help ensure a strong future for the Utilities and Bank. The ASB Board of Directors determined to suspend its quarterly cash dividends to HEI, starting after the second quarter dividend, to help ensure maximum possible Bank liquidity and capital. The Hawaiian Electric Board of Directors reduced its fourth quarter cash dividend to HEI, from $32 million in the third quarter, to $13 million, to allow the Utilities to devote more resources to restoration work on Maui and to make critical capital investments, including for wildfire mitigation. A material reduction or delay in dividends or other distributions from one or more of the operating subsidiaries to HEI for an extended period of time could have a material adverse effect on the Company's financial condition and results of operation.

A portion of the net assets of Hawaiian Electric and ASB is not available for transfer to HEI in the form of dividends, loans or advances without regulatory approval. In the absence of an unexpected material adverse change in the financial condition of the electric utilities or ASB, such restrictions are not expected to significantly affect the operations of HEI its ability to pay dividends on its common stock or its ability to meet its debt or other cash obligations. See Note 14 15 of the Consolidated Financial Statements.

The Although the Company's credit rating downgrades related to the Maui windstorm and wildfires will continue to adversely impact its ability to access capital markets and other sources of debt and equity financing, if at all, in a timely manner and on acceptable terms, the Company currently believes that its ability to generate cash, both internally from electric utility and banking operations and externally from issuances of equity and debt securities, as well as bank borrowings, the existing cash fully drawn on its revolving credit facilities is adequate to maintain sufficient liquidity to fund its contractual obligations and commercial commitments, its forecasted capital expenditures and investments, its expected retirement benefit plan contributions and other short-term and long-term material cash requirements. requirements in the short term. However, in the long-term, any material reduction or extended delay in dividends or other distributions from one or more operating subsidiaries to HEI and the potential damages and losses related to the Maui windstorm and wildfires and related lawsuits (see further information in Note 2 of the Consolidated Financial Statements), the economic impact of higher fuel prices, inflation, higher interest rates, tightening of monetary policy and the ongoing COVID-19 pandemic, geopolitical situations, create significant uncertainty, and the Company cannot predict the extent or duration of these conditions, the future effects that these factors conditions will have on the global, national or local economy, including the impact on the Company's cost of capital and its ability to access additional capital, or the future impacts on the Company's financial position, results of operations, and cash flows. See Item 1A. "Risk Factors" in Part I for further discussion of risks and uncertainties.

The consolidated capital structure of HEI (excluding deposit liabilities and other bank borrowings) was as follows:

December 31 (dollars in millions)	December 31 (dollars in millions)	2022		2021		December 31 (dollars in millions)	2023			2022		
Short-term borrowings, net—other than bank	Short-term borrowings, net—other than bank	$ 173	3 %	$ 54	1 %	Short-term borrowings, net—other than bank	$ —	—	— %	$ 173	3	3 %
Long-term debt, net—other than bank	Long-term debt, net—other than bank	2,385	50	2,322	48							
Preferred stock of subsidiaries	Preferred stock of subsidiaries	34	1	34	1							
Common stock equity	Common stock equity	2,202	46	2,391	50							
		$ 4,794	100 %	$ 4,801	100 %		$ 5,221	100	100 %	$ 4,794	100	100 %

HEI's commercial paper borrowings and line of credit facility were as follows:

(in millions)	(in millions)	Year ended December 31, 2022 Average balance	End-of-period balance	December 31, 2021	(in millions)	Year ended December 31, 2023 Average balance	End-of-period balance	December 31, 2022
Commercial paper	Commercial paper	$ 50	$ 50	$ 54				
Line of credit draws on revolving credit facility	Line of credit draws on revolving credit facility	—	—	—				

Note: This table does not include Hawaiian Electric's separate commercial paper issuances and line of credit facilities and draws on its revolving credit facility, which are disclosed below under "Electric utility—Liquidity and capital resources" below. . The maximum amount of HEI's short-term commercial paper borrowings in 2022 2023 was $80 $99 million. As of December 31, 2022, December 31, 2023, available committed capacity under HEI's line of credit facility was $175 million. nil.

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Prior to the Maui windstorm and wildfires, HEI utilizes utilized short-term debt, typically commercial paper, to support normal operations, to refinance commercial paper, to retire long-term debt, to pay dividends and for other temporary requirements, including short-term financing needs of its subsidiaries. HEI also periodically makes short-term loans to Hawaiian Electric to meet Hawaiian Electric's cash requirements, including the funding of loans by Hawaiian Electric to Hawaii Electric Light and Maui Electric, but no such short-term loans to Hawaiian Electric were outstanding as of December 31, 2022 December 31, 2023. Historically, HEI also periodically utilizes utilized unsecured long-term debt, historically unsecured indebtedness, to fund investments in and loans to its subsidiaries to support their capital improvement or other requirements, to repay long-term and short-term indebtedness and for other corporate purposes. As The downgrades of December 31, 2022, HEI's credit ratings will impact HEI's ability to access capital markets and other sources of debt maturities and equity financing, if at all, in 2023 include $50 million of long-term debt that matures in March 2023. a timely manner and on acceptable terms.

See Notes 5 6 and 6 7 of the Consolidated Financial Statements for a brief description of the Company's loans.

The rating of HEI's commercial paper and debt securities could significantly impact In August 2023, the ability credit ratings of HEI and Hawaiian Electric were subject to sell its commercial paper multiple downgrades, including to ratings below investment grade, by Fitch, Moody's and issue debt securities and/or S&P. These rating actions were primarily due to the cost uncertainty facing the Company due to the damages caused by the Maui windstorm and wildfires. From prior to the August 2023 downgrades, to as of such debt. As of February 13, 2023 February 15, 2024, the Fitch, Moody's and S&P ratings of HEI were as follows:

	Fitch		Moody's		S&P	
	To	From	To	From	To	From
Long-term issuer default, long-term corporate family and issuer credit, respectively	B	BBB BBB+	WR* B1[1]	WR[1]	B-	BBB-
Commercial Short-term issuer default, commercial paper and commercial paper, respectively	F3 B	F2	NP	P-2	B	A-3
Outlook	Positive Watch Negative	Stable	Stable[2]	Stable	Watch Negative	Stable

* [1] Prior to the August 2023 downgrades, Moody's long-term debt rating was withdrawn because HEI does did not currently have any outstanding, publicly traded debt. In December 2023, Moody's assigned HEI a long-term corporate family rating of "B1." Moody's continues to rate Hawaiian Electric's long-term debt. See 'Electric utility–Liquidity and capital resources' below.

[2] In December 2023, Moody's revised HEI's outlook from "Review for Downgrade" to "Stable" due to several positive developments, including proactive efforts by the State of Hawaii to develop a plan to address the financial and legal issues raised by the wildfires.

Note: The above ratings reflect only the view, at the time the ratings are issued or affirmed, of the applicable rating agency, from whom an explanation of the significance of such ratings may be obtained. Such ratings are not recommendations to buy, sell or hold any securities; such ratings may be subject to revision or withdrawal at any time by the rating agencies; and each rating should be evaluated independently of any other rating.

See "Credit and Capital Market Risk" in Item 1A. Risk Factors. The downgrades of HEI's and Hawaiian Electric's credit ratings impacted the Company's ability to access capital markets and other sources of debt and equity financing, if at all, in a timely manner and on HEI's acceptable terms.

There were no new issuances of common stock through the HEI DRIP, HEIRSP or the ASB 401(k) Plan in 2023, 2022 2021 or 2020 2021 and HEI satisfied the share purchase requirements of the DRIP, HEIRSP and ASB 401(k) Plan through open market purchases of its common stock. There were no new issuances of common stock through the Dividend Reinvestment Program (DRIP) from January 2023 through September 4, 2023, December 6 through December 31, 2023, in 2022 or in 2021 and HEI satisfied the share purchase requirements of the DRIP through open market purchases of its common stock. From September 5 through December 5. 2023, HEI satisfied the share purchase requirements of the Dividend Reinvestment Program (DRIP) through new issuances of approximately 0.5 million shares of common stock, amounting to $6.6 million, primarily for participants receiving the September 2023 dividend payment.

Off-balance sheet arrangements. Although the Company and the Utilities have certain off-balance sheet arrangements, management has determined that it has no off-balance sheet arrangements that either have, or are reasonably likely to have, a current or future effect on the Company's and the Utilities' financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors, including the following types of off-balance sheet arrangements:

1. obligations under guarantee contracts,
2. retained or contingent interests in assets transferred to an unconsolidated entity or similar arrangements that serve as credit, liquidity or market risk support to that entity for such assets,
3. obligations under derivative instruments, and
4. obligations under a material variable interest held by the Company or the Utilities in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or the Utilities, or engages in leasing, hedging or research and development services with the Company or the Utilities.

Material estimates and critical accounting policies. In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ significantly from those estimates.

Material estimates that are particularly susceptible to significant change include the amounts reported for pension and other postretirement benefit obligations; contingencies and litigation; income taxes; regulatory assets and liabilities; allowance for credit losses; fair value; and asset retirement obligations (AROs). Management considers an accounting estimate to be material if it requires assumptions to be made that were uncertain at the time the estimate was made and changes in the assumptions selected could have a material impact on the estimate and on the Company's results of operations or financial condition.

In accordance with SEC Release No. 33-8040, "Cautionary Advice Regarding Disclosure About Critical Accounting Policies," management has identified the accounting policies it believes to be the most critical to the Company's financial statements—that is, management believes that the policies discussed below are both the most important to the portrayal of the Company's results of operations and financial condition, and currently require management's most difficult, subjective or complex judgments. The policies affecting both of the Company's two principal segments are discussed below and the policies affecting just one segment are discussed in the respective segment's section of "Material estimates and critical accounting policies." Management has reviewed the material estimates and critical accounting policies with the HEI Audit & Risk Committee and, as applicable, the Hawaiian Electric Audit & Risk Committee.

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For additional discussion of the Company's accounting policies, see Note 1 of the Consolidated Financial Statements and for additional discussion of material estimates and critical accounting policies, see the electric utility and bank segment discussions below under the same heading.

Pension and other postretirement benefits obligations. The Company's benefit obligations and reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions about future experience. For example, retirement benefits costs are impacted by actual employee demographics (including age and compensation levels), the level of contributions to the plans, earnings and realized and unrealized gains and losses on plan assets, and changes made to the provisions of the plans. Costs may also be significantly affected by changes in key actuarial assumptions, including the expected return on plan assets, the discount rate and mortality. The Company's accounting for

retirement benefits under the plans in which the employees of the Utilities participate is also adjusted to account for the impact of decisions by the PUC. Changes in obligations associated with the factors noted above may not be immediately recognized as costs on the income statement, but generally are recognized in future years over the remaining average service period of plan participants.

The discount rate used to calculate the Company's benefit obligations is a significant assumption that affects the Company's benefit obligations. As of December 31, 2022 December 31, 2023, the discount rates for HEI and the Utilities' pension and other benefits plans were 5.67% 5.35% and 5.66% 5.39%, respectively. Based on various assumptions in Note 10 11 of the Consolidated Financial Statements, sensitivities of the projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO) as of December 31, 2022 December 31, 2023, associated with a change in the discount rate, were as follows and constitute "forward-looking statements":

Actuarial assumption	Change in assumption in basis points	Impact on HEI Consolidated PBO or APBO	Impact on Consolidated Hawaiian Electric PBO or APBO
(dollars in millions)			
Pension benefits			
Discount rate	+/-50	$(116) (129)/$130145	$(109) (122)/$122137
Other benefits			
Discount rate	+/-50	$(8) (7)/$98	$(8) (7)/$98

Also, see Notes 1 and 10 11 of the Consolidated Financial Statements.

Contingencies and litigation. The Company is subject to proceedings (including PUC proceedings), lawsuits and other claims. Management assesses the likelihood of any adverse judgments in or outcomes of these matters as well as potential ranges of probable losses, including costs of investigation. losses. A determination of the amount of reserves required, if any, for these contingencies is based on an analysis of each individual case or proceeding often with the assistance of outside counsel. The required reserves may change in the future due to new developments in each matter or changes in approach in dealing with these matters, such as a change in settlement strategy.

In general, environmental contamination treatment costs are charged to expense, unless it is probable that the PUC would allow such costs to be recovered through future rates, in which case such costs would be capitalized as regulatory assets. Also, environmental costs are capitalized if the costs extend the life, increase the capacity, or improve the safety or efficiency of property; the costs mitigate or prevent future environmental contamination; or the costs are incurred in preparing the property for sale.

Although the Company is unable to predict the ultimate outcome of the Maui windstorm and wildfires investigation, it is reasonably possible that the Company may incur losses related to the Maui windstorm and wildfires which may be material beyond the $75 million contribution to the One 'Ohana Initiative and incurred legal costs. In addition, on November 6, 2023, the Hawaii Insurance Division of the State of Hawaii Department of Commerce and Consumer Affairs released preliminary data on Maui windstorm and wildfires claims, and the Hawaii Insurance Division has subsequently provided updated data. Through November 30, 2023, the data collected from over 200 insurers indicated estimated total insured losses for residential and personal property of more than $1.6 billion. The estimated total losses represent insured claims related to personal motor vehicles and residential property (i.e., homeowners insurance, dwelling-fire landlord, condominium unit owner, renters insurance, and other residential property) and do not account for uninsured or underinsured property losses, commercial property losses, interest, attorneys' fees, fire suppression and clean-up costs, evacuation costs, personal injury or wrongful death damages, medical expenses or other costs, such as potential punitive damages, fines or penalties. It is uncertain whether the insured claims reported to the Hawaii Insurance Division are complete, and together with property damage claims unaccounted for, as mentioned above, the total amount of property damage claims could be materially higher than the amount reported by the Hawaii Insurance Division. The Hawaii Insurance Division did not state whether it intends to provide updated information in the future. See Note 2 of the Consolidated Financial Statements for more information.

See Notes 1, 3 2, 4 and 4 5 of the Consolidated Financial Statements.

Income taxes. Deferred income tax assets and liabilities are established for the temporary differences between the financial reporting bases and the tax bases of the Company's assets and liabilities using tax rates expected to be in effect when such deferred tax assets or liabilities are realized or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Management evaluates its potential exposures from tax positions taken that have or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take positions that differ from those taken by management in the interpretation and application of statutes, regulations and rules. Management considers the possibility of alternative outcomes based upon past experience, previous actions by taxing authorities (e.g., actions taken in other jurisdictions) and advice from its tax advisors. Management believes that the Company's provision for tax contingencies is reasonable. However, the ultimate resolution of tax treatments disputed by governmental authorities may adversely affect the Company's current and deferred income tax amounts.

See Note 12 13 of the Consolidated Financial Statements.

Following are discussions of the electric utility and bank segments. Additional segment information is shown in Note 2 3 of the Consolidated Financial Statements. The discussion concerning Hawaiian Electric should be read in conjunction with its consolidated financial statements and accompanying notes.

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Electric utility

Executive overview and strategy. The Utilities provide electricity on all the principal islands in the state, other than Kauai, to approximately 95% of the state's population, and operate five separate grids. The Utilities' mission is to provide innovative energy leadership for Hawaii, to meet the needs and expectations of customers and communities, and to empower them with affordable, reliable and clean energy. The goal is to create a safe, modern, resilient, flexible, and dynamic electric grid that protects Hawaii from impacts of climate change and enables an optimal mix of distributed energy resources, such as private rooftop solar, demand response, and grid-scale resources to

enable the creation of smart, sustainable, resilient communities and achieve its decarbonization goals that are aligned with the statutory goal of 100% renewable energy by 2045.

Recent developments. See also Recent developments "Recent developments" in HEI's MD&A. &A and Note 2 of the Consolidated Financial Statements, which includes disclosures relating to Maui windstorm and wildfires.

For the full year 2022, 2023, operation and maintenance expenses were higher by approximately $36 million, or 7%, as compared to 2022. The increase was mainly due to costs incurred associated with the Maui windstorm and wildfires and higher transmission and distribution (T&D) preventative and corrective maintenance resulting primarily from more trouble calls. Higher costs due to inclement weather related issues, higher labor and employee benefits, and higher outside consulting costs on various customer service and information technology projects also contributed to the increase.

For the full year 2023, kWh sales volume increased 1.1% decreased 1.5% from 2021 levels; however, 2022 levels. Although electricity prices have decreased since the full end of 2022, elevated prices over the past year 2022 have continued to impact electricity consumption. Another impact leading to a decrease of electricity sales is due to the Maui windstorm and wildfires. Maui had a decrease of 7.1% kWh sales are still 4.4% below volume in the pre-pandemic level fourth quarter of 2023 compared to the same period in 2022. Additionally, the continued adoption of energy efficiency measures and distributed energy resources contributed to the reduction of kWh sales in 2019. The increase in kWh sales in 2022 is primarily due to an improvement in economic activity in Hawaii, driven largely by a significant rebound in the domestic tourism market. sales.

Fuel costs have risen rapidly in 2022 decreased through July 2023, gradually increased through November and average then decreased through December. While the fuel prices have increased 76.7% compared to the prior year. costs are below 2022's peak, they remain elevated. Although the Utilities are able to pass through fuel costs to customers and have limited fuel cost exposure under through a 2% fuel-cost risk fuel cost-risk sharing mechanism (approximately $3.7 million maximum exposure annually, and the amount the Utilities have recognized as a penalty for 2022) annually), higher customer bills could reduce customers' ability to pay timely or increase the risk of non-payment. In addition, the higher customer bills may lead the PUC to consider other actions to limit or delay any proposed increase in rates in order to mitigate the overall bill impact of rising fuel prices.

In December 2022, 2023, the consumer price index moderated to 6.5% 3.4% from a peak of 9.1% in June 2022. In Hawaii, the November 2022 2023 Urban Hawaii (Honolulu) Consumer Price Index (CPI) was modestly lower, also declined from its peak, with an increase of 5.8% 3.6% over the last twelve months.12 months. Under the PBR framework, inflation risk for the Utilities is partially mitigated by an Annual Rate Adjustment (ARA), which is based on a formula that includes a compounded and non-compounded portion.

- The compounded portion of the ARA adjustment includes an adjustment for the annual change in inflation based on the estimated change in Gross Domestic Product Price Index (GDPPI) for the upcoming year, less a predetermined annual productivity factor (currently set at zero), less a 0.22% customer dividend, applied to a basis equal to test year target revenues plus the RAM Revenue adjustments in effect prior to the implementation of PBR, plus the prior adjustment year's compounded portion of the ARA adjustment. The GDPPI adjustment inflation factor percentage is determined using the forecasted consensus projection of annual percentage change in GDPPI in October, which is effective for the following calendar year. For the 2022 calendar year GDPPI was measured at 2.78% (net of the 0.22% customer dividend) in October 2021 and was effective in rates on January 1, 2022. published by Blue Chip Economic Indicators each October. For the 2023 calendar year, the forecasted 2023 GDPPI was 3.68% (net of the 0.22% customer dividend), measured in October 2022, and became effective in rates on January 1, 2023. For the 2024 calendar year, the forecasted 2024 GDPPI was 2.18% (net of the 0.22% customer dividend), measured in October 2023, and became effective in rates on January 1, 2024.
- The non-compounded portion of the ARA adjustment includes a subtractive component, representing the management audit savings commitment, or refund to customers, which was approved by the PUC for the years 2021 through 2025.

Accounts Customer accounts receivable increased decreased in 2022 2023 by $101 million, $44 million, or 54% with the number of accounts past due remaining relatively flat 15% since December 31, 2021 December 31, 2022. The increase decrease in accounts receivables was primarily driven driven by higher payment on a large delinquent commercial customer account, lower customer bills impacted by the increase in resulting from lower fuel prices, offset by payments on installment plans receipt of government and other program assistance, and higher cash receipts associated with increased disconnection efforts. At this time, while accounts receivable balances continue to remain elevated compared to pre-pandemic levels, the delay decrease in customer cash collections accounts receivable balances since the beginning of the year has not significantly affected reduced working capital requirements and benefited the Utilities' liquidity. The Utilities are prepared to address, if needed, the financing requirement related to the delayed timing of cash flows collected under the decoupling mechanism through the Revenue Balancing Account and the impact of higher fuel prices on accounts receivable balances. See "Financial Condition—Liquidity and capital resources" for additional

information.

In the second quarter of 2020, the PUC approved the deferral of certain COVID-19 related costs, such as higher bad debt expense, higher financing costs, non-collection of late payment fees, increased personal protective equipment costs, and sequestration costs for mission-critical employees. The Utilities deferred COVID-19 related costs through a PUC approved period that ended on December 31, 2021. In the second quarter of 2022, the Utilities filed an application to seek recovery of the COVID-19 deferred costs, not to exceed the amount of $27.8 million. InOn December 29, 2023, the PUC issued a decision and order (December 2023 D&O) approving the Utilities' Reply Statement of Position submitted request to recover the COVID-19 related deferred costs up to $8.8 million through the Z-factor. The PUC on November 30, 2022, directed the Utilities updated to divide COVID-19 deferred costs evenly over a three-year recovery period from 2024 through 2026. Any additional collection efforts that reduce the estimated maximum COVID-19 total recovery request amount to $14.3 million. be recovered from the Utilities' customers shall be subtracted from the Year 3 recovery amount. As of December 31, 2022 December 31, 2023, the Utilities have recorded $11.4 million $8.7 million in regulatory assets for deferral of COVID-19 related costs. The updated amounts have been reflected in the Utilities' Supplemental Response to the PUC filed on January 12, 2023. On January 25, 2023, the PUC issued an order to modify the procedural schedule to allow more time for more discovery and consideration of the application. (See (See discussion under "Regulatory assets and liabilities - Regulatory assets for COVID-19 related costs" in Note 3 4 of the Consolidated Financial Statements).

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Hawaii COVID-19 case counts *Regulatory Developments.* On November 15, 2021, President Biden signed into law the $1.2 trillion Infrastructure Investment and hospitalizations have declined following peaks earlier Jobs Act (IIJA), which includes approximately $550 billion of new federal spending to be allocated over the next five years through various programs. The funding will help the State of Hawaii achieve its sustainability goals, including renewable energy, resilience, and decarbonization, while also prioritizing economic development, equity and affordability. The Utilities are pursuing potential grant funding of projects under various programs as primary applicant as well as in partnership with other organizations. On August 29, 2023, the year; however, a worsening U.S. Department of COVID-19 cases driven by new variants or a reinstatement of COVID-19 restrictions could adversely affect the ability Energy notified Hawaiian Electric that its application for $95 million in federal funds under IIJA has been recommended for award, subject to negotiation of the Utilities' contractors, suppliers, IPPs, and other business partners to perform or fulfill their obligations timely, or at all, or require modifications to existing contracts, which could adversely affect the Utilities' business, increase expenses, and impact the Utilities' ability to achieve their RPS and other climate related goals.

Regulatory Developments. terms of financial assistance. See "Regulatory proceedings" in Note 3 4 of the Consolidated Financial Statements for discussions related additional discussions.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (IRA) that provides for $258 billion in energy-related provisions over a 10-year period. The provisions of the IRA are intended to, recent regulatory developments. among other things, lower gasoline and electricity prices, incentivize clean energy investment and promote reductions in carbon emissions. The Utilities are exploring clean energy tax incentives included in the IRA that may further reduce the Utilities' recovery under the EPRM and cost to customers.

The Utilities cannot predict the ultimate timing and success of securing funding from any federal government programs.

For a discussion regarding the impact of the Maui windstorm and wildfires on the Utilities' liquidity and capital resources, see discussion under "Financial Condition–Liquidity and capital resources."

Performance-based regulations. On December 23, 2020, the PUC issued a D&O (PBR D&O) approving a new performance-based regulation framework (PBR Framework). See "Regulatory proceedings" under "Commitments and contingencies" in Note 3 4 of the Consolidated Financial Statements.

Transition to a decarbonized and sustainable energy future. The Utilities are fully committed to leading and enabling pathways to a decarbonized and sustainable energy future for Hawaii. A sustainable energy future is one that focuses on delivering electricity safely, reliably and affordably, strengthening resilience and shifting away from fossil-fueled resources. The Utilities believe that a holistic approach to decarbonization climate change is needed, and that such a strategy working on both climate mitigation efforts along with climate adaptation efforts. Climate mitigation requires achieving the Utilities' decarbonization and renewable energy commitments, facilitating and promoting beneficial electrification, and deploying carbon removal and offsets among other levers to reduce statewide emissions.

In the fourth quarter of 2021, the Utilities outlined their Climate Action Plan to cut carbon emissions from power generation 70% by 2030, compared to a 2005 baseline. The emissions covered by this goal include stack emissions from generation owned by Hawaiian Electric and IPPs who sell electricity to the Utilities. Since that time, delays and cancellations in the commercial operation of new renewable third-party generation resources and higher costs as a result of supply chain disruptions and inflationary pressures, as well as federal policies related to solar panel imports have slowed the pace of progress toward reducing GHG emissions. Also, see the "Developments in renewable energy efforts—New renewable PPAs" section below. The downgrade of Hawaiian Electric's credit ratings after the Maui windstorm and wildfires is anticipated to be an additional impediment to completion of new renewable energy and storage projects. As a result of these challenges, the Utilities expect the planned 70% reduction in carbon emissions to be achieved later than the original 2030 commitment would provide a target date. However, the Utilities will continue to replace significant portion amounts of the reduction the entire Hawaii economy needs fossil fuel generation with renewable energy between now and 2030 and expect to meet or exceed the U.S. target State of cutting carbon emissions by at least 50% economy-wide by 2030. Hawaii's RPS goals.

Hawaiian Electric has also committed to achieving net zero carbon emissions from power generation by 2045 or sooner. Key While the timing of the Utilities' carbon reduction goals will be adjusted, key elements of the 2030 plan include have already been completed or remain on track to be completed by 2030, including the closure of the state's last coal-fired IPP plant that occurred in September 2022, increasing rooftop solar by more than 50% over 2021 levels, retiring six fossil fuel generating units, adding at least 1 GW of renewable generation to what was already in place in 2021, increasing grid-scale and customer-owned storage, expanding geothermal resources, and creating customer incentives for using clean, lower-cost energy at certain times of the day and using less fossil-fueled energy at night. The retirement of fossil-fueled generating units to achieve the Utilities' 70% decarbonization goal is consistent with state policy and supported by Hawaii State law. See "Forecast of capital expenditures—Liquidity and capital resources" for a discussion of potential capital expenditures related to decarbonization efforts.

On September 1, 2022, the last coal-fired IPP plant in the state, providing approximately 10% of Oahu's generation, ceased operations, removing a significant source of GHG emissions from the Utilities' generation mix. In advance of the retirement of the coal-fired IPP plant, the Utilities developed plans, including contingency plans, to ensure reliable service through the transition period. These plans include the anticipated addition of renewable energy/storage projects, reserve capacity from existing generation sources, the acceleration of maintenance work during periods with anticipated higher reserve levels, and multiple demand response/DER programs. For example, from the state's largest solar plus battery storage Stage 1 renewable RFP, a 39 megawatt (MW) solar-plus-storage project to date, totaling 39 MW, reached commercial operations on July 31, 2022.

While the Utilities continue to execute on their plans, delays in mid-2022 and cancellations a 36 MW Stage 1 solar-plus-storage project reached commercial operations in the commercial operation of new renewable third-party generation resources and higher costs as a result of supply chain issues and inflationary pressures, as well as federal policies related to solar panel imports, have slowed the pace of progress toward achieving the Utilities' 70% GHG emissions reduction goal. Despite these headwinds, the Utilities currently believe that the 70% GHG emissions reduction target remains achievable; however, additional renewable energy procurements and timely construction of significant generating capacity beyond early 2023. From the Stage 3 RFPs are required. Future events that impact the pace and amount of newly installed 2 renewable variable and firm generation, including unexpected issues with existing generation, among other factors, could disrupt the ability of the Utilities to deliver reliable service. Also, see the "Developments RFP, a 185 MW standalone storage facility reached commercial operations in renewable energy efforts—New renewable PPAs" section below. December 2023. In addition, in April 2023, a 30 MW Stage 1 solar-plus-storage project on Hawaii Island reached commercial operations.

Hawaii's renewable portfolio standard law requires electric utilities to meet an RPS of 30%, 40%, 70% and 100% by December 31, 2020, 2030, 2040 and 2045, respectively. Hawaii law has also established a target of sequestering more atmospheric carbon and greenhouse gases than emitted within the state by 2045. The Utilities' strategies and plans are fully aligned in meeting these targets. targets (see also Integrated Grid Planningbelow).

The Utilities have made significant progress on the path to clean energy and have been successful in achieving RPS goals. To date the Utilities have met all of the statutory RPS goals, including exceeding the last latest milestone RPS target of 30% for 2020, where it achieved an RPS of 34.5%. In July 2022, Governor Ige signed Act 240 (H.B.2089),

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that amended the RPS calculation from renewable energy as a percentage of sales to renewable energy as a percentage of total generation. The amended RPS calculation results in a lower calculated percentage than the amount calculated under the previous methodology. For example, the 2022 RPS achieved under the revised RPS calculation would have been was 31.8% versus 39.1% under the prior method. The change in the definition is to be applied prospectively to future milestone measurements effective from July 2022 forward and will require that the Utilities acquire more renewable energy than under the previous RPS calculation to comply with the RPS milestones; however, the Utilities expect to continue to meet the RPS milestones under the amended RPS law. (See “Developments in renewable energy efforts” below).

If the Utilities are not successful in meeting the RPS targets as mandated by law, the PUC could assess a penalty of $20 for every MWh megawatt-hour (MWh) that an electric utility is deficient. Based on the level of total generation in 2022, 2023, a 1% shortfall in meeting the 2030 RPS requirement of 40% would translate into a penalty of approximately $2.1 million. The PUC has the discretion to reduce the penalty due to events or circumstances that are outside an electric utility’s reasonable control, to the extent the event or circumstance could not be reasonably foreseen and ameliorated. In addition to penalties under the RPS law, failure to meet the mandated RPS targets would be expected to result in a higher proportion of fossil fuel-based generation than if the RPS target had been achieved, which in turn would be expected to subject the Utilities to limited commodity fossil fuel price exposure under a fuel cost risk-sharing mechanism. The fuel cost risk-sharing mechanism apportions 2% of the fuel cost risk to the utilities (and 98% to ratepayers) and has a maximum exposure (or benefit) of $3.7 million. Conversely, the Utilities have incentives under PIMs that provide a financial reward for accelerating the achievement of renewable generation as a percentage of total generation, including customer supplied generation. The Utilities may earn a reward for the amount of system renewable generation above the interpolated statutory RPS goal at $20/MWh in 2022, $15/MWh in 2023 and $10/MWh for the remainder of the multi-year rate period.

The Utilities are fully aligned with, and supportive of, state policy to achieve a decarbonized future and have made significant progress in reducing emissions through renewable energy and electrification. This alignment with state policy is reflected in management compensation programs and the Utilities’ long-range plans, which include aspirational targets in order to catalyze action and accelerate the transition away from fossil fuels throughout its operations at a pace more rapid than dictated by current law. The long-range plans, including aspirational targets, serve as guiding principles in the Utilities’ continued transformation, and are updated regularly to adapt to changing technology, costs and other factors. While there is no financial penalty for failure to achieve the Utilities’ long-range aspirational objectives, the Utilities recognize that there are environmental and social costs from the continued use of fossil fuels.

The State of Hawaii’s policy is supported by the regulatory framework and includes a number of mechanisms designed to maintain the Utilities’ financial stability during the transition toward the State’s decarbonized future. Under the sales decoupling mechanism, the Utilities are allowed to recover from customers, target test year revenues, independent of the level of kWh sales, which have generally trended lower over time as privately-owned DER have been added to the grid and energy efficiency measures have been put into place. Other regulatory mechanisms under the PBR framework reduce some of the regulatory lag during the multi-year rate plan (MRP), such as the annual revenue adjustment to provide annual changes in utility revenues, including inflationary adjustments, and the exceptional project recovery mechanism, which allows the Utilities to recover and earn on certain approved eligible projects placed into service. See “Regulatory proceedings” under “Commitments and contingencies” and “Decoupling” in Note 3 4 of the Consolidated Financial Statements.

Integrated Grid Planning. Achieving high levels of renewable energy and a carbon free electric system will require modernizing the grid through coordinated energy system planning in partnership with local communities and stakeholders. To accomplish this, the Utilities are implementing an innovative systems approach to energy planning intended to yield the most cost-effective renewable energy and decarbonization pathways that incorporates customer and stakeholder input.

The Integrated Grid Planning (IGP) process utilizes an inclusive and transparent Stakeholder Engagement stakeholder engagement model to provide an avenue for interested parties to engage with the Utilities and contribute meaningful input throughout the IGP process. The IGP Stakeholder Council, Technical Advisory Panel and Working groups have been established and meet regularly to provide feedback and input on specific issues and process steps in the IGP. The Utilities submitted an updated IGP work plan to the PUC in January 2021. In August 2021, On May 12, 2023, the Utilities submitted their Revised Inputs final Integrated Grid Plan: A pathway to a clean energy future for stakeholder and Assumptions public comments. The Integrated Grid Plan proposes actionable steps to decarbonize the PUC for review electric grid on the State of Hawaii’s timeline, with a flexible framework that can adapt to future technologies. The Integrated Grid Plan is the culmination of more than five years of partnership with stakeholders and approval, marking community members across the significant progress made through the stakeholder engagement phase of the IGP process. On March 31, 2022, the Utilities submitted the final Inputs islands. Together, they forecasted future energy needs and Assumptions approved by the PUC. On September 26, 2022, the PUC approved the Utilities’ planning methodologies and criteria. The Grid Needs Assessment is now underway and is expected identified strategies to be completed in the second quarter of 2023. meet Hawaii’s growing energy demand with 100% renewable resources.

Demand response programs. Pursuant to PUC orders, the Utilities are developing an integrated Demand Response (DR) Portfolio Plan that will enhance system operations and reduce costs to customers. The reduction in cost for the customer will take the form of either rates or incentive-based programs that will compensate customers for their participation individually, or by way of engagements with turnkey service providers that contract with the Utilities to aggregate and deliver various grid services on behalf of participating customers and their distributed assets.

On June 9, 2021, the PUC issued an order providing guidance to the third Grid Service RFP filed on February 23, 2021. The proposed Grid Service RFP focused only on Oahu and is seeking 132 MW of grid services with focus on capacity reduction (60 MW) similarly in response to the potential reserve shortfall from the AES coal plant retirement that occurred on September 1, 2022. The Utilities executed a GSPA Grid Services Purchase Agreements (GSPA) for a total grid services amount of 97.4 MW and filed with the PUC to request approval on March 16, 2022. On July 26, 2022, the Consumer Advocate filed its Statement of Position not objecting to the PUC approving the GSPA if certain conditions are adopted. The Utilities responded to the Statement of Position on August 9, 2022 to comment to the various conditions proposed by the Consumer Advocate. The procedural schedule steps are completed and the GSPA is ready for the PUC’s decision. As of December 31, 2022 July 12, 2023, the PUC has not ruled approved the GSPA with modifications. The Utilities amended the GSPA and filed with the PUC on this GSPA approval request.

December 29, 2023.

On June 8, 2021, the PUC approved the new program, Emergency Demand Response Program (EDRP), a battery storage incentive program to dispatch electricity between 6 p.m. to 8 p.m. daily from participating residential and commercial customers, to address the potential reserve shortfalls following the AES coal plant retirement. As of December 31, 2022 On December 12, 2023, the Utilities have received reached the cap and approved the applications totaling approximately 15 40 MW on Oahu. On December 20, 2023, the PUC approved the extension of the Battery Bonus application to be accepted to December 31, 2023 beyond the 40 MW cap.

On March 30, 2022, the Utilities filed with the PUC to request expanding the EDRP for up to 15 MW on the island of Maui and received PUC approval on May 20, 2022. The EDRP on Maui became effective as of June 1, 2022. Subsequently, on June 23, 2022, the PUC approved the cost recovery of the additional incentives for both Oahu and Maui through the Demand-Side Management Surcharge. As of December 31, 2022 December 31, 2023, the Utilities have received and approved the applications totaling approximately 1.2 6.5 MW on Maui.

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On October 31, 2022, the PUC issued an order, directing the Utilities to solicit comments from all interested parties and stakeholders on the Utilities' Draft Grid Services RFP filed on June 30, 2022. The proposed Draft Grid Services RFP focused only on Maui and is seeking 15 MW of grid services. Only one vendor provided comment recommending to not proceed with the RFP unless significant modifications were made to the RFP and GSPA. Comment was filed to the PUC on November 7, 2022. On December 22, 2022, the PUC issued an order approving Hawaiian Electric to proceed with the RFP with modifications.Hawaiian Electric submitted an update to the RFP per the order on January 16, 2023, and issued the RFP on February 1, 2023 and bids were due on February 1, 2024.

Grid modernization. The overall goal of the Grid Modernization Strategy is to deploy modern grid investments at an appropriate priority, sequence and pace to cost-effectively maximize flexibility, minimize the risk of redundancy and obsolescence, deliver customer benefits and enable greater DER and renewable energy integration. Under the Grid Modernization Strategy, the Utilities expect that new technology will help increase adoption of private rooftop solar and make use of rapidly evolving products, including storage and advanced inverters. On March 25, 2019, the PUC approved a plan for the Utilities to implement Phase 1 of their Grid Modernization Strategy, which is the proportional deployment of advanced metering infrastructure (AMI). On February 28, 2022, the PUC expanded the scope of Phase 1 to the full service territory with a completion date set for the third quarter of 2024. The estimated cost of full deployment (including proportional deployment) is approximately $143 million in capital and deferred software cost and is expected to be incurred over five years. As of December 31, 2022 December 31, 2023, approximately $72 million $116 million of capital and deferred software cost has been incurred to date under Phase 1 and is currently being recovered under the MPIR mechanism until such costs are included in base rates. On June 24, 2022, the PUC approved with certain conditions the Utilities' request to aggregate the per-meter and network cost caps and to recover O&M costs associated with full-service territory AMI deployment under the MPIR mechanism. As of December 31, 2022 December 31, 2023, the Utilities have deployed about 193,000 363,000 advanced meters, servicing approximately 41% 77% of total customers.

The Utilities filed an application with the PUC on September 30, 2019 for an Advanced Distribution Management System (ADMS) as part of Phase 2 of their Grid Modernization Strategy implementation. However, on December 30, 2019, the PUC

suspended the Utilities' application for the ADMS pending the Utilities' filing of a supplemental application for the broad deployment of field devices. This supplement and update to the Grid Modernization Strategy Phase 2 field devices application was filed on March 31, 2021. The estimated cost for the implementation over five years of the ADMS and field devices, which includes capital, deferred software costs and O&M costs, is $105 million. A PUC order was issued on April 27, 2021, unsuspending and resuming consideration of the Phase 2 Application. The Utilities filed the reply statement of position on October 15, 2021, completing the discovery phase of the docket. On November 16, 2021, the PUC suspended the Utilities' ADMS and Phase 2 field device application to focus the Utilities' attention on completing Phase 1. The Utilities filed a Motion for Reconsideration with the PUC in response to the suspension, but the motion was denied. The PUC subsequently clarified that the Utilities may resume the Phase 2 docket no earlier than six months before Phase 1 is scheduled to be completed in the third quarter of 2024. Resumption of the Phase 2 proceeding would likely commence six months prior to the scheduled completion date selected by the PUC. On April 17, 2023, the Utilities filed a motion with the PUC, requesting the suspended docket to be reopened and to allow the Utilities to file an updated and supplemented application for updated project costs. The estimated cost for the implementation of Phase 2 over six years, which includes capital, deferred software costs and O&M costs, is $113 million. On May 3, 2023, the PUC granted the motion to resume the docket, and hosted a technical conference on the updated application on May 19, 2023. The Utilities filed the reply statement of position on September 28, 2023, completing the discovery phase of the docket. On January 19, 2024, the Utilities hosted a Technical Conference with the PUC.

Community-based renewable energy. In December 2017, the PUC adopted a community-based renewable energy (CBRE) program framework which allows customers who cannot, or chose not to, take advantage of private rooftop solar to receive the benefits of renewable energy to help offset their monthly electric bills and support clean energy for Hawaii. The program has two phases.

The first phase, which commenced in July 2018, totaling 8 MW of solar photovoltaic (PV) only with one credit rate for each island, closed on April 9, 2020. Two phase 1 projects (28.32 kW on Maui and 270 kW on Oahu) have been operational for two three years with four and one Phase 1 project (3,000 kW on Oahu) achieved commercial operations on October 1, 2023. Two additional phase 1 projects expected expect to become operational in 2023 (second quarter: Oahu: 3,000kW, Hawaii the first quarter of 2024 (Hawaii Island: 750kW and Molokai: 250kW; third quarter: Oahu: 1,720kW) 250kW).

The second phase, which commenced on April 9, 2020 and subsequently expanded on July 27, 2021, allows over 250 MW across all Hawaiian Electric service territories in two tranches for small (under 250 kW), mid-tier and large system sizes to encourage a variety of system sizes. To provide opportunities for Low-to-Moderate Income low-to-moderate income (LMI) customers to participate in the program, 23 MW of capacity for dedicated-LMI projects were awarded on November 15, 2022 through three island specific RFPs for Oahu, Maui and Hawaii Island. LMI projects do not have a size cap nor do they decrease the 250 MW capacity available to other projects. The dedicated-LMI projects are expected to become operational in 2025.

The Utilities issued the CBRE Tranche 1 RFPs for Oahu, Maui and Hawaii on April 14, 2022. The RFPs closed on August 17, 2022, and proposals were evaluated. Tranche 1 projects, which are greater than or equal to 250 kW, were awarded on February 22, 2023. The Tranche 1 projects are expected to become operational in 2025 or 2026.

For Lanai, the Utilities combined the previously issued Variable Renewable Dispatchable Generation Paired with Energy Storage RFP and the CBRE RFP to optimize the benefits of procuring renewable energy, spur development and increase the likelihood of success of the CBRE Program on Lanai. See "Developments in renewable energy efforts–Requests for renewable proposals, expressions of interest, and information" for additional information.

One CBRE proposal for Lanai was selected but negotiations were terminated on June 15, 2022. With the concurrence of the Independent Observer, a replacement proposal was selected on July 1, 2022. On July 25, 2022, the Utilities announced the selection of a new developer for the Lanai CBRE RFP. On September 21, 2022, the Utilities were informed by Pulama Lanai of a project being planned on Lanai to remove the two large resorts from the grid, which represent approximately 40% of the load of the island and raises great uncertainty around the future energy needs for Lanai. On September 28, 2022, the Utilities notified the PUC that ongoing negotiations for the Lanai CBRE project will would continue, but that the Utilities will did not execute a PPA at this time given the uncertainty due to the Pulama Lanai notification. The parties are currently exploring options to move forward with the project. On Molokai, proposals were only received from a single community co-op group. After evaluation of these proposals and with concurrence of the independent observer, the Utilities filed a letter on September 9, 2022, proposing to close the Molokai CBRE RFP and to work with the lone bidder to improve certain aspects of its two proposed projects outside of the RFP process for the benefit of the residents of Molokai. Discussions are ongoing. After successful negotiations, two contracts for solar plus storage facilities were executed and on September 29, 2023, the Utilities filed two applications with the PUC requesting approval of the contracts. On January 8, 2024, the PUC approved the two contracts.

The Utilities CBRE Phase 2 Rule 29 became effective on March 10, 2022. The Utilities are currently accepting project applications for small CBRE projects less than 250 kW in size. The PUC reserved 45 MW as well as a small amount of unallocated capacity from Phase 1 for small projects in Phase 2 on Oahu, Maui and Hawaii Island. The Utilities have developed a CBRE Portal where Subscriber Organizations can apply for small project capacity and manage subscribers for all CBRE

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projects in the program. Customers can also use the CBRE Portal to solicit subscription quotes, compare, and subscribe to a project once the Subscriber Organization has added their project to the portal.

Microgrid services tariff proceeding. In enacting Act 200 of 2018, the Hawaii legislature found that Hawaii's residents and businesses were vulnerable to disruptions in the islands' energy systems caused by extreme weather events or other disasters, and stated its belief that the use of microgrids would build energy resiliency into Hawaii's communities, thereby increasing public safety and security. The purpose of Act 200 was therefore to encourage and facilitate the development and use of microgrids through the establishment of a standard microgrid services tariff. In July 2018, pursuant to Act 200, the PUC opened a proceeding to investigate the establishment of a microgrid services tariff. In August 2019, the PUC issued an order prioritizing items for resolution in the docket and directed the Parties to establish working groups (the Working Group) to address issues identified by the PUC.

On May 27, 2021, the Utilities filed the Microgrid Service Tariff. On September 21, 2021, the PUC provided guidance for Phase 2 of the Microgrid Tariff proceeding, specifically identifying the objective for Phase 2 to promote self-sufficiency and resilience among microgrid project operators, as well as to further streamline the Microgrid Services Tariff where applicable. Furthermore, the PUC instructed Parties to recommend priority topics, along with supporting rationale to better inform the topics that will be discussed during this phase of the proceeding, which the parties submitted by October 21, 2021.

On April 1, 2022, the PUC established its Prioritized Issues for Resolution for Phase 2 of the Microgrid proceeding, which includes the following: 1) Microgrid Compensation and Grid Services; 2) Utility Compensation; 3) Customer Protection and Related Considerations; 4) Interconnection; and 5) Working Group coordination with related microgrid and resilience Initiatives at Hawaiian Electric and government agencies. Furthermore, the PUC established a procedural schedule to consist of quarterly status conference meetings with the PUC, a Phase 2 Working Group Report, draft of a revised Microgrid Service Tariff, Party comments to the proposed Microgrid Service Tariff, followed by a PUC D&O.

On June 30, 2022, the PUC provided further guidance to the Working Group to prioritize discussion of the microgrid types in the following order: 1) Hybrid Microgrid - Third Party Developer using Utility lines/infrastructure; 2) Hybrid Microgrid - Utility Project with Partners; and 3) Customer Microgrid. Additionally, the PUC instructed the Working Group to discuss microgrid compensation and continue the involvement of microgrid developers in working group meetings.

The Working Group met from April 2022 through October 2022 to discuss the PUC's objectives and respond to the Phase 2 priority issues. On October 31, 2022, the PUC issued a guidance letter and advised that the Working Group propose a new timeline for the Report. The Utilities and the Consumer Advocate filed a joint letter with a revised timeline on November 10,

2022. November 10, 2022. On November 21, 2022, the PUC issued an order to suspend the Phase 2 procedural schedule while it reviews the joint letter.

Decoupling. See "Decoupling" in Note 34 of the Consolidated Financial Statements for a discussion of decoupling.

Regulated returns. As part of the PBR Framework's annual review cycle, the Utilities track their rate-making ROACEs as calculated under the earnings sharing mechanism, which includes only items considered in establishing rates. At year-end, each utility's rate-making ROACE is compared against its ROACE allowed by the PUC to determine whether earnings sharing has been triggered. The D&O in the PBR proceeding modified the earnings sharing mechanism to a symmetric arrangement. Effective with annual earnings for 2021, the earnings sharing will be triggered for achieved rate-making ROACE outside of a 300 basis points dead band above and below the current authorized rate-making ROACE of 9.5% for each of the Utilities. Earnings sharing credits or recoveries will be included in the biannual report (formally known as annual decoupling filing) to be filed with the PUC in the spring of the following year. Results for 2023, 2022, 2021, and 2020 2021 did not trigger the earnings sharing mechanism for the Utilities.

On August 31, 2023, the PUC issued an order temporarily suspending the ESM until further notice. The intent of the order is to address the unintended consequence of customers potentially bearing the costs associated with the Maui windstorm and wildfires through the operation of the ESM without prior PUC review.

Actual and PUC-allowed returns, as of December 31, 2022 December 31, 2023, were as follows:

%	%	Rate-making Return on rate base (RORB)*			ROACE**			Rate-making ROACE***		
Year ended December 31, 2022		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Hawaii Electric Light	Maui Electric
Utility returns	Utility returns	7.32	5.76	6.53	8.76	6.44	7.33	9.67	6.87	8.23
PUC-allowed returns	PUC-allowed returns	7.37	7.52	7.43	9.50	9.50	9.50	9.50	9.50	9.50
Difference	Difference	(0.05)	(1.76)	(0.90)	(0.74)	(3.06)	(2.17)	0.17	(2.63)	(1.27)

%	Rate-making Return on rate base*			ROACE**			Rate-making ROACE***		
Year ended December 31, 2023	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Hawaii Electric Light	Maui Electric

* Based on recorded operating income and average rate base, both adjusted for items not included in determining electric rates.

** Recorded net income divided by average common equity.

*** ROACE adjusted to remove items not included by the PUC in establishing rates, such as incentive compensation.

The gap between PUC-allowed ROACEs and the ROACEs achieved is primarily due to the exclusion of certain expenses from rates (for example, incentive compensation and charitable contributions), and depreciation, O&M expense and return on rate base that are in excess of what is currently being recovered through rates (the last rate case plus authorized RAM adjustments and ARA revenues).

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Results of operations.

2022 2023 vs. 2021 2022

2022	2021	Increase (decrease)		(dollars in millions, except per barrel amounts)
$ 3,409	**$ 2,540**	**$ 869**		**Revenues.** Net increase largely due to:
			$ 683	higher fuel oil prices and higher kWh generated[1]
			135	higher purchased power energy prices, partially offset by lower kWh purchased and lower PPAC revenue[2]
			37	higher revenue from ARA adjustments, which included the customer dividend delivered to customers
			6	revenue in 2022 related to ownership of and responsibility for the U.S. Army's electrical distribution system on Oahu starting March 1, 2022
			5	higher other fee revenue
			4	higher MPIR revenue
1,266	**644**	**622**		**Fuel oil expense**.[1] Net increase largely due to higher fuel oil prices and higher kWh generated partially offset by lower penalties for better fuel efficiency due to reset of heat rate
794	**670**	**124**		**Purchased power expense**[1,2]. Increase largely due to higher purchased power energy prices, partially offset by lower kWh purchased and lower AES charges due to its closure on September 1, 2022
498	**475**	**23**		**Operation and maintenance expense**. Net increase largely due to:
			11	more generating facility overhauls and maintenance work performed
			4	expense in 2022 related to ownership of and responsibility for the U.S. Army's electrical distribution system on Oahu starting March 1, 2022
			4	higher bad debt expense
			3	higher transmission and distribution preventive and corrective maintenance expense
			2	higher outside services for Information and Technology and Services Support, Customer Interconnection/Installation, Demand Response Management System, and Battery Bonus program
			2	increase in workers' compensation reserve
			1	higher property damage and legal reserve for pending claims
			(1)	expense due to decommissioning of combined heat and power unit on Lanai in 2021
			(1)	higher Pearl Harbor environmental reserves in 2021
			(2)	Customer bill forgiveness and assistance in the fourth quarter of 2021
553	**470**	**83**		**Other expenses**. Increase due to higher revenue taxes, coupled with higher depreciation expense in 2022 for plant investments in 2021
299	**280**	**19**		**Operating income.** Increase largely due to higher ARA and MPIR revenue, offset in part by higher operation and maintenance expense and higher depreciation expense
241	**224**	**17**		**Income before income taxes**. Increase largely due to higher operating income and higher AFUDC, partially offset by higher interest expense due to higher rates and borrowings
189	**178**	**11**		**Net income for common stock.** Increase due to higher income before income taxes. See below for effective tax rate explanation
8.2 %	8.1 %	0.1 %		Return on average common equity
$ 141.49	$ 80.06	$ 61.43		Average fuel oil cost per barrel
$ 8,354	$ 8,261	$ 93		Kilowatt-hour sales (millions) [3]
2,511	2,469	42		Number of full-time employees (at December 31)

2023	2022	Increase (decrease)		(dollars in millions, except per barrel amounts)
$ 3,270	**$ 3,409**	**$ (139)**		**Revenues.** Net decrease largely due to:
			$ (134)	lower kWh purchased and lower PPAC revenue, partially offset by higher purchased power energy prices[1]
			(60)	lower fuel oil prices, partially offset by higher kWh generated[2]
			(3)	lower PIMs
			2	additional pole attachment fee revenue
			3	higher DSM revenue
			5	higher MPIR revenue
			7	higher fuel cost risk-sharing adjustment (reward in 2023)
			40	higher revenue from ARA adjustments
1,211	**1,266**	**(55)**		**Fuel oil expense**.[2] Net decrease largely due to lower fuel oil prices, offset in part by higher kWh generated

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672	794	(122)		**Purchased power expense**[1,2]. Net decrease largely due to lower kWh purchased and lower AES charges due to its closure on September 1, 2022, partially offset by the addition of Stage 1 and Stage 2 solar-plus-storage projects and higher purchased power energy prices
534	498	36		**Operation and maintenance expense**. Net increase largely due to:
			13	higher transmission and distribution operation and maintenance expense
			11	labor and associated costs for the Maui windstorm and wildfires response
			4	increased labor and employee benefits costs
			3	higher outside services for Customer Service Support Improvement and Integrated Grid Planning
			3	more station maintenance work performed
			3	higher facilities expenses
			2	higher legal and other fees associated with environmental matters
			(3)	lower scope of generating facility overhauls performed
551	553	(2)		**Other expenses**. Decrease due to lower revenue taxes, partially offset by higher depreciation expense due to increasing investments to integrate more renewable energy and improve customer reliability and system efficiency and higher payroll taxes due to higher unemployment tax rate
302	299	3		**Operating income**. Increase largely due to ARA, higher fuel cost risk-sharing adjustment, and higher MPIR revenue, offset in part by higher operation and maintenance expenses and higher depreciation expenses
247	241	6		**Income before income taxes**. Increase largely due to higher operating income, higher investment interest income, and higher AFUDC related to increased capital expenditures, offset by higher interest expense due to increased borrowings
194	189	5		**Net income for common stock**. Increase due to higher income before income taxes. See below for effective tax rate explanation
8.2 %	8.2 %	— %		Return on average common equity
$ 126.73	$ 141.49	$ (14.76)		Average fuel oil cost per barrel
$ 8,227	$ 8,354	$ (127)		Kilowatt-hour sales (millions) [3]
2,564	2,511	53		Number of full-time employees (at December 31)

1 The rate schedules of the electric utilities currently contain PPACs through which changes in purchased power expenses (except purchased energy costs) are passed on to customers.

2 The rate schedules of the electric utilities currently contain ECRCs through which changes in fuel oil prices and certain components of purchased energy costs are passed on to customers.

2 The rate schedules of the electric utilities currently contain PPACs through which changes in purchase power expenses (except purchased energy costs) are passed on to customers.

3 kWh sales were higher lower when compared to prior year largely due to continued recovery from impacts of the COVID-19 pandemic. COVID-19 cases have continued to year. The decrease in 2022 sales can be attributed to impacts from the Maui windstorm and as a result, most restrictions have been lifted. U.S. visitor arrivals continued wildfires which resulted in widespread damage to increase above 2021 levels and surpassed pre-pandemic levels, but international arrivals remain lower than pre-pandemic levels. Economic recovery is expected to continue as international visitors return, although uncertainties and downward risks are present due to global economic factors, such as the Lahaina community. In addition, the continued effects adoption of energy efficiency measures and distributed energy resources contributed to the invasion of Ukraine, high inflation, the risk of a global recession, and surging COVID-19 cases reduction in China. kWh sales.

Hawaiian Electric's effective tax rate (combined federal and state income tax rates) in 2023 and 2022 was slightly higher at 21%, compared to 20% at 2021, primarily due to federal research and development tax claims in 2021. .

For a discussion of 2020 2021 results, please refer to the "Results of operations" section in Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations—Electric utility," in the Company's 2021 2022 Form 10-K.

For more information of the Utilities' incremental expenses related to the Maui windstorm and wildfires for the year ended December 31, 2023, see "Results of operations—Maui windstorm and wildfires related expenses, net" in HEI's MD&A.

The net book value (cost less accumulated depreciation) of utility property, plant and equipment (PPE) as of December 31, 2022 December 31, 2023 amounted to $4.9 billion $5.4 billion, of which approximately 24% 21% related to generation PPE, 67% 64% related to transmission and distribution PPE, and 9% 15% related to other PPE. Approximately 8% 6% of the total net book value relates to generation PPE that has been deactivated or that the Utilities plan to deactivate or decommission.

Regulatory proceedings. On December 23, 2020, the PBR D&O was issued, establishing the PBR Framework. The PBR Framework implemented a five-year multi-year rate period (MRP), during which there will be no general rate case applications. In the fourth year of the MRP, the PUC will comprehensively review the PBR Framework to determine if any modifications or revisions are appropriate. See also "Regulatory proceedings" in Note 3 4 of the Consolidated Financial Statements.

Developments in renewable energy efforts. Developments in the Utilities' efforts to further their renewable energy strategy include renewable energy projects discussed in Note 3 of the Consolidated Financial Statements and the following:

New renewable PPAs.

- On November 16, 2021, Hawaii Electric Light and Hawi Renewable Development, LLC (HRD) entered into an Amended and Restated Power Purchase Agreement (ARPPA). Under the ARPPA, HRD would make modifications to upgrade and repower the existing wind facility to enable it to continue to provide up to 10.56 MW of energy at a cost savings for customers. The ARPPA is delinked from the price of fossil fuel and extends the term of the existing PPA by 20 years following the commercial operations date. On December 17, 2021, Hawaii Electric Light filed an application for approval of the ARPPA, requesting a decision no later than June 15, 2022. On June

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17, 2022, HRD notified the Utilities that the lead time for delivery and price of equipment needed for the repowering project had increased such that it would prevent HRD from achieving the required guaranteed commercial operation date. Additionally, HRD informed the Utilities that drastic changes in the market conditions had significantly impacted the financial viability of the project. On June 24, 2022, the Utilities requested that the PUC put the procedural schedule on hold to allow HRD time to re-evaluate its plans and determine what is needed to keep the project financially viable. On January 11, 2023, Hawaii Electric Light and HRD entered into a First Amendment to the ARPPA (First Amendment). The First Amendment includes an extension of the Guaranteed Commercial Operations Date (GCOD) by 26 months to accommodate the delayed delivery of components, and a temporary price increase until HRD recovers its estimated increased costs specified in the First Amendment. On January 27, 2023, Hawaii Electric Light requested the PUC to resume the docket and on February 3, 2023, Hawaii Electric Light and the Consumer Advocate submitted a proposed procedural schedule to accommodate additional steps to review the First Amendment.

- On December 31, 2019, Hawaii Electric Light and Puna Geothermal Ventures entered into an Amended and Restated Power Purchase Agreement (ARPPA). The ARPPA extends the term of the existing PPA by 25 years to 2052, expands the firm capacity of the facility to 46 MW and delinks the pricing for energy delivered from the facility from fossil fuel prices to reduce cost to customers. On March 31, 2021, the PUC suspended the docket pending the completion of a supplemental environmental review under the Hawaii Environmental Policy Act (HEPA). After the Office of Planning and Sustainable Development identified the Planning Department for the County of Hawaii to be the accepting agency and approving authority for any required HEPA review, the PUC lifted the suspension of the docket stating that the docket was ready for decision-making. On March 16, 2022, the PUC issued a D&O, approving the ARPPA, subject to conditions, that include requiring completion of the final environmental review prior to construction. On March 28, 2022, Puna Pono Alliance filed a Motion for Reconsideration seeking reconsideration, modification and/or vacation of the D&O. On June 6, the PUC denied Puna Pono's Motion for Reconsideration. PGV has notified the Utilities that changes in market conditions have transpired since the terms of the ARPPA were negotiated and has indicated its desire to negotiate an amendment to the ARPPA to mitigate the impacts. The Utilities are in discussions regarding an amendment.

- Under a request for proposal process governed by the PUC and monitored by independent observers, in February 2018, the Utilities issued Stage 1 Renewable RFPs for 220 MW of renewable generation on Oahu, 50 MW of renewable generation on Hawaii Island, and 60 MW of renewable generation on Maui. To date, summarized information for a total of eight PPAs is as follows:

Utilities	Number of contracts	Total photovoltaic size (MW)	BESS Size (MW/MWh)	Guaranteed commercial operation dates	Contract term (years)	Total projected annual payment (in millions)
Hawaiian Electric	4	139.5	139.5/558	7/31/22, 1/11/23, 1/20/23* & 8/31/23	20 & 25	$ 32.0
Hawaii Electric Light	2	60	60/240	12/2/22* & 4/21/23	25	14.9
Maui Electric	2	75	75/300	4/28/23 & 10/27/23	25	17.6
Total	8	274.5	274.5/1,098			$ 64.5

* Project delays have resulted in Guaranteed Commercial Operations Date being missed.

The Utilities have received PUC approvals to recover the total projected annual payment of $64.5 million for the eight PPAs through the PPAC to the extent such costs are not included in base rates. To date, the Utilities filed six requests with the PUC for approval of amendments related to previously-approved PPAs for changes in pricing and/or guaranteed commercial operations dates to support completion of the projects while maintaining system reliability. The PUC has approved four amendments and two requests filed in February 2023 are pending PUC approval. On July 31, 2022, the first Stage 1 solar-pus-storage project was placed into service. On January 11, 2023, Waiawa Solar project on Oahu also reached commercial operations. See also "Stage 1 renewable PPAs" in Note 3 of the Consolidated Financial Statements.

- In continuation of their February 2018 request for proposal process, the Utilities issued their Stage 2 Renewable RFPs for Oahu, Maui and Hawaii Island and Grid Services RFP on August 22, 2019. Final awards for the renewable projects were made on May 8, 2020. Final awards for the grid services projects were made starting in January 2020. To date, the Utilities had filed 11 PPAs. Additionally, two GSPAs and two applications for commitments of funds for capital expenditures for approval of the utility self-build projects were filed with the PUC. The majority of these projects were approved by the PUC in 2021. On March 23, 2022, the PUC approved one solar-plus-storage project on Oahu for 15 MW of generation and 60 MWh of storage. Of the 11 filed PPAs, five PPAs were declared null and void by the independent power producers and one PPA was mutually terminated. On May 25, 2022, the PUC denied the one Utility Self-Build project on Hawaii Island. In response, the Utilities filed a motion for reconsideration with the PUC. On June 24, 2022 the Utilities filed Supplemental Request informing the PUC that the project might be eligible to receive funds under the federal Infrastructure Investment and Jobs Act (IIJA). On July 27, 2022 the PUC suspended the docket until after such time that the Utilities have received final disposition of its application for funding under the IIJA. The Utilities shall then properly request the PUC to lift the suspension and either issue a decision on the pending Motion, or take further action as appropriate. On February 23, 2023, the PUC lifted the suspension and reopened the docket to begin review of the application. On July 25, 2022, the PUC approved the final solar-plus-storage project on Oahu for 42 MW of generation and 168 MWh of storage. The Utility Self-Build project on Maui is still pending PUC approval. On October 21, 2022, the Utilities filed a letter with the PUC requesting approval of an amendment to increase price and to change the guaranteed commercial operation date of a previously-approved PPA for Stage 2 on Maui. The PUC conditionally approved the amendment on December 2, 2022. On November 17, 2022, an approved Stage 2 project on Oahu declared its PPA null and void; the Utilities filed a notice with the PUC on November 22, 2022. On December 23, 2022, the Utilities and developer of a Stage 2 project on Maui mutually terminated its PPA; the Utilities filed a noticed with the PUC on December 29, 2022.

A summary of the remaining five Stage 2 PPAs, is as follows:

Utilities	Number of contracts	Total photovoltaic size (MW)	BESS Size (MW/MWh)	Guaranteed commercial operation dates	Contract term (years)	Total projected annual payment (in millions)
Hawaiian Electric	3	79	79 / 443	5/17/23, 10/30/23 & 4/9/2024	20 & 25	$ 28.8
Hawaiian Electric	1 *	N/A	185 / 565	12/30/22	20	24.0
Maui Electric	1	40	40 / 160	12/31/2024	25	19.1
Total	5	119	304 / 1,168			$ 71.9

* See further discussion under "Review of Interconnection Process and Kapolei Energy Storage Power Purchase Agreement" below.

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The total projected annual payment of $71.9 million for these PPAs will be recovered through the PPAC to the extent such costs are not included in base rates.

A summary of the GSPAs that were approved by PUC in December 2020 is as follows:

Utilities	Fast Frequency Response - 1 (MW)	Fast Frequency Response - 2 (MW)	Capacity - Load Build (MW)	Capacity - Load Reduction (MW)
Hawaiian Electric	—	26.7	14.5	19.4
Hawaii Electric Light	6.0	—	3.2	4.0
Maui Electric	6.1	—	1.9	4.7
Total	12.1	26.7	19.6	28.1

A summary of the utility self-build projects that are pending PUC approval is as follows:

Utilities	Number of contracts	BESS Size (MW/MWh)	Guaranteed commercial operation dates
Hawaii Electric Light	1 *	12/12	12/30/22
Maui Electric	1	40/160	4/28/23
Total	2	52/172	

* The Utility Self-Build project was denied by the PUC on May 25, 2022 and the Utilities have filed a motion for reconsideration with the PUC.

- The Utilities' renewable energy goals depend, in large part, on the success of renewable projects developed and operated by independent power producers. Beginning in 2017, the Utilities embarked on an ambitious procurement effort, selecting multiple solar plus storage efforts projects to help reach the Utilities renewable portfolio standards goals as well as to assist the Utilities in retiring fossil fuel generation. Several of the recently procured projects have experienced delays as a result of supply chain disruptions caused by impacts from the COVID-19 pandemic, solar product detentions at U.S. ports of entry ordered by the U.S. Customers Customs and Border Protection agency, and unforeseen site conditions which resulted in unanticipated project costs or in some cases the inability to effectively use previously identified project sites. These impacts have resulted in five Stage 2 projects declared null and void by the independent power producers and one Stage 1 project and one Stage 2 project mutually terminating its PPA their PPAs with the Utilities. Projects have also indicated potential impacts from the investigation launched by the US U.S. Department of Commerce on March 28, 2022, in response to a request by Auxin Solar Inc. in regards regard to solar panel imports. On June 6, 2022, President Biden created a bridge to temporarily facilitate U.S. solar deployers' ability to source certain imported solar modules and cells free of certain duties for 24 months in order to ensure the U.S. has access to a sufficient supply of solar modules to meet electricity generation needs. The Utilities are in discussions have negotiated amendments with several project developers regarding requests to increase previously approved prices and extend guaranteed commercial operations date dates for those projects in order to ensure their viability given the impact of these recent market conditions. The Inflation Reduction Act (IRA) was signed into law on August 16, 2022. The Utilities are working with the developers to determine if the IRA will provide any benefit for the issues currently being seen by projects. All of these amendments have been approved. Significant project delays or failures of these projects increase the risk of the Utilities not meeting the renewable portfolio standards or other climate related goals, eligibility for performance incentive mechanisms associated with the speed of increasing renewable generation, and the ability to retire fossil fuel units. Developments in the Utilities' efforts to further their renewable energy strategy include renewable energy projects discussed in Note 4 of the Consolidated Financial Statements and the following:

New renewable PPAs.

- On November 16, 2021, Hawaii Electric Light and Hawi Renewable Development, LLC (HRD) entered into an Amended and Restated Power Purchase Agreement (HRD ARPPA). Under the HRD ARPPA, HRD would make modifications to upgrade and repower the existing wind facility to enable it to continue to provide up to 10.56 MW of energy at a cost savings for customers. The HRD ARPPA is delinked from the price of fossil fuel and extends the term of the existing PPA by 20 years following the commercial operations date. On December 17, 2021, Hawaii Electric Light filed an application for approval of the HRD ARPPA, requesting a decision no later than June 15, 2022. On January 11, 2023, Hawaii Electric Light and HRD entered into a First Amendment to the HRD ARPPA (First Amendment). The First Amendment includes an extension of the Guaranteed Commercial Operations Date (GCOD) by 26 months to accommodate the delayed delivery of components, and a temporary price increase until HRD recovers its estimated increased costs specified in the First Amendment. The Amendment was conditionally approved by the PUC on July 12, 2023.
- On December 31, 2019, Hawaii Electric Light and Puna Geothermal Ventures entered into an Amended and Restated Power Purchase Agreement (PGV ARPPA). The PGV ARPPA extends the term of the existing PPA by 25 years to 2052, expands the firm capacity of the facility to 46 MW and delinks the pricing for energy delivered from the facility from fossil fuel prices to reduce cost to customers. On March 16, 2022, the PUC issued a D&O, approving the PGV ARPPA, subject to conditions, that include requiring completion of a final environmental review prior to construction.

On March 28, 2022, Puna Pono Alliance filed a Motion for Reconsideration seeking reconsideration, modification and/or vacation of the D&O. On June 6, the PUC denied Puna Pono's Motion for Reconsideration. PGV notified the Utilities that changes in market conditions that transpired since the terms of the PGV ARPPA were negotiated impacted the financial viability of the Project, and that an amendment to the PGV ARPPA was necessary to mitigate the impacts. On March 27, 2023, the Utilities and PGV executed the First Amendment to the PGV ARPPA which increases the capacity payment and extends the GCOD. An application requesting approval of the First Amendment to the PGV ARPPA was filed on April 4, 2023. On June 13, 2023, PGV notified the Utilities of concerns of its ability to timely deliver on the terms of the ARPPA. PGV has been working to re-establish its capacity generation and has continued drilling and plans to drill additional wells, however, this process has taken longer than anticipated and PGV has become increasingly concerned about timely achieving the Contract Firm Capacity of 46 MW. In light of receiving this information and to allow the Utilities and PGV to determine the best path forward, on July 6, 2023 the Utilities asked the PUC to put the procedural schedule on hold for approval of the First Amendment to the PGV ARPPA. In order to address PGV's concerns, the parties executed a Second Amendment to the PGV ARPPA, which among other things lowered the capacity needed to reach commercial operations and preserves the full contract capacity, effectuating a partial commissioning. On October 2, 2023 the Utilities filed a letter

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requesting the docket be reopened and seeking approval of the First and Second Amendments to the PGV ARPPA by the end of 2023. On December 29, 2023, the PUC issued a decision and order conditionally approving the First and Second Amendments to the PGV ARPPA. As directed, on January 12, 2024, the Utilities filed a supplemental brief explaining its request for cost recovery.

- Under a request for proposal process governed by the PUC and monitored by independent observers, in February 2018, the Utilities issued Stage 1 Renewable RFPs for 220 MW of renewable generation on Oahu, 50 MW of renewable generation on Hawaii Island, and 60 MW of renewable generation on Maui. To date, the Utilities filed seven requests with the PUC for approval of amendments related to previously-approved PPAs for changes in pricing and/or guaranteed commercial operations dates to support completion of the projects while maintaining system reliability. The PUC has approved all seven amendments. To date, three projects reached commercial operations. See also “Purchase commitments” in Note 4 of the Consolidated Financial Statements.

With one PPA mutually terminated on November 17, 2023, a summary of the remaining seven PPAs is as follows:

Utilities	Number of contracts	Total photovoltaic size (MW)	BESS Size (MW/MWh)	Guaranteed commercial operation dates	Contract term (years)	Total projected annual payment (in millions)
Hawaiian Electric	4	139.5	139.5/558	7/31/22, 1/11/23, 1/20/23* & 10/31/24	20 & 25	$ 34.0
Hawaii Electric Light	2	60	60/240	10/11/24 & 4/21/23	25	19.2
Maui Electric	1	60	60/240	5/31/24	25	13.2
Total	7	259.5	259.5/1038			$ 66.4

* Project delays have resulted in Guaranteed Commercial Operations Date being missed.

The Utilities have received PUC approvals to recover the total projected annual payment of $66.4 million for the seven PPAs through the PPAC to the extent such costs are not included in base rates.

- In continuation of their February 2018 request for proposal process, the Utilities issued their Stage 2 Renewable RFPs for Oahu, Maui and Hawaii Island and Grid Services RFP on August 22, 2019. To date, the Utilities had filed 11 PPAs. Additionally, two GSPAs and two applications for commitments of funds for capital expenditures for approval of the utility self-build projects were filed with the PUC. Of the 11 filed PPAs, six PPAs were declared null and void by the independent power producers and one PPA was mutually terminated. The four remaining projects have received PUC approval. To date, the Utilities filed three requests with the PUC for approval of amendments related to previously-approved PPAs for changes in pricing and/or guaranteed commercial operations dates to support completion of the projects while maintaining system reliability. The PUC has approved all three amendments. The two GSPAs were approved by the PUC in December 2020. On December 22, 2023, the PUC approved the Utilities’ Waena Battery Energy Storage System (BESS) project. The one remaining Utility Self-Build project is still pending PUC approval. On December 19, 2023, Kapolei Energy Storage project on Oahu reached commercial operations. See also “Commitments” in Note 4 of the Consolidated Financial Statements.

A summary of the remaining four approved Stage 2 PPAs, is as follows:

Utilities	Number of contracts	Total photovoltaic size (MW)	BESS Size (MW/MWh)	Guaranteed commercial operation dates	Contract term (years)	Total projected annual payment (in millions)
Hawaiian Electric	3	79	79 / 443	5/17/24, 9/1/2024, & 4/9/2024	20 & 25	$ 31.4
Hawaiian Electric	1 *	N/A	185 / 565	12/19/2023	20	24.0
Total	4	79	264 / 1,008			$ 55.4

* See further discussion under “Review of Interconnection Process and Kapolei Energy Storage Power Purchase Agreement” below.

The total projected annual payment of $55.4 million for these PPAs will be recovered through the PPAC to the extent such costs are not included in base rates.

A summary of the GSPAs that were approved by PUC in December 2020 is as follows:

Utilities	Fast Frequency Response - 1 (MW)	Fast Frequency Response - 2 (MW)	Capacity - Load Build (MW)	Capacity - Load Reduction (MW)
Hawaiian Electric	—	26.7	14.5	19.4
Hawaii Electric Light	6.0	—	3.2	4.0
Maui Electric	6.1	—	1.9	4.7
Total	12.1	26.7	19.6	28.1

A summary of the utility self-build projects is as follows:

Utilities	Number of contracts	BESS Size (MW/MWh)	Guaranteed commercial operation dates
Hawaii Electric Light	1 *	12/12	12/30/22
Maui Electric	1	40/160	11/30/26
Total	2	52/172	

* The Utility Self-Build project was denied by the PUC on May 25, 2022 and the Utilities have filed a motion for reconsideration with the PUC. On January 26, 2024, the PUC granted the Utility’s November 15, 2023 request to suspend the docket to focus on identified priorities. The Utility will provide the PUC with an updated assessment of the project by April 30, 2024.

Tariffed renewable resources.

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- As of December 31, 2022 December 31, 2023, there were approximately 573 611 MW, 125 135 MW and 137 146 MW of installed distributed renewable energy technologies (mainly PV) at Hawaiian Electric, Hawaii Electric Light and Maui Electric, respectively, for tariff-based private customer generation programs, namely Standard Interconnection Agreement, Net Energy Metering, Net Energy Metering Plus, Customer Grid Supply, Customer Self Supply, Customer Grid Supply Plus and Interim Smart Export. As of December 31, 2022 December 31, 2023, an estimated 34% 40% of single-family homes on the islands of Oahu, Hawaii and Maui have installed private rooftop solar systems, and approximately 20% 23% of the Utilities' total customers have solar systems.
- The Utilities began accepting energy from feed-in tariff projects in 2011. As of December 31, 2022 December 31, 2023, there were 43 44 MW, 2 MW and 6 MW of installed feed-in tariff capacity from renewable energy technologies at Hawaiian Electric, Hawaii Electric Light and Maui Electric, respectively.

Biofuel sources.

- In July 2018, On June 30, 2021, the PUC approved Hawaiian Electric's three-year Utilities issued an RFP for all fuels, including biodiesel, for supply contract with commencing January 1, 2023. The Utilities and Pacific Biodiesel Technologies, LLC (PBT) to signed an agreement on December 13, 2021 for supply 2 million to 4 million gallons of biodiesel at Hawaiian Electric's Schofield

  Generating Station and on all islands commencing January 1, 2023, which was approved by the Honolulu International Airport Emergency Power Facility (HIA Facility) and any other generating unit PUC on Oahu, as necessary. The PBT contract became effective on November 1, 2018, and has been extended for one year through December 2022. December 1, 2022. Hawaiian Electric also has a spot buy contract with PBT to purchase additional quantities of biodiesel at or below the price of diesel. Some purchases of "at parity" biodiesel have been made under the spot purchase contract, which was extended through June 2023. On June 30, 2021, the Utilities issued an RFP for all fuels, including biodiesel, for supply commencing January 1, 2023. The Utilities and PBT signed an agreement on December 13, 2021 for supply of biodiesel on all islands commencing January 1, 2023, which was approved by the PUC on December 1, 2022. 2025.
- Hawaiian Electric has a contingency supply contract with REG Marketing & Logistics Group, LLC to also supply biodiesel to any generating unit on Oahu in the event PBT is not able to supply necessary quantities. This contingency contract has been extended to November 2024, and will continue with no volume purchase requirements.

Requests for renewable proposals, expressions of interest, and information.

- On November 22, 2021, CBRE RFPs for Molokai and Lanai were opened. The RFP for Lanai sought a single PV paired with storage project, which included a 3 MW portion, reserved for CBRE. The Lanai RFP closed on February 14, 2022 and the Molokai RFP closed on March 1, 2022. A project was selected in the Lanai RFP but negotiations were terminated. On July 1, 2022, a replacement project was selected and negotiations commenced. The RFP for Molokai sought 2.75 MW of new PV paired with storage projects for CBRE generation. No projects were selected in the Molokai RFP. However, with the concurrence of the independent observer, the Utilities are working worked with the lone bidder outside of the RFP process. process and filed two PPAs with a total of 2.45 MW of PV paired with 11.1 MWh of battery energy storage on September 29, 2023. The PUC approved both PPAs on January 8, 2024. See "Transition to a decarbonized and sustainable energy future—Community-based renewable energy" for additional information.
- On March 17, 2022, the CBRE LMI RFPs for Oahu, Maui and Hawaii were opened and proposals were received, Seven received. In November 2022, seven projects were selected consisting of one standalone PV project on Oahu, three paired PV with storage projects on Maui, and three paired PV with storage projects on Hawaii Island. The Utilities opened the CBRE Tranche 1 RFPs for Oahu, Maui and Hawaii on April 14, 2022. In March 2023, five projects were selected consisting of one paired PV with storage project on Oahu and proposals are currently being evaluated. four standalone PV projects on Hawaii Island. Two projects on Hawaii Island were subsequently withdrawn by the developer on October 18, 2023. See "Transition to a decarbonized and sustainable energy future—Community-based renewable energy" for additional information.
- The PUC issued a letter to the Utilities requesting development with a Hawaii Island Stage 3 RFP, on Hawaii Island on January 21, 2021. In accordance with guidance provided by the PUC in a subsequent letter on April 20, 2021, the Utilities filed the Hawaii Island Grid Needs Assessment on July 15, 2021 seeking 325 gigawatt-hours (GWh) per year of energy and the draft RFP, including model contracts for PV+BESS, wind+BESS, standalone storage, 65 MW of renewable firm renewable generation, and DER aggregators on October 15, 2021. The requirements in the Stage 3 RFP are guided by the results of the Grid Needs Assessment. On March 18, 2022, the Utilities filed a second draft of the Stage 3 RFP for Hawaii Island, incorporating stakeholder and PUC feedback. On May 31, 2022, the Utilities filed its proposed final draft Stage 3 RFP for Hawaii Island. On June 30, 2022, the PUC issued an order approving with modifications the Stage 3 RFP for Hawaii Island and providing guidance on the Oahu and Maui Stage 3 RFPs. On July 11, 2022, the Utilities filed a motion for partial reconsideration and/or clarification of the PUC's order. On July 20, 2022, the Utilities filed a Request for Extension to file the final Stage 3 RFP for Hawaii Island. On July 28, 2022, the PUC issued an order granting the Utilities' motion for an enlargement of time to file the final Stage 3 RFP for Hawaii Island. The Utilities' deadline to file the final Stage 3 RFP for Hawaii Island is 15 days from the filing date of the PUC's decision on the Utilities' Motion for Reconsideration. On October 17, 2022, the PUC issued an order in response to the Utilities' Motion. The final Stage 3 RFP was filed on November 7, 2022 and the RFP capacity, was issued on November 21, 2022. Proposals were due by February 24, 2023.
- On February 18, 2022, the PUC sent a letter to the Utilities directing them to develop Stage 3 RFPs for Oahu and Maui. On March 10, 2022, the Utilities submitted its recommendations received on plans to develop April 20, 2023. The Stage 3 RFPs for Oahu and Maui and opened for bids on May 2, 2022, the Utilities filed draft RFPs for Oahu and Maui. Updated grid needs assessments for Oahu and Maui were filed on July 29, 2022 January 20, 2023. Thirty-three information requests were issued by the PUC for the near term grid needs assessments supporting the Oahu and Maui Stage 3 RFPs on September 28, 2022. On October 7, 2022, the Utilities requested an extension from October 19, 2022 to November 16, 2022 to respond. On October 17, 2022, the Utilities filed a letter in both the RFP and IGP dockets with updated schedules for the Stage 3 and IGP RFPs and requesting approval to issue the Stage 3 Hawaii RFP by October 31, 2022 and the Stage 3 Maui and Oahu RFPs by November 30, 2022. The October 17, 2022 Order also mandated a 30 day comment period on the grid needs assessments for Oahu and Maui, which started on October 20, 2022. Comments were received on November 21, 2022. The filing of the Utilities' letter crossed with the filing of the PUC order. As a result of the updated near term grid needs assessments for Oahu and Maui as well as the subsequent withdrawals of one Stage 2 project each on Oahu and Maui, the Stage 3 RFP energy targets were increased. For Oahu, the Utilities are seeking 500 to 700 MW of renewable firm capacity, and at least 965 GWh of renewable dispatchable energy annually. For Maui, the Utilities are procuring at least 40 MW of renewable firm capacity, and at least 425 GWh of renewable dispatchable energy annually. On December 1, 2022 March 15, 2023, the PUC denied the Utilities' request to not advance its own proposal to meet the Maui firm capacity need as required under the Framework for Competitive Bidding, and on April 5, 2023,

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denied the Utilities' motion to modify the Maui RFP to allow a self-build, ordering the Utilities to submit a proposal for the firm capacity need, or in the alternative, file a request to suspend the firm generation portion of the Maui RFP to make adjustments as ordered by the PUC, including an extension of the bidding period for firm generation proposals. The Utilities filed their request on April 12, 2023, which the PUC granted on April 14, 2023. The updated Maui RFP was filed on April 27, 2023. Proposals for the Oahu RFP and the variable generation portion of the Maui RFP were received on April 20, 2023. The Utilities submitted a proposal that is consistent with the reliability requirements under the competitive bidding framework as directed by the PUC. Priority List selections were announced on July 6, 2023 and best and final offers for the Oahu and Hawaii RFPs and the variable generation portion of the Maui RFP were due on July 14, 2023. Final award selection was originally planned for October 2023, with negotiations of the PPAs expected to be completed in the later part of 2024. On September 27, 2023, the PUC approved the Utilities' proposal to extend the selection of the final awards to as far as December 1, 2023 for the Oahu and Hawaii RFPs, as well as for the variable generation portion of the Maui RFP. Proposals for the firm generation portion of the Maui Stage 3 RFPs for RFP were received on August 17, 2023, and Priority List selections were announced on October 9, 2023. 15 proposals were selected to the Final Award Group on December 8, 2023. Seven projects were selected on Oahu (three solar plus storage and four firm renewable) totaling 413 GWh of variable generation, 594 MW of firm generation, and 990 MWh of storage; four projects were selected on Maui with modifications. On December 22,

2022, the final RFPs (three solar plus storage and one wind) totaling 324 GWh of variable generation, and 320 MWh of storage; and four projects were filed, selected on Hawaii Island (three solar plus storage and were automatically approved by the PUC on January 17, 2023 one firm renewable) totaling 512 GWh of variable generation, 60 MW of firm generation, and opened for bids on January 20, 2023.

- On November 17, 2021, the Utilities filed a request with the PUC to develop an RFP for 834 MWh of storage. One project totaling 40 MW of firm renewable generation for Oahu. On December 22, 2021, the PUC issued guidance was selected to the Utilities Maui Firm Final Award Group on proceeding with such RFP. The Utilities filed a draft RFP on February 28, 2022 February 2, 2024. Per the PUC's March 23, 2022 letter, the Utilities will pursue firm renewable generation as a part of the Stage 3 Oahu RFP.

Review of Interconnection Process and Kapolei Energy Storage Power Purchase Agreement.

- In February 2021, the PUC initiated a docket for the purposes of reviewing the status and interconnection progress of various utility-related renewable projects (i.e. Stage 1 and Stage 2 RFP PPAs and CBRE) and the Utilities' transition plans for the expiration of the AES power purchase agreement, the retirement of the Kahului Power Plant, and other fossil fuel power plant transition plans, as needed. The Utilities filed initial status updates on the project timelines, steps needed for each of the renewable projects to achieve commercial operation and steps the Utilities are taking to address projected extensions of GCODs for renewable projects under development, which are due to a variety of factors, including those outside of the control of the Utilities. The PUC subsequently held status conferences on the Utilities' updates. In April 2021, the PUC issued an Order directing the Utilities to establish regulatory liabilities for the difference between the on-peak avoided cost and the unit price included in the applications for approval of the renewable project PPAs, effective with the GCOD included in the applications (the earliest GCOD included in the applications is July 2021) or from the date of the Order for CBRE Phase 1 projects. The amount of regulatory liabilities to be recorded in future periods are not determinable at this time and would be affected by a number of factors, including the length of the GCOD extension period, the monthly on-peak avoided cost, as well as the factors described above. The Utilities filed a Motion for Reconsideration of the entire Order, or in the alternative to clarify that at most the PUC is directing the Utilities to track the information and not record the information at this time. The Utilities further requested a Stay of the Order pending resolution of the Motion. The Utilities maintain that extensions of GCODs are allowed under the PUC-approved contracts and that the Order has the unintended consequence of imposing penalties against the Utilities without due process. In May 2021, the PUC issued an order clarifying its Order and directed the Utilities to track costs to consumers caused by the perceived delay of renewable projects, and that the PUC does not intend to, at this time, impose any penalties on the Utilities. The Utilities report the tracked cost on a monthly basis. The full text of the Order, Motion for Reconsideration and request for a Stay of the Order, and clarification Order as well as the tracked costs can be found on the PUC website at dms.puc.hawaii.gov/dms hpuc.my.site.com/cdms/s/search (Docket No. 2021-0024).
- During the 2022 Legislative Session, the Hawaii State Legislature passed Senate Bill 2474 SD 2 HD 1 CD 1, which was signed into law on June 27, 2022 as Act 201. The law requires that the PUC contract with a qualified consultant to conduct a study on the accessibility of Hawaii's electric system and procedures for interconnection to Hawaii's electric system, including but not limited to the timeliness and costs of interconnection. The PUC contracted with PA Consulting to conduct the study as well as act as the Independent Engineer for the Stage 3 Request for Proposal procurement. The report was submitted to the PUC on December 28, 2022 and did not find any wrongdoing on the part of the utility. The report made minor recommendations for Hawaiian Electric to review interconnection related tariff/rules and revise, if necessary, to provide technical clarity in terms of interconnection requirements, to establish a database for the purpose of centralizing all information related to all interconnection projects they manage, including their self-build and IPP-built projects, and to develop comparable interconnection cost metrics for self-build and IPP-built projects so that interconnection costs can be directly compared. The PUC stated its intent to address the recommendations that are directed to Hawaiian Electric through various proceedings related to the interconnection process. Hawaiian Electric will be working on these recommendations. The contracted consultant is also planning has completed a second phase of the study, to be completed in 2023, dated December 28, 2023, which will include included the assessment and recommendation of remaining issues listed in Act 201 that are were not covered in Phase 1.
- Also in April 2021, the PUC approved the Kapolei Energy Storage (KES) PPA (one of the PPAs as a result of the Stage 2 Renewable RFP process) (KES Decision and Order), subject to nine conditions, including the Utilities forgoing the second portion of the PIM rewards amounting up to $1.7 million for the Stage 1 RFP PPAs, removing grid constraints for the Utilities' CBRE Phase 2 projects and for existing and new distributed energy programs, financial retirement of Hawaiian Electric generating units by specified dates and adjusting target revenues at the retirement dates for such retirements, and a requirement to charge the batteries in the project using significant levels of renewable energy generation. The financial retirement of the generating units described in the KES Decision and Order is contrary to the intent of Hawaii Revised Statutes §269-6(d), which encourages the recovery of stranded costs for the retirement of fossil fuel generation, and contrary to the regulatory compact under which in return for agreeing to commit capital necessary to allow utilities to meet their obligation to serve, utilities are assured recovery of their investment and a fair opportunity to earn a reasonable return on the capital prudently committed to the business. Hawaiian Electric filed a Motion for Reconsideration and Stay of the Decision and Order due to potentially significant financial and operational impacts. In May 2021, the PUC granted, in part, Hawaiian Electric's Motion for Reconsideration and Stay. In this Order, the PUC addressed a number of Hawaiian Electric's concerns, including removing the condition of the Utilities foregoing the PIM award from Stage 1 RFP projects, agreeing to address grid constraint concerns in respective DER and CBRE dockets and not in the KES docket, removing the minimum thresholds of charging energy coming from renewable energy generation and corresponding deadlines associated with these thresholds and modifying the condition on financial retirement of generating units. The PUC indicated the net book value of generating assets would be addressed at the time of retirement. The full text of the KES Decision and Order and the Motion for Reconsideration and Stay with respect thereto, and the Order granting, in part, Hawaiian Electric's Motion for Reconsideration can be found on the PUC website at dms.puc.hawaii.gov/dms hpuc.my.site.com/cdms/s/search (Docket No. 2020-0136). On October 2, 2023, the PUC issued an order (Order No. 40293) in the proceeding

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regarding the retirement of Waiau Units 3 and 4, which among other things, removed one of the nine conditions from the April 2021 KES Decision and Order regarding the financial retirement of Waiau and Kahe Units by specified dates. The full text of Order No. 42093 can be found on the PUC website at hpuc.my.site.com/cdms/s/search (Docket 2023-0339).

Legislation and regulation. Congress and the Hawaii legislature periodically consider legislation that could have positive or negative effects on the Utilities and their customers. Also see "Environmental regulation" in "Item 1. Business" and Note 34 of the Consolidated Financial Statements.

Fuel contracts. The fuel contract entered into in January 2019, by the Utilities and PAR Hawaii Refining, LLC (PAR Hawaii), for the Utilities' low sulfur fuel oil (LSFO), high sulfur fuel oil (HSFO), No. 2 diesel, and ultra-low sulfur diesel (ULSD) requirements was approved by the PUC, and became effective on April 28, 2019 and terminated on December 31, 2022. This contract was a requirement contract with no minimum purchases. If PAR Hawaii is unable to provide LSFO, HSFO, diesel and/or ULSD the contract allows the Utilities to purchase LSFO, HSFO, diesel and/or ULSD from another supplier.

On June 9, 2020, the Utilities and PAR Hawaii entered into a First Amendment to the fuel contract. The First Amendment amends only the LSFO pricing to create a two-tiered structure based on volume, with all tier-1 LSFO up to the tier-1 maximum to be purchased exclusively from PAR Hawaii at the established pricing, and purchases in excess of that volume (tier-2) either from PAR Hawaii at the established pricing, or from an alternative supplier. On August 4, 2020, the PUC approved the First Amendment, which has an effective date of July 15, 2020, on an interim basis. The PUC's approval order allows the recovery of such costs associated with the First Amendment through the ECRC to the extent that the costs are not recovered in base rates. The PUC intends to review whether the First Amendment is reasonable and in the public interest in the final decision, but it will not subject the recovery of the costs between the interim decision and the final decision to retroactive disallowances. On July 6, 2021, the PUC issued a D&O, approving the First Amendment and requiring the Utilities to meet certain conditions of approval (COA). The Utilities are currently addressing the COAs as required in the D&O.

On June 30, 2021, the Utilities issued two RFPs for all fuels for supply commencing January 1, 2023. On February 1, 2022, the Utilities and PAR Hawaii Refining, LLC (PAR Hawaii) entered into a fuel supply contract commencing January 1, 2023 and Second Amendment to the existing fuel contract to amend tier-1 volumes.. On September 1, 2022 December 1, 2022, the fuel supply contract with PUC issued a decision and order (D&O) approving the PAR Hawaii was approved by the PUC on an interim basis fuels contract and the Second Amendment to the existing fuel contract received final approval from the PUC. recovery of associated costs through ECRC.

On March 3, 2022, as part of economic sanctions amid the Russia-Ukraine war, Par PAR Hawaii announced that it is was suspending all purchases of Russian crude oil, which accounts for at least 25% of Hawaii's supply. The average fuel oil cost per barrel has increased 77% over prior year. The Utilities are taking additional measure to ensure adequate supply of fuel by entering into a backup fuel supply contract with Vitol Inc. (Vitol) commencing on December 1, 2022 through June 30, 2023 June 30, 2024 with annual extensions if mutually agreed by both parties. The PUC issued the final decision and order D&O approving the both the PAR fuels contracts and the Vitol backup fuels supply contract on December 1, 2022. The and the costs incurred under the contract with PAR Hawaii and Vitol are recovered in the Utilities' respective ECRCs.

Proposed modification to the pension tracking mechanism. On June 9, 2022, the Utilities filed an application with the PUC for approval to modify the pension tracking mechanism. The existing pension tracking mechanisms allows the Utilities to record the difference between actual NPPC and NPPC in rates to regulatory asset or liability. The proposed modification would allow the Utilities to also record to regulatory asset or liability the difference between the actual cash contributions made to the defined contribution plans and the contribution amounts included in rates. The Utilities also proposed in the application the accelerated return of pension tracking regulatory liability to the ratepayers during the current MRP. The PUC issued a D&O on January 13, 2023, denying the Utilities' proposal to modify the pension tracking mechanism at this time. The PUC clarified that it is open to re-visiting this issue in a comprehensive examination of the pension tracker, with a more holistic review of potential impacts and benefits to the customers. The pension tracker will continue to operate as it has been since each of the Utilities' last general rate cases. The Utilities are required to file their annual actuarial report showing the NPPC and pension plan's financial position in their most recent respective rate case dockets.

Liquidity and capital resources. As of December 31, 2022 December 31, 2023, Hawaiian Electric had $88 million of no commercial paper outstanding, no amount $200 million outstanding on its revolving credit facility and the total amount of no remaining available borrowing capacity under the Utilities' committed line of credit credit. The cash proceeds were invested in highly liquid short-term investments, and as of December 31, 2023 the Utilities' cash and cash equivalents balance was $200 million.

Hawaiian Electric expects that its liquidity will continue to be moderately impacted at the Utilities due to higher fuel prices and lingering COVID-19 impacts to the local economy. As of December 31, 2022, fuel inventories have increased by $87 million compared to December 31, 2021. Elevated fuel prices billed to customers have also resulted in higher accounts receivable balances, which increased by $101 million $106 million, compared to $39 million as of December 31, 2022. The increase was primarily due to line of credit draws on revolving credit facility.

Hawaiian Electric's objective continues to be to operate a strong, financially healthy enterprise to empower a thriving future for Hawaii. While the accounts fundamentals of its business remain strong, the Utilities took prudent and measured actions to strengthen their financial position while continuing to provide reliable service to its customers and reinforcing its commitment to serving the community for the long term. The Utilities are working with financial advisors to maximize available liquidity and believe they have adequate cash to meet their financial obligations and sustain operations in the short term. Longer term, the Utilities are evaluating other sources of liquidity that could include securitization, re-prioritizing capital spending and reducing O&M, issuing secured debt, and conducting asset sales, among others.

Accounts receivable balances as remain elevated coming out of December 31, 2021. Higher accounts receivable balances the pandemic and has led to higher bad debt expense may result in and higher write-offs in 2022 and 2023, following the future. end of the moratorium on disconnections. The higher bad debt expense is expected to continue until the Utilities return to pre-pandemic collection practices, along with a decrease in volume, for delinquent accounts. The Maui windstorm and wildfires have not and are not anticipated to materially impact accounts receivable and higher bad debt expense. As of December 31, 2023, approximately $22 million of the accounts receivables were over 30 days past due. Of the over 30 days past due amounts, approximately 49% were on payment plans. In addition to the cash flow impact from delayed collection of accounts receivable, lower kWh sales relative to the level of kWh sales approved in the last rate case generally result in delayed timing of cash flows, resulting in higher working capital requirements. However,

With the Utilities' liquidity and access to capital remains adequate and is expected to remain adequate. As exception of December 31, 2022, Maui, the total amount of available borrowing capacity (net of commercial paper outstanding) under the Utilities' committed lines of credit and cash and cash equivalents was approximately $151 million.

The Utilities are continuing the disconnection process on a tiered basis, expanding the targeted balances, which is expected to further reduce delinquent accounts receivable balances and accelerate cash collections. Service disconnections on Maui are suspended from August 8, 2023 to March 5, 2024; however, efforts are ongoing to educate and

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inform customers impacted by the Maui windstorm and wildfires on the availability of financial assistance to manage delinquencies accordingly. See also “Regulatory assets and liabilities” in Note 4 of the Consolidated Financial Statements.

The rebuilding of Lahaina will be a community-led effort and will occur over an extended period of time. The cost of rebuilding the electric utility infrastructure is not yet known, but could be significant because the infrastructure that may be required is expected to be different than what previously existed. For example, to mitigate wildfire risk, grid hardening strategies, such as undergrounding lines in high-risk locations, are expected to be employed.

Hawaiian Electric’s consolidated capital structure was as follows:

December 31 (dollars in millions)	December 31 (dollars in millions)	2022		2021		December 31 (dollars in millions)	2023		2022	
Short-term borrowings, net	Short-term borrowings, net	$ 88	2 %	$ —	— %	Short-term borrowings, net	$ —	— %	$ 88	2 %
Long-term debt, net	Long-term debt, net	1,685	41	1,676	42					
Preferred stock	Preferred stock	34	1	34	1					
Common stock equity	Common stock equity	2,344	56	2,262	57					
		$4,151	100 %	$3,972	100 %		$ 4,377	100 %	$ 4,151	100 %

Information about Hawaiian Electric’s commercial paper borrowings, borrowings from HEI, and line of credit facility were as follows:

(in millions)	(in millions)	Year ended December 31, 2022 Average balance	End-of-period balance	December 31, 2021
Short-term borrowings[1]				
(in millions)				
(in millions)		Average balance	End-of-period balance	December 31, 2022
Commercial paper				
Commercial paper				
Commercial paper	Commercial paper	$ 47	$ 88	$ —
Borrowings from HEI	Borrowings from HEI	2	—	—
Line of credit draws on revolving credit facility	Line of credit draws on revolving credit facility	—	—	—

1 Note: The maximum amount of external short-term borrowings by Hawaiian Electric during 2022 2023 was approximately $106 million $200 million. At December 31, 2022 December 31, 2023, Hawaiian Electric had short-term borrowings from Hawaii Electric Light and Maui Electric had short-term borrowings from Hawaiian Electric of $5 million nil and $22 million $70.5 million, respectively, which intercompany borrowings are eliminated in consolidation.

Prior to the Maui windstorm and wildfires, Hawaiian Electric utilizes utilized short-term debt, typically commercial paper, to support normal operations, to refinance short-term debt and for other temporary requirements. Hawaiian Electric also borrows short-term from HEI for itself and on behalf of Hawaii Electric Light and Maui Electric, and Hawaiian Electric may borrow from or loan to Hawaii Electric Light and Maui Electric on a short-term basis. The intercompany borrowings among the Utilities, but not the borrowings from HEI, are eliminated in the consolidation of Hawaiian Electric’s financial statements. The Utilities periodically utilize also historically utilized long-term debt, borrowings of the proceeds of special purpose revenue bonds (SPRBs) issued by the State of Hawaii Department of Budget and Finance (DBF) and the issuance of privately placed unsecured senior notes bearing taxable interest, to finance the Utilities’ capital improvement projects, or to repay short-term borrowings used to finance such projects. The downgrades of Hawaiian Electric’s credit ratings will continue to adversely impact the Utilities’ ability to access capital markets and other sources of debt and equity financing, if at all, in a timely manner and on acceptable terms. The Utilities are currently evaluating other sources of liquidity that could include securitization, re-prioritizing capital spending and reducing O&M, issuing secured debt, conducting asset sales, among others. On February 16, 2024, the Utilities filed an application to seek PUC must approve issuances, if any, of equity and long-term

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debt securities by the Utilities. approval to pursue additional financing through a secured asset-based (accounts receivable) credit facility, which could provide up to $250 million in liquidity.

Credit agreement. On February 18, 2022 August 23, 2023, the PUC approved Hawaiian Electric's request to extend the term of the $200 million Hawaiian Electric fully drew down $200 million on its existing revolving credit facility to May 14, 2026. In addition to extending the term, Hawaiian Electric received PUC approval to exercise its options of two one-year extensions of the commitment termination date facilities. The cash proceeds were invested in highly liquid short-term investments and to increase its aggregate revolving commitment amount from $200 million to $275 million, should there will be a need. Hawaiian Electric has a used for general corporate purposes. The $200 million line of credit facility with no amount outstanding at December 31, 2022 remained fully drawn as of December 31, 2023. See Note 6 of the Consolidated Financial Statements for additional information.

Credit ratings. As In August 2023, the credit ratings of February 13, 2023 Hawaiian Electric were subject to multiple downgrades, including to ratings below investment grade, by Fitch, Moody's and S&P. These rating actions were primarily due to the uncertainty facing the Utilities resulting from potential liability related to damages and losses caused by the Maui windstorm and wildfires and

increasing number of lawsuits filed to date. From prior to the August 2023 downgrades, to as of February 15, 2024, the Fitch, Moody's and S&P ratings of Hawaiian Electric were as follows:

	Fitch		Moody's		S&P	
	To	**From**	**To**	**From**	**To**	**From**
Long-term issuer default, long-term and issuer credit, respectively	BBB+ B	A-	Ba3	Baa1	B-	BBB
Short-term issuer default, commercial paper and commercial paper, respectively	Commercial paper B	F2	F2 NP	P-2	B	A-2
Senior unsecured debt/special purpose revenue bonds	A- B+	A	Ba3	Baa1	*	*
Cumulative preferred stock (selected series)	*	*	B3	Baa3	*	*
Outlook	Positive Watch Negative	Stable	Stable**	Stable	Watch Negative	Stable

* Not rated.

** In December 2023, Moody's revised Hawaiian Electric's outlook from "Review for Downgrade" to "Stable" due to several positive developments, including proactive efforts by the State of Hawaii to develop a plan to address the financial and legal issues raised by the wildfires. See Note 2 of the Consolidated Financial Statements for further information.

Note: The above ratings reflect only the view, at the time the ratings are issued or affirmed, of the applicable rating agency, from whom an explanation of the significance of such ratings may be obtained. Such ratings are not recommendations to buy, sell or hold any securities; such ratings may be subject to revision or withdrawal at any time by the rating agencies; and each rating should be evaluated independently of any other rating.

See "Credit and Capital Market Risk" in item 1A. Risk Factors. The downgrades of Hawaiian Electric's credit ratings will continue to adversely impact the Utilities' ability to access capital markets and other sources of debt financing, if at all, in a timely manner and on acceptable terms. In addition, the downgrades of the Hawaiian Electric's credit ratings triggered certain cash or payment requirements with the Utilities' vendors. However, the Utilities believe additional vendor collateral or payment requirements will not have a material impact on the Utilities' liquidity.

SPRBs. SPRBs have been issued by the DBF to finance (and refinance) capital improvement projects of Hawaiian Electric and its subsidiaries, but the sources of their repayment are the non-collateralized obligations of Hawaiian Electric and its subsidiaries under loan agreements and notes issued to the DBF, including Hawaiian Electric's guarantees of its subsidiaries' obligations.

On May 24, 2019, the PUC approved the Utilities' request to issue SPRBs in the amounts of up to $70 million, $2.5 million and $7.5 million for Hawaiian Electric, Hawaii Electric Light and Maui Electric, respectively, prior to June 30, 2020, to finance the Utilities' capital improvement programs. Pursuant to this approval, on October 10, 2019, the DBF issued, at par, Series 2019 SPRBs in the aggregate principal amount of $80 million with a maturity of October 1, 2049. As of December 31, 2022, Hawaiian Electric, Hawaii Electric Light and Maui Electric had no undrawn funds.

On June 10, 2019, the Hawaii legislature authorized the issuance of up to $700 million of SPRBs ($400 million for Hawaiian Electric, $150 million for Hawaii Electric Light and $150 million for Maui Electric), with PUC approval, prior to June 30, 2024, to finance the Utilities' multi-project capital improvement programs (2019 Legislative Authorization).

On February 9, 2021, the PUC approved the Utilities' request to issue SPRBs (up to $100 million, $35 million and $45 million for Hawaiian Electric, Hawaii Electric Light and Maui Electric, respectively) through 2022, with the proceeds to be used to finance the Utilities' multi-project capital improvement programs. The PUC also approved the use of the expedited approval procedure to request the issuance and sale of the remaining/unused amount of SPRBs authorized by the 2019 Legislative Authorization (i.e., total not to exceed up to $400 million for Hawaiian Electric, up to $150 million for Hawaii Electric Light, and up to $150 million for Maui Electric) during the period January 1, 2023 through June 30, 2024. On January 31, 2023, the PUC approved the Utilities' requests to issue the remaining unused amounts of the SPRBs during the period January 1, 2023 through June 30, 2024, and the certification and approval of supplemental projects eligible to be financed by the SPRB proceeds.

Taxable debt. On January 31, 2019, the Utilities received PUC approval (January 2019 Approval) to issue the remaining authorized amounts under the PUC approval received in April 2018 (April 2018 Approval) in 2019 through 2020 (Hawaiian Electric up to $205 million and Hawaii Electric Light up to $15 million of taxable debt), as well as a supplemental increase to authorize the issuance of additional taxable debt to finance capital expenditures, repay long-term and/or short term debt used to finance or refinance capital expenditures, and/or to reimburse funds used for payment of capital expenditures, and to refinance the Utilities' 2004 junior subordinated deferrable interest debentures (QUIDS) prior to maturity. In addition, the January 2019 Approval authorized the Utilities to extend the period to issue additional taxable debt from December 31, 2021 to December 31, 2022. The new total "up to" amounts of taxable debt requested to be issued through December 31, 2022 are $410 million, $150 million and $130 million for Hawaiian Electric, Hawaii Electric Light and Maui Electric, respectively.

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On May 3, 2022, the Utilities received PUC approval through the expedited approval process to issue taxable debt (Hawaiian Electric up to $50 million, Hawaii Electric Light up to $30 million and Maui Electric up to $35 million) prior to December 31, 2022. Pursuant to the approval, on June 15, 2022, the Utilities drew $60 million of proceeds using a delayed draw feature under a private placement executed on May 11, 2022. The proceeds of the notes were used by the Utilities to finance their respective capital expenditures, repay short-term debt used to finance or refinance capital expenditures and/or reimburse funds used for the payment of capital expenditures. See Note 6 of the Consolidated Financial Statements.

As of December 31, 2022, Hawaiian Electric, Hawaii Electric Light, and Maui Electric had $95 million, $75 million, and $35 million, respectively, of remaining unused taxable debt authorization. See summary table below.

(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric
Total “up to” amounts of taxable debt authorized through 2022	$ 410	$ 150	$ 130
Less:			
Taxable debt authorized and issued in 2018 under April 2018 Approval	75	15	10
Taxable debt issuance to refinance the 2004 QUIDS in 2019	30	10	10
Taxable debt issuance in May 2020	110	10	40
Taxable debt executed in October 2020, but issued on January 14, 2021	60	30	25
Taxable debt executed in May 2022, but issued on June 15, 2022	40	10	10
Remaining unused authorized amounts that expired December 31, 2022	$ 95	$ 75	$ 35

On December 20, 2022, the Utilities received PUC approval to issue, over a four-year period from January 1, 2023 to December 31, 2026, unsecured obligations bearing taxable interest (Hawaiian Electric up to $230 million, Hawaii Electric Light up to $65 million and Maui Electric up to $105 million), to finance capital expenditures, repay long-term and/or short-term debt used to finance or refinance capital expenditures, and/or to reimburse funds used for payment of capital expenditures. Pursuant to the approval, on January 10, 2023, the Utilities executed through a private placement, $150 million in unsecured senior notes. notes (2023 Notes). The 2023 Notes had a delayed draw feature and the Utilities drew down all the proceeds on February 9, 2023. See Note 6 7 of the Consolidated Financial Statements. See Statements for additional information and see summary table below for new remaining authorized amounts.

(in millions)	(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric
Total “up to” amounts of taxable debt authorized from 2023 through 2026	Total “up to” amounts of taxable debt authorized from 2023 through 2026	$ 230	$ 65	$ 105				
Less:	Less:							
Taxable debt executed in January 2023, but issued on February 9, 2023		100	25	25				
					Taxable debt executed on January 10, 2023, but issued on February 9, 2023			
					Taxable debt executed on January 10, 2023, but issued on February 9, 2023			
					Taxable debt executed on January 10, 2023, but issued on February 9, 2023			
Remaining authorized amounts	Remaining authorized amounts	$ 130	$ 40	$ 80				

Equity. In October 2018, the Utilities received PUC approval for the supplemental increase to issue and sell additional common stock in the amounts of up to $280 million for Hawaiian Electric and up to $100 million each for Hawaii Electric Light and Maui Electric, with the new total “up to” amounts of $430 million for Hawaiian Electric and $110 million each for Hawaii Electric Light and Maui Electric, and to extend the period authorized by the PUC to issue and sell common stock from December 31, 2021 to December

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31, 2022. As of December 31, 2022 December 31, 2023, Hawaiian Electric, Hawaii Electric Light, and Maui Electric had $208.3 million have $130 million, $87.7 million $40 million, and $60.2 million $80 million, respectively of unused common stock remaining taxable debt authorization. See summary table below.

(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric
Total "up to" amounts of common stock authorized to issue and sell through 2021	$ 150.0	$ 10.0	$ 10.0
Supplemental increase authorized	280.0	100.0	100.0
Total "up to" amounts of common stock authorized to issue and sell through 2022	430.0	110.0	110.0
Less: Common stock authorized and issued from 2017 through 2021	208.6	16.3	46.8
Less: Common stock authorized and issued in 2022	13.1	6.0	3.0
Remaining unused authorized amounts that expired December 31, 2022	$ 208.3	$ 87.7	$ 60.2

Equity. On December 20, 2022, the Utilities received PUC approval to issue and sell each utility's common stock over a four-year period from January 1, 2023 through December 31, 2026 (Hawaiian Electric's sale/s to HEI of up to $75 million, Hawaii Electric Light sale/s to Hawaiian Electric of up to $25 million, and Maui Electric sale/s to Hawaiian Electric of up to $55 million) and the purchase of Hawaii Electric Light and Maui Electric common stock by Hawaiian Electric from 2023 through December 31, 2026.

As of December 31, 2023, Hawaiian Electric, Hawaii Electric Light, and Maui Electric have $75 million, $25 million, and $55 million, respectively, of unused common stock authorization.

Cash flows. The following table reflects the changes in cash flows for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022:

Years ended December 31					Years ended December 31			
(in thousands)	(in thousands)	2022	2021	Change	(in thousands)	2023	2022	Change
Net cash provided by operating activities	Net cash provided by operating activities	$327,930	$273,133	$54,797				
Net cash used in investing activities	Net cash used in investing activities	(324,085)	(285,965)	(38,120)				
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	(19,861)	4,764	(24,625)				

Net cash provided by operating activities: The increase in net cash provided by operating activities was primarily driven by lower revenue taxes paid due to timing, and higher cash receipts receipt of payments from large delinquent commercial customer accounts, and from customers due to increased disconnection efforts and receipts receipt of payments on installment plans, partially offset by higher government and other program assistance, as well as lower cash paid for fuel oil stock due to higher lower fuel oil prices and higher lower volume purchased, and increase in customer accounts receivable resulting from increase in fuel prices. partially offset by higher revenue taxes paid due to timing.

Net cash used in investing activities: The increase in net cash used in investing activities was primarily driven by a an increase in capital expenditures related to construction activities.

Net cash provided by financing activities: The decrease increase in net cash provided by financing activities was driven by higher cash proceeds from long-term borrowings and line of credit draws on revolving credit facility, partially offset by repayment of short-term borrowings and lower proceeds from issuance of long-term debts and common stock, and higher dividend payment, partially offset by net increase in short-term borrowing in 2022. stock.

For a discussion of 2020 2021 operating, investing and financing activities, please refer to the "Liquidity and capital resources" section in Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations—Electric utility," in the Company's 2021 2022 Form 10-K.

Material cash requirements. Material cash requirements of the Utilities include O&M expenses, including legal and consulting costs related to the Maui windstorm and wildfires, labor and benefit costs, fuel and purchase power costs, repayment of debt and interest payments, operating and finance lease obligations, its their forecasted capital expenditures (including capital expenditures related to wildfires and wildfire mitigations) and investments, its their expected retirement benefit plan contributions and other short-term and long-term material cash requirements. The cash requirements for O&M, fuel and purchase power costs, debt and interest payments, and operating and finance lease obligations are generally funded through the collection of the Utilities' revenue requirement established in the last rate case and other mechanisms established under the regulatory framework. The cash requirements for capital expenditures are generally funded through retained earnings, the issuance of debt, and contributions of equity from HEI and generally recovered through the Utilities' revenue requirement or other capital recovery mechanisms over time. The Although the Utilities' credit rating downgrades related to the Maui windstorm and wildfires will continue to adversely impact its ability to access capital markets and other sources of debt financing, if at all, in a timely manner and on acceptable terms, the Utilities

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currently believe that their ability to generate cash is adequate to maintain sufficient liquidity to fund their material cash requirements. requirements in the short term. However, the potential damages and losses related to the Maui windstorm and wildfires and related lawsuits (see further information in Note 2 of the Consolidated Financial Statements), the economic impact of higher fuel prices, inflation, higher interest rates, tightening of monetary policy, the ongoing COVID-19 pandemic and geopolitical situations, create significant uncertainty, and the Utilities cannot predict the extent or duration of these conditions, the future effects that it these conditions will have on the global, national or local economy, including the impacts on the Utilities' cost of capital and their ability as well as the cost, to access additional capital, or the future impacts on the Utilities' financial position, results of operations, and cash flows. See Item 1A. "Risk Factors" in Part I for further discussion of risks and uncertainties.

Forecast capital expenditures. For the five-year period 2023 through 2027, the Utilities forecast approximately $2.2 billion of net capital expenditures, which could change over time based upon external factors such as the timing and scope of environmental regulations and/or unforeseen delays in permitting and timing of PUC decisions. Approximately $1.6 billion is related to replacement and modernization of generation, transmission and distribution assets; approximately $0.3 billion is related to climate-related projects to transition to renewable energy or mitigate climate impacts by increasing the resilience of the system, and approximately $0.3 billion for targeted efforts to improve reliability. Proceeds from the issuance of equity and long-term debt, cash flows from operating activities, temporary increases in short-term borrowings and existing cash and cash equivalents are expected to provide the funds needed for the net capital expenditures, to pay down commercial paper or other short-term borrowings, as well as to fund any unanticipated expenditures not included in the 2023 to 2027 forecast (such as increases in the costs or acceleration of capital projects, or unanticipated capital expenditures that may be required by new environmental laws and regulations).

Management periodically reviews capital expenditure estimates and the timing of construction projects. These estimates may change significantly as a result of many considerations, including changes in economic conditions, changes in forecasts of kWh sales and peak load, the availability of purchased power and changes in expectations concerning the construction and ownership of future generation units, the availability of generating sites and transmission and distribution corridors, the need for fuel infrastructure investments, the ability to obtain adequate and timely rate increases, escalation in construction costs, the effects of opposition to proposed construction projects and requirements of environmental and other regulatory and permitting authorities.

Selected short-term and long-term contractual obligations and commitments. The following table presents aggregated information about total payments due from the Utilities during the indicated periods under the specified contractual obligations and commitments:

December 31, 2022		Payments due by period				
December 31, 2023						
(in millions)	(in millions)	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Short-term borrowings		$ 88	$ —	$ —	$ —	$ 88
Long-term debt						
Long-term debt						
Long-term debt	Long-term debt	$100	$ 47	$ 225	$1,320	$1,692
Interest on long-term debt	Interest on long-term debt	69	129	120	681	999
Operating and finance leases	Operating and finance leases					
PPAs classified as leases						
PPAs classified as leases						
PPAs classified as leases	PPAs classified as leases	11	22	22	104	159
Other leases	Other leases	18	27	18	25	88
Open purchase order obligations [1]	Open purchase order obligations [1]	178	65	12	—	255

December 31, 2023		Payments due by period				
(in millions)		Less than 1 year	1-3 years	3-5 years	More than 5 years	Total

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Fuel oil purchase obligations (estimate based on fuel oil price at December 31)	Fuel oil purchase obligations (estimate based on fuel oil price at December 31)	5	9	5	—	19
Purchase power obligations-minimum fixed capacity charges not classified as leases	Purchase power obligations-minimum fixed capacity charges not classified as leases	80	160	160	521	921
Liabilities for uncertain tax positions	Liabilities for uncertain tax positions	—	2	—	—	2
Total (estimated)	Total (estimated)	$549	$ 461	$ 562	$2,651	$4,223

1 Includes contractual obligations and commitments for capital expenditures and expense amounts.

The table above does not include other categories of obligations and commitments, such as deferred taxes, trade payables, amounts that will become payable in future periods under collective bargaining and other employment agreements and employee benefit plans and potential refunds of amounts collected from ratepayers (e.g., under the earnings sharing mechanism). As of December 31, 2022 December 31, 2023, the fair value of the assets held in trusts to satisfy the obligations of the Utilities' retirement benefit plans did not exceed the retirement benefit plans' benefit obligation. Minimum funding requirements for retirement benefit plans have not been included in the table above. See Note 10 11 of the Consolidated Financial Statements for retirement benefit plan obligations and estimated contributions for 2023. 2024.

See "Biofuel sources" in the "Developments in renewable energy efforts" section above for additional information for fuel oil purchase obligation. See Notes 3 4 and 8 9 of the Consolidated Financial Statements for a discussion of power purchase commitments and operating leases obligations, respectively.

Competition. Although competition in the generation sector in Hawaii is moderated by the scarcity of generation sites, various permitting processes and lack of interconnections to other electric utilities, the PUC has promoted a more competitive electric industry environment through its decisions concerning competitive bidding and distributed generation. An increasing amount of generation is provided by IPPs and customer distributed generation.

Competitive bidding. In December 2006, the PUC issued a decision that included a final competitive bidding framework, which became effective immediately. The final framework states, among other things, that: (1) a utility is required to use competitive bidding to acquire a future generation resource or a block of generation resources unless the PUC finds bidding to be unsuitable; (2) the framework does not apply in certain situations identified in the framework; (3) waivers from competitive bidding for certain circumstances will be considered; (4) the utility is required to select an independent observer from a list approved by the PUC whenever the utility or its affiliate seeks to advance a project proposal (i.e., in competition with those offered by bidders); (5) the utility may consider its own self-bid proposals in response to generation needs identified in its RFP; and (6) for any resource to which competitive bidding does not apply (due to waiver or exemption), the utility retains its traditional obligation to offer to purchase capacity and energy from a Qualifying Facility (QF) at avoided cost upon reasonable terms and conditions approved by the PUC.

Technological developments. New emerging and breakthrough technological developments (e.g., the commercial development of long-duration energy storage, grid-forming and black starting inverters in low inertia power systems, microgrids, distributed generation, grid modernization, electrification of transportation, implement predictive analytics using artificial intelligence machine learning algorithms to help assess the state of health of utility assets and prevent premature failure, and the diversification of generation from renewable sources) may impact the Utilities' future competitive position, results of operations, financial condition and liquidity. The Utilities continue to seek prudent opportunities to develop, test, pilot, and implement technologies that align with their technical and business plans and support clean energy and decarbonized goals, while ensuring reliability and resilience as the Utilities adapt to a changing climate. Technologies that the Utilities are evaluating include the commercial development of advanced protection schemes that would monitor, detect, and isolate falling overhead distribution and transmission lines to reduce wildfire risks and improve public/employee safety, long-duration energy storage, grid-forming and black starting inverters in low inertia power systems, microgrids, distributed generation, grid modernization, electrification of transportation, implement predictive analytics and control through edge computing using artificial intelligence machine learning algorithms to help assess the state of health of utility assets and prevent premature failure, and the diversification of generation from renewable sources.

Environmental matters. See "Electric utility—Regulation—Environmental regulation" under "Item 1. Business" and "Environmental regulation" in Note 3 4 of the Consolidated Financial Statements.

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Commitments and contingencies. See Item 1A. Risk Factors, and Note 3 4 of the Consolidated Financial Statements for a discussion of important commitments and contingencies.

Off-balance sheet arrangements. See "Off-balance sheet arrangements" above in HEI Consolidated section.

Material estimates and critical accounting policies. Also see "Material estimates and critical accounting policies" above in HEI Consolidated section.

Regulatory assets and liabilities. The Utilities are regulated by the PUC. In accordance with accounting standards for regulatory operations, the Company's and the Utilities' financial statements reflect assets, liabilities, revenues and costs of the Utilities based on current cost-based rate-making regulations. The actions of regulators, including the PBR Framework, can affect the timing of recognition of revenues, expenses, assets and liabilities.

Regulatory liabilities represent amounts collected from customers for costs that are expected to be incurred in the future, or amounts collected in excess of costs incurred that are refundable to customers. Regulatory assets represent incurred costs that have been deferred because their recovery in future customer rates is probable. As of December 31, 2022 December 31, 2023, the consolidated regulatory liabilities and regulatory assets of the Utilities amounted to $1,056 million $1,151 million and $243 million $295 million, respectively, compared to $997 $1,056 million and $566 $243 million as of December 31, 2021 December 31, 2022, respectively. Regulatory liabilities and regulatory assets are itemized in Note 3 4 of the Consolidated Financial Statements. Management continually assesses whether the regulatory assets are probable of future recovery by considering factors such as changes in the applicable regulatory environment. Because current rates include the The Utilities record regulatory assets and liabilities when they are deemed probable of recovery from or refund to customers. Determining probability requires significant judgment by management and includes considerations of regulatory assets existing as orders, proposed regulatory treatment, strength of the last rate case applications and rates in effect allow the Utilities to earn a reasonable rate of return, management believes that the recovery of the regulatory assets as of December 31, 2022 is probable. This determination assumes continuation of the current political and regulatory climate in Hawaii and is subject to change in the future. other available evidence.

Management believes that the operations of the Utilities, including the impact of the approved PBR Framework, currently satisfy the criteria for regulatory accounting. If events or circumstances should change so that those criteria are no longer satisfied, the Utilities expect that their regulatory assets, net of regulatory liabilities, would be charged to the statement of income in the period of discontinuance, which may result in a material adverse effect on the Company's and the Utilities' results of operations, financial condition and liquidity.

Asset retirement obligations. The Utilities recognize AROs at present value of expected costs to retire long-lived assets from service, which is estimated using a discounted cash flow model that relies on significant estimates and assumptions about future decommissioning costs, inflationary rates, and the estimated date of decommissioning. The estimated future cash flows are discounted using a credit-adjusted risk-free rate to reflect the risk associated with decommissioning the assets. The Utilities have not recorded AROs for assets that are expected to operate indefinitely or where the Utilities cannot estimate a settlement date (or range of potential settlement dates.) As such, ARO liabilities are not recorded for certain asset retirement activities, including various Utility-owned generating facilities and certain electric transmission, distribution and telecommunication assets resulting from easements over property not owned by the Utilities.

Changes in estimated costs, timing of decommissioning or other assumptions used in the calculation could cause material revision on the recorded liabilities. As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Utilities' AROs totaled $11.5 million $12.0 million and $11.1 million $11.5 million, respectively.

Bank

Executive overview and strategy. ASB, headquartered in Honolulu, Hawaii, is a full-service community bank serving both consumer and commercial customers. ASB is one of the largest financial institutions in Hawaii and ended 2022 2023 with assets of $9.7 billion and net income of $53 million, compared to assets of $9.5 billion and net income of $80 million, compared to assets of $9.2 billion and net income of $101 million in 2021 2022.

ASB provides a wide range of financial products and services, and in order to remain competitive and continue building core franchise value, ASB is focused on making banking easier for the customer and developing and introducing new products and services in order to meet market needs. Additionally, the banking industry is constantly changing and ASB is making the investments in people and technology necessary to adapt and remain competitive, facilitate process improvements in order to deliver a continuously better experience for its customers, and be a more efficient bank. ASB's continued focus has been on efficient growth to maximize profitability and capital efficiency, as well as control expenses. Key strategies to drive organic growth include:

1. deepening customer relationships through the redesign of branch-centric approaches as transactions and engagement migrate to other channels;
2. building out product and service offerings to open new segments;
3. online and remotely-assisted account opening capabilities as there is a much more rapid and pervasive adoption of online and mobile banking by Hawaii banking customers; and
4. prioritizing efficiency actions to gain earnings leverage on organic growth.

The interest rate environment and the quality of ASB's assets will continue to influence its financial results. ASB has benefited from rising rates in the second half of 2022 as the Federal Reserve Bank raised short-term results.Rising interest rates to combat inflation, which has been driven by supply chain issues, and a shift in costing liabilities mix have impacted the reopening of the economy and government stimulus assistance. Bank's net interest margin. The Federal Reserve Bank's efforts to increase short-term rates to combat inflation could result in a recession and would compress ASB's net interest margin if interest rates reverse and decline to lower levels.

As part of its interest rate risk management process, ASB uses simulation analysis to measure net interest income sensitivity to changes in interest rates (see "Item 7A. Quantitative and Qualitative Disclosures about Market Risk"). ASB then employs strategies to limit the impact of changes in interest rates on net interest income. ASB's key strategies to manage interest rate risk include:

1. attracting and retaining low-cost deposits, particularly those in non-interest bearing transaction accounts;
2. diversifying the loan portfolio with higher-spread, shorter-maturity loans and/or variable rate loans;
3. focusing investment growth in securities that exhibit less extension risk (i.e., risk of longer average lives) as rates rise. loans.

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Recent Developments. See also Recent developments in HEI's MD&A.

The Hawaii economy continued to improve remained stable in 2022 as travel and other COVID-19 related business restrictions were lifted and 2023 as visitor arrivals increased, which have helped continued to drive a growing labor market and tax collections. Domestic visitor arrivals exceeded pre-pandemic levels in 2022 continued to remain strong due to pent up demand from leisure travelers. The state and county governments have also lifted all COVID-related travel restrictions for arriving domestic passengers. International visitor arrivals continued to lag significantly behind pre-pandemic levels but have gradually increased as certain Asian countries began loosening travel restrictions. COVID cases

In August 2023, ASB was impacted by wildfires on Maui which caused by widespread property damage and fatalities. ASB's outstanding credit exposure in Maui and the new variants remain relatively stable at low levels along with hospitalization rates. fire impacted zone of Lahaina as of December 31, 2023 was 11.9% and 0.7%, respectively, of the Bank's total loan portfolio. In addition, ASB incurred additional expenses as a result of the Maui wildfires of $11.3 million, pretax, including higher provision for credit losses, additional professional services expenses and other expenses.

Consistent with In fourth quarter 2023, ASB sold $185 million of investment securities resulting in a pretax loss of $15 million. The proceeds of the improvement sale was primarily used to repay maturing higher costing liabilities.

Net income was $53 million, 33% lower than net income of $80 million in the Hawaii economy in 2022, the bank's performance continued to improve in 2022, 2022. Net interest income before provision for credit losses improved to $252.6 million of $252.0 million for the year ended December 31, 2022 December 31, 2023, was slightly lower compared to net interest income before provision for credit losses of 237.2 $252.6 million for the year ended December 31, 2021, The increase in net interest income was primarily due to higher earning asset balances and yields, partly offset by higher other borrowings and higher cost of funds. December 31, 2022. Net interest margin decreased slightly to 2.74% for the year ended December 31, 2023, compared to 2.89% for the year ended December 31, 2022, compared to 2.91% for the year ended December 31, 2021. The lower net interest margin was primarily driven by higher funding costs partially offset by higher yields on earning assets as strong loan growth outpaced and core deposit growth and outflow required ASB to use higher costing term certificates and other borrowings as a funding source for the loan growth. source. At December 31, 2022, December 31, 2023 and 2022, ASB's funding sources consisted of 92% deposits and 8% other borrowings compared to 99% deposits and 1% other borrowings at December 31, 2021. Lower Paycheck Protection Program (PPP) loan income also contributed to the lower net interest margin 2022 compared to 2021. The increase in interest rates had a positive impact on the yield on earning assets as adjustable rate earning assets repriced up and new loan production interest rates in the fourth quarter of 2022 were higher than their portfolio rates. borrowings.

In 2022 and into early 2023 the Federal Reserve raised the federal funds rate to a current target range of 4.50%-4.75% as of February 1, 2023, was 5.25%-5.50% in response to surging continued inflationary pressures in the economy. The increase in interest rates have benefited has impacted ASB's net interest margin; however, the margin as higher yields on earning assets were more than offset by an increase in yields on deposits and other borrowings. The higher interest rates have also reduced mortgage refinance and purchase activity, negatively impacting mortgage banking income. Additionally, the tight labor market and inflationary pressures have increased compensation and benefit expenses, which have partially offset the benefit of a higher interest rate environment. expenses.

ASB experienced strong continued loan growth in 2022 2023 as total loans increased $784 million or 15% $206 million compared to 2021 total loans. loans at the end of 2022. There was demand for commercial real estate, home equity line lines of credit consumer and commercial market consumer loan products. Residential The residential loan portfolio growth was primarily increased due to ASB's decision to portfolio a larger portion of its residential loan production and the portfolio production.

An outflow of core deposits had lower prepayments. The consumer loan portfolio growth also included purchases of solar and sustainable home improvement loans from a third party. The commercial markets loan portfolio growth was partly due to the Bank's purchase of national syndicated credits.

Deposit growth, which was used to fund loan growth and purchase investment securities, has slowed and required ASB to increase its use of term certificates and other borrowings to fund the loan portfolio growth, thereby increasing the Bank's funding costs and reducing its balance sheet sensitivity. Additional federal funds rate increases may not further increase decrease the Bank's net interest margin if core deposit growth ceases deposits continue to flow out and funding is replaced with term certificates and other borrowings.

ASB recorded a provision for credit losses of $2.0 million, $10.4 million in 2023, compared with a $25.8 million negative $2.0 million provision for credit losses in 2021. 2022. The provision for credit losses in 2023 included credit loss reserves as a result of the Maui wildfires and additional credit loss reserves for net charge-offs primarily in the consumer loan portfolio, partly offset by lower loss reserves for the commercial loan portfolio due to improved loss rates and sale of syndicated national credits. The provision for credit losses in 2022 was for growth in the loan portfolio and also reflected the release of loss reserves for improving credit trends. The negative provision for credit losses in 2021 was due to an improving economy and credit quality as the state of Hawaii was recovering from the economic impact of the 2020 COVID-19 pandemic year.

The provision for credit losses in future quarters will be dependent on future economic conditions and changes to borrower credit quality at that time.

For the year ended December 31, 2022 December 31, 2023, the investment securities portfolio balance decreased approximately $415 million, $344 million, or 13%, as slowing deposit growth resulted in lower excess liquidity and the need for other sources to fund the strong loan growth. Investment investment securities portfolio repayments were used as a funding source for the loan growth and ASB did not purchase any investment security purchases were reduced. securities in 2023. In addition, during the rise in interest rates caused higher fourth quarter 2023, the Bank sold $185 million of investment securities. In 2023, unrealized losses in the available-for-sale investment securities portfolio which reduced decreased $43 million primarily due to the investment portfolio balance. interest rate environment.

In response 2023, the increase in interest rates and the collapse of a few financial institutions had caused turmoil in the banking industry. Due to COVID-19, the failure of these financial institutions, the focus on the banking industry has been around capital levels, uninsured deposits and liquidity. At December 31, 2023, ASB's regulatory capital ratios were above the "well-capitalized" and regulatory requirements, including the conservation buffers. Approximately 86% of the Bank's deposits are FDIC insured or fully collateralized. ASB made short-term loan modifications to borrowers who were generally payment current at the time of relief. As of December 31, 2022, no loans remained in their active deferral period. Approximately $1.9 million of loans were not able to resume their contractual payments and were considered delinquent as of December 31, 2022.

Since 2020 through 2022, ASB reduced its branch network from 49 branches to 38 branches as it focuses on optimizing its branch network. In addition to a new digital branch, ASB had converted three existing branches to digital branches, which provide digital solutions such as full-service ATMs and has access to expert bankers through videoconferencing tools while allowing the Bank approximately $3 billion in funding sources to have a more efficient physical footprint. In 2022 $1.6 million in branch termination costs were offset by $1.8 million gain on sale of real estate for closed branches. The reduction in ASB's branch network should not have a significant impact to the bank's customers as there are other branches nearby and other channels such as online and mobile banking. ASB continues to evaluate meet its branch network to determine whether further changes may be appropriate given its customers' use of other banking channels. liquidity needs.

The CARES Act was signed into law on March 27, 2020. The CARES Act provided over $2 trillion in economic assistance for American workers, families, and small businesses, and job preservation for American industries. The PPP was established under the CARES Act and implemented by the United States

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Small Business Administration (SBA) to provide a direct incentive for small businesses to keep their workers on the payroll as a result of the COVID-19 crisis. ASB worked with a number of small businesses, both customers and non-customers, to complete the loan application forms so that these businesses could participate in the program. During the first round of PPP, the Bank secured more than $370 million in PPP loans for approximately 4,100 small businesses that supported over 40,000 jobs, ASB received processing fees totaling approximately $13 million and started recognizing these fees over the life of the loans. During the second round of PPP, ASB secured more than $175 million for approximately 2,200 small businesses that supported more than 20,000 jobs; ASB received processing fees of approximately $9 million. The Bank's ASB CARES loan program continued to paydown and most of the fees from the program have been recognized as of December 31, 2022. The remaining PPP loans outstanding as of December 31, 2022 was $5 million.

Other provisions of the CARES Act provides that a financial institution may elect to suspend the requirements under accounting principles generally accepted in the United States of America (GAAP) for certain loan modifications that would otherwise be categorized as a TDR and any related impairment for accounting purposes. See Note 4 of the Consolidated Financial Statements and "Economic conditions" in the "HEI Consolidated" section above.

ASB continues to maintain its low-risk profile, strong balance sheet and straightforward community banking business model.

Results of operations.

- **2022 2023 vs. 20212022**

(in millions)	(in millions)	2022	2021	Increase (decrease)	Primary reason(s)	(in millions)	2023		2022		Increase (decrease)		Primary reason(s)
Interest income	Interest income	$266	$242	$ 24	Higher average earning asset balances and yields.	Interest income	$335	$	$266	$	$ 69	Higher average earning asset balances and yields.	Higher average earning asset balances and yields.
					Average loan portfolio balances increased $217 million - residential, commercial real estate and home equity lines of credit loan portfolio average balances increased $164 million, $137 million and $33 million, respectively, primarily due to increased demand for these loan products. Average residential loan portfolio growth was also the result of ASB's decision to portfolio a larger portion of the residential loan production rather than sell them on the secondary market. Average consumer loans portfolio balance increased $26 million primarily due to purchases of solar and sustainable home improvement loans. Average commercial loans portfolio balances decreased $146 million due to repayments in the ASB Cares loan portfolio, which was the Bank's PPP loan product.								

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	Average loan portfolio yields 2 basis points higher - loan yields benefited from the rising interest rate environment. Current new loan production yields are now higher than the portfolio yields. Average investment securities portfolio balance increased $394 million - excess liquidity from strong deposit growth was invested in agency securities. Average investment securities portfolio yield 24 basis points higher - investment security purchase yields benefited from lower premium amortization as the rising interest rate environment slowed prepayment rates.

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	Average loan portfolio balances increased $654 million - commercial real estate and home equity lines of credit loan portfolio average balances increased $213 million and $112 million, respectively, primarily due to increased demand for these loan products. Average residential loan portfolio increased $189 million as a result of ASB's decision to portfolio a larger portion of the residential loan production rather than sell them on the secondary market. Average consumer loans portfolio balance increased $96 million primarily due to purchases of solar and sustainable home improvement loans.	Average loan portfolio balances increased $654 million - commercial real estate and home equity lines of credit loan portfolio average balances increased $213 million and $112 million, respectively, primarily due to increased demand for these loan products. Average residential loan portfolio increased $189 million as a result of ASB's decision to portfolio a larger portion of the residential loan production rather than sell them on the secondary market. Average consumer loans portfolio balance increased $96 million primarily due to purchases of solar and sustainable home improvement loans.
	Average loan portfolio yields 73 basis points higher - loan yields benefited from the rising interest rate environment. Current new loan production yields are now higher than the portfolio yields.	Average loan portfolio yields 73 basis points higher - loan yields benefited from the rising interest rate environment. Current new loan production yields are now higher than the portfolio yields.

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					Average investment securities portfolio balance decreased $224 million from sale of investment securities and repayments.										Average investment securities portfolio balance decreased $224 million from sale of investment securities and repayments.
Noninterest income	Noninterest income	57	65	(8)	Lower mortgage banking income and lower bank owned life insurance income were partly offset by higher customer fee income and higher gain on sale of real estate.	Noninterest income	45	57	57	(12)		(12)	Loss on sale of investments and lower gain on sale of real estate offset by higher bank-owned life insurance income.		Loss on sale of investments and lower gain on sale of real estate offset by higher bank-owned life insurance income.	
					Lower mortgage banking income - lower residential loan sales volume primarily due to lower demand for residential loans and ASB's decision to portfolio a larger portion of its residential loan production in 2022. Loan sale profit margins were also lower in 2022 compared to 2021. Lower bank-owned life insurance income - lower returns from insurance policies in 2022 and 2021 bank-owned life insurance income included higher proceeds from life insurance policies. Higher customer fee income - higher fee income due to increased activity in customer accounts and higher fee income from investment and insurance services. Higher gain on sale of real estate - two closed branch properties were sold in 2022 with no similar sales in 2021.										
					Loss on sale of investments of $15 million on sale of $185 million of investment securities in fourth quarter 2023.										Loss on sale of investments of $15 million on sale of $185 million of investment securities in fourth quarter 2023.

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				Gain on sale of real estate on sale of two properties in 2022. Higher bank-owned life insurance income from higher returns in 2023.										Gain on sale of real estate on sale of two properties in 2022. Higher bank-owned life insurance income from higher returns in 2023.
Less: gain on sale of real estate	Less: gain on sale of real estate	(2)	—	(2)	Gain on sale of real estate, which is included in Noninterest income above and in the Bank's statements of income and comprehensive income in Note 4 of the Consolidated Financial Statements, is included in Bank expenses in the consolidated statements of income, and accordingly, is reflected in operating expenses below as a separate line item and excluded from Revenues.	Less: gain on sale of real estate	—	(2)	(2)	2	2	Gain on sale of real estate, which is included in Noninterest income above and in the Bank's statements of income and comprehensive income in Note 5 of the Consolidated Financial Statements, is included in Bank expenses in the consolidated statements of income, and accordingly, is reflected in operating expenses below as a separate line item and excluded from Revenues.		Gain on sale of real estate, which is included in Noninterest income above and in the Bank's statements of income and comprehensive income in Note 5 of the Consolidated Financial Statements, is included in Bank expenses in the consolidated statements of income, and accordingly, is reflected in operating expenses below as a separate line item and excluded from Revenues.	
Less: gain on sale of investment securities, net		—	(1)	1	Gain on sale of investment securities, net, which is included in Noninterest income above and in the Bank's statements of income and comprehensive income in Note 4 of the Consolidated Financial Statements, is classified as gain on sale of investment securities, net in the consolidated statements of income, and accordingly, is reflected below following operating income as a separate line item and excluded from Revenues.										

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Less: loss on sale of investment securities						Less: loss on sale of investment securities	15		—		15		Loss on sale of investment securities, which is included in Noninterest income above and in the Bank's statements of income and comprehensive income in Note 5 of the Consolidated Financial Statements, is classified as gain on sale of investment securities, net in the consolidated statements of income, and accordingly, is reflected below following operating income as a separate line item and excluded from Revenues.	
Revenues	Revenues	321	306	15	The increase in revenues was primarily due to higher interest income partly offset by lower noninterest income.	Revenues	395	321	321	74	74	The increase in revenues was primarily due to higher interest income and higher noninterest income.		The increase in revenues was primarily due to higher interest income and higher noninterest income.
Interest expense	Interest expense	13	5	8	Higher interest expense on deposits and other borrowings.	Interest expense	83	13	13	70	70	Higher interest expense on deposits and other borrowings.		Higher interest expense on deposits and other borrowings.
					Higher interest expense on deposits - higher deposit yields due to the rising interest rate environment, which increased the yield on interest bearing deposits. Average core deposit balances increased $444 million; average term certificate balances decreased $13 million. Average deposit yields increased from 6 basis points to 9 basis points.									

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	Higher interest expense on deposits due to rising interest rate environment which increased the yield on deposits and shifted deposit mix from lower costing core deposits to term certificates.						Higher interest expense on deposits due to rising interest rate environment which increased the yield on deposits and shifted deposit mix from lower costing core deposits to term certificates.
	Average core deposit balances decreased $513 million; average term certificate balances increased $413 million.						Average core deposit balances decreased $513 million; average term certificate balances increased $413 million.
	Average deposit yields increased 51 basis points.						Average deposit yields increased 51 basis points.
	Higher interest expense on other borrowings due to higher borrowing balances and yields. Other borrowings was a funding source for loan growth.						Higher interest expense on other borrowings due to higher borrowing balances and yields. Other borrowings was a funding source for loan growth.
	Average other borrowings increased $506 million with an average yield increase of 214 basis points.						Average other borrowings increased $506 million with an average yield increase of 214 basis points.
Provision for credit losses		Provision for credit losses	10	2	8	2023 provision for credit losses includes $5.9 million for loans impacted by Maui wildfires and loss reserves for consumer net charge-offs partly offset by lower loss reserves for the commercial loan portfolio due to improved loss rates and sale of syndicated national credits.	

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					Delinquency rates have increased from 0.23% at December 31, 2022 to 0.65% at December 31, 2023 primarily due to higher residential 1-4 family and commercial real estate loan delinquencies.								Delinquency rates have increased from 0.23% at December 31, 2022 to 0.65% at December 31, 2023 primarily due to higher residential 1-4 family and commercial real estate loan delinquencies.

(in millions)	(in millions)	2022	2021	Increase (decrease)	Primary reason(s)	(in millions)	2023		2022		Increase (decrease)		Primary reason(s)
					Higher interest expense on other borrowings - primarily due to higher other borrowing balances and yields. Average FHLB advance balances increased $121 million as wholesale borrowings were used to fund the strong loan growth. The average yield on FHLB advances increased 318 basis points due to the rising interest rate environment. Average repurchase agreements balances increased $39 million and the average yield increased 97 basis points.								
Provision for credit losses		2	(26)	28	Increase in provision for credit losses was primarily due to a negative provision for credit losses being recorded in 2021. 2022 provision for credit losses was primarily due to additional credit loss reserves for growth in the loan portfolio as ASB's loan portfolio grew $784 million during 2022.								

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	Improvements in the credit trends for the commercial real estate, commercial markets, residential and consumer loan portfolios enabled ASB to release reserves in those loan portfolios to partially offset the additional reserves for loan portfolio growth. 2021 negative provision for credit losses reflected favorable credit trends with continued improvement in the economic environment as the economy recovered from the effects of the COVID-19 pandemic. Negative provision for credit losses was also due to a shift in loan portfolio mix - a decrease in personal unsecured loan portfolio balances, which had higher credit loss rates replaced with higher residential and commercial real estate loan portfolio balances with lower credit loss rates. The personal unsecured loan portfolio also experienced improved net charge-off trends. Delinquency rates have decreased - from 0.33% at December 31, 2021 to 0.23% at December 31, 2022 due to lower residential 1-4 family loan delinquencies. Net charge-offs to average loans have decreased - from 0.07% at December 31, 2021 to 0.03% at December 31, 2022 due to lower personal unsecured loan portfolio net charge-offs.

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					Net charge-offs to average loans increased from 0.03% at December 31, 2022 to 0.12% at December 31, 2023 due to higher personal unsecured loan portfolio net charge-offs.										
Noninterest expense	Noninterest expense	205	197	8	Higher occupancy and higher other expenses.	Noninterest expense	224	205		205	19		19	Higher compensation and benefits expense, higher FDIC insurance premiums and expenses related to the Maui wildfires.		Higher compensation and benefits expense, higher FDIC insurance premiums and expenses related to the Maui wildfires.
					Compensation and benefit expenses - increase in base compensation, higher incentive compensation payout for commission based employees and higher performance-based compensation were offset by the fair value adjustment related to the deferred compensation plan in 2022 and the separation agreement for an executive officer that was paid in 2021 with no similar payment in 2022. Higher occupancy expenses - primarily due to the write-off of remaining leases for closed branches. Higher other expenses - 2021 expenses included a one-time credit adjustment for a change in accounting for the ASB retirement plan with no similar adjustment in 2022.										

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					Higher compensation and benefit expenses primarily due to increase in the fair value adjustment related to the deferred compensation plan. Higher FDIC insurance premiums due to increase in rates.														
Gain on sale of real estate	Gain on sale of real estate	(2)	—	(2)															
Expenses	Expenses	218	176	42	The increase in expenses was primarily due to higher provision for credit losses, higher interest expense and an increase in noninterest expenses.														
Expenses																			
Expenses										317		218		99			The increase in expenses was primarily due to higher interest expense, higher noninterest expenses and higher provision for credit losses.		
Operating income	Operating income	103	130	(27)	Higher provision for credit losses, higher interest expense, higher noninterest expenses and lower noninterest income, partly offset by higher interest income.	Operating income	78	103		103	(25)		(25)	Higher interest expense, higher noninterest expenses and higher provision for credit losses partly offset by higher interest income and higher noninterest income.			Higher interest expense, higher noninterest expenses and higher provision for credit losses partly offset by higher interest income and higher noninterest income.		
Gain on sale of investment securities, net		—	1	(1)															
Loss on sale of investment securities																			
Net income																			
Net income																			

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Net income	Net income	$ 80	$101	$ (21)	The decrease in net income was the result of lower operating income partly offset by lower income tax expense and lower gain on sale of investment securities.		$53	$	$80	$	$(27)	The decrease in net income was the result of lower operating income and loss on sale of investment securities partly offset by lower income tax expense.	The decrease in net income was the result of lower operating income and loss on sale of investment securities partly offset by lower income tax expense.
Return on average equity[1]	Return on average equity[1]	14.1 %	13.8 %	0.3 %		Return on average equity[1]	11.0 %		14.1 %		(3.1 %)		

1 Calculated using the average daily balance.

For a discussion of 2020 2021 results, please refer to the "Results of operations" section in Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations—Bank," in the Company's 2021 2022 Form 10-K.

See Note 4 5 of the Consolidated Financial Statements for further information about ASB.

For 2023, the Bank's costs related to the Maui wildfires is as follows:

(in thousands)	Year ended December 31, 2023
Bank Maui wildfires related cost:	
Provision for credit losses	$ 5,900
Professional services expenses	3,705
Other expenses[1]	1,666
Total Bank Maui wildfires related cost	**$ 11,271**

1 Other expenses includes destroyed/loss cash of $1.0 million.

Note: Bank Maui wildfires related expenses - provision for credit losses is included in Provision for credit losses, professional services expenses are included in Noninterest expense-Services and other expenses are included in Noninterest expense-Other expense on the ASB Statements of Income and Comprehensive Income Data.

Average balance sheet and net interest margin. The following table provides a summary of average balances, including major categories of interest-earning assets and interest-bearing liabilities:

		2022			2021			2020				2023			2022			2021		
(dollars in thousands)	(dollars in thousands)	Average balance	Interest income/ expense	Yield/ rate (%)	Average balance	Interest income/ expense	Yield/ rate (%)	Average balance	Interest income/ expense	Yield/ rate (%)	(dollars in thousands)	Average balance	Interest income/ expense	Yield/ rate (%)	Average balance	Interest income/ expense	Yield/ rate (%)	Average balance	Interest income/ expense	Yield/ rate (%)
Assets:	Assets:																			
Interest-earning deposits	Interest-earning deposits	$ 59,277	$ 500	0.84	$ 69,930	$ 93	0.13	$ 153,879	$ 241	0.16										
Interest-earning deposits																				
Interest-earning deposits																				
FHLB stock	FHLB stock	15,465	702	4.54	10,298	327	3.17	9,481	306	3.23										
Investment securities	Investment securities																			
Investment securities																				
Investment securities																				
Taxable																				
Taxable																				
Taxable	Taxable	3,171,771	55,529	1.75	2,792,255	42,114	1.51	1,554,812	29,213	1.88										

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Non-taxable	Non-taxable	69,099	1,662	2.40	54,646	1,177	2.15	32,080	974	3.04
Total investment securities	Total investment securities	3,240,870	57,191	1.76	2,846,901	43,291	1.52	1,586,892	30,187	1.90
Loans	Loans									
Residential 1-4 family	Residential 1-4 family									
Residential 1-4 family	Residential 1-4 family	2,353,764	83,016	3.53	2,189,680	78,672	3.59	2,180,013	85,769	3.93
Commercial real estate	Commercial real estate	1,294,777	49,152	3.80	1,157,987	38,255	3.30	954,836	34,596	3.62
Home equity line of credit	Home equity line of credit	918,563	28,506	3.10	885,759	27,669	3.12	1,060,444	33,731	3.18
Residential land	Residential land	21,442	1,309	6.10	18,227	924	5.07	13,799	754	5.46
Commercial	Commercial	710,658	29,295	4.12	856,226	36,178	4.23	935,663	31,642	3.38
Consumer	Consumer	161,722	16,898	10.45	135,609	17,284	12.75	215,994	27,728	12.84
Total loans [1,2]	Total loans [1,2]	5,460,926	208,176	3.81	5,243,488	198,982	3.79	5,360,749	214,220	4.00
Total interest-earning assets [3]	Total interest-earning assets [3]	8,776,538	266,569	3.04	8,170,617	242,693	2.97	7,111,001	244,954	3.44
Allowance for credit losses	Allowance for credit losses	(70,071)			(86,691)			(81,193)		
Noninterest-earning assets	Noninterest-earning assets	567,106			742,174			762,746		
Noninterest-earning assets										
Noninterest-earning assets										
Total Assets										
Total Assets										
Total Assets	Total Assets	$9,273,573			$8,826,100			$7,792,554		
Liabilities and Shareholder's Equity:	Liabilities and Shareholder's Equity:									
Liabilities and Shareholder's Equity:										
Liabilities and Shareholder's Equity:										
Savings										
Savings										
Savings	Savings	$3,275,089	860	0.03	$3,069,615	802	0.03	$2,620,311	1,774	0.07
Interest-bearing checking	Interest-bearing checking	1,345,627	765	0.06	1,237,969	242	0.02	1,106,563	471	0.04
Money market	Money market	208,015	330	0.16	192,044	132	0.07	161,084	465	0.29
Time certificates	Time certificates	470,189	5,372	1.14	483,353	3,805	0.79	664,578	7,944	1.20
Total interest-bearing deposits	Total interest-bearing deposits	5,298,920	7,327	0.14	4,982,981	4,981	0.10	4,552,536	10,654	0.23
Advances from Federal Home Loan Bank	Advances from Federal Home Loan Bank	136,630	4,716	3.45	15,319	42	0.27	21,490	146	0.68

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Borrowings from Federal Reserve Bank										
Securities sold under agreements to repurchase and federal funds purchased	Securities sold under agreements to repurchase and federal funds purchased	127,170	1,258	0.99	88,405	17	0.02	76,360	314	0.41
Total interest-bearing liabilities	Total interest-bearing liabilities	5,562,720	13,301	0.24	5,086,705	5,040	0.10	4,650,386	11,114	0.24
Noninterest bearing liabilities:	Noninterest bearing liabilities:									
Deposits	Deposits	2,948,679			2,833,886			2,276,722		
Deposits										
Deposits										
Other										
Other										
Other	Other	193,942			169,967			155,589		
Shareholder's equity	Shareholder's equity	568,232			735,542			709,857		
Shareholder's equity										
Shareholder's equity										
Total Liabilities and Shareholder's Equity										
Total Liabilities and Shareholder's Equity										
Total Liabilities and Shareholder's Equity	Total Liabilities and Shareholder's Equity	$9,273,573			$8,826,100			$7,792,554		
Net interest income	Net interest income		$253,268			$237,653			$233,840	
Net interest income										
Net interest income										
Net interest margin (%)[4]	Net interest margin (%)[4]			2.89			2.91			3.29
Net interest margin (%)[4]										
Net interest margin (%)[4]										

1 Includes loans held for sale, at lower of cost or fair value, of $4.0 million $5.5 million, $23.0 million $4.0 million and $20.5 million $23.0 million as of December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

2 Includes recognition of net deferred loan fees of $5.3 million 2.9 million, $14.3 million $5.3 million and $4.9 $14.3 million for 2023, 2022 2021 and 2020 2021 respectively, together with interest accrued prior to suspension of interest accrual on nonaccrual loans.

3 For 2023, 2022 2021 and 2020, 2021, the taxable-equivalent basis adjustments made to the table above were not material.

4 Defined as net interest income, on a fully taxable equivalent basis, as a percentage of average total interest-earning assets.

The following table shows the effect on net interest income of (1) changes in interest rates (change in weighted-average interest rate multiplied by prior year average balance) and (2) changes in volume (change in average balance multiplied by prior period weighted-average interest rate). Any remaining change is allocated to the above two categories on a pro rata basis.

	2022 vs. 2021			2021 vs. 2020					
	2023 vs. 2022								
							2023 vs. 2022		2022 vs. 2021

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(in thousands)	(in thousands)	Rate	Volume	Total	Rate	Volume	Total	(in thousands)	Rate	Volume	Total	Rate	Volume	Total
Interest income	**Interest income**													
Interest-earning deposits														
Interest-earning deposits														
Interest-earning deposits	Interest-earning deposits	$ 423	$ (16)	$ 407	$ (38)	$ (110)	$ (148)							
FHLB stock	FHLB stock	174	201	375	(6)	27	21							
Investment securities	Investment securities													
Investment securities														
Investment securities														
Taxable														
Taxable														
Taxable	Taxable	7,260	6,155	13,415	(6,655)	19,556	12,901							
Non-taxable	Non-taxable	148	337	485	(343)	546	203							
Total investment securities	Total investment securities	7,408	6,492	13,900	(6,998)	20,102	13,104							
Loans	Loans													
Residential 1-4 family														
Residential 1-4 family														
Residential 1-4 family	Residential 1-4 family	(1,357)	5,701	4,344	(7,473)	376	(7,097)							
Commercial real estate	Commercial real estate	6,123	4,774	10,897	(3,243)	6,902	3,659							
Home equity line of credit	Home equity line of credit	(178)	1,015	837	(623)	(5,439)	(6,062)							
Residential land	Residential land	207	178	385	(57)	227	170							
Commercial	Commercial	13,111	(19,994)	(6,883)	7,118	(2,582)	4,536							
Consumer	Consumer	435	(821)	(386)	(193)	(10,251)	(10,444)							
Total loans	Total loans	18,341	(9,147)	9,194	(4,471)	(10,767)	(15,238)							
Total increase (decrease) in interest income	Total increase (decrease) in interest income	26,346	(2,470)	23,876	(11,513)	9,252	(2,261)							
Interest expense	**Interest expense**													
Savings	Savings	—	(58)	(58)	1,234	(262)	972							
Savings														
Savings														
Interest-bearing checking	Interest-bearing checking	(501)	(22)	(523)	271	(42)	229							
Money market	Money market	(186)	(12)	(198)	409	(76)	333							
Time certificates	Time certificates	(1,672)	105	(1,567)	2,302	1,837	4,139							
Advances from Federal Home Loan Bank	Advances from Federal Home Loan Bank	(2,793)	(1,881)	(4,674)	70	34	104							
Borrowings from Federal Reserve Bank														
Securities sold under agreements to repurchase and federal funds purchased														

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Securities sold under agreements to repurchase and federal funds purchased							
Securities sold under agreements to repurchase and federal funds purchased	Securities sold under agreements to repurchase and federal funds purchased	(1,230)	(11)	(1,241)	339	(42)	297
Total decrease (increase) in interest expense	Total decrease (increase) in interest expense	(6,382)	(1,879)	(8,261)	4,625	1,449	6,074
Increase (decrease) in net interest income	**Increase (decrease) in net interest income**	$19,964	$(4,349)	$15,615	$(6,888)	$10,701	$ 3,813

Earning assets, costing liabilities, contingencies and other factors. Earnings of ASB depend primarily on net interest income, which is the difference between interest earned on earning assets and interest paid on costing liabilities. The interest rate environment has been impacted by disruptions in the financial markets over a period of several years. In 2022, 2023, the Federal Open Market Committee increased its federal funds rate target range to 4.25% - 4.50% throughout be 5.25%-5.50% in response to continued inflationary pressures in the year economy. The changes to combat signs of inflation. ASB's net interest income and net interest margin has started rates continues to increase but still remains at lower levels. A return to the recent low interest rate environment may negatively impact ASB's net interest income and net interest margin.

Loans and mortgage-backed securities are ASB's primary earning assets.

Loan portfolio. ASB's loan volumes and yields are affected by market interest rates, competition, demand for financing, availability of funds and management's responses to these factors. See "Loans" in Note 45 of the Consolidated Financial Statements for a composition of ASB's loan portfolio.

The increase in the loan portfolio balance in 2023 was primarily due to growth in commercial real estate, residential, consumer and home equity line of credit (HELOC) portfolios. The growth in the residential loan portfolio was due to ASB's decision to portfolio a larger portion of the residential mortgage loan production and reduce the amount of residential loans sold in the secondary market. The growth in the commercial real estate and HELOC portfolios was due to increased demand for these loan products. The increase in consumer loans portfolio balance was primarily due to purchases of solar and sustainable home improvement loans.

The increase in the loan portfolio balance in 2022 was primarily due to growth in residential, commercial real estate, home equity line of credit HELOC and consumer loan portfolios. The growth in the residential loan portfolio was due to ASB's decision to portfolio a larger portion of the residential mortgage loan production and reduce the amount of residential loans sold in the secondary market. Higher interest rates also slowed refinance activity and prepayments in the residential mortgage loan portfolio. The growth in the commercial real estate, home equity line of credit HELOC and consumer loan portfolios was due to increased demand for these loan products. The decrease in the commercial loan portfolio was due to the continued paydown of the PPP loans which decreased from $69 million at December 31, 2021 to $5 million at December 31, 2022.

The increase in the loan portfolio balance in 2021 was primarily due to growth in the residential and commercial real estate loan portfolio balances. The growth in the residential loan portfolio balance was due to ASB's decision to portfolio a larger portion of the residential mortgage loan production and reduce the amount of residential loans sold in the secondary market. The growth in the commercial real estate loan portfolio was due to ASB's continued effort to diversify its loan portfolio with higher-spread, shorter-maturity loans and/or variable rate loans. The decrease in the commercial loan portfolio was due to paydown of the PPP loans which decreased from $300 million at December 31, 2020 to $69 million at December 31, 2021.

The following table summarizes loans held for investment based upon contractually scheduled principal payments allocated to the indicated maturity categories:

December 31	**December 31**	**2022**					**December 31**	**2023**				
Due	**Due**	**In 1 year or less**	**After 1 year through 5 years**	**After 5 years through 15 years**	**After 15 years**	**Total**	**Due**	**In 1 year or less**	**After 1 year through 5 years**	**After 5 years through 15 years**	**After 15 years**	**Total**
(in millions)	**(in millions)**						**(in millions)**					
Residential 1-4 family – Fixed	Residential 1-4 family – Fixed	$ 75	$ 314	$ 822	$1,049	$2,260						
Residential 1-4 family – Adjustable	Residential 1-4 family – Adjustable	14	53	128	24	219						
Total residential 1-4 family	Total residential 1-4 family	89	367	950	1,073	2,479						

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Commercial real estate – Fixed	Commercial real estate – Fixed	92	208	525	1	826
Commercial real estate – Adjustable	Commercial real estate – Adjustable	94	247	191	—	532
Total commercial real estate	Total commercial real estate	186	455	716	1	1,358
Home equity line of credit– Fixed	Home equity line of credit– Fixed	30	112	232	25	399
Home equity line of credit – Adjustable	Home equity line of credit – Adjustable	3	13	136	452	604
Total home equity line of credit	Total home equity line of credit	33	125	368	477	1,003
Residential land– Fixed	Residential land– Fixed	4	17	—	—	21
Residential land – Adjustable	Residential land – Adjustable	—	—	—	—	—
Total residential land	Total residential land	4	17	—	—	21
Commercial construction – Fixed	Commercial construction – Fixed	24	6	—	1	31
Commercial construction – Adjustable	Commercial construction – Adjustable	7	8	—	42	57
Total commercial construction	Total commercial construction	31	14	—	43	88
Residential construction – Fixed	Residential construction – Fixed	21	—	—	—	21
Residential construction – Adjustable	Residential construction – Adjustable	—	—	—	—	—
Total residential construction	Total residential construction	21	—	—	—	21
Commercial – Fixed	Commercial – Fixed	75	187	50	1	313
Commercial – Adjustable	Commercial – Adjustable	90	362	15	—	467
Total commercial	Total commercial	165	549	65	1	780
Consumer – Fixed	Consumer – Fixed	45	87	10	101	243
Consumer – Adjustable	Consumer – Adjustable	3	8	1	—	12
Total consumer	Total consumer	48	95	11	101	255

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Total loans – Fixed	Total loans – Fixed	366	931	1,639	1,178	4,114
Total loans – Adjustable	Total loans – Adjustable	211	691	471	518	1,891
Total loans	Total loans	$577	$ 1,622	$ 2,110	$1,696	$6,005

Home equity lines of credit. The HELOC portfolio makes up 17% 16% of the total loan portfolio and is generally an interest-only revolving loan for a 10-year period, after which time the HELOC outstanding balance converts to a fully amortizing variable-rate term loan with a 20-year amortization period. Borrowers also have a "Fixed Rate Loan Option" to convert a part of their available line of credit into a 5, 7 or 10-year fully amortizing fixed-rate loan with level principal and interest payments. As of December 31, 2022 December 31, 2023, approximately 39% 37% of the portfolio balances were amortizing loans under the Fixed Rate Loan Option. A HELOC loan is typically in a subordinate lien position to a borrower's first mortgage loan, however, approximately 56% 53% of ASB's HELOC loan portfolio is in a first lien position.

Loan portfolio risk elements. When a borrower fails to make a required payment on a loan and does not cure the delinquency promptly, the loan is classified as delinquent. If delinquencies are not cured promptly, ASB normally commences a collection action, including foreclosure proceedings in the case of real estate secured loans. In a foreclosure action, the property collateralizing the delinquent debt is sold at a public auction in which ASB may participate as a bidder to protect its interest. If ASB is the successful bidder, the property is classified as real estate owned until it is sold. As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB had $115,000 nil and nil, $115,000, respectively, of real estate acquired in settlement of loans.

In addition to delinquent loans, other significant lending risk elements include: (1) loans which accrue interest and are 90 days or more past due as to principal or interest, (2) loans accounted for on a nonaccrual basis (nonaccrual loans), and (3) loans on which various concessions are made with respect to interest rate, maturity, or other terms due to the inability of the borrower to service the obligation under the original terms of the agreement (troubled debt restructured loans). ASB loans that were 90

days or more past due on which interest was being accrued as of December 31, 2022 December 31, 2023 and 2021 2022 were immaterial or nil. The following table sets forth certain information with respect to nonaccrual loans:

December 31	December 31	2022	2021
December 31			
December 31			
(dollars in thousands)			
(dollars in thousands)			
(dollars in thousands)	(dollars in thousands)		
Real estate:	Real estate:		
Real estate:			
Real estate:			
Residential 1-4 family			
Residential 1-4 family			
Residential 1-4 family	Residential 1-4 family	$ 7,179	$ 19,748
Commercial real estate	Commercial real estate	—	15,325
Commercial real estate			
Commercial real estate			
Home equity line of credit			
Home equity line of credit			
Home equity line of credit	Home equity line of credit	5,096	5,521
Residential land	Residential land	420	397
Residential land			
Residential land			
Commercial construction			
Commercial construction			
Commercial construction	Commercial construction	—	—
Residential construction	Residential construction	—	—
Residential construction			
Residential construction			
Total real estate			
Total real estate			
Total real estate	Total real estate	12,695	40,991
Commercial	Commercial	2,183	2,138
Commercial			

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Commercial					
Consumer	Consumer		1,588		1,845
Consumer					
Consumer					
Total nonaccrual loans					
Total nonaccrual loans					
Total nonaccrual loans	Total nonaccrual loans	$	16,466	$	44,974
Loans receivable, net	Loans receivable, net	$	5,978,906	$	5,211,114
Loans receivable, net					
Loans receivable, net					
Allowance for credit losses					
Allowance for credit losses					
Allowance for credit losses	Allowance for credit losses	$	72,216	$	71,130
Nonaccrual loans to loans receivable, net	Nonaccrual loans to loans receivable, net		0.28 %		0.86 %
Nonaccrual loans to loans receivable, net					
Nonaccrual loans to loans receivable, net					
Allowance for credit losses to nonaccrual loans	Allowance for credit losses to nonaccrual loans		4.39x		1.58x
Allowance for credit losses to nonaccrual loans					
Allowance for credit losses to nonaccrual loans					

In 2023, nonaccrual loans increased $12.0 million primarily due to an increase in commercial real estate nonaccrual loans of $11.0 million. The increase in commercial real estate nonaccrual loans was due to one commercial real estate loan on nonaccrual status.

In 2022, nonaccrual loans decreased $28.5 million primarily due to decreases in commercial real estate and residential 1-4 family nonaccrual loans of $15.3 million and $12.6 million, respectively. The decrease in commercial real estate nonaccrual loans was due to the reclassification of one commercial real estate loan to accrual status. The decrease in the residential nonaccrual loans was due to the reclassification of residential loans to accrual status based on payment performance.

In 2021, nonaccrual loans decreased $2.4 million primarily due to decreases in commercial real estate, commercial, consumer and HELOC nonaccrual loans of $3.4 million, $3.0 million, $2.1 million and $1.8 million, respectively, partly offset by an increase in residential 1-4 family nonaccrual loans of $7.9 million. The increase in residential nonaccrual loans was attributed to customers that could not resume contractual payments after their deferral period was completed.

See “Allowance for credit losses” in Note 4 5 of the Consolidated Financial Statements for information with respect to nonperforming assets.

Allowance for credit losses. See “Allowance for credit losses” in Note 4 5 of the Consolidated Financial Statements for the tables which sets forth the allocation of ASB’s allowance for credit losses. On January 1, 2020, ASB adopted *Accounting Standards Update (ASU) 2016-13, Financial Instruments - Measurement of Current Expected Credit Losses on Financial Instruments*, modifying the accounting for the allowance for credit losses from an incurred loss model to an expected loss model (see Note 1, “Summary of Significant Accounting Policies” of the Consolidated Financial Statements). With the adoption of ASU 2016-13, ASB added $19.4 million to the allowance for credit losses on January 1, 2020.

During 2022 2023, ASB recorded a provision for credit losses related to the allowance for credit losses of $2.0 million $10.4 million primarily due to loan credit loss reserves as a result of the Maui wildfires and additional credit loss reserves for growth net charge-offs primarily in the consumer loan portfolio, partly offset by the release lower loss reserves for the commercial loan portfolio due to improved credit trends. loss rates and sale of syndicated national credits.

ASB maintains a reserve for credit losses that consists of two components, the allowance for credit losses and an allowance for loan commitments (unfunded reserve). The level of the reserve for unfunded loan commitments is adjusted by recording an expense or recovery in For 2023, ASB recorded a provision for credit losses. With the adoption of ASU 2016-13, ASB added $1.6 million to the reserve losses for unfunded loan commitments on January 1, 2020. For 2022, ASB recorded of $0.7 million compared to a negative provision for credit losses for unfunded commitments of $0.5 million compared to a provision for credit losses for unfunded commitments of $0.6 million for 2021. 2022. As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the reserve for unfunded loan commitments was $4.4 million $5.1 million and $4.9 million $4.4 million, respectively.

The following table sets forth the allocation of ASB’s allowance for credit losses and the percentage of loans in each category to total loans:

December 31	**December 31**	**2022**	**2021**
December 31			
December 31			
(dollars in thousands)			
(dollars in thousands)			

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(dollars in thousands)	(dollars in thousands)	Allowance balance	Allowance to loan receivable %	Loan receivable % of total	Allowance balance	Allowance to loan receivable %	Loan receivable % of total
Real estate:	Real estate:						
Real estate:							
Real estate:							
Residential 1-4 family							
Residential 1-4 family							
Residential 1-4 family	Residential 1-4 family	$ 6,270	0.25	41.3	$ 6,545	0.28	44.0
Commercial real estate	Commercial real estate	21,898	1.62	22.6	24,696	2.34	20.3
Commercial real estate							
Commercial real estate							
Home equity line of credit							
Home equity line of credit							
Home equity line of credit	Home equity line of credit	6,125	0.61	16.7	5,657	0.68	16.0
Residential land	Residential land	717	3.48	0.3	646	3.25	0.4
Residential land							
Residential land							
Commercial construction							
Commercial construction							
Commercial construction	Commercial construction	1,195	1.36	1.5	2,186	2.40	1.7
Residential construction	Residential construction	46	0.22	0.4	18	0.16	0.2
Residential construction							
Residential construction							
Total real estate							
Total real estate							
Total real estate	Total real estate	36,251	0.73	82.8	39,748	0.92	82.6
Commercial	Commercial	12,426	1.60	13.0	15,798	1.99	15.2
Commercial							
Commercial							
Consumer	Consumer	23,539	9.92	4.2	15,584	13.67	2.2
Consumer							
Consumer							
Total allowance for credit losses							
Total allowance for credit losses							
Total allowance for credit losses	Total allowance for credit losses	$ 72,216	1.21	100.0	$ 71,130	1.36	100.0

In 2023, ASB's allowance for credit losses increased by $2.2 million primarily due to increases in the loan loss reserves for the commercial construction, HELOC and residential loan portfolios as a result of growth in those loan portfolios. The decrease in the allowance for credit losses for the commercial portfolio was primarily due to the release of reserves as a result of lower estimated losses and sale of syndicated national credits. Total delinquencies of $39.9 million at December 31, 2023 was an increase of $26.0 million compared to total delinquencies of $13.9 million at December 31, 2022 primarily due to an increase in commercial real estate, residential and consumer loan delinquencies. The ratio of delinquent loans to total loans increased from 0.23% of total outstanding loans at December 31, 2022 to 0.65% of total outstanding loans at December 31, 2023. Net charge-offs for 2023 were $7.5 million, an increase of $6.1 million compared to $1.4 million in 2022 primarily due to an increase in consumer loan portfolio net charge-offs.

In 2022, ASB's allowance for credit losses increased by $1.1 million primarily due to increases in the loan loss reserves for the consumer and home equity line of credit HELOC loan portfolios as a result of growth in those loan portfolios. The decreases in the allowance for credit losses for the commercial, commercial real estate and residential loan portfolios were primarily due to the release of reserves in those loan portfolios as a result of improved credit trends. Total delinquencies of $13.9 million at December 31, 2022 was a decrease of $3.3 million compared to total delinquencies of $17.2 million at December 31, 2021 primarily due to a decrease in residential loan delinquencies, partly offset by increases in consumer and home equity line of credit HELOC loan portfolio delinquencies. The ratio of delinquent loans to total loans decreased from 0.33% of total outstanding

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loans at December 31, 2021 to 0.23% of total outstanding loans at December 31, 2022. Net charge-offs for 2022 were $1.4 million, a decrease of $2.2 million compared to $3.6 million in 2021 primarily due to a decrease in consumer loan portfolio net charge-offs.

In 2021, ASB's allowance for credit losses decreased by $30.1 million primarily due to decreases in loan loss reserves for the commercial real estate, commercial and consumer loan portfolios for improved credit quality. The decrease in the consumer loan portfolio was also due to the decrease in the personal unsecured loan portfolio outstanding balance. Total delinquencies of $17.2 million at December 31, 2021 was a decrease of $2.4 million compared to total delinquencies of $19.6 million at December 31, 2020 primarily due to decreases in delinquent consumer, HELOC and residential land loans, partly offset by an increase in residential 1-4 family delinquent loans. The ratio of delinquent loans to total loans decreased from 0.37% of total outstanding loans at December 31, 2020 to 0.33% of total outstanding loans at December 31, 2021. Net charge-offs for 2021 were $3.6 million, a decrease of $17.8 million compared to $21.4 million in 2020 primarily due to a decrease in consumer loan portfolio net charge-offs.

Investment securities. Currently, ASB's investment portfolio consists of U.S. Treasury and federal agency obligations, mortgage-backed securities, corporate bonds and mortgage revenue bonds. ASB owns mortgage-backed securities issued or guaranteed by the U.S. government agencies or sponsored agencies, including the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA) and Small Business Administration (SBA). The weighted-average yield on investments during 2023, 2022 2021 and 2020 was 1.76%, 1.52% 1.76% and 1.90% 1.52%, respectively. ASB did not maintain a portfolio of securities held for trading during 2022 2023 and 2021. 2022.

As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB had $1.3 billion $1.2 billion and $522.3 million $1.3 billion, respectively, of investment securities that were purchased and classified as held-to-maturity. In October 2022, ASB transferred 66 available-for-sale investment securities with a fair value of $755 million to the held-to-maturity category. The investment securities were classified as held-to-maturity to enhance ASB's capital management in a rising rate environment. ASB considers the held-to-maturity classification of these investment securities to be appropriate as ASB has the positive intent and ability to hold these securities to maturity.

Principal and interest on mortgage-backed securities issued by FNMA, FHLMC, GNMA and SBA are guaranteed by the issuer and, in the case of GNMA and SBA, backed by the full faith and credit of the U.S. government. U.S. Treasury securities are also backed by the full faith of the U.S. government. The increase in the investment securities portfolio was primarily due to the purchase of agency mortgage-backed and credit securities with excess liquidity.

The net unrealized gains and losses on ASB's investment securities were primarily caused by movements in interest rates. All contractual cash flows of those investments are guaranteed by an agency of the U.S. government. Based upon ASB's evaluation at December 31, 2022 December 31, 2023 and 2021, 2022, there was no indicated impairment as ASB expects to collect the contractual cash flows for these investments. See "Investment securities" in Note 1 of the Consolidated Financial Statements for a discussion of securities impairment assessment.

As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB did not have any private-issue mortgage-backed securities. ASB does not have any exposure to securities backed by subprime mortgages. See "Investment securities" in Note 4 5 of the Consolidated Financial Statements for a discussion of the allowance for credit losses for the investment securities portfolio.

The following table summarizes the current amortized cost of ASB's investment portfolio (excluding stock of the FHLB of Des Moines, which has no contractual maturity) and weighted average yields as of December 31, 2022 December 31, 2023. Mortgage-backed securities are shown separately because they are typically paid in monthly installments over a number of years.

(dollars in millions)	(dollars in millions)	In 1 year or less	After 1 year through 5 years	After 5 years through 10 years	After 10 years	Mortgage-backed securities	Total[1]	(dollars in millions)	In 1 year or less	After 1 year through 5 years	After 5 years through 10 years	After 10 years	Mortgage-backed securities	Total[1]
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	$ 1	$ 62	$ 85	$—	$ —	$ 148							
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	—	—	—	—	2,723	2,723							
Corporate bonds	Corporate bonds	—	44	—	—	—	44							
Mortgage revenue bonds[1]	Mortgage revenue bonds[1]	—	—	15	—	—	15							
		$ 1	$ 106	$ 100	$—	$ 2,723	$2,930							

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Weighted average yield	Weighted average yield	1.64 %	2.17 %	1.91 %	— %	1.72 %	1.74 %	Weighted average yield	2.03 %	1.86 %	3.27 %	— %	2.49 %	2.48 %

1 Weighted average yield on the mortgage revenue bonds is computed on a tax equivalent basis using a federal statutory tax rate of 21%.

Stock in FHLB. As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB's stock in FHLB of Des Moines was $26.6 million $14.7 million and $10.0 $26.6 million, respectively, was carried at cost because it can only be redeemed at par. The amount that ASB is required to invest in FHLB stock is determined by FHLB requirements. In 2023, 2022 2021 and 2020, 2021, ASB received cash dividends of $1.2 million, $702,000 $327,000 and $306,000, $327,000, respectively, on its FHLB Stock.

Deposits and other borrowings. Deposits continue to be the largest source of funds for ASB and are affected by market interest rates, competition and management's responses to these factors. In 2022, 2023, deposits decreased by $2.5 million $23.9 million as an outflow of core deposits was replaced with time certificates. Core deposit retention and sustained growth will remain challenging in the current rising interest rate environment. Advances from the FHLB of Des Moines, borrowings from Federal Reserve Bank and securities sold under agreements to repurchase and federal funds purchased continue to be additional sources of funds. As of December 31, 2022, ASB's costing liabilities consisted of 92% deposits and 8% borrowings compared to costing liabilities of 99% deposits and 1% borrowings as of December 31, 2021. December 31, 2023 and 2022.

ASB's deposits are obtained primarily from residents of Hawaii. Net deposit inflow or outflow, measured as the year-over-year difference in year-end deposits, was an outflow of $2.5 million $23.9 million in 2022, 2023, compared to an inflow outflow of $785 million $2.5 million in 2021. 2022.

The following table presents the amount of time certificates of deposit of $250,000 or more, segregated by time remaining until maturity:

(in thousands)	Amount
Three months or less	$ 176,859 199,940
Greater than three months through six months	149,081 58,239
Greater than six months through twelve months	9,465 77,644
Greater than twelve months	11,518 12,357
	$ 346,923 348,180

As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB had approximately $1.2 billion $1.6 billion and $1.4 billion $1.2 billion, respectively, of deposits that were uninsured.

Other borrowings consist of advances from the FHLB, borrowings from Federal Reserve Bank and securities sold under agreements to repurchases. See "Other borrowings" in Note 4 5 of the Consolidated Financial Statements. ASB may obtain advances from the FHLB of Des Moines provided that certain standards related to creditworthiness have been met. Advances are collateralized by a blanket pledge of certain notes held by ASB and the mortgages securing them. To the extent that advances exceed the amount of mortgage loan collateral pledged to the FHLB of Des Moines, the excess must be covered by qualified marketable securities held under the control of and at the FHLB of Des Moines or at an approved third-party custodian. FHLB advances generally are available to meet seasonal and other withdrawals of deposit accounts, to expand lending and to assist in the effort to improve asset and liability management. FHLB advances are made pursuant to several different credit programs offered from time to time by the FHLB of Des Moines. Securities sold under agreements to repurchase are accounted for as financing transactions and the obligations to repurchase these securities are recorded as liabilities in the consolidated balance sheets. ASB pledges investment securities as collateral for securities sold under agreements to repurchase. All such agreements are subject to master netting arrangements, which provide for conditional right of set-off in case of default by either party; however, ASB presents securities sold under agreements to repurchase on a gross basis in the balance sheet.

The increase in other borrowings in 2023 was due to an increase in borrowings from Federal Reserve Bank offset by decreases in FHLB advances and repurchase agreements. Other borrowings continued to be a funding source for loan portfolio growth. The increase in other borrowings in 2022 was due to increases in FHLB advances and business retail repurchase agreements, which were sources of funding for the loan portfolio growth as deposit growth slowed in 2022. The decrease in other borrowings in 2021 was due to a decrease in business repurchase agreements.

As of December 31, 2022 December 31, 2023, the unused borrowing capacity with the FHLB of Des Moines was $1.6 billion $1.9 billion. The FHLB of Des Moines continues to be an important source of liquidity for ASB. See "Liquidity and capital resources" below for changes in the unused borrowing capacity with the FHLB of Des Moines.

Other factors. Interest rate risk is a significant risk of ASB's operations and also represents a market risk factor affecting the fair value of ASB's investment securities. Increases and decreases in prevailing interest rates generally translate into decreases and increases in the fair value of the investment securities, respectively. In addition, changes in credit spreads also impact the fair values of the investment securities.

As of December 31, 2022 December 31, 2023, ASB had an unrealized loss, net of taxes, on available-for-sale investment securities (including securities pledged for repurchase agreements) in accumulated other comprehensive income (AOCI) of $181.9 million $150.4 million compared to an unrealized loss, net of taxes, of $32.0 million $181.9 million as of December 31, 2021 December 31, 2022. See "Quantitative and Qualitative Disclosures About Market Risk."

Legislation and regulation. ASB is subject to extensive regulation, principally by the OCC and the FDIC. Depending on ASB's level of regulatory capital and other considerations, these regulations could restrict the ability of ASB to compete with other institutions and to pay dividends to its shareholder. See the discussion below under "Liquidity and capital resources." Also see "Federal Deposit Insurance Corporation assessment" in Note 4 5 of the Consolidated Financial Statements.

Final Capital Rules. On July 2, 2013, the FRB finalized its rule implementing the Basel III regulatory capital framework. The final rules applied to banking organizations of all sizes and types regulated by the FRB and the OCC, except bank holding companies subject to the FRB's Small Bank Holding Company Policy Statement and Savings & Loan Holding Companies (SLHCs) substantially engaged in insurance underwriting or commercial activities. HEI currently meets the requirements of the exemption as a top-tier grandfathered unitary SLHC that derived, as of June 30 of the previous calendar year, either 50% or more of its total consolidated assets or 50% or more of its total revenues on an enterprise-wide basis (calculated under GAAP) from activities that are not financial in nature pursuant to Section 4(k) of the Bank Holding Company Act. The FRB is temporarily excluding these SLHCs from the final rule while it considers a proposal relating to capital and other requirements for SLHC intermediate holding companies (such as ASB Hawaii). The FRB indicated that it would release a proposal on intermediate holding companies that would specify the criteria for establishing and transferring activities to intermediate

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holding companies and propose to apply the FRB's capital requirements to such intermediate holding companies. The FRB has not yet issued such a proposal, or a proposal on how to apply the Basel III capital rules to SLHCs that are substantially engaged in commercial or insurance underwriting activities, such as grandfathered unitary SLHCs like HEI.

Pursuant to the final rule and consistent with the proposals, all banking organizations, including covered holding companies, would initially be subject to the following minimum regulatory capital requirements: a common equity Tier 1 capital ratio of 4.5%, a Tier 1 capital ratio of 6%, a total capital ratio of 8% of risk-weighted assets and a Tier 1 leverage ratio of 4%, and these requirements would increase in subsequent years. In order to avoid restrictions on capital distributions and discretionary bonus payments to executive officers, the final rule requires a banking organization to hold a buffer of common equity Tier 1 capital above its minimum capital requirements in an amount greater than 2.5% of total risk-weighted assets (capital conservation buffer).

Subject to the timing and final outcome of the FRB's SLHC intermediate holding company proposal, HEI anticipates that the capital requirements in the final rule will eventually be effective for HEI or ASB Hawaii as well. If the capital requirements were currently applicable to HEI, management believes HEI would satisfy the capital requirements, including the capital conservation buffer. Management cannot predict what final rule the FRB may adopt concerning intermediate holding companies or their impact on ASB Hawaii, if any.

With Tier 1 leverage, common equity, Tier 1 capital and total capital ratios of 7.8% 7.7%, 12.2% 12.3%, 12.2% 12.3% and 13.1% 13.4%, respectively as of December 31, 2022 December 31, 2023, ASB's regulatory capital ratios exceeded the minimum regulatory capital requirements of 4.0%, 4.5%, 6.0% and 8.0%, respectively. See Bank - Regulation in HEI's "Item 1. Business" for a description of the changes to the community bank leverage ratio framework.

Liquidity and capital resources.

December 31 (dollars in millions)	December 31 (dollars in millions)	2022	% change	2021	% change
Total assets	Total assets	$9,546	4	$9,182	9
Investment securities	Investment securities	2,681	(13)	3,097	41
Loans held for investment, net	Loans held for investment, net	5,907	15	5,140	(2)
Deposit liabilities	Deposit liabilities	8,170	—	8,172	11
Other bank borrowings	Other bank borrowings	695	687	88	(2)

December 31 (dollars in millions)	2023	% change	2022	% change
Total assets	$ 9,673	1	$ 9,546	4

As of December 31, 2022 December 31, 2023, ASB was one of Hawaii's largest financial institutions based on assets of $9.5 billion $9.7 billion and deposits of $8.2 billion $8.1 billion.

ASB's principal sources of liquidity are customer deposits, other borrowings and the maturity and repayment of portfolio loans and securities. The Bank's liquidity remains at satisfactory levels as deposits decreased slightly. levels. ASB used investment security portfolio repayments and other borrowings to fund its strong loan production. ASB's deposits as of December 31, 2022 December 31, 2023 were $3 million $24 million lower than December 31, 2021 December 31, 2022. ASB's sources of borrowings include advances from the FHLB, borrowings from Federal Reserve Bank and securities sold under agreements to repurchase from broker/dealers and commercial account holders. As of December 31, 2022 December 31, 2023, ASB had $414 million $200 million of FHLB borrowings outstanding. ASB is approved to borrow from the FHLB up to 45% of ASB's assets to the extent it provides qualifying collateral and holds sufficient FHLB stock. As of December 31, 2022 December 31, 2023, ASB's unused FHLB borrowing capacity was approximately $1.6 $1.9 billion.

As of December 31, 2022 December 31, 2023, ASB had no securities sold under agreements to repurchase totaled $281 million, representing 2.9% of assets. repurchase.

As of December 31, 2022 December 31, 2023, ASB had commitments to borrowers for loans and unused lines and letters of credit of $2.1 $1.8 billion, of which, commitments to lend to borrowers whose loan terms have been modified in troubled debt restructurings were nil. Management believes ASB's current sources of funds will enable it to meet these obligations while maintaining liquidity at satisfactory levels.

As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB had $16.5 million $28.4 million and $45.0 $16.5 million of loans on nonaccrual status, respectively, or 0.3% 0.5% and 0.9% 0.3%, respectively, of net loans outstanding. As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB had $0.1 million nil and nil, $0.1 million, respectively, of real estate acquired in settlement of loans.

In 2022, 2023, operating activities provided cash of $121 million $108 million. Net cash of $778 million $179 million was used provided by investing activities primarily due to a proceeds from sale of securities of $170 million, receipt of repayments from available-for-sale investment securities of $149 million, proceeds from sale of commercial loans of $95 million, repayments from held-to-maturity investment securities of $67 million offset by net redemption of stock from the FHLB of $12 million, net increase in loans receivable of $661 million, purchases of available-for-sale investment securities of $366 million $285 million, purchases of loans held for investment of $103 million, net purchases of stock from the FHLB of $17 million, purchases of bank-owned life insurance of $5 million $26 million and additions to premises and equipment of $5 million, partly offset by receipt of repayments from available-for-sale investment securities of $342 million, repayments from held-to-maturity investment securities of $29 million, proceeds from the sale of real estate of $4 million, proceeds from the redemption of bank-owned life insurance of $2 million and proceeds from the sale of premises and equipment of $1 million $6 million. Financing activities provided used net cash of $562 million $8 million primarily due to a net increase decrease in short-term borrowings of $414 million and , a net increase decrease in repurchase agreements of $193 million $183 million, partly offset by a net decrease in deposit liabilities of $3 million $122 million and common stock dividends to HEI (through ASB Hawaii) of $42 million. $39 million offset by net borrowings from Federal Reserve Bank of $550 million and advances from FHLB of $200 million.

ASB believes that maintaining a satisfactory regulatory capital position provides a basis for public confidence, affords protection to depositors, helps to ensure continued access to capital markets on favorable terms and provides a foundation for growth. FDIC regulations restrict the ability of financial institutions that are not well-capitalized to compete on the

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same terms as well-capitalized institutions, such as by offering interest rates on deposits that are significantly higher than the rates offered by competing institutions. As of December 31, 2022 December 31, 2023, ASB was well-capitalized (see Note 4 5 of the Consolidated Financial Statements for ASB's capital ratios).

For a discussion of ASB dividends, see "Common stock equity" in Note 4 5 of the Consolidated Financial Statements.

See "Commitments" in Note 4 5 of the Consolidated Financial Statements for a discussion of commitments and contingencies and off-balance sheet arrangements.

Material estimates and critical accounting policies. Also see "Material estimates and critical accounting policies" for Consolidated HEI above.

Allowance for credit losses. The Company considers the policies related to the allowance for credit losses as critical to the financial statement presentation. The allowance for credit losses applies to financial assets subject to credit losses and measured at amortized cost and certain off-balance sheet credit exposures. This includes, but is not limited to loans, loan commitments and held-to-maturity securities. In addition, the accounting for credit losses on available-for-sale (AFS) debt securities and purchased financial assets with credit deterioration were amended. The other-than-temporary impairment model of accounting for credit losses on AFS debt securities was replaced with an estimate of expected credit losses only when the fair value is below the amortized cost of the asset. The credit loss models use a probability-of-default, loss given default and exposure at default methodology to estimate the expected credit losses. Within each model or calculation, loans are further segregated based on additional risk characteristics specific to that loan type, such as risk rating, Fair Isaac Corporation (FICO) score, bankruptcy score, age of loan and collateral. The Company uses both internal and external historical data, as appropriate, and a blend of economic forecasts to estimate credit losses over a reasonable and supportable forecast period and then reverts to a longer-term historical loss experience to arrive at lifetime expected credit losses. The reversion period incorporates forward-looking expectations about repayments (including prepayments) as determined by the Company's asset liability management system. See "Recent Accounting Pronouncements" in Note 1 of the Consolidated Financial Statements for further discussion of the Company's allowance for credit losses.

ASB disaggregates the loan portfolio into loan segments for purposes of determining the allowance for credit losses. Commercial, commercial real estate, and commercial construction loans are defined as non-homogeneous loans. ASB utilizes a risk rating system for evaluating the credit quality of such loans. Loans are rated based on the degree of risk at origination and periodically thereafter, as appropriate. Values are applied separately to the probability of default (borrower risk) and loss given default (transaction risk). ASB utilizes a numerical-based, risk rating "PD Model" that takes into consideration fiscal year-end financial information of the borrower and identified financial attributes including retained earnings, operating cash flows, interest coverage, liquidity and leverage that demonstrate a strong correlation with default to assign default probabilities at the borrower level. In addition, a loss given default value is assigned to each loan to measure loss in the event of default based on loan specific features such as collateral that mitigates the amount of loss in the event of default. Together the PD Model and loss given default construct provide a quantitative, data driven and consistent framework for measuring risk within the portfolio, on a loan by loan basis and for the ultimate collectability of each loan.

Residential, consumer and credit scored business loans are considered homogeneous loans, which are typically underwritten based on common, uniform standards. For the homogeneous portfolio, the quality of the loan is best indicated by the repayment performance of an individual borrower. ASB supplements performance data with external credit bureau data and credit scores such as the FICO score on a quarterly basis. ASB has built portfolio loss models for each major segment based on the combination of internal and external data to predict the probability of default at the loan level.

ASB also considers qualitative factors in determining the allowance for credit losses. These include but are not limited to adjustments for changes in policies and procedures in underwriting, monitoring or collections, economic conditions, portfolio mix, lending and risk management personnel, results of internal audit and quality control reviews, collateral values and any concentrations of credit.

The reserve for unfunded commitments is maintained at a level believed by management to be sufficient to cover expected losses related to unfunded credit facilities and is included in accounts payable and other liabilities in the consolidated balance sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the allowance for credit losses, as discussed above. Net adjustments to the reserve for unfunded commitments are included in the provision for credit losses in the consolidated statements of income.

Management believes its allowance for credit losses is adequate to cover expected credit losses in the loan portfolio. However, such estimates are based on currently available information and historical experience, and future adjustments may be required from time to time to the allowance for credit losses based on new information and changes that occur (e.g., due to changes in economic conditions, particularly in Hawaii). Actual losses could differ from management's estimates, and these differences and subsequent adjustments could be material.

Fair value. Fair value estimates are based on the price that would be received to sell an asset, or paid upon the transfer of a liability, in an orderly transaction between market participants at the measurement date. The fair value estimates are generally

determined based on assumptions that market participants would use in pricing the asset or liability and are based on market data obtained from independent third party sources. However, in certain cases, ASB uses its own assumptions based on the best information available in certain circumstances. These valuations are estimates at a specific point in time, based on relevant market information, information about the financial instrument and judgments regarding future expected loss experience, economic conditions, risk characteristics of various financial instruments and other factors. These estimates do not reflect any

premium or discount that could result if ASB were to sell its entire holdings of a particular financial instrument at one time. Because no active trading market exists for a portion of its financial instruments, fair value estimates cannot be determined with precision. Changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the estimates. In addition, the tax ramifications related to the realization of the unrealized gains and losses could have a significant effect on fair value estimates, but have not been considered in making such estimates.

ASB classifies its financial assets and liabilities that are measured at fair value in accordance with the three-level valuation hierarchy. Level 1 valuations are based on quoted prices, unadjusted for identical instruments traded in active markets. Level 2 valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active or model-based techniques for which all significant assumptions are observable in the market. Level 3 valuations are

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based on model-based techniques that use at least one significant assumption not observable in the market or significant management judgment or estimation. See “Fair value measurements” in Note 1 of the Consolidated Financial Statements).

Significant assets measured at fair value on a recurring basis include ASB’s mortgage-backed securities available for sale. These instruments are priced using an external pricing service and are classified as Level 2 within the fair value hierarchy. The third-party pricing services use a variety of methods to determine fair value including quoted prices for similar securities in an active market, yield spreads for similar trades, adjustments for liquidity, size, collateral characteristics, historic and generic prepayment speeds and other observable market factors. To enhance the robustness of the pricing process, ASB compares its standard third-party vendor’s price with that of another third-party vendor. If the prices are within an acceptable tolerance range, the price of the standard vendor will be accepted. If the variance is beyond the tolerance range, an evaluation will be conducted by the investment manager and a challenge to the price may be made. Fair value in such cases will be based on the value that best reflects the data and observable characteristics of the security. In all cases, the fair value used will have been independently determined by a third-party pricing vendor or non-affiliated broker.

Fair value is also used on a nonrecurring basis to evaluate certain assets for impairment or for disclosure purposes. Examples of nonrecurring uses of fair value include mortgage servicing rights accounted for by the amortization method, loan impairments for certain loans, real estate acquired in settlement of loans and goodwill.

See “Investment securities” and “Derivative financial instruments” in Note 4 5 and Note 16 17 of the Consolidated Financial Statements for additional information regarding ASB’s fair value measurements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

HEI and Hawaiian Electric (in the case of Hawaiian Electric, only the information related to Hawaiian Electric and its subsidiaries is applicable):

The Company manages various market risks in the ordinary course of business, including credit risk and liquidity risk. The Company believes the electric utility and the “other” segment’s exposures to these two risks were not material as of December 31, 2022 December 31, 2023.

Credit risk for ASB is the risk that borrowers or issuers of securities will not be able to repay their obligations to the Bank. Credit risk associated with ASB’s lending portfolios is controlled through its underwriting standards, loan rating of commercial and commercial real estate loans, on-going monitoring by loan officers, credit review and quality control functions in these lending areas and adequate allowance for credit losses. Credit risk associated with the securities portfolio is mitigated through investment portfolio limits, experienced staff working with analytical tools, monthly fair value analysis and on-going monitoring and reporting such as investment watch reports and loss sensitivity analysis. See “Allowance for credit losses” in Item 7 above and in Note 4 5 of the Consolidated Financial Statements.

Liquidity risk for ASB is the risk that the Bank will not meet its obligations when they become due. Liquidity risk is mitigated by ASB’s asset/liability management process, on-going analytical analysis, monitoring and reporting information such as weekly cash-flow analyses and maintenance of liquidity contingency plans.

The Utilities are exposed to some commodity price risk primarily related to their fuel supply and IPP contracts. The Utilities’ commodity price risk is substantially mitigated so long as they have their current ECRCs in their rate schedules, but have limited exposure through the fuel cost risk sharing risk-sharing mechanism, which apportions 2% of the fuel cost risk to the utilities

(and (and 98% to ratepayers) and has a maximum exposure (or benefit) of $3.7 million. The Utilities currently have no hedges against its commodity price risk.

The Company currently has no direct exposure to market risk from trading activities nor foreign currency exchange rate risk.

The Company considers interest rate risk to be a very significant market risk as it could potentially have a significant effect on the Company’s results of operations, financial condition and liquidity, especially as it relates to ASB, but also as it may affect the discount rate used to determine retirement benefit liabilities and minimum contributions, the market value of retirement benefit plans’ assets, borrowing costs and the Utilities’ allowed rates of return. Interest rate risk can be defined as the exposure of the Company’s earnings to adverse movements in interest rates.

Bank interest rate risk

The Company’s success is dependent, in part, upon ASB’s ability to manage interest rate risk. ASB’s interest-rate risk profile is strongly influenced by its primary business of making fixed-rate residential mortgage loans and taking in retail deposits. Large mismatches in the amounts or timing between the maturity or repricing of interest sensitive assets or liabilities could adversely affect ASB’s earnings and the market value of its interest-sensitive assets and liabilities in the event of significant changes in the level of interest rates. Many other factors also affect ASB’s exposure to changes in interest rates, such as general economic and financial conditions, customer preferences and competition for loans or deposits.

ASB’s Asset/Liability Management Committee (ALCO), whose voting members are officers and employees of ASB, is responsible for managing interest rate risk and carrying out the overall asset/liability management objectives and activities of ASB as approved by the ASB Board of Directors. ALCO establishes policies under which management monitors and coordinates ASB’s assets and liabilities.

See Note 4 5 of the Consolidated Financial Statements for a discussion of the use of rate lock commitments on loans held for sale and forward sale contracts to manage some interest rate risk associated with ASB’s residential loan sale program.

Management of ASB measures interest-rate risk using simulation analysis with an emphasis on measuring changes in net interest income (NII) and the market value of interest-sensitive assets and liabilities in different interest-rate environments. The simulation analysis is performed using a dedicated asset/liability management software system enhanced with a mortgage prepayment model and a collateralized mortgage obligation database. The simulation software is capable of generating scenario-specific cash flows for all instruments using the specified contractual information for each instrument and product specific prepayment assumptions for mortgage loans and mortgage-backed securities.

NII sensitivity analysis measures the change in ASB’s twelve-month, pretax NII in alternate interest rate scenarios. NII sensitivity is measured as the change in NII in the alternate interest-rate scenarios as a percentage of the base case NII. The base case interest-rate scenario is established using the current yield curve and assumes interest rates remain constant over the next twelve months. The alternate scenarios are created by assuming “rate ramps” or gradual interest changes and accomplished by moving the yield curve in a parallel fashion, over the next twelve-month period, in increments of +/- 100 basis points. The simulation model forecasts scenario-specific principal and interest cash flows for the interest-bearing assets and liabilities, and the NII is calculated for each scenario. Key balance sheet modeling assumptions used in the NII sensitivity analysis include: the size of the balance sheet remains relatively constant over the simulation horizon and maturing assets or liabilities are reinvested in similar instruments in order to maintain the current mix of the balance sheet. In addition, assumptions are made about the prepayment behavior of mortgage-backed assets, future pricing spreads for new assets and liabilities

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and the speed and magnitude with which deposit rates change in response to changes in the overall level of interest rates. Other NII sensitivity analysis may include scenarios such as yield curve twists or non-static balance sheet changes (such as changes to key balance sheet drivers).

Consistent with OCC guidelines, the market value or economic capitalization of ASB is measured as economic value of equity (EVE). EVE represents the theoretical market value of ASB's net worth and is defined as the present value of expected net cash flows from existing assets minus the present value of expected cash flows from existing liabilities plus the present value of expected net cash flows from existing off-balance sheet contracts. Key assumptions used in the calculation of ASB's EVE include the prepayment behavior of loans and investments, the possible distribution of future interest rates, pricing spreads for assets and liabilities in the alternate scenarios and the rate and balance behavior of deposit accounts with indeterminate maturities. EVE is calculated in multiple scenarios. As with the NII simulation, the base case is represented by the current yield curve. Alternate scenarios are created by assuming immediate parallel shifts in the yield curve in increments of +/- 100 basis points (bp) up to + 300 bp. The change in EVE is measured as the change in EVE in a given rate scenario from the base case and expressed as a percentage. To gain further insight into the interest rate risk profile, additional analysis is periodically performed in alternate scenarios including rate shifts of greater magnitude and changes in key balance sheet drivers.

ASB's interest-rate risk sensitivity measures as of December 31, 2022 December 31, 2023 and 2021 2022 constitute "forward-looking statements" and were as follows:

	Change in NII (gradual change in interest rates)		Change in EVE (instantaneous change in interest rates)			Change in NII (gradual change in interest rates)		Change in EVE (instantaneous change in interest rates)	
Change in interest rates (basis points)	Change in interest rates (basis points)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	Change in interest rates (basis points)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
+300	+300	(0.1) %	5.6 %	5.1 %	15.5 %	+300	2.1 %	(0.1) %	2.7 %	5.1 %
+200	+200	0.0	4.0	3.8	11.7					
+100	+100	0.0	2.3	2.1	7.0					
-100	-100	(0.3)	(2.5)	(3.4)	(12.6)					
-200										
-300										

ASB's NII sensitivity risk profile became neutral was more asset sensitive as of December 31, 2022 December 31, 2023, compared to December 31, 2021 December 31, 2022, primarily driven by the shift in liability mix and the increase in market rates. The bank's liability mix shifted with increased short-term borrowings due to temporary funding needs, driving lower NII sensitivity. In addition, the significant increase in market rates lowered prepayment expectations in the bank's fixed-rate mortgage higher cash balances and mortgage-backed investment portfolios, further reducing asset sensitivity. additional floating-rate commercial loans.

EVE sensitivity decreased was lower as of December 31, 2022 December 31, 2023, compared to December 31, 2021 as the duration of liabilities shortened while the duration of assets lengthened. The bank's December 31, 2022, due to a shift in ASB's liability mix shifted with increased short-term borrowings due to temporary funding needs, shortening the as longer duration of liabilities core deposits were replaced by rate-sensitive deposits and decreasing EVE sensitivity. In addition, the significant increase in market rates led to lower prepayment expectations and lengthened the duration of the fixed-rate mortgage and mortgage-backed investment portfolios, further reducing asset sensitivity. shorter-term wholesale funding.

The computation of the prospective effects of hypothetical interest rate changes on the NII sensitivity and the percentage change in EVE is based on numerous assumptions, including relative levels of market interest rates, loan prepayments, balance changes and pricing strategies, and should not be relied upon as indications of actual results. To the extent market conditions and other factors vary from the assumptions used in the simulation analysis, actual results may differ materially from the simulation results. NII sensitivity analysis measures the change in ASB's twelve-month, pretax NII in alternate interest rate scenarios, and is intended to help management identify potential exposures in ASB's current balance sheet and formulate appropriate strategies for managing interest rate risk. The simulation does not contemplate any actions that ASB management might undertake in response to changes in interest rates. Further, the changes in NII vary in the twelve-month simulation period and are not necessarily evenly distributed over the period. These analyses are for analytical purposes only and do not represent management's views of future market movements, the level of future earnings, or the timing of any changes in earnings within the twelve-month analysis horizon. The actual impact of changes in interest rates on NII will depend on the magnitude and speed with which rates change, actual changes in ASB's balance sheet, and management's responses to the changes in interest rates.

Other than bank interest rate risk

The Company's general policy is to manage "other than bank" interest rate risk through use of a combination of short-term debt, long-term debt and preferred securities. As of December 31, 2022 December 31, 2023, the Company was exposed to "other than bank" interest rate risk because of its periodic borrowing requirements, restricted access to capital markets and other sources of debt and equity financings, including the impact of interest rates on the revolving credit facility draws, the impact of interest rates on the discount rate and the market value of plan assets used to determine retirement benefits expenses and obligations (see "Pension and other postretirement benefits obligations" in HEI's MD&A and "Retirement benefits" in Notes 1 and 10 11 of the Consolidated Financial Statements) and the possible effect of interest rates on the electric utilities' allowed rates of return. Other than these exposures, management believes its exposure to "other than bank" interest rate risk is not material. However, continued restricted access to capital markets and other sources of debt and equity financings for an extended period of time may adversely impact the Company's financial condition, liquidity, cash flows and results of operations. The Company's long-term debt, in the form of borrowings of proceeds of revenue bonds, privately-placed senior notes and bank term loans, is predominately at fixed rates (see Note 16 17 of the Consolidated Financial Statements for the fair value of long-term debt, net-other than bank).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HEI and Hawaiian Electric:

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Report of Independent Registered Public Accounting Firm

Tothe shareholders and the Board of Directors of Hawaiian Electric Industries, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Hawaiian Electric Industries, Inc. and subsidiaries (the "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes and the schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide

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reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Electric Utility Segment - — Certain Regulatory Assets and Liabilities - — Refer to Notes 1 and 34 to the financial statements

Critical Audit Matter Description

Hawaiian Electric Company, Inc. ("Hawaiian Electric" or the "Utility") is subject to rate regulation by the Hawaii Public Utility Commission (the "PUC") and accounts for the effects of regulation under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 980, "Regulated Operations," as management believes that the operations of the Utility currently satisfy the criteria for regulatory accounting. Accounting for the economics of rate regulation impacts multiple financial statement line items and disclosures, such as property, plant, and equipment; regulatory assets and liabilities; operating revenues; operation and maintenance expense; and depreciation expense. As of December 31, 2022, regulatory assets and liabilities amounted to $242.5 million and $1,055.7 million, respectively. The Company's continued accounting under ASC Topic 980 generally requires that rates are established by an independent, third-party regulator; rates are designed to recover the costs of providing service; and it is reasonable to assume that rates can be charged to, and collected from, customers.

Hawaiian Electric's rates are subject to regulatory rate-setting processes and earnings oversight. Rates are determined and approved in regulatory proceedings based on an analysis of the Utility's costs to provide utility service and a return on, and recovery of, Hawaiian Electric's investment in the utility business. Any decision by the PUC could (1) impact the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets and (2) necessitate a refund in rates that should be reported as regulatory liabilities.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management to support its assertions about the applicability of applying the specialized rules and the impacted account balances, including disclosures. Management judgments include assessing the applicability of the specialized rules and to evaluate the likelihood of (1) recovery in future rates of certain incurred costs and (2) a the refund to customers.

Given that management's accounting judgments are based on assumptions about the outcome customers of future decisions by the PUC, auditing certain amounts. Performing audit procedures related to these judgments required significant auditor judgement and specialized knowledge of accounting for rate regulation and the rate-setting process due to its inherent complexities. knowledge.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the application of specialized rules to account for the effects of cost-based rate regulation and the uncertainty of future decisions by the rate regulators included the following, among others:

- We tested the effectiveness of management's controls over (1) the evaluation of the application of specialized rules to account for the effects of cost-based rate regulation and (2) the evaluation of the likelihood of (a) the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets and (b) a refund that should be refunds to customers reported as regulatory liabilities. Such controls include the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or refunding amounts in rates.
- We evaluated the Company's conclusion that it should apply the specialized rules to account for the effects of cost-based rate regulation.
- We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.
- We read relevant regulatory orders issued by the PUC for the Utility regulatory statutes, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the PUC's treatment of similar costs under similar circumstances. We evaluated the external information and compared to management's recorded regulatory asset and liability balances for completeness.
- For regulatory matters in process, we inspected the Utility's filings with the PUC and the filings with the PUC by intervenors that may impact the Utility's future rates, for any evidence that might contradict management's assertions.
- We obtained analyses from management as appropriate regarding probability of recovery for certain regulatory assets or refund and liabilities we evaluated whether the amounts recorded were in rates for regulatory liabilities not yet addressed in a regulatory order to assess management's assertion that amounts are probable of recovery, or refundable in rates. accordance with ASC Topic 980.

Allowance for Credit Losses - — Refer to Notes 1 and 45 to the financial statements

Critical Audit Matter Description

The allowance for credit losses is a material estimate of the Company and as of December 31, 2022, the total balance was $72.2 million. The allowance for credit losses is based on the composition, characteristics, and quality of the loans, as well as the prevailing economic conditions and reasonable and supportable forecasts. The Company's credit loss models use a probability-of-default, loss given default and exposure at default methodology to estimate the expected credit losses.

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The Company also incorporates qualitative factors to adjust the historical loss rates or other static sources as these rates may not be an accurate indicator of expected losses in the current portfolio. These qualitative factors include, but are not limited to, adjustments for changes in policies and procedures in underwriting, monitoring or collections, economic conditions, portfolio mix, lending and risk management personnel, results of internal audit and quality control reviews, collateral values, and any concentrations of credit.

The selection of relevant and appropriate qualitative factors in calculating the allowance for credit losses requires significant management judgment. Given the magnitude of the qualitative factors and significant amount of judgment required by management in developing the qualitative component of the overall allowance, performing audit procedures to evaluate the reasonableness of the allowance for credit losses required a high degree of auditor judgment, an increased level of effort, and the need to involve more experienced audit professionals.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the qualitative factors utilized within the allowance for credit losses included the following, among others:

- We tested the effectiveness of controls over the allowance for credit losses, including management's controls over the respective qualitative factors.
- We evaluated the reasonableness and conceptual soundness of the allowance for credit losses modeling framework, including the use of qualitative factors.
- We tested the mathematical accuracy of the calculation of the qualitative allowance for credit losses as well as the accuracy and completeness of data used as inputs to the determination of qualitative factors.
- We evaluated the qualitative factors applied to the historical loss rates, including assessing the basis for the factors and the reasonableness of the qualitative factors used in the allowance for credit losses.
- We evaluated the directional consistency and magnitude of the qualitative adjustments, as well as the absolute value of the allowance for credit losses attributable to the qualitative adjustments.
- In order to identify potential bias in the determination of the allowance for credit losses, we performed analytical analysis, including retrospective review, where we compared the estimate of losses to actual losses, analyzed ratios of the allowance for credit losses to loans and other relevant metrics, such as losses and nonperforming loans, and performed peer analysis where we compared relevant metrics to comparable financial institutions, and evaluated the relevance of the underlying data used to determine qualitative factors, to identify potential bias in the determination of the allowance for credit losses.

Contingencies — Tort-Related Legal Claims - Refer to Notes 1 and 2 to the financial statements

Critical Audit Matter Description

Multiple civil and class action lawsuits (collectively the "tort-related legal claims") have been filed against the Company, its subsidiaries, and other defendants related to a number of brush fires that occurred on August 8, 2023, on the island of Maui. Most of these lawsuits allege that the defendants were responsible for, and/or negligent in failing to prevent or respond to the wildfires that led to the property destruction and loss of life. Other claims include, among other things, personal injury, wrongful death, emotional distress and inverse condemnation.

The Company reviews loss contingencies at least quarterly. When a loss is probable and reasonably estimable, a liability is recorded in the amount of the estimable loss. If it is reasonably possible that a loss may have been incurred and the effect on the financial statements could be material, the Company discloses the nature of the loss contingency and an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made within the notes to the financial statements.

We identified the evaluation of the loss contingencies related to the tort-related legal claims, and related disclosures, as a critical audit matter because auditing management's judgment in determining the appropriate accounting and disclosures for the tort-related legal claims required significant auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the loss contingency involving the tort-related legal claims included the following, among others:

- We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over management's evaluation of the tort-related legal claims, including controls related to the Company's assessment of the accounting and related disclosures based on the most recent facts and circumstances.
- We inquired of the Company's internal and external legal counsel to understand the nature and status of the tort-related legal claims and the basis for the Company's accounting conclusions related to the tort-related legal claims.
- We requested and received written responses from internal and external legal counsel.
- We obtained and evaluated management's evaluation of the tort-related legal claims loss contingency. As part of our procedures, we made inquiries of management and the audit committee to evaluate and corroborate our understanding obtained through inquiries of internal and external legal counsel. We also performed public domain searches for evidence contrary to management's analysis.
- We evaluated management's recorded loss contingency for the tort-related legal claims and their conclusion of the reasonably estimable amount, as well as management's determination that a range of loss in excess of the recorded loss contingency cannot be reasonably estimated.
- We consulted with professionals in our firm with expertise related to accounting for loss contingencies.
- We evaluated any events subsequent to December 31, 2023, that might impact our evaluation of the tort-related claims loss contingency, including any related accrual or disclosure.
- We obtained written representations from executives of the Company.
- We read the Company's related disclosures and evaluated them for consistency with the evidence obtained from our audit procedures.

/s/ Deloitte & Touche LLP

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Honolulu, Hawaii
February 27, 2023 29, 2024

We have served as the Company's auditor since 2017.

Report of Independent Registered Public Accounting Firm

To the **s**hareholder and the Board of Directors of Hawaiian Electric Company, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets and statements of capitalization of Hawaiian Electric Company, Inc. and subsidiaries (the "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of income, comprehensive income, changes in common stock equity, and cash flows, for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes and the schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter matters communicated below is a matter are matters arising from the current-period audit of the financial statements that was were communicated or required to be communicated to the audit committee and that (1) relates relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter matters below, providing a separate opinion opinions on the critical audit matter matters or on the accounts or disclosures to which it relates. they relate.

Electric Utility Segment – Certain Regulatory Assets and Liabilities - — Refer to Notes 1 and 3 4 to the financial statements

Critical Audit Matter Description

Hawaiian Electric The Company Inc. ("Hawaiian Electric" or the "Utility") is subject to rate regulation by the Hawaii Public Utility Commission (the "PUC") and accounts for the effects of regulation under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 980, "Regulated Operations," as management believes that the operations of the Utility currently Company satisfy the criteria for regulatory accounting. Accounting for the economics of rate regulation impacts multiple financial statement line items and disclosures, such as property, plant, and equipment; regulatory assets and liabilities; operating revenues; operation and maintenance expense; and depreciation expense. As of December 31, 2022, regulatory assets and liabilities amounted to $242.5 million and $1,055.7 million, respectively. The Company's continued accounting under ASC Topic 980 generally requires that rates are established by an independent, third-party regulator; rates are designed to recover the costs of providing service; and it is reasonable to assume that rates can be charged to, and collected from, customers.

Hawaiian Electric's The Company's rates are subject to regulatory rate-setting processes and earnings oversight. Rates are determined and approved in regulatory proceedings based on an analysis of the Utility's Company's costs to provide utility service and a return on, and recovery of, Hawaiian Electric's the Company's investment in the utility business. Any decision by the PUC could (1) impact the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets and (2) necessitate a refund in rates that should be reported as regulatory liabilities.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management to support its assertions about the applicability of applying the specialized rules and the impacted account balances, including disclosures. Management judgments include assessing the applicability of the specialized rules and to evaluate the likelihood of (1) recovery in future rates of certain incurred costs and (2) a the refund to customers.

Given that management's accounting judgments are based on assumptions about the outcome customers of future decisions by the PUC, auditing certain amounts. Performing audit procedures related to these judgments required significant auditor judgement and specialized knowledge of accounting for rate regulation and the rate-setting process due to its inherent complexities. knowledge.

How the Critical Audit Matter Was Addressed in the Audit

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Our audit procedures related to the application of specialized rules to account for the effects of cost-based rate regulation and the uncertainty of future decisions by the rate regulators included the following, among others:

- We tested the effectiveness of management's controls over (1) the evaluation of the application of specialized rules to account for the effects of cost-based rate regulation and (2) the evaluation of the likelihood of (a) the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets and (b) a refund that should be refunds to customers reported as regulatory liabilities. Such controls include the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or refunding amounts in rates.
- We evaluated the Company's conclusion that it should apply the specialized rules to account for the effects of cost-based rate regulation.
- We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.
- We read relevant regulatory orders issued by the PUC for the Utility, regulatory statutes, filings made by interveners, and other publicly available information Company to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the PUC's treatment of similar costs under similar circumstances. We evaluated the external information and compared to management's recorded regulatory asset and liability balances for completeness.
- For certain regulatory matters assets and liabilities we evaluated whether the amounts recorded were in process, we inspected accordance with ASC Topic 980.

Contingencies — Tort-Related Legal Claims - Refer to Notes 1 and 2 to the Utility's filings with financial statements

Critical Audit Matter Description

Multiple civil and class action lawsuits (collectively the PUC "tort-related legal claims") have been filed against the Company, its subsidiaries, and other defendants related to a number of brush fires that occurred on August 8, 2023, on the island of Maui. Most of these lawsuits allege that the defendants were responsible for, and/or negligent in failing to prevent or respond to the wildfires that led to the property destruction and loss of life. Other claims include, among other things, personal injury, wrongful death, emotional distress and inverse condemnation.

The Company reviews loss contingencies at least quarterly. When a loss is probable and reasonably estimable, a liability is recorded in the amount of the estimable loss. If it is reasonably possible that a loss may have been incurred and the filings with effect on the PUC by intervenors financial statements could be material, the Company discloses the nature of the loss contingency and an estimate of the possible loss or range of loss or a statement that may impact such an estimate cannot be made within the Utility's future rates, notes to the financial statements.

We identified the evaluation of the loss contingencies related to the tort-related legal claims, and related disclosures, as a critical audit matter because auditing management's judgment in determining the appropriate accounting and disclosures for any evidence that might contradict the tort-related legal claims required significant auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the loss contingency involving the tort-related legal claims included the following, among others:

- We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over management's assertions. evaluation of the tort-related legal claims, including controls related to the Company's assessment of the accounting and related disclosures based on the most recent facts and circumstances.
- We inquired of the Company's internal and external legal counsel to understand the nature and status of the tort-related legal claims and the basis for the Company's accounting conclusions related to the tort-related legal claims.
- We requested and received written responses from internal and external legal counsel.
- We obtained analyses from and evaluated management's evaluation of the tort-related legal claims loss contingency. As part of our procedures, we made inquiries of management and the audit committee to evaluate and corroborate our understanding obtained through inquiries of internal and external legal counsel. We also performed public domain searches for evidence contrary to management's analysis.
- We evaluated management's recorded loss contingency for the tort-related legal claims and their conclusion of the reasonably estimable amount, as appropriate regarding probability well as management's determination that a range of recovery loss in excess of the recorded loss contingency cannot be reasonably estimated.
- We consulted with professionals in our firm with expertise related to accounting for regulatory assets or refund in rates for regulatory liabilities not yet addressed in a regulatory order to assess management's assertion that amounts are probable of recovery, or refundable in rates. loss contingencies.
- We evaluated any events subsequent to December 31, 2023, that might impact our evaluation of the tort-related claims loss contingency, including any related accrual or disclosure.
- We obtained written representations from executives of the Company.
- We read the Company's related disclosures and evaluated them for consistency with the evidence obtained from our audit procedures.

/s/ Deloitte & Touche LLP

Honolulu, Hawaii
February 27, 2023 29, 2024

We have served as the Company's auditor since 2017.

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Consolidated Statements of Income

Hawaiian Electric Industries, Inc. and Subsidiaries

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands, except per share amounts)	(in thousands, except per share amounts)				(in thousands, except per share amounts)			
Revenues	**Revenues**				**Revenues**			
Electric utility	Electric utility	$3,408,587	$2,539,636	$2,265,320				
Bank	Bank	321,068	306,398	313,511				
Other	Other	12,330	4,345	944				
Total revenues	Total revenues	3,741,985	2,850,379	2,579,775				
Expenses	**Expenses**				**Expenses**			
Electric utility	Electric utility	3,109,396	2,260,078	1,996,770				
Bank	Bank	219,550	178,195	251,702				
Other	Other	31,966	26,040	19,810				
Total expenses	Total expenses	3,360,912	2,464,313	2,268,282				
Operating income (loss)	**Operating income (loss)**				**Operating income (loss)**			
Electric utility	Electric utility	299,191	279,558	268,550				
Bank	Bank	101,518	128,203	61,809				
Other	Other	(19,636)	(21,695)	(18,866)				
Total operating income	Total operating income	381,073	386,066	311,493				
Retirement defined benefits credit (expense)—other than service costs		4,411	5,848	(3,210)				
Retirement defined benefits credit—other than service costs								
Retirement defined benefits credit—other than service costs								
Retirement defined benefits credit—other than service costs								
Interest expense, net – other than on deposit liabilities and other bank borrowings	Interest expense, net – other than on deposit liabilities and other bank borrowings	(103,402)	(94,363)	(88,694)				
Allowance for borrowed funds used during construction	Allowance for borrowed funds used during construction	3,416	3,250	2,992				
Allowance for equity funds used during construction	Allowance for equity funds used during construction	10,574	9,534	8,768				
Gain on sales of investment securities, net and equity-method investment		8,123	528	9,275				
Interest income								

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Gain (loss) on sales of investment securities, net and equity-method investment				
Income before income taxes	**Income before income taxes**	304,195	310,863	240,624
Income taxes	Income taxes	61,167	62,807	40,910
Net income	**Net income**	243,028	248,056	199,714
Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	1,890	1,890	1,890
Net income for common stock	**Net income for common stock**	$ 241,138	$ 246,166	$ 197,824
Basic earnings per common share	**Basic earnings per common share**	$ 2.20	$ 2.25	$ 1.81
Diluted earnings per common share	**Diluted earnings per common share**	$ 2.20	$ 2.25	$ 1.81
Weighted-average number of common shares outstanding	**Weighted-average number of common shares outstanding**	109,434	109,282	109,140
Weighted-average number of common shares outstanding				
Weighted-average number of common shares outstanding				
Net effect of potentially dilutive shares (share-based compensation programs)	Net effect of potentially dilutive shares (share-based compensation programs)	344	298	216
Weighted-average shares assuming dilution	**Weighted-average shares assuming dilution**	109,778	109,580	109,356

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

Hawaiian Electric Industries, Inc. and Subsidiaries

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)				(in thousands)			
Net income for common stock	Net income for common stock	$241,138	$246,166	$197,824				

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Other comprehensive income (loss), net of taxes:	Other comprehensive income (loss), net of taxes:			Other comprehensive income (loss), net of taxes:
Net unrealized gains (losses) on available-for sale investment securities:	Net unrealized gains (losses) on available-for sale investment securities:			Net unrealized gains (losses) on available-for sale investment securities:
Net unrealized gains (losses) on available-for sale investment securities arising during the period, net of taxes of $(110,140), $(18,903) and $7,008 for 2022, 2021 and 2020, respectively		(300,860)	(51,636)	19,143
Reclassification adjustment for net realized gains included in net income, net of taxes of nil, $(142) and $(599) for 2022, 2021 and 2020, respectively		—	(387)	(1,638)
Amortization of unrealized holding losses on held-to-maturity securities, net of taxes of $1,462, nil and nil for 2022, 2021 and 2020, respectively		3,993	—	—
Net unrealized gains (losses) on available-for sale investment securities arising during the period, net of taxes of $7,536, $(110,140) and $(18,903) for 2023, 2022 and 2021, respectively				
Reclassification adjustment for net realized losses (gains) included in net income, net of taxes of $4,011, nil and $(142) for 2023, 2022 and 2021, respectively				

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Amortization of unrealized holding losses on held-to-maturity securities, net of taxes of $5,271, $1,462 and nil for 2023, 2022 and 2021, respectively					
Derivatives qualified as cash flow hedges:	Derivatives qualified as cash flow hedges:				Derivatives qualified as cash flow hedges:
Unrealized interest rate hedging gains (losses), net of taxes of $1,892, $(108) and $(607) for 2022, 2021 and 2020, respectively		5,457	(312)	(1,750)	
Reclassification adjustment to net income, net of taxes of $60, $13 and nil for 2022, 2021 and 2020, respectively		172	37	—	
Unrealized interest rate hedging gains (losses), net of taxes of $(58), $1,892 and $(108) for 2023, 2022 and 2021, respectively					
Unrealized interest rate hedging gains (losses), net of taxes of $(58), $1,892 and $(108) for 2023, 2022 and 2021, respectively					
Unrealized interest rate hedging gains (losses), net of taxes of $(58), $1,892 and $(108) for 2023, 2022 and 2021, respectively					
Reclassification adjustment to net income, net of taxes of $(65), $60 and $13 for 2023, 2022 and 2021, respectively					
Retirement benefit plans:	Retirement benefit plans:				Retirement benefit plans:
Net gains (losses) arising during the period, net of taxes of $65,174, $53,068 and $(20,907) for 2022, 2021 and 2020, respectively		188,020	153,121	(60,529)	
Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes of $6,820, $6,665 and $8,247 for 2022, 2021 and 2020, respectively		19,659	19,253	23,689	

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	Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $(69,345), $(59,429) and $13,825 for 2022, 2021 and 2020, respectively	(199,936)	(171,345)	39,860
	Net gains arising during the period, net of taxes of $3,778, $65,174 and $53,068 for 2023, 2022 and 2021, respectively			
	Net gains arising during the period, net of taxes of $3,778, $65,174 and $53,068 for 2023, 2022 and 2021, respectively			
	Net gains arising during the period, net of taxes of $3,778, $65,174 and $53,068 for 2023, 2022 and 2021, respectively			
	Adjustment for amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost, net of taxes of $(535), $6,820 and $6,665 for 2023, 2022 and 2021, respectively			
	Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $(2,846), $(69,345) and $(59,429) for 2023, 2022 and 2021, respectively			
Other comprehensive income (loss), net of taxes	Other comprehensive income (loss), net of taxes	(283,495)	(51,269)	18,775
Comprehensive income attributable to Hawaiian Electric Industries, Inc.	Comprehensive income attributable to Hawaiian Electric Industries, Inc.	$ (42,357)	$194,897	$216,599

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

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Hawaiian Electric Industries, Inc. and Subsidiaries

December 31		2022		2021
(dollars in thousands)				
ASSETS				
Cash and cash equivalents		$ 199,877		$ 305,551
Restricted cash		5,050		5,911
Accounts receivable and unbilled revenues, net		511,903		344,213
Available-for-sale investment securities, at fair value		1,429,667		2,574,618
Held-to-maturity investment securities, at amortized cost		1,251,747		522,270
Stock in Federal Home Loan Bank, at cost		26,560		10,000
Loans held for investment, net		5,906,690		5,139,984
Loans held for sale, at lower of cost or fair value		824		10,404
Property, plant and equipment, net				
Land	$ 109,381		$ 102,910	
Plant and equipment	8,427,748		8,085,793	
Right-of-use assets - finance lease	49,370		—	
Construction in progress	293,048		231,495	
	8,879,547		8,420,198	
Less – accumulated depreciation	(3,192,545)	5,687,003	(3,028,130)	5,392,068
Operating lease right-of-use assets		115,684		122,416
Regulatory assets		242,513		565,543
Other		824,536		747,469
Goodwill		82,190		82,190
Total assets		$ 16,284,244		$ 15,822,637
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Accounts payable		$ 251,460		$ 205,544
Interest and dividends payable		21,333		19,889
Deposit liabilities		8,169,696		8,172,212
Short-term borrowings—other than bank		172,568		53,998
Other bank borrowings		695,120		88,305
Long-term debt, net—other than bank		2,384,980		2,321,937
Deferred income taxes		262,462		384,760
Operating lease liabilities		126,604		136,760
Finance lease liabilities		48,709		—
Regulatory liabilities		1,055,650		996,768
Defined benefit pension and other postretirement benefit plans liability		71,813		348,072
Other		787,057		669,215
Total liabilities		14,047,452		13,397,460
Preferred stock of subsidiaries - not subject to mandatory redemption		34,293		34,293
Commitments and contingencies (Notes 3 and 4)				
Shareholders' equity				
Preferred stock, no par value, authorized 10,000,000 shares; issued: none		—		—
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding: 109,470,795 shares and 109,311,785 shares at December 31, 2022 and 2021, respectively		1,692,697		1,685,496
Retained earnings		845,830		757,921
Accumulated other comprehensive income (loss), net of taxes				
Net unrealized losses on securities	$ (328,904)		$ (32,037)	
Unrealized gains (losses) on derivatives	1,991		(3,638)	
Retirement benefit plans	(9,115)	(336,028)	(16,858)	(52,533)
Total shareholders' equity		2,202,499		2,390,884

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Total liabilities and shareholders' equity	$ 16,284,244	$ 15,822,637

December 31		**2023**		**2022**
(dollars in thousands)				
ASSETS				
Cash and cash equivalents		$ 679,546		$ 199,877
Restricted cash		15,028		5,050
Accounts receivable and unbilled revenues, net		575,176		511,903
Available-for-sale investment securities, at fair value		1,136,439		1,429,667
Held-to-maturity investment securities, at amortized cost		1,201,314		1,251,747
Stock in Federal Home Loan Bank, at cost		14,728		26,560
Loans held for investment, net		6,106,438		5,906,690
Loans held for sale, at lower of cost or fair value		15,168		824
Property, plant and equipment, net				
Land	$ 106,999		$ 109,381	
Plant and equipment	8,695,942		8,427,749	
Right-of-use assets - finance lease	342,834		49,370	
Construction in progress	322,110		293,048	
	9,467,885		8,879,548	
Less – accumulated depreciation	(3,317,759)	6,150,126	(3,192,545)	5,687,003
Operating lease right-of-use assets		94,905		115,684
Regulatory assets		294,804		242,513
Other		877,959		824,536
Goodwill		82,190		82,190
Total assets		$ 17,243,821		$ 16,284,244
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Accounts payable		$ 247,462		$ 251,460
Interest and dividends payable		51,206		21,333
Deposit liabilities		8,145,778		8,169,696
Short-term borrowings—other than bank		—		172,568
Other bank borrowings		750,000		695,120
Long-term debt, net—other than bank		2,842,429		2,384,980
Deferred income taxes		297,954		262,462
Operating lease liabilities		103,900		126,604
Finance lease liabilities		339,040		48,709
Regulatory liabilities		1,150,690		1,055,650
Defined benefit pension and other postretirement benefit plans liability		82,879		71,813
Other		853,349		787,057
Total liabilities		14,864,687		14,047,452
Preferred stock of subsidiaries - not subject to mandatory redemption		34,293		34,293
Commitments and contingencies (Notes 3 and 4)				
Shareholders' equity				
Preferred stock, no par value, authorized 10,000,000 shares; issued: none		—		—
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding: 110,151,798 shares and 109,470,795 shares at December 31, 2023 and 2022, respectively		1,707,471		1,692,697
Retained earnings		926,720		845,830
Accumulated other comprehensive income (loss), net of taxes				
Net unrealized losses on securities	$ (282,963)		$ (328,904)	
Unrealized gains on derivatives	1,638		1,991	
Retirement benefit plans	(8,025)	(289,350)	(9,115)	(336,028)

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Total shareholders' equity		2,344,841		2,202,499
Total liabilities and shareholders' equity	$	17,243,821	$	16,284,244

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

Hawaiian Electric Industries, Inc. and Subsidiaries

	Common stock				
(in thousands, except per share amounts)					
(in thousands, except per share amounts)					
(in thousands, except per share amounts)	**Shares**	**Amount**	**Retained earnings**	**Accumulated other comprehensive income (loss)**	**Total**
Balance, December 31, 2020					
Net income for common stock					
Other comprehensive loss, net of tax benefits					
Issuance of common stock:					
Issuance of common stock:					
Issuance of common stock:					
Share-based plans					
Share-based plans					
Share-based expenses and other, net					
Common stock dividends ($1.32 per share)					
Balance, December 31, 2021					
Net income for common stock					
Other comprehensive loss, net of tax benefits					
Issuance of common stock:					
Share-based plans					
Share-based plans					

	Common stock				
(in thousands, except per share amounts)	**Shares**	**Amount**	**Retained earnings**	**Accumulated other comprehensive income (loss)**	**Total**
Balance, December 31, 2019	**108,973**	**$1,678,257**	**$622,042**	**$ (20,039)**	**$2,280,260**
Impact of adoption of ASU No. 2016-13	—	—	(15,372)	—	(15,372)
Balance, January 1, 2020 after adoption of ASU No. 2016-13	108,973	1,678,257	606,670	(20,039)	2,264,888
Net income for common stock	—	—	197,824	—	197,824
Other comprehensive income, net of taxes	—	—	—	18,775	18,775
Issuance of common stock:					
Issuance of common stock:					
Issuance of common stock:					
Share-based plans					
Share-based plans	208	3,973	—	—	3,973
Share-based expenses and other, net	—	(3,862)	—	—	(3,862)
Common stock dividends ($1.32 per share)	—	—	(144,096)	—	(144,096)
Balance, December 31, 2020	**109,181**	**1,678,368**	**660,398**	**(1,264)**	**2,337,502**
Net income for common stock	—	—	246,166	—	246,166
Other comprehensive loss, net of tax benefits	—	—	—	(51,269)	(51,269)
Issuance of common stock:					
Share-based plans					
Share-based plans	131	5,027	—	—	5,027

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Share-based expenses and other, net	Share-based expenses and other, net	—	2,101	—	—	2,101
Common stock dividends ($1.36 per share)	Common stock dividends ($1.36 per share)	—	—	(148,643)	—	(148,643)
Balance, December 31, 2021	**Balance, December 31, 2021**	**109,312**	**1,685,496**	**757,921**	**(52,533)**	**2,390,884**
Net income for common stock	Net income for common stock	—	—	241,138	—	241,138
Other comprehensive loss, net of tax benefits	Other comprehensive loss, net of tax benefits	—	—	—	(283,495)	(283,495)
Issuance of common stock:	Issuance of common stock:					
Share-based plans	Share-based plans					
Share-based plans	Share-based plans	159	5,831	—	—	5,831
Share-based expenses and other, net	Share-based expenses and other, net	—	1,370	—	—	1,370
Common stock dividends ($1.40 per share)	Common stock dividends ($1.40 per share)	—	—	(153,229)	—	(153,229)
Balance, December 31, 2022	**Balance, December 31, 2022**	**109,471**	**$1,692,697**	**$845,830**	**$ (336,028)**	**$2,202,499**
Net income for common stock						
Other comprehensive income, net of taxes						
Issuance of common stock:						
Dividend reinvestment and stock purchase plan						
Dividend reinvestment and stock purchase plan						
Dividend reinvestment and stock purchase plan						
Share-based plans						
Share-based expenses and other, net						
Common stock dividends ($1.08 per share)						

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Balance, December 31, 2023

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Hawaiian Electric Industries, Inc. and Subsidiaries

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)				(in thousands)			
Cash flows from operating activities	Cash flows from operating activities				Cash flows from operating activities			
Net income	Net income	$ 243,028	$ 248,056	$ 199,714				
Adjustments to reconcile net income to net cash provided by operating activities	Adjustments to reconcile net income to net cash provided by operating activities				Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation of property, plant and equipment	Depreciation of property, plant and equipment	256,069	246,158	238,114				
Other amortization	Other amortization	38,772	32,544	52,664				
Provision for credit losses	Provision for credit losses	2,037	(25,825)	50,811				
Loans originated, held for sale	Loans originated, held for sale	(128,195)	(340,986)	(564,525)				
Loans originated, held for sale	Loans originated, held for sale							
Proceeds from sale of loans, held for sale	Proceeds from sale of loans, held for sale	136,504	364,848	567,652				
Gain on sale of investment securities, net		(8,123)	(528)	(9,275)				
Loss (gains) on sale of investment securities, net and equity-method investment								
Loss (gains) on sale of investment securities, net and equity-method investment								
Loss (gains) on sale of investment securities, net and equity-method investment								
Gain on sale of loans	Gain on sale of loans	(1,692)	(9,305)	(23,734)				
Deferred income taxes		(32,502)	(5,398)	(1,706)				
Deferred income tax expense (benefit)								
Share-based compensation expense	Share-based compensation expense	10,366	9,135	5,810				

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Allowance for equity funds used during construction				
Allowance for equity funds used during construction				
Allowance for equity funds used during construction	Allowance for equity funds used during construction	(10,574)	(9,534)	(8,768)
Other	Other	(7,580)	(7,060)	1,366
Changes in assets and liabilities	Changes in assets and liabilities			
Decrease (increase) in accounts receivable and unbilled revenues, net		(151,551)	(73,811)	2,533
Changes in assets and liabilities				
Changes in assets and liabilities				
Increase in accounts receivable and unbilled revenues, net				
Decrease (increase) in fuel oil stock	Decrease (increase) in fuel oil stock	(87,569)	(45,819)	34,202
Increase in materials and supplies				
Decrease (increase) in regulatory assets	Decrease (increase) in regulatory assets	34,600	(13,874)	1,007
Increase (decrease) in regulatory liabilities		44,888	15,358	(16,562)
Increase (decrease) in accounts, interest and dividends payable		28,169	9,925	(20,068)
Increase in regulatory liabilities				
Increase in accounts, interest and dividends payable				
Change in prepaid and accrued income taxes, tax credits and utility revenue taxes	Change in prepaid and accrued income taxes, tax credits and utility revenue taxes	121,636	41,331	(35,610)
Decrease in defined benefit pension and other postretirement benefit plans liability	Decrease in defined benefit pension and other postretirement benefit plans liability	(5,191)	(6,660)	(2,029)

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Change in other assets and liabilities, net	Change in other assets and liabilities, net	(28,616)	(52,882)	(42,189)	
Net cash provided by operating activities	**Net cash provided by operating activities**	454,476	375,673	429,407	
Cash flows from investing activities	**Cash flows from investing activities**				**Cash flows from investing activities**
Available-for-sale investment securities purchased	Available-for-sale investment securities purchased	(366,177)	(1,464,644)	(1,361,594)	
Principal repayments on available-for-sale investment securities	Principal repayments on available-for-sale investment securities	342,354	583,238	478,351	
Proceeds from sale of available-for-sale investment securities	Proceeds from sale of available-for-sale investment securities	—	197,354	169,157	
Purchases of held-to-maturity investment securities	Purchases of held-to-maturity investment securities	—	(349,579)	(146,738)	
Proceeds from repayments or maturities of held-to-maturity investment securities	Proceeds from repayments or maturities of held-to-maturity investment securities	29,432	53,654	59,894	
Purchase of stock from Federal Home Loan Bank	Purchase of stock from Federal Home Loan Bank	(173,768)	(33,022)	(27,350)	
Redemption of stock from Federal Home Loan Bank	Redemption of stock from Federal Home Loan Bank	157,208	31,702	27,104	
Net decrease (increase) in loans held for investment	Net decrease (increase) in loans held for investment	(661,492)	72,489	(229,311)	
Proceeds from sale of commercial loans					
Proceeds from sale of residential loans	Proceeds from sale of residential loans	—	59,844	—	
Purchase of loans held for investment	Purchase of loans held for investment	(102,504)	—	—	
Proceeds from sale of real estate held for sale	Proceeds from sale of real estate held for sale	3,806	—	—	

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Capital expenditures	Capital expenditures	(344,037)	(314,524)	(383,895)
Proceeds from sale of low income housing investments		—	—	6,725
Contributions to low income housing investments				
Contributions to low income housing investments				
Contributions to low income housing investments	Contributions to low income housing investments	(844)	(16,131)	(9,403)
Acquisition of business	Acquisition of business	(25,706)	—	—
Other, net	Other, net	13,046	27	3,412
Net cash used in investing activities	**Net cash used in investing activities**	(1,128,682)	(1,179,592)	(1,413,648)

(continued)

Consolidated Statements of Cash Flows (continued)

Hawaiian Electric Industries, Inc. and Subsidiaries

Years ended December 31	Years ended December 31	2022	2021	2020
Cash flows from financing activities	**Cash flows from financing activities**			
Net increase (decrease) in deposit liabilities	Net increase (decrease) in deposit liabilities	(2,516)	785,255	1,115,055
Net increase (decrease) in short-term borrowings with original maturities of three months or less	Net increase (decrease) in short-term borrowings with original maturities of three months or less	83,652	(10,493)	(71,219)
Proceeds from issuance of short-term debt	Proceeds from issuance of short-term debt	35,000	—	165,000
Repayment of short-term debt	Repayment of short-term debt	—	(65,000)	(150,000)

Years ended December 31	2023	2022	2021
Cash flows from financing activities			

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Net increase (decrease) in other bank borrowings with original maturities of three months or less	Net increase (decrease) in other bank borrowings with original maturities of three months or less	606,815	(1,365)	(25,440)
Net increase (decrease) in other bank borrowings with original maturities of three months or less				
Net increase (decrease) in other bank borrowings with original maturities of three months or less				
Proceeds from issuance of other bank borrowings	Proceeds from issuance of other bank borrowings	—	—	30,000
Repayment of other bank borrowings	Repayment of other bank borrowings	—	—	(30,000)
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	227,312	285,886	415,997
Repayment of long-term debt and funds transferred for repayment of long-term debt		(221,910)	(82,262)	(178,969)
Repayment of long-term debt				
Withheld shares for employee taxes on vested share-based compensation	Withheld shares for employee taxes on vested share-based compensation	(3,165)	(2,006)	(5,700)
Withheld shares for employee taxes on vested share-based compensation				
Withheld shares for employee taxes on vested share-based compensation				
Net proceeds from issuance of common stock				
Common stock dividends	Common stock dividends	(153,229)	(148,643)	(144,096)

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Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	(1,890)	(1,890)	(1,890)
Other	Other	(2,398)	(3,080)	(3,203)
Net cash provided by financing activities	**Net cash provided by financing activities**	567,671	756,402	1,115,535
Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	(106,535)	(47,517)	131,294
Cash, cash equivalents and restricted cash, January 1	Cash, cash equivalents and restricted cash, January 1	311,462	358,979	227,685
Cash, cash equivalents and restricted cash, December 31	Cash, cash equivalents and restricted cash, December 31	204,927	311,462	358,979
Less: Restricted cash	Less: Restricted cash	(5,050)	(5,911)	(17,558)
Cash and cash equivalents, December 31	Cash and cash equivalents, December 31	$199,877	$305,551	$ 341,421

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

Hawaiian Electric Company, Inc. and Subsidiaries

Years ended December 31	**Years ended December 31**	**2022**	**2021**	**2020**	**Years ended December 31**	**2023**	**2022**	**2021**
(in thousands)	**(in thousands)**				**(in thousands)**			
Revenues	**Revenues**	$3,408,587	$2,539,636	$2,265,320				
Expenses	**Expenses**				**Expenses**			
Fuel oil	Fuel oil	1,265,614	644,349	515,274				
Purchased power	Purchased power	793,584	670,494	568,749				
Other operation and maintenance	Other operation and maintenance	497,601	475,412	474,192				
Depreciation	Depreciation	235,424	229,469	222,733				
Taxes, other than income taxes	Taxes, other than income taxes	317,173	240,354	215,822				

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Total expenses	Total expenses	3,109,396	2,260,078	1,996,770
Operating income	**Operating income**	299,191	279,558	268,550
Allowance for equity funds used during construction	Allowance for equity funds used during construction	10,574	9,534	8,768
Retirement defined benefits credit (expense)—other than service costs		3,835	3,890	(763)
Retirement defined benefits credit—other than service costs				
Interest expense and other charges, net	Interest expense and other charges, net	(76,416)	(72,447)	(67,794)
Allowance for borrowed funds used during construction	Allowance for borrowed funds used during construction	3,416	3,250	2,992
Interest income				
Income before income taxes	**Income before income taxes**	240,600	223,785	211,753
Income taxes	Income taxes	49,676	44,148	40,418
Net income	**Net income**	190,924	179,637	171,335
Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	915	915	915
Net income attributable to Hawaiian Electric	**Net income attributable to Hawaiian Electric**	190,009	178,722	170,420
Preferred stock dividends of Hawaiian Electric	Preferred stock dividends of Hawaiian Electric	1,080	1,080	1,080
Net income for common stock	**Net income for common stock**	$ 188,929	$ 177,642	$ 169,340

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

Hawaiian Electric Company, Inc. and Subsidiaries

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Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)				(in thousands)			
Net income for common stock	Net income for common stock	$188,929	$177,642	$169,340				
Other comprehensive income (loss), net of taxes:	Other comprehensive income (loss), net of taxes:				Other comprehensive income (loss), net of taxes:			
Retirement benefit plans:	Retirement benefit plans:							
Net gains (losses) arising during the period, net of taxes of $64,925, $52,554 and $(21,868) for 2022, 2021 and 2020, respectively		187,193	151,523	(63,050)				
Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes of $6,550, $6,750 and $7,474 for 2022, 2021 and 2020, respectively		18,884	19,461	21,550				
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $(69,345), $(59,429), and $13,825 for 2022, 2021 and 2020, respectively		(199,936)	(171,345)	39,860				
Retirement benefit plans:								
Retirement benefit plans:								
Net gains arising during the period, net of taxes of $3,529, $64,925 and $52,554 for 2023, 2022 and 2021, respectively								
Net gains arising during the period, net of taxes of $3,529, $64,925 and $52,554 for 2023, 2022 and 2021, respectively								
Net gains arising during the period, net of taxes of $3,529, $64,925 and $52,554 for 2023, 2022 and 2021, respectively								
Adjustment for amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost, net of taxes of $(688), $6,550 and $6,750 for 2023, 2022 and 2021, respectively								

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Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $(2,846), $(69,345), and $(59,429) for 2023, 2022 and 2021, respectively				
Other comprehensive income (loss), net of taxes	Other comprehensive income (loss), net of taxes	6,141	(361)	(1,640)
Comprehensive income attributable to Hawaiian Electric Company, Inc.	Comprehensive income attributable to Hawaiian Electric Company, Inc.	$195,070	$177,281	$167,700

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

Hawaiian Electric Company, Inc. and Subsidiaries

December 31	December 31	2022	2021	December 31	2023	2022
(in thousands)	**(in thousands)**			**(in thousands)**		
Assets	**Assets**			**Assets**		
Property, plant and equipment	**Property, plant and equipment**					
Utility property, plant and equipment						
Utility property, plant and equipment						
Utility property, plant and equipment	**Utility property, plant and equipment**					
Land	Land	$ 52,060	$ 51,937			
Plant and equipment	Plant and equipment	7,979,510	7,735,983			
Right-of-use assets - finance lease	Right-of-use assets - finance lease	48,371	—			
Less accumulated depreciation	Less accumulated depreciation	(3,086,499)	(2,940,517)			
Construction in progress	Construction in progress	275,353	204,569			

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Utility property, plant and equipment, net	Utility property, plant and equipment, net	5,268,795	5,051,972
Nonutility property, plant and equipment, less accumulated depreciation of $63 and $59 as of December 31, 2022 and 2021, respectively		6,945	6,949
Nonutility property, plant and equipment, less accumulated depreciation of $40 and $63 as of December 31, 2023 and 2022, respectively			
Total property, plant and equipment, net	**Total property, plant and equipment, net**	5,275,740	5,058,921
Current assets	**Current assets**		**Current assets**
Cash and cash equivalents	Cash and cash equivalents	39,242	52,169
Restricted cash	Restricted cash	—	3,089
Customer accounts receivable, net	Customer accounts receivable, net	288,338	186,859
Accrued unbilled revenues, net	Accrued unbilled revenues, net	183,280	129,155
Other accounts receivable, net	Other accounts receivable, net	13,567	7,267
Fuel oil stock, at average cost	Fuel oil stock, at average cost	191,530	104,078
Materials and supplies, at average cost	Materials and supplies, at average cost	79,568	71,877
Prepayments and other	Prepayments and other	33,482	46,031
Regulatory assets	Regulatory assets	52,273	66,664
Total current assets	**Total current assets**	881,280	667,189
Other long-term assets	**Other long-term assets**		**Other long-term assets**
Operating lease right-of-use-assets	Operating lease right-of-use-assets	89,318	101,470
Regulatory assets	Regulatory assets	190,240	498,879
Other	Other	160,889	165,166

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Total other long-term assets	**Total other long-term assets**	440,447	765,515
Total assets	**Total assets**	$6,597,467	$6,491,625

(Continued)

Consolidated Balance Sheets (continued)

Hawaiian Electric Company, Inc. and Subsidiaries

December 31	**December 31**	**2022**	**2021**	**December 31**	**2023**	**2022**
(in thousands)	**(in thousands)**					
Capitalization and liabilities	**Capitalization and liabilities**					
Capitalization and liabilities						
Capitalization and liabilities						
Capitalization *(see Consolidated Statements of Capitalization)*	**Capitalization** *(see Consolidated Statements of Capitalization)*			**Capitalization** *(see Consolidated Statements of Capitalization)*		
Common stock equity	Common stock equity	$2,344,170	$2,261,899			
Cumulative preferred stock – not subject to mandatory redemption	Cumulative preferred stock – not subject to mandatory redemption	34,293	34,293			
Commitments and contingencies (Note 3)						
Commitments and contingencies (Note 4)				**Commitments and contingencies (Note 4)**		
Long-term debt, net	Long-term debt, net	1,584,854	1,624,427			
Total capitalization	**Total capitalization**	3,963,317	3,920,619			
Current liabilities	**Current liabilities**					
Current portion of operating lease liabilities						
Current portion of operating lease liabilities						
Current portion of operating lease liabilities	Current portion of operating lease liabilities	19,095	49,368			
Current portion of long-term debt, net	Current portion of long-term debt, net	99,962	51,975			
Short-term borrowings from non-affiliate	Short-term borrowings from non-affiliate	87,967	—			
Accounts payable	Accounts payable	202,492	160,007			

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Interest and preferred dividends payable	Interest and preferred dividends payable	17,176	17,325
Taxes accrued, including revenue taxes	Taxes accrued, including revenue taxes	289,902	208,280
Regulatory liabilities	Regulatory liabilities	31,475	29,760
Other	Other	85,596	71,569
Total current liabilities	**Total current liabilities**	833,665	588,284
Deferred credits and other liabilities	**Deferred credits and other liabilities**		
Operating lease liabilities	Operating lease liabilities	78,715	65,780
Operating lease liabilities	Operating lease liabilities		
Finance lease liabilities	Finance lease liabilities	46,048	—
Deferred income taxes	Deferred income taxes	384,430	408,634
Regulatory liabilities	Regulatory liabilities	1,024,175	967,008
Unamortized tax credits	Unamortized tax credits	95,300	103,945
Defined benefit pension and other postretirement benefit plans liability	Defined benefit pension and other postretirement benefit plans liability	49,748	321,780
Other	Other	122,069	115,575
Total deferred credits and other liabilities	**Total deferred credits and other liabilities**	1,800,485	1,982,722
Total capitalization and liabilities	**Total capitalization and liabilities**	$6,597,467	$6,491,625

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Capitalization

Hawaiian Electric Company, Inc. and Subsidiaries

December 31	December 31	2022	2021	December 31	2023	2022
(dollars in thousands, except par value)	**(dollars in thousands, except par value)**			**(dollars in thousands, except par value)**		
Common stock equity	**Common stock equity**			**Common stock equity**		
Common stock of $6 2/3 par value	Common stock of $6 2/3 par value			Common stock of $6 2/3 par value		

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Authorized: 50,000,000 shares. Outstanding: 17,854,278 shares and 17,753,533 shares at December 31, 2022 and 2021, respectively		$ 119,048	$ 118,376
Authorized: 50,000,000 shares. Outstanding: 17,854,278 shares at December 31, 2023 and 2022	Authorized: 50,000,000 shares. Outstanding: 17,854,278 shares		
Premium on capital stock	Premium on capital stock	810,955	798,526
Retained earnings	Retained earnings	1,411,306	1,348,277
Accumulated other comprehensive income (loss), net of taxes-retirement benefit plans		2,861	(3,280)
Accumulated other comprehensive income, net of taxes-retirement benefit plans			
Common stock equity	**Common stock equity**	2,344,170	2,261,899

Cumulative preferred stock not subject to mandatory redemption	**Cumulative preferred stock not subject to mandatory redemption**								
Authorized: 5,000,000 shares of $20 par value and 7,000,000 shares of $100 par value.	Authorized: 5,000,000 shares of $20 par value and 7,000,000 shares of $100 par value.								
Authorized: 5,000,000 shares of $20 par value and 7,000,000 shares of $100 par value.									
Authorized: 5,000,000 shares of $20 par value and 7,000,000 shares of $100 par value.									
Series									
Series									
Series	**Series**	**Par Value**	**Shares outstanding December 31, 2022 and 2021**	**2022**	**2021**	**Par Value**	**Shares outstanding December 31, 2023 and 2022**	**2023**	**2022**

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(dollars in thousands, except par value and shares outstanding)	(dollars in thousands, except par value and shares outstanding)						(dollars in thousands, except par value and shares outstanding)
C-4.25%	C-4.25%	$	20	(Hawaiian Electric)	150,000	$3,000	$3,000
D-5.00%	D-5.00%		20	(Hawaiian Electric)	50,000	1,000	1,000
E-5.00%	E-5.00%		20	(Hawaiian Electric)	150,000	3,000	3,000
H-5.25%	H-5.25%		20	(Hawaiian Electric)	250,000	5,000	5,000
I-5.00%	I-5.00%		20	(Hawaiian Electric)	89,657	1,793	1,793
J-4.75%	J-4.75%		20	(Hawaiian Electric)	250,000	5,000	5,000
K-4.65%	K-4.65%		20	(Hawaiian Electric)	175,000	3,500	3,500
G-7.625%	G-7.625%		100	(Hawaii Electric Light)	70,000	7,000	7,000
H-7.625%	H-7.625%		100	(Maui Electric)	50,000	5,000	5,000
					1,234,657	34,293	34,293

(continued)

Consolidated Statements of Capitalization (continued)

Hawaiian Electric Company, Inc. and Subsidiaries

December 31	December 31	2022	2021	December 31	2023	2022
(in thousands)	(in thousands)			(in thousands)		
Long-term debt	**Long-term debt**			**Long-term debt**		
Obligations to the State of Hawaii for the repayment of Special Purpose Revenue Bonds (subsidiary obligations unconditionally guaranteed by Hawaiian Electric):	Obligations to the State of Hawaii for the repayment of Special Purpose Revenue Bonds (subsidiary obligations unconditionally guaranteed by Hawaiian Electric):					
3.50%, Series 2019, due 2049	3.50%, Series 2019, due 2049					
3.50%, Series 2019, due 2049	3.50%, Series 2019, due 2049	$ 80,000	$ 80,000			
3.20%, Refunding series 2019, due 2039	3.20%, Refunding series 2019, due 2039	150,000	150,000			
3.10%, Refunding series 2017A, due 2026	3.10%, Refunding series 2017A, due 2026	125,000	125,000			

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4.00%, Refunding series 2017B, due 2037	4.00%, Refunding series 2017B, due 2037	140,000	140,000
3.25%, Refunding series 2015, due 2025	3.25%, Refunding series 2015, due 2025	47,000	47,000
Total obligations to the State of Hawaii	Total obligations to the State of Hawaii	$ 542,000	$ 542,000
Total obligations to the State of Hawaii			
Total obligations to the State of Hawaii			
Other long-term debt – unsecured:	Other long-term debt – unsecured:		
Taxable senior notes:	Taxable senior notes:		
6.11%, Series 2023A, due 2030			
6.11%, Series 2023A, due 2030			
6.11%, Series 2023A, due 2030			
6.25%, Series 2023A and 2023B, due 2033			
6.70%, Series 2023C, due 2053			
3.70%, Series 2022A, due 2032	3.70%, Series 2022A, due 2032	$ 60,000	$ —
3.51%, Series 2020C and 2020E, due 2050	3.51%, Series 2020C and 2020E, due 2050	70,000	70,000
3.28%, Series 2020B and 2020D, due 2040	3.28%, Series 2020B and 2020D, due 2040	45,000	45,000
3.96%, Series 2020A, 2020B and 2020C, due 2050	3.96%, Series 2020A, 2020B and 2020C, due 2050	50,000	50,000
3.31%, Series 2020A and 2020B, due 2030	3.31%, Series 2020A and 2020B, due 2030	110,000	110,000
4.21%, Series 2019A, due 2034	4.21%, Series 2019A, due 2034	50,000	50,000
4.38%, Series 2018A, due 2028	4.38%, Series 2018A, due 2028	67,500	67,500
4.53%, Series 2018B, due 2033	4.53%, Series 2018B, due 2033	17,500	17,500
4.72%, Series 2018C, due 2048	4.72%, Series 2018C, due 2048	15,000	15,000
4.31%, Series 2017A, due 2047	4.31%, Series 2017A, due 2047	50,000	50,000

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4.54%, Series 2016A, due 2046	4.54%, Series 2016A, due 2046	40,000	40,000
5.23%, Series 2015A, due 2045	5.23%, Series 2015A, due 2045	80,000	80,000
4.45%, Series 2013A and 2013B, due 2022		—	52,000
4.84%, Series 2013A, 2013B and 2013C, due 2027			
4.84%, Series 2013A, 2013B and 2013C, due 2027			
4.84%, Series 2013A, 2013B and 2013C, due 2027	4.84%, Series 2013A, 2013B and 2013C, due 2027	100,000	100,000
5.65%, Series 2013B and 2013C, due 2043	5.65%, Series 2013B and 2013C, due 2043	70,000	70,000
4.55%, Series 2012B and 2012C, due 2023			
4.55%, Series 2012B and 2012C, due 2023			
4.55%, Series 2012B and 2012C, due 2023	4.55%, Series 2012B and 2012C, due 2023	100,000	100,000
4.72%, Series 2012D, due 2029	4.72%, Series 2012D, due 2029	35,000	35,000
5.39%, Series 2012E, due 2042	5.39%, Series 2012E, due 2042	150,000	150,000
4.53%, Series 2012F, due 2032	4.53%, Series 2012F, due 2032	40,000	40,000
Total taxable senior notes	Total taxable senior notes	1,150,000	1,142,000
Revolving credit facility SOFR +1.80%, due 2026 and 2027			
Total other long-term debt – unsecured			
Total long-term debt	Total long-term debt	1,692,000	1,684,000
Less unamortized debt issuance costs	Less unamortized debt issuance costs	7,184	7,598
Less current portion long-term debt, net of unamortized debt issuance costs	Less current portion long-term debt, net of unamortized debt issuance costs	99,962	51,975
Long-term debt, net	**Long-term debt, net**	1,584,854	1,624,427
Total capitalization	**Total capitalization**	$3,963,317	$3,920,619

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Changes in Common Stock Equity

Hawaiian Electric Company, Inc. and Subsidiaries

(in thousands)	(in thousands)	Common stock Shares	Common stock Amount	Premium on capital stock	Retained earnings	Accumulated other comprehensive income (loss) Total	Accumulated other comprehensive income (loss)	(in thousands)	Shares	Common stock Amount	Premium on capital stock	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance, December 31, 2019		**17,048**	**$113,678**	**$714,824**	**$1,220,129**		**$ (1,279)**		**$2,047,352**					
Net income for common stock		—	—	—	169,340		—		169,340					
Other comprehensive loss, net of taxes		—	—	—	—		(1,640)		(1,640)					
Issuance of common stock, net of expenses		276	1,837	32,163	—		—		34,000					
Common stock dividends		—	—	—	(107,134)		—		(107,134)					
Balance, December 31, 2020	**Balance, December 31, 2020**	**17,324**	**115,515**	**746,987**	**1,282,335**		**(2,919)**		**2,141,918**					
Net income for common stock	Net income for common stock	—	—	—	177,642		—		177,642					
Other comprehensive loss, net of taxes	Other comprehensive loss, net of taxes	—	—	—	—		(361)		(361)					
Issuance of common stock, net of expenses	Issuance of common stock, net of expenses	429	2,861	51,539	—		—		54,400					
Common stock dividends	Common stock dividends	—	—	—	(111,700)		—		(111,700)					
Balance, December 31, 2021	**Balance, December 31, 2021**	**17,753**	**118,376**	**798,526**	**1,348,277**		**(3,280)**		**2,261,899**					
Net income for common stock	Net income for common stock	—	—	—	188,929		—		188,929					
Other comprehensive income, net of taxes	Other comprehensive income, net of taxes	—	—	—	—		6,141		6,141					
Issuance of common stock, net of expenses	Issuance of common stock, net of expenses	101	672	12,429	—		—		13,101					
Common stock dividends	Common stock dividends	—	—	—	(125,900)		—		(125,900)					
Balance, December 31, 2022	**Balance, December 31, 2022**	**17,854**	**$119,048**	**$810,955**	**$1,411,306**		**$ 2,861**		**$2,344,170**					
Net income for common stock														
Other comprehensive loss, net of taxes														
Common stock dividends														
Common stock dividends														
Common stock dividends														

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Balance, December 31, 2023

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Hawaiian Electric Company, Inc. and Subsidiaries

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)				(in thousands)			
Cash flows from operating activities	Cash flows from operating activities				Cash flows from operating activities			
Net income	Net income	$190,924	$179,637	$171,335				
Adjustments to reconcile net income to net cash provided by operating activities	Adjustments to reconcile net income to net cash provided by operating activities				Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation of property, plant and equipment	Depreciation of property, plant and equipment	235,424	229,469	222,733				
Other amortization	Other amortization	25,320	21,737	33,746				
Deferred income taxes		(41,415)	(3,829)	3,151				
Deferred income tax expense (benefit)								
Deferred income tax expense (benefit)								
Deferred income tax expense (benefit)								
State refundable credit								
State refundable credit								
State refundable credit	State refundable credit	(10,999)	(10,582)	(9,961)				
Bad debt expense	Bad debt expense	6,027	2,183	2,115				
Allowance for equity funds used during construction	Allowance for equity funds used during construction	(10,574)	(9,534)	(8,768)				
Bill credits	Bill credits	—	2,000	—				
Accrued environmental reserve		—	—	6,556				
Other								
Other								
Other	Other	(139)	1,350	2,610				
Changes in assets and liabilities	Changes in assets and liabilities				Changes in assets and liabilities			
Increase in accounts receivable	Increase in accounts receivable	(91,742)	(50,090)	(7,286)				
Decrease (increase) in accrued unbilled revenues		(54,023)	(27,464)	15,285				

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Increase in accrued unbilled revenues				
Decrease (increase) in fuel oil stock	Decrease (increase) in fuel oil stock	(87,452)	(45,840)	33,699
Increase in materials and supplies	Increase in materials and supplies	(7,691)	(4,533)	(6,642)
Decrease (increase) in regulatory assets	Decrease (increase) in regulatory assets	34,600	(13,874)	1,007
Increase (decrease) in regulatory liabilities		44,888	15,358	(16,562)
Increase (decrease) in accounts payable		22,355	17,671	(33,129)
Increase in regulatory liabilities				
Increase in accounts payable				
Change in prepaid and accrued income taxes, tax credits and revenue taxes	Change in prepaid and accrued income taxes, tax credits and revenue taxes	103,198	26,930	(37,180)
Decrease in defined benefit pension and other postretirement benefit plans liability	Decrease in defined benefit pension and other postretirement benefit plans liability	(4,828)	(5,154)	(4,306)
Change in other assets and liabilities	Change in other assets and liabilities	(25,943)	(52,302)	(31,852)
Net cash provided by operating activities	**Net cash provided by operating activities**	327,930	273,133	336,551
Cash flows from investing activities	**Cash flows from investing activities**			
Capital expenditures	Capital expenditures	(329,457)	(292,000)	(350,864)
Other	Other	5,372	6,035	6,070
Other				
Other				
Net cash used in investing activities	**Net cash used in investing activities**	(324,085)	(285,965)	(344,794)

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Cash flows from financing activities	Cash flows from financing activities				Cash flows from financing activities
Common stock dividends	Common stock dividends	(125,900)	(111,700)	(107,134)	
Preferred stock dividends of Hawaiian Electric and subsidiaries	Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,995)	(1,995)	(1,995)	
Proceeds from issuance of common stock	Proceeds from issuance of common stock	13,101	54,400	34,000	
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	60,000	115,000	255,000	
Repayment of long-term debt and funds transferred for repayment of long-term debt		(52,000)	—	(109,000)	
Repayment of long-term debt					
Repayment of long-term debt					
Repayment of long-term debt					
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	87,967	—	(38,987)	
Proceeds from issuance of short-term debt		—	—	100,000	
Repayment of short-term debt					
Repayment of short-term debt					
Repayment of short-term debt	Repayment of short-term debt	—	(50,000)	(100,000)	
Payments of obligations under finance leases	Payments of obligations under finance leases	(670)	—	—	
Other	Other	(364)	(941)	(2,209)	
Net cash provided by (used in) financing activities	**Net cash provided by (used in) financing activities**	(19,861)	4,764	29,675	
Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	(16,016)	(8,068)	21,432	
Cash, cash equivalents and restricted cash, January 1	Cash, cash equivalents and restricted cash, January 1	55,258	63,326	41,894	
Cash, cash equivalents and restricted cash, December 31	Cash, cash equivalents and restricted cash, December 31	39,242	55,258	63,326	

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Less: Restricted cash	Less: Restricted cash	—	(3,089)	(15,966)
Cash and cash equivalents, December 31	**Cash and cash equivalents, December 31**	$ 39,242	$ 52,169	$ 47,360

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 · Summary of significant accounting policies

General

Hawaiian Electric Industries, Inc. (HEI) is a holding company with direct and indirect subsidiaries principally engaged in electric utility, banking, and non-regulated renewable/sustainable infrastructure businesses operating in the State of Hawaii. HEI owns Hawaiian Electric Company, Inc. (Hawaiian Electric), ASB Hawaii, Inc. (ASB Hawaii), an intermediate holding company that owns American Savings Bank, F.S.B. (ASB), and Pacific Current, LLC (Pacific Current).

Hawaiian Electric and its wholly owned operating subsidiaries, Hawaii Electric Light Company, Inc. (Hawaii Electric Light) and Maui Electric Company, Limited (Maui Electric), are regulated public electric utilities (collectively, the Utilities) in the business of generating, purchasing, transmitting, distributing and selling electric energy on all major islands in Hawaii other than Kauai. See Note 2. 3.

ASB is a federally chartered, full-service community bank providing a wide range of banking services to individual and business customers through its 38 35 branches on Oahu (27) (25), Maui (5) (4), Hawaii (3), Kauai (2) and Molokai (1).

Pacific Current's significant subsidiaries include Hamakua Energy, LLC (Hamakua Energy), Mauo, LLC (Mauo) and Ka'ie'ie Waho Company, LLC (Ka'ie'ie Waho) and Mahipapa, LLC (Mahipapa). See Note 2. 3.

Basis of presentation. In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ significantly from those estimates.

Material estimates that are particularly susceptible to significant change for HEI and its subsidiaries (collectively, the Company) include the amounts reported as fair value for investment securities (ASB only); pension and other postretirement benefit obligations; contingencies and litigation; income taxes; regulatory assets and liabilities (Utilities only); asset retirement obligations (Utilities only); and allowance for credit losses (ASB only).

Consolidation. The HEI consolidated financial statements include the accounts of HEI and its subsidiaries. The Hawaiian Electric consolidated financial statements include the accounts of Hawaiian Electric and its subsidiaries. When HEI or Hawaiian Electric has a controlling financial interest in another entity (usually, majority voting interest), that entity is consolidated. Investments in companies over which the Company or the Utilities have the ability to exercise significant influence, but not control, are accounted for using the equity method. The consolidated financial statements exclude variable interest entities (VIEs) when the Company or the Utilities are not the primary beneficiaries. Significant intercompany amounts are eliminated in consolidation (see Note 2 3 for limited exceptions).

Cash and cash equivalents. The Utilities consider cash on hand, deposits in banks, money market accounts, certificates of deposit, short-term commercial paper of non-affiliates and liquid investments (with original maturities of three months or less) to be cash and cash equivalents. The Company considers the same items to be cash and cash equivalents as well as ASB's deposits with the Federal Home Loan Bank (FHLB), federal funds sold (excess funds that ASB loans to other banks overnight at the federal funds rate) and securities purchased under resale agreements with original maturities of three months or less.

Restricted cash. The Utilities consider funds on deposit with trustees, Wells Fargo, which represent the undrawn proceeds from the issuance of special purpose revenue bonds, collateral to secure company purchasing cards, to be restricted cash because these funds are available only to finance (or reimburse payment of) approved capital expenditures. In addition to the Utilities' funds on deposit with trustees, held for collateral, the Company considers cash held by trustees, related to non-recourse loans at Pacific Current subsidiaries, to be restricted cash. At December 31, 2022 December 31, 2023 and 2021, 2022, total restricted cash of the Company was $5.1 million $15.0 million and $5.9 million $5.1 million, respectively, and for the Utilities was nil $2.0 million and $3.1 million, nil, respectively.

Property, plant and equipment. Property, plant and equipment are reported at cost. Self-constructed electric utility plant includes engineering, supervision, administrative and general costs and an allowance for the cost of funds used during the construction period. These costs are recorded in construction in progress and are transferred to utility plant when construction is completed and the facilities are either placed in service or become useful for public utility purposes. Costs for betterments that make utility plant more useful, more efficient, of greater durability or of greater capacity are also capitalized. Upon the retirement or sale of electric utility plant, generally no gain or loss is recognized. The cost of the plant retired is charged to accumulated depreciation. Amounts collected from customers for cost of removal are included in regulatory liabilities. See discussion regarding "Utility projects" in Note 3. 4.

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Depreciation. Depreciation is computed primarily using the straight-line method over the estimated lives of the assets being depreciated. Electric utility plant additions in the current year are depreciated beginning January 1 of the following year in accordance with rate-making. Electric utility plant and Pacific Current generation assets have lives ranging from 16 to 51 years for production plant, from 10 to 79 years for transmission and distribution plant, and from 5 to 50 years for general plant. The Utilities' composite annual depreciation rate, which includes a component for cost of removal, was 3.2% in 2023, 2022 2021 and 2020. 2021.

Retirement benefits. Pension and other postretirement benefit costs are charged primarily to expense and electric utility plant (in the case of the Utilities). Funding for the Company's qualified pension plans (Plans) is based on actuarial assumptions adopted by the Pension Investment Committee administering the Plans. The participating employers contribute amounts to pension trusts for the Plans in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA), including changes promulgated by the Pension Protection Act of 2006, and considering the deductibility of contributions under the Internal Revenue Code. The Company generally funds at least the net periodic pension cost during the year, subject to ERISA minimum and Internal Revenue Code limits and targeted funded status.

Certain health care and/or life insurance benefits are provided to eligible retired employees and the employees' beneficiaries and covered dependents. The Company generally funds the net periodic postretirement benefit costs other than pensions (except for executive life) for postretirement benefits other than pensions (OPEB), while maximizing the use of the most tax-advantaged funding vehicles, subject to cash flow requirements and reviews of the funded status with the consulting actuary.

Environmental expenditures. The Company and the Utilities are subject to numerous federal and state environmental statutes and regulations. In general, environmental contamination treatment costs are charged to expense. Environmental costs are capitalized if the costs extend the life, increase the capacity, or improve the safety or efficiency of property; the costs mitigate or prevent future environmental contamination; or the costs are incurred in preparing the property for sale. Environmental costs are either capitalized or charged to expense when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated. The Utilities review their sites and measure the liability quarterly by assessing a range of reasonably likely costs of each identified site using currently available information, including existing technology, presently enacted laws and regulations, experience gained at similar sites, and the probable level of involvement and financial condition of other potentially responsible parties.

Contingencies and litigation. The Company and the Utilities are subject to proceedings (including PUC proceedings), lawsuits and other claims. Management assesses the likelihood of any adverse judgments in or outcomes of these matters as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies is based on an analysis of each individual case or proceeding often with the assistance of outside counsel. Loss contingencies are reviewed quarterly and estimates are adjusted to reflect the impact of all known information, such as new developments in each matter or changes in approach in dealing with these matters, including changes in settlement strategy. When a loss is probable and reasonably estimable, a liability is recorded in the amount of the estimable loss. If it is reasonably possible that a loss may have been incurred and the effect on the financial statements could be material, the Company and the Utilities disclose the nature of the loss contingency and an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made within the notes to the financial statements.

Income taxes. Deferred income tax assets and liabilities are established for the temporary differences between the financial reporting bases and the tax bases of the Company's and the Utilities' assets and liabilities at federal and state tax rates expected to be in effect when such deferred tax assets or liabilities are realized or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Valuation allowances are established when necessary to reduce deferred income tax assets to the amount expected to be realized.

HEI and the Utilities' investment tax credits are deferred and amortized over the estimated useful lives of the properties to which the credits relate (and for the Utilities, this treatment is in accordance with Accounting Standards Codification (ASC) Topic 980, "Regulated Operations").

The Utilities are included in the consolidated income tax returns of HEI. However, income tax expense has been computed for financial statement purposes as if each utility filed a separate income tax return and Hawaiian Electric filed a consolidated Hawaiian Electric income tax return.

Governmental tax authorities could challenge a tax return position taken by the Company. The Company and the Utilities use a "more-likely-than-not" recognition threshold and measurement standard for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Fair value measurements. Fair value estimates are estimates of the price that would be received to sell an asset, or paid upon the transfer of a liability, in an orderly transaction between market participants at the measurement date. The fair value estimates are generally determined based on assumptions that market participants would use in pricing the asset or liability and are based on market data obtained from independent sources. However, in certain cases, the Company and the Utilities use their own assumptions about market participant assumptions based on the best information available in the circumstances. These valuations are estimates at a specific point in time, based on relevant market information, information about the financial instrument and judgments regarding future expected loss experience, economic conditions, risk characteristics of various financial instruments and other factors. These estimates do not reflect any premium or discount that could result if the Company or the Utilities were to sell its entire holdings of a particular financial instrument at one time. Because no active trading market exists for a portion of the Company's and the Utilities' financial instruments, fair value estimates cannot be determined with

precision. Changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the estimates. In addition, the tax ramifications related to the realization of the unrealized gains and losses could have a significant effect on fair value estimates, but have not been considered in making such estimates.

The Company and the Utilities group their financial assets measured at fair value in three levels outlined as follows:

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Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Classification in the hierarchy is based upon the lowest level input that is significant to the fair value measurement of the asset or liability. For instruments classified in Level 1 and 2 where inputs are primarily based upon observable market data, there is less judgment applied in arriving at the fair value. For instruments classified in Level 3, management judgment is more significant due to the lack of observable market data.

The Company reviews and updates the fair value hierarchy classifications on a quarterly basis. Changes from one quarter to the next related to the observability of inputs in fair value measurements may result in a reclassification between the fair value hierarchy levels and are recognized based on period-end balances.

Fair value is also used on a nonrecurring basis to evaluate certain assets for impairment or for disclosure purposes. Examples of nonrecurring uses of fair value include mortgage servicing rights accounted for by the amortization method, loan impairments for certain loans, real estate acquired in settlement of loans, goodwill and asset retirement obligations (AROs).

Earnings per share (HEI only). Basic earnings per share (EPS) is computed by dividing net income for common stock by the weighted-average number of common shares outstanding for the period. Diluted EPS is computed similarly, except that dilutive common shares for stock compensation is added to the denominator. As of December 31, 2023, the antidilutive effect of restricted stock units (RSUs) on 65,078 shares of common stock, was not included in the computation of diluted EPS. There were no shares of antidilutive securities outstanding during the years ended December 31, 2022, 2021 and 2020. 2021.

Impairment of long-lived assets and long-lived assets to be disposed of. The Company and the Utilities review long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets When the Utilities conclude that recovery of the remaining carrying amount of long-lived generation asset upon retirement is probable of recovery in future rates the carrying amount of the long-lived generation asset is recorded as a regulatory asset. Other assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Recent accounting pronouncements.

Credit Losses. In March 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-02, “Financial Instruments-Credit Losses (ASC Topic (Topic 326): Troubled Debt Restructurings and Vintage Disclosures,” which eliminates the accounting guidance for Troubled Debt Restructurings (TDRs) by creditors in Subtopic 310-40, Receivables-Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Specifically, rather than applying the recognition and measurement guidance for TDRs, an entity must apply the loan refinancing and restructuring guidance in paragraphs 310-20-35-9 through 35-11 to determine whether a modification results in a new loan or a continuation of an existing loan. The amendments in this update also require that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, “Financial Instruments-Credit Losses-Measured at Amortized Cost.” Gross write-off information must be included in the vintage disclosures required for public business entities in accordance with paragraph 325-20-50-6, which requires that an entity disclose the amortized cost basis of financing receivables by credit-quality indicator and class of financing receivable by year of origination. The amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

those fiscal years. The amendments in this ASU will not have a material financial impact but will require additional ASB updated the accounting for certain loan refinancings and restructurings, and included the required disclosures in the first quarter Notes herein in accordance with ASU No. 2022-02.

Segment Reporting. In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures to improve reportable segment disclosure requirements, primarily through enhanced disclosure requirements of 2023. significant segment expenses. These amendments are effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. These amendments apply on a retrospective basis. The Company is currently evaluating the impact of this amendment on the Company’s consolidated financial statements.

Income Taxes. In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures to enhance the transparency and decision usefulness of income tax disclosures. The amendments are effective for annual periods beginning after December 15, 2024. These amendments apply on a prospective basis with a retrospective option. Early adoption is permitted. The Company is currently evaluating the impact of this amendment on the Company’s consolidated financial statements.

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Electric utility

Regulation by the Public Utilities Commission of the State of Hawaii (PUC). The Utilities are regulated by the PUC and account for the effects of regulation under FASB ASC Topic 980, "Regulated Operations." As a result, the Utilities' financial statements reflect assets, liabilities, revenues and expenses based on current cost-based rate-making regulations (see Note 3—4—"Regulatory assets and liabilities"). Their continued accounting under ASC Topic 980 generally requires that rates are established by an independent, third-party regulator; rates are designed to recover the costs of providing service; and it is reasonable to assume that rates can be charged to, and collected from, customers. Management believes that the operations of the Utilities, including the impact of the approved PBR Framework, currently satisfy the criteria under ASC Topic 980.

The rate schedules of the Utilities include energy costs recovery clauses (ECRCs) under which electric rates are adjusted for changes in the weighted-average price paid for fuel oil and certain components of purchased power, and the relative amounts of company-generated power and purchased power. The rate schedules also include purchased power adjustment clauses (PPACs) under which the remaining purchase power expenses are recovered through surcharge mechanisms. The amounts collected through the ECRCs and PPACs are required to be reconciled quarterly.

Accounts receivable. Accounts receivable are recorded at the invoiced amount. The Utilities generally assess a late payment charge on balances unpaid from the previous month. The allowance for doubtful accounts is the Utilities' best estimate of the amount of expected credit losses in the Utilities' existing accounts receivable. Due to the economic impact of COVID-19 on customers At December 31, 2023 and the moratorium on electric service disconnections through May 31, 2021, the allowance for doubtful accounts increased in 2020 and 2021. At December 31, 2022 and 2021, 2022, the allowance for customer accounts receivable, accrued unbilled revenues and other accounts receivable was $6.1 million $4.6 million and $26.1 million $6.1 million, respectively.

Electric utility revenues. Revenues related to electric service are generally recorded when service is rendered and include revenues applicable to energy consumed in the accounting period but not yet billed to the customers. The Utilities also record revenue under a decoupling mechanism. See "Decoupling" discussion in Note 3. 4.

Repairs and maintenance costs. Repairs and maintenance costs for overhauls of generating units are generally expensed as they are incurred.

Allowance for funds used during construction (AFUDC). AFUDC represents the estimated costs of debt (i.e., interest) and equity funds used to finance plant construction. AFUDC is credited on the statement of income and charged to construction in progress on the balance sheet. If a project under construction is delayed for an extended period of time, AFUDC on the delayed project may be stopped after assessing the causes of the delay and probability of recovery. The tax gross up of the allowance for equity funds used during construction is credited to income taxes on the statement of income and charged to a regulatory asset. This gross up, net of amortization of the regulatory asset, is reflected in income tax expense.

The weighted-average AFUDC rate was 7.2% in 2023, 7.1% in 2022 2021 and 2020, 2021, and reflected quarterly compounding.

Asset retirement obligations. AROs are accounted for in accordance with *ASC 410-20*, "Asset Retirement Obligations. Obligations." AROs are recognized at present value of expected costs to retire long-lived assets from service, provided a legal obligation exists and a reasonable estimate of the fair value and the settlement date can be made. In the subsequent period, the liability is accreted to its future value while the asset retirement cost is depreciated over the estimated useful life of the underlying asset. The Utilities' recognition of AROs have no impact on earnings, as the cost of the AROs are recovered over the life of the asset through depreciation. AROs recognized by the Utilities relate to legal obligations with the retirement of plant and equipment, including removal of asbestos and other hazardous materials. See "Asset retirement obligations" in Note 3. 4.

Bank (HEI only)

Investment securities. Investments in debt securities are classified as held-to-maturity (HTM), trading or available-for-sale (AFS). ASB determines the appropriate classification at the time of purchase. Debt securities that ASB intends to and has the ability to hold to maturity are classified as HTM securities and reported at amortized cost. Marketable debt securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings. Marketable debt securities not classified as either HTM or trading securities are classified as AFS and reported at fair value. Unrealized gains and losses for AFS securities are excluded from earnings and reported on a net basis in accumulated other comprehensive income (AOCI) until realized. Transfers of debt securities from the available-for-sale classification to the held-to-maturity classification are made at fair value at the date of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

transfer. The unrealized holding gain or loss at the date of transfer remains in AOCI and in the carrying value of the held-to-maturity investment security. Unrealized holding gains or losses that remain in AOCI are amortized or accreted over the expected life of the security as an adjustment of yield, offsetting the related amortization of the premium or accretion of the discount.

Interest income is recorded on an accrual basis. Discounts and premiums on securities are accreted or amortized into interest income using the interest method over the remaining contractual lives of the agency obligation securities and the estimated lives of the mortgage-backed securities adjusted for anticipated prepayments. ASB uses actual prepayment experience and estimates of future prepayments to determine the constant effective yield necessary to apply the interest method of income recognition. The discounts and premiums on the agency obligations portfolio are accreted or amortized on a prospective basis using expected contractual cash flows. The discounts and premiums on the mortgage-backed securities portfolio are accreted or amortized on a retrospective basis using changes in anticipated prepayments. This method requires a retrospective adjustment of the effective yield each time ASB changes the estimated life as if the new estimate had been known since the original acquisition date of the securities. Estimates of future prepayments are based on the underlying collateral characteristics and historic or projected prepayment behavior of each security. The specific identification method is used in determining realized gains and losses on the sales of securities.

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AFS debt securities with unrealized losses are reviewed quarterly. ASB will first assess whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either criteria is met, the security's amortized cost basis is written down to fair value through income. For AFS securities that do not meet the aforementioned criteria, ASB evaluates whether the decline in fair value is the result of a credit loss or other factors. The determination of whether or not a credit loss exists is based on consideration of the cash flows expected to be collected from the debt security. ASB develops these expectations after considering various factors such as agency ratings, the financial condition of the issuer, payment history, payment structure of the security, industry and market conditions, underlying collateral and other factors which may be relevant based on the facts and circumstances pertaining to individual securities. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. Changes in the allowance for credit losses are recorded as a provision for (or reversal of) credit losses. Losses are charged against the allowance when management believes the uncollectibility of an AFS

security is confirmed or when either of the criteria regarding intent or requirement to sell is met. As of December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, there was no indicated impairment as ASB expects to collect the contractual cash flows for these investments.

Held-to-maturity debt securities are assessed periodically to determine if a valuation allowance is necessary to absorb credit losses expected to occur over the remaining contractual life of the securities. The carrying amount of held-to-maturity debt securities is presented net of the valuation allowance for credit losses when such an allowance is deemed necessary.

Stock in FHLB is carried at cost and is reviewed at least quarterly for impairment, with valuation adjustments recognized in noninterest income.

Loans Loans. . ASB carries loans at amortized cost less the allowance for credit losses, loan origination fees (net of direct loan origination costs), commitment fees and purchase premiums and discounts. Interest on loans is credited to income as it is earned. Discounts and premiums are accreted or amortized over the life of the loans using the interest method.

Loan origination fees (net of direct loan origination costs) are deferred and recognized as an adjustment in yield over periods not exceeding the contractual life of the loan using the interest method or taken into income when the loan is paid off or sold. Nonrefundable commitment fees (net of direct loan origination costs, if applicable) received for commitments to originate or purchase loans are deferred and, if the commitment is exercised, recognized as an adjustment of yield over the life of the loan using the interest method. Nonrefundable commitment fees received for which the commitment expires unexercised are recognized as income upon expiration of the commitment.

Loans held for sale are stated at the lower of cost or estimated fair value on an aggregate basis. Premiums, discounts and net deferred loan fees are not amortized while a loan is classified as held for sale. A sale is recognized only when the consideration received is other than beneficial interests in the assets sold and control over the assets is transferred irrevocably to the buyer. Gains or losses on sales of loans are recognized at the time of sale and are determined by the difference between the net sales proceeds and the allocated basis of the loans sold.

Allowance for credit losses. The allowance for credit losses (ACL) represents management's estimate of expected credit losses over the expected contractual life of the related loans as of the balance sheet date. Contractual terms are adjusted for

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

expected prepayments but are not extended for expected extensions, renewals or modifications except in circumstances where ASB reasonably expects to execute a troubled debt restructuring with the borrower or where certain extension or renewal options are embedded in the original contract and not unconditionally cancellable by the Bank.

Accrued interest receivables on loans are presented in the Consolidated Financial Statements as a component of other assets. When accrued interest is deemed to be uncollectible (typically when a loan is placed on nonaccrual status), interest income is reversed against interest income on loans. ASB follows established policies for placing loans on nonaccrual status, so uncollectible accrued interest receivable is reversed in a timely manner. As a result, the Bank has elected not to measure an allowance for credit losses for accrued interest receivables.

Credit losses are charged and recoveries are credited to the ACL. The ACL is maintained at a level the Bank considers to be adequate and is based on ongoing assessments and evaluations of the collectability of loans. The Bank's expected credit loss models consider historical credit loss experience, current market and economic conditions, and forecasted changes in market and economic conditions if such forecasts are considered reasonable and supportable. Generally, the Bank considers its forecasts to be reasonable and supportable for a period of up to a year from the estimation date. For periods beyond the reasonable and supportable forecast period, expected credit losses are estimated by reverting to historical loss information without adjustment for changes in economic conditions. The Bank evaluates the length of its reasonable and supportable forecast period, its reversion period and reversion methodology at least annually, or more often if warranted by economic conditions or other circumstances.

The Bank's methodology for determining the ACL includes an estimate of expected credit losses on a collective basis for groups of loans with similar risk characteristics and specific allowances for loans which are individually evaluated.

ASB disaggregates its portfolio loans into portfolio segments for purposes of determining the allowance for credit losses. Commercial, commercial real estate, and commercial construction loans are defined as non-homogeneous loans and ASB utilizes a risk rating system for evaluating the credit quality of the loans. Non-homogeneous loans are also categorized into the regulatory asset quality classifications—Pass, Special Mention, Substandard, Doubtful, and Loss based on credit quality. ASB utilizes a numerical-based, risk rating "PD Model" that takes into consideration fiscal year-end financial information of the borrower and identified financial attributes including retained earnings, operating cash flows, interest coverage, liquidity and leverage that demonstrate a strong correlation with default to assign default probabilities at the borrower level. In addition, a

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loss given default (LGD) value is assigned to each loan to measure loss in the event of default based on loan specific features such as collateral that mitigates the amount of loss in the event of default.

Residential, consumer and credit scored business loans are considered homogeneous loans, which are typically underwritten based on common, uniform standards. For the homogeneous portfolio, the quality of the loan is best indicated by the repayment performance of an individual borrower. ASB supplements performance data with external credit bureau data and credit scores such as the Fair Isaac Corporation (FICO) score on a quarterly basis. ASB has built portfolio loss models for each major segment based on the combination of internal and external data to predict the probability of default at the loan level.

The Bank also considers qualitative factors in determining the ACL. Qualitative factors are used to capture characteristics in the portfolio that impact expected credit losses but that are not fully captured within the Bank's expected credit loss models. These include but are not limited to adjustments for changes in policies or procedures in underwriting, monitoring or collections, economic conditions, portfolio mix, lending and risk management personnel, results of internal audit and quality control reviews, collateral values and any concentrations of credit.

The reserve for unfunded commitments is maintained at a level believed by management to cover expected losses related to unfunded credit facilities and is included in accounts payable and other liabilities in the consolidated balance sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the allowance for credit losses, as discussed above. Net adjustments to the reserve for unfunded commitments are included in the provision for credit losses in the consolidated statements of income.

The allowance for credit losses is based on currently available information and historical experience, and future adjustments may be required from time to time to the allowance for credit losses based on new information and changes that occur (e.g., due to changes in economic conditions, particularly in Hawaii). Actual losses could differ from management's estimates, and these differences and subsequent adjustments could be material.

Nonperforming loans. Loans are generally placed on nonaccrual status when contractually past due 90 days or more, or earlier if the probability of collection is insufficient to warrant further accrual. All interest that is accrued but not collected is

reversed. A loan may be returned to accrual status if (i) principal and interest payments have been brought current and repayment of the remaining contractual principal and interest is expected to be made, (ii) the loan has otherwise become well-secured and in the process of collection, or (iii) the borrower has been making regularly scheduled payments in full for the prior six months and it is reasonably assured that the loan will be brought fully current within a reasonable period. Cash receipts on nonaccruing loans are generally applied to reduce the unpaid principal balance.

Loans considered to be uncollectible are charged-off against the allowance for credit losses. The amount and timing of charge-offs on loans includes consideration of the loan type, length of delinquency, insufficiency of collateral value, lien priority and the overall financial condition of the borrower. Recoveries on loans previously charged-off are credited back to the allowance for credit losses. Loans that have been charged-off against the allowance for credit losses are periodically monitored to evaluate whether further adjustments to the allowance are necessary.

Loans in the commercial and commercial real estate portfolio are charged-off when the loan is risk rated "Doubtful" or "Loss." The loan or a portion thereof is determined to be uncollectible after considering the borrower's overall financial condition and collateral deficiency. A commercial or commercial real estate loan is considered uncollectible when: (a) the borrower is delinquent in principal or interest 90 days or more; (b) significant improvement in the borrower's repayment capacity is doubtful; and/or (c) collateral value is insufficient to cover outstanding indebtedness and no other viable assets or repayment sources exist.

Loans in the residential mortgage and home equity portfolios are charged-off when the loan or a portion thereof is determined to be uncollectible after considering the borrower's overall financial condition and collateral deficiency. Such loan is considered uncollectible when: (a) the borrower is delinquent in principal or interest 180 days or more; (b) it is probable that collateral value is insufficient to cover outstanding indebtedness and no other viable assets or repayment sources exist; (c) notification of the borrower's bankruptcy is received or the borrower's debt is discharged in bankruptcy and the loan is not reaffirmed; or (d) in cases where ASB is in a subordinate position to other debt, the senior lien holder has foreclosed and ASB's junior lien is extinguished.

Other consumer loans are generally charged-off when the balance becomes 120 days delinquent.

Loans modified in a troubled debt restructuring. Loans are Prior to January 1, 2023, loans were considered to have been modified in a troubled debt restructuring (TDR) when, due to a borrower's financial difficulties, ASB makes made concessions to the borrower that it would not otherwise consider for a non-troubled borrower. Modifications With the adoption of ASU No. 2022-02, accounting guidance for TDRs by creditors is eliminated. Loan refinancing and restructuring guidance is applied to determine whether a modification results in a new loan or a continuation of an existing loan. Prior to January 1, 2023, TDR modifications may include have included interest rate reductions, interest only payments for an extended period of time, protracted terms such as amortization and maturity beyond the customary length of time found in the normal market place, and other actions intended to minimize economic loss and to provide alternatives to foreclosure or repossession of collateral. Generally, a nonaccrual loan that has had been modified in a TDR remains remained on nonaccrual status until the borrower has demonstrated sustained repayment performance for a period of six consecutive months. However, performance prior to the modification, or significant events that coincide coincided with the modification, are were included in assessing whether the borrower can could meet the new terms and may result have resulted in

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the loan being returned to accrual status at the time of loan modification or after a shorter performance period. If the borrower's ability to meet the revised payment schedule is was uncertain, or there is was reasonable doubt over the full collectability of principal and interest, the loan remains remained on nonaccrual status.

Real estate acquired in settlement of loans. ASB records real estate acquired in settlement of loans at fair value, less estimated selling expenses. ASB obtains appraisals based on recent comparable sales to assist management in estimating the fair value of real estate acquired in settlement of loans. Subsequent declines in value are charged to expense through a valuation allowance. Costs related to holding real estate are charged to operations as incurred.

Goodwill. Goodwill is initially recorded as the excess of the purchase price over the fair value of the net assets acquired in a business combination and is subsequently evaluated at least annually for impairment during the fourth quarter. At December 31, 2022 December 31, 2023 and 2021, 2022, the amount of goodwill was $82.2 million. The goodwill relates to ASB and is the Company's only intangible asset with an indefinite useful life.

To determine if there was an impairment to the book value of goodwill pertaining to ASB, the fair value of ASB was estimated using a valuation method based on the market and income approaches. The market approach considers publicly traded financial institutions and measures the institutions' market values as a multiple to (1) net income and (2) tangible book equity. The market approach also looks at sale transactions to determine the fair value under this approach. The income approach uses a discounted cash flow method to value a company on a going concern basis and is based on the concept that the future benefits derived from a particular company can be measured by its sustainable after-tax cash flows in the future. ASB used its forecasted net income and estimated cost savings if the Bank were acquired and applied a discount rate to calculate its discounted cash flows. A capitalization of earnings method was used to calculate a terminal value for the discounted cash flow method. The income approach was weighted 75%, and the publicly traded company valuation method was weighted 20% and the

sale transaction valuation method was weighted 5% 25%. More weight was given to the income approach as this approach uses the projected performance of ASB in the stressed environment and would be more indicative of the current fair value of the Bank. For the three years ended December 31, 2022 December 31, 2023, there has been no impairment of goodwill.

Mortgage banking. Mortgage loans held for sale are stated at the lower of cost or estimated fair value on an aggregate basis. Premiums, discounts and net deferred loan fees are not amortized while a loan is classified as held-for-sale. A sale is recognized only when the consideration received is other than beneficial interests in the assets sold and control over the assets is transferred irrevocably to the buyer. Gains or losses on sales of loans are recognized at the time of sale and are determined by the difference between the net sales proceeds and the allocated basis of the loans sold. ASB is obligated to subsequently repurchase a loan if the purchaser discovers a standard representation or warranty violation such as noncompliance with eligibility requirements, customer fraud or servicing violations. This primarily occurs during a loan file review. ASB considers and records a reserve for loan repurchases if appropriate.

ASB recognizes a mortgage servicing asset when a mortgage loan is sold with servicing rights retained. This mortgage servicing right (MSR) is initially capitalized at its presumed fair value based on market data at the time of sale and accounted for in subsequent periods at the lower of amortized cost or fair value. Mortgage servicing assets or liabilities are included as a component of gain on sale of loans. Under ASC Topic 860, "Transfers and Servicing," ASB amortizes the MSRs in proportion to and over the period of estimated net servicing income and assess for impairment at each reporting date.

ASB's MSRs are stratified based on predominant risk characteristics of the underlying loans including loan type such as fixed-rate 15- and 30-year mortgages and note rate in bands primarily of 50 to 100 basis points. For each stratum, fair value is calculated by discounting expected net income streams using discount rates that reflect industry pricing for similar assets. Expected net income streams are estimated based on industry assumptions regarding prepayment expectations and income and expenses associated with servicing residential mortgage loans for others.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

ASB uses a present value cash flow model using techniques described above to estimate the fair value of MSRs. Because observable market prices with exact terms and conditions may not be readily available, ASB compares the fair value of MSRs to an estimated value calculated by an independent third-party on a semi-annual basis. The third-party relies on both published and unpublished sources of market related assumptions and its own experience and expertise to arrive at a value. ASB uses the third-party value only to assess the reasonableness of fair value generated by the valuation model.

Impairment is recognized through a valuation allowance for each stratum when the carrying amount exceeds fair value, with any associated provision recorded as a component of loan servicing fees included in "Revenues - bank" in the consolidated statements of income. A direct write-down is recorded when the recoverability of the valuation allowance is deemed to be unrecoverable.

Loan servicing fee income represents income earned for servicing mortgage loans owned by investors. It includes mortgage servicing fees and other ancillary servicing income, net of guaranty fees. Servicing fees are generally calculated on the outstanding principal balances of the loans serviced and are recorded as income when earned.

Tax credit investments. ASB invests in limited liability entities formed to operate qualifying affordable housing projects.

The affordable housing investments provide tax benefits to investors in the form of tax deductions from operating losses and tax credits. As a limited partner, ASB has no significant influence over the operations. These investments are initially recorded at the initial capital contribution with a liability recognized for the commitment to contribute additional capital over the term of the investment.

ASB uses the proportional amortization method of accounting for its investments. Under the proportional amortization method, ASB amortizes the cost of its investments in proportion to the tax credits and other tax benefits it receives. The amortization, tax credits and tax benefits are reported as a component of income tax expense.

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For these limited liability entities, ASB assesses whether it is the primary beneficiary of the limited liability entity, which is a variable interest entity (VIE). The primary beneficiary of a VIE is determined to be the party that meets both of the following criteria: (i) has the power to make decisions that most significantly affect the economic performance of the VIE; and (ii) has the obligation to absorb losses or the right to receive benefits that in either case could potentially be significant to the VIE. Generally, ASB, as a limited partner, is not deemed to be the primary beneficiary as it does not meet the power criterion, i.e., no power to direct the activities of a VIE that most significantly impact the VIE's economic performance and no direct ability to unilaterally remove the general partner.

All tax credit investments are evaluated for potential impairment at least annually, or more frequently, when events or conditions indicate that it is deemed probable that ASB will not recover its investment. If an investment is determined to be impaired, it is written down to its estimated fair value and the new cost basis of the investment is not adjusted for subsequent recoveries in value. As of December 31, 2022 December 31, 2023, ASB did not have any impairment losses resulting from forfeiture or ineligibility of tax credits or other circumstances related to its low-income housing tax credit (LIHTC) investments.

At December 31, 2022 December 31, 2023 and 2021, 2022, the carrying amount of LIHTC investments was $107.0 million $112.2 million and $111.0 $107.0 million, respectively, and included in other assets in the consolidated balance sheets.

ASB's unfunded commitments to fund its LIHTC investment partnerships were $70.1 million $87.9 million and $62.8 million $70.1 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. These unfunded commitments are unconditional and legally binding and are recorded in other liabilities with a corresponding increase in other assets.

The table below summarizes the amounts in income tax expense related to ASB's LIHTC investments:

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in millions)	(in millions)				(in millions)			
Amounts in income taxes related to low-income housing tax credit investments	Amounts in income taxes related to low-income housing tax credit investments				Amounts in income taxes related to low-income housing tax credit investments			
Amortization recognized in the provision for income taxes	Amortization recognized in the provision for income taxes	$(12.0)	$(10.3)	$(9.6)				
Tax credits and other tax benefits recognized in the provision for income taxes	Tax credits and other tax benefits recognized in the provision for income taxes	16.3	13.9	13.7				
Net benefit to income tax expense	Net benefit to income tax expense	$ 4.3	$ 3.6	$ 4.1				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 2 ·Maui windstorm and wildfires

On August 8, 2023, a number of brush fires in the West Maui (Lahaina) and Upcountry Maui areas caused widespread property damage, including damage to property of the Utilities, and 101 confirmed fatalities in Lahaina at this time (the Maui windstorm and wildfires). The Maui windstorm and wildfires were fueled by extreme winds and drought-like conditions in those parts of Maui.

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The circumstances surrounding the Maui windstorm and wildfires are currently the subject of several investigations.

Restoration costs and recoveries. The Utilities are continuing restoration work to rebuild portions of the electric system in Lahaina to ensure safe and reliable power to all West Maui customers. Ongoing restoration efforts include the rebuilding of transmission and distribution lines along former routes in the Lahaina area with the installation of new interim steel poles and electrical equipment. Currently, crews are also continuing repairs to restore power to less than ten customers in Lahaina. All other properties that can have power restored have been brought back online in West Maui.

On December 27, 2023, the Public Utilities Commission of the State of Hawaii (PUC) issued an order authorizing deferred accounting treatment for the Utilities' incremental non-labor expenses related to the Maui windstorm and wildfires. The deferred accounting treatment applies to certain non-labor expenses incurred from August 8, 2023 through December 31, 2024 that are not already a part of the base rates. The approval pertains only to deferred cost treatment; any cost recovery of deferred costs will be the subject of a separate application(s). As of December 31, 2023, the Utilities have deferred $14.7 million of certain incremental costs related to the Maui windstorm and wildfires to a regulatory asset.

While the Utilities plan to seek recovery of damage to covered electrical infrastructure under their insurance programs, the timing and amount of any insurance recoveries are not determinable at this time and, as such, an insurance receivable has not been recorded as of the date of this filing. The Company's property insurance has a total policy limit of $500 million with a $1 million retention for damages related to Utility-owned non-generating assets, including overhead transmission and distribution assets within 1,000 feet of such assets. The Utilities believe capital expenditures related to restoration that are not covered by insurance will be managed under their current regulatory mechanisms, the recovery of which would be subject to PUC approval.

ASB's Lahaina branch, including most of its contents and automated teller machine, was destroyed in the fire. The Bank leased the property of its Lahaina location.

Third-party claims and other proceedings.

Tort-related legal claims. Multiple civil and class action lawsuits related to the Maui windstorm and wildfires have been filed in the Maui and Oahu Circuit Courts against HEI, the Utilities, and other defendants, including the County of Maui, the State of Hawaii and related state entities, private landowners and developers, and telecommunications companies (collectively "tort-related legal claims"). The majority of these lawsuits have been removed to federal court, but many of the cases are subject to motions to remand them back to the state courts. Most of these lawsuits allege that the defendants were responsible for, and/or negligent in failing to prevent or respond to the wildfires that led to the property destruction and loss of life. Other claims include, among other things, personal injury, wrongful death, emotional distress and inverse condemnation. One lawsuit asserting similar theories and claims was filed by the County of Maui against HEI and the Utilities, and two other lawsuits were filed by approximately 160 subrogation insurers against HEI, the Utilities, a private landowner, and telecommunications companies. Additional lawsuits may be filed against the Company and other defendants in the future. The plaintiffs seek to recover damages and other costs, including punitive damages.

While the investigations into the circumstances surrounding the Maui windstorm and wildfires are ongoing, various unaffiliated third parties have published estimates of the total economic damage generally ranging from $3.8 billion to $6 billion. These estimates have not been validated by the Company, and they represent gross numbers that do not take into account causation or liability nor attempt to allocate responsibility among the various defendants. As such, these estimates are not intended to provide a range of a reasonably possible loss under ASC Topic 450-20, "Loss Contingencies" attributable to the Company arising from the Maui windstorm and wildfires. In addition, on November 6, 2023, the Hawaii Insurance Division of the State of Hawaii Department of Commerce and Consumer Affairs released preliminary data on Maui windstorm and wildfires claims, and the Hawaii Insurance Division has subsequently provided updated data. Through November 30, 2023, the data collected from over 200 insurers indicated estimated total insured losses for residential and personal property of more than $1.6 billion. The estimated total losses represent insured claims related to personal motor vehicles and residential property (i.e., homeowners insurance, dwelling-fire landlord, condominium unit owner, renters insurance, and other residential property) and do not account for uninsured or underinsured property losses, commercial property losses, interest, attorneys' fees, fire suppression and clean-up costs, evacuation costs, personal injury or wrongful death damages, medical expenses or other costs, such as potential punitive damages, fines or penalties. It is uncertain whether the insured claims reported to the Hawaii

Insurance Division are complete, and together with property damage claims unaccounted for, as mentioned above, the total amount of property damage claims could be materially higher than the amount reported by the Hawaii Insurance Division. The Hawaii Insurance Division did not state whether it intends to provide updated information in the future.

The Company is actively working with the State of Hawaii and others in the community on solutions for Maui's recovery, including the compensation of those who suffered losses in the Maui windstorm and wildfires and who are currently named as plaintiffs in the various cases. On November 8, 2023, Hawaii Governor Josh Green announced the One 'Ohana Initiative (the Initiative) as a collective path forward to recovery from the Maui windstorm and wildfires. The Initiative is a new humanitarian aid fund of $175 million, with the objective to compensate, in an expedited manner, those who have lost loved ones and those who have suffered severe injuries in the Maui windstorm and wildfires. The Initiative provides an alternative to a lengthy and expensive legal process. Beneficiaries who have lost loved ones are anticipated to receive payments of $1.5 million per decedent, and those who suffered severe injuries are expected to share in a specially allocated pool of compensation. In exchange for receiving such a payment, beneficiaries will be required to waive their ability to pursue legal claims for wrongful death and severe injuries. Hawaiian Electric fully supports this humanitarian initiative and has pledged to contribute $75 million. The Governor announced that other parties, including the State of Hawaii, the County of Maui, and Kamehameha Schools have all agreed to contribute to the fund. Hawaiian Electric's contribution to the Initiative will be less than half of the total, and Hawaiian Electric's insurance carriers have agreed to fund its share of the contributions to the fund. Hawaiian Electric's contribution is reflective of its commitment to join with community partners to provide solutions to promote Maui's recovery. Hawaiian Electric's commitment to contribute to the Initiative is not an admission of guilt or reflection of fault or liability related to the wildfires.

In connection with its commitment to contribute to the Initiative, the Utilities accrued, as of December 31, 2023, $75 million, and concurrently, recorded an insurance reimbursement receivable of an equivalent amount as the recovery of the Utilities' contribution to the Initiative under its excess liability insurance policy is deemed probable. The Initiative contemplates additional phases, including a process to potentially resolve remaining tort-related legal claims, as well as seeking legislation to reduce wildfire risk and provide financial support to help ensure a strong energy future for all of Hawaii. While the Utilities plan to participate in a process with the State and community partners to explore solutions to support Maui's recovery and compensate victims for damages, as noted above, the Utilities are unable to reasonably estimate any additional potential loss, or range of loss. The Company believes it is reasonably possible that a loss will be incurred in excess of the expected $75 million contribution to the Initiative and is unable to predict the ultimate outcome or reasonably estimate a range of possible loss from these actions at this time.

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The Company intends to vigorously defend against the litigation if necessary. There is no assurance that the Company will be successful in the defense of the litigation or that insurance will be available or adequate to fund any potential settlements, judgments, or costs associated with the litigation or contributions to any potential additional phases of the Initiative. If additional liabilities were to be incurred, the loss could be material to the Company's results of operations, financial positions and cash flows. If any such losses were to be sufficiently high, the Company may not have liquidity or the ability to access liquidity at levels necessary to satisfy such losses.

Securities class action and shareholder lawsuits. On August 24, 2023, a putative securities class action captioned Bhangal v. Hawaiian Electric Industries, Inc., et al., No.: 3:23-cv-04332-JSC was filed in the United States District Court for the Northern District of California. The lawsuit alleges violations of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against HEI and certain of its current and former officers, and Section 20(a) of the Exchange Act against certain of HEI's current and former officers. Plaintiff broadly alleges that HEI and certain of its current and former officers made materially false and misleading statements or omissions regarding HEI's wildfire prevention and safety protocols and related matters. Plaintiff seeks unspecified monetary damages. On December 7, 2023, the court appointed Daniel Warren as lead plaintiff and Pomerantz LLP as lead plaintiff's counsel and on January 9, 2024, the court set March 8, 2024, as lead plaintiff's deadline for filing amended complaint and set a briefing schedule on defendants' anticipated motion to dismiss. The Company intends to vigorously defend against this action. There is no assurance that the Company will be successful in the defense of the litigation or that insurance will be available or adequate to fund any potential settlement or judgment or the litigation costs of the action. The Company does not believe that a loss is probable and any potential loss or range of loss is not reasonably estimable.

On September 11, 2023, a putative shareholder derivative action captioned Rice v. Connors, et al., No. 1CCV-23-0001181 was filed in the Circuit Court of the First Circuit, State of Hawai'i. On December 6, 2023, the case was removed to the United States District Court for the District of Hawaii and captioned Rice v. Connors, et al., No. 1:23-cv-00577-JAO-BMK. This action is purportedly brought by a shareholder on behalf of nominal defendants HEI and Hawaiian Electric against certain current and former officers and directors of HEI and Hawaiian Electric. Plaintiff asserts Hawai'i state law breach of fiduciary duty, abuse of control, corporate waste and unjust enrichment claims allegedly arising in connection with the Maui windstorm and wildfires that occurred in August 2023 and certain of HEI's prior public disclosures. Plaintiff seeks, on behalf of HEI and

Hawaiian Electric, compensatory and punitive damages, restitution and equitable relief in the form of changes to HEI's corporate governance, policies and culture. Pursuant to a schedule agreed upon by the parties and ordered by the court, defendants are not required to respond to plaintiff's amended complaint until after the pending motions to remand in the tort litigation are resolved. While the Company has obligations to indemnify and/or advance the defendants' legal fees and costs in connection with this lawsuit, any monetary recovery in the derivative litigation should accrue to the Company. The Company is unable to predict the ultimate outcome and is unable to make a reasonable estimate of the amount or range of loss, if any, that could result from any unfavorable outcome.

On December 26, 2023, another putative shareholder derivative action captioned Kallaus v. Johns, et al., No. 3:23-cv-06627 was filed in the United States District Court for the Northern District of California. This action is purportedly brought by a shareholder on behalf of nominal defendants HEI and Hawaiian Electric against certain current and former officers and directors of HEI and Hawaiian Electric. Plaintiff purports to assert both Hawai'i state law and federal securities law claims. Plaintiff brings state law breach of fiduciary duty, corporate waste, and unjust enrichment claims purportedly arising in connection with the Maui windstorm and wildfires that occurred in August 2023 and certain public disclosures. Plaintiff also asserts claims for contribution under Sections 10(b) and 21D of the Exchange Act against certain of HEI's current and former directors and officers, and claims for violation of Section 14(a) of the Exchange Act against certain of HEI's current and former directors. Plaintiff generally alleges that HEI and certain of its current and former officers made materially false and misleading statements or omissions regarding HEI's wildfire prevention and safety protocols and related matters. Plaintiff also broadly claims HEI proxy statements were materially false and misleading for similar reasons. Plaintiff seeks, on behalf of HEI and Hawaiian Electric, unspecified monetary damages and equitable relief in the form of changes to HEI's corporate governance and internal procedures. While the Company has certain obligations to indemnify and/or advance the defendants' legal fees and costs in connection with this lawsuit, any monetary recovery in the derivative litigation should accrue to the Company. The Company is unable to predict the ultimate outcome and is unable to make a reasonable estimate of the amount or range of loss, if any, that could result from any unfavorable outcome.

On January 31, 2024, an additional putative shareholder derivative action captioned Cole v. Johns, et al., No. 3:24-cv-00598 was filed in the United States District Court for the Northern District of California. This action is purportedly brought by a shareholder on behalf of nominal defendants HEI and Hawaiian Electric against certain current and former officers and directors of HEI and Hawaiian Electric. Plaintiff purports to assert both Hawai'i state law and federal securities law claims. Plaintiff brings state law breach of fiduciary duty, corporate waste, and unjust enrichment claims purportedly arising in connection with the Maui windstorm and wildfires that occurred in August 2023 and certain public disclosures. Plaintiff also asserts claims for contribution under Sections 10(b) and 21D of the Exchange Act against certain of HEI's current and former directors and officers, and claims for violation of Section 14(a) of the Exchange Act against certain of HEI's current and former directors. Plaintiff generally alleges that HEI and certain of its current and former officers made materially false and misleading statements or omissions regarding HEI's wildfire prevention and safety protocols and related matters. Plaintiff also broadly claims HEI proxy statements were materially false and misleading for similar reasons. Plaintiff seeks, on behalf of HEI and Hawaiian Electric, unspecified monetary and punitive damages. While the Company has certain obligations to indemnify and/or advance the defendants' legal fees and costs in connection with this lawsuit, any monetary recovery in the derivative litigation should accrue to the Company. The Company is unable to predict the ultimate outcome and is unable to make a reasonable estimate of the amount or range of loss, if any, that could result from any unfavorable outcome.

Maui windstorm and wildfires costs. Legal costs in connection with the litigation and loss contingencies are expensed as incurred. As of December 31, 2023, the Company incurred and accrued $34.9 million ($24.7 million by the Utilities) of legal expenses to address these lawsuits and other legal matters related to the Maui windstorm and wildfires. The Company has $165 million of excess liability insurance for third party claims, including claims related to wildfires, with a retention of $0.3 million, and $145 million directors and officers liability insurance to cover claims related to the shareholder and derivative lawsuits, with a retention of $1.0 million. As of December 31, 2023, the Company recorded legal-related insurance recoveries for a total of $29.6 million under the policies, of which, $26.6 million has been recorded to insurance receivable.

As of December 31, 2023, on a consolidated basis, the Company has incurred $63.4 million of incremental expenses related to the Maui windstorm and wildfires, which excludes the $75 million contribution and insurance receivable discussed above.

	Year ended December 31, 2023

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(in thousands)	Electric utility	HEI Consolidated
Maui windstorm and wildfires related expenses:		
Legal expenses	$ 24,737	$ 34,876
One ‘Ohana Initiative contribution	75,000	75,000
Other expense	15,071	28,507
Total Maui windstorm and wildfires related expenses	114,808	138,383
Insurance recoveries[1]	(98,613)	(104,580)
Deferral treatment approved by the PUC[2]	(14,692)	(14,692)
Total Maui windstorm and wildfires related expenses, net of insurance recoveries and approved deferral treatment	$ 1,503	$ 19,111

1 Includes insurance receivable of $75 million related to the One ‘Ohana Initiative contribution.

2 Related to the PUC's order, received on December 27, 2023, approving deferred accounting treatment for the Utilities' incremental non-labor expenses related to the August 2023 Maui windstorm and wildfires. Amounts were reclassified to a regulatory asset.

In addition, the Utilities incurred $18.0 million of total capital costs related to the Maui windstorm and wildfires.

Note 23 · Segment financial information

The electric utility and bank segments are strategic business units of the Company that offer different products and services and operate in different regulatory environments. The accounting policies of the segments are the same as those described for the Company in the summary of significant accounting policies, except as otherwise indicated and except that federal and state income taxes for each segment are calculated on a “stand-alone” basis. HEI evaluates segment performance based on net income. Each segment accounts for intersegment sales and transfers as if the sales and transfers were to third parties (i.e., at current market prices). Intersegment revenues consist primarily of Hamakua Energy electricity revenues, interest, rent and preferred stock dividends.

Electric utility

Hawaiian Electric and its wholly owned operating subsidiaries, Hawaii Electric Light and Maui Electric, are public electric utilities in the business of generating, purchasing, transmitting, distributing and selling electric energy on all major islands in Hawaii other than Kauai, and are regulated by the PUC. The utility subsidiaries are aggregated within the electric utility segment because they: (1) are involved in the business of supplying electric energy in the same geographical location (i.e., the State of Hawaii), (2) have similar production processes that comprise electric generation, (3) serve similar customers within their franchise territories (e.g., residential, commercial and industrial customers), (4) use similar electric grids to distribute the energy to their customers, (5) are regulated by the PUC and undergo similar rate-making processes, (6) have similar economic characteristics and (7) perform financial reporting oversight and management of the business at the consolidated level.

Bank

ASB is a federally chartered savings bank that provides a full range of banking services to individual and business customers through its branch system in Hawaii. ASB is subject to examination and comprehensive regulation by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), and is subject to reserve requirements established by the Board of Governors of the Federal Reserve System.

Other

“Other” includes amounts for the holding companies (HEI and ASB Hawaii), Pacific Current and its subsidiaries, and other inactive subsidiaries not qualifying as reportable segments, and intercompany eliminations.

Pacific Current. Pacific Current was formed in 2017 to focus on investing in non-regulated renewable energy and sustainable infrastructure in the State of Hawaii to help achieve the state's sustainability goals. Significant investments of Pacific Current made through its subsidiaries, Hamakua Energy, Mauo, Ka‘ie‘ie Waho, and Mahipapa include:

Hamakua power plant. In 2017, Hamakua Energy acquired Hamakua Energy Partners, L.P.'s 60-MW combined cycle power plant and other assets from affiliates of ArcLight Capital Partners, a private equity firm. The plant sells all the power it produces to Hawaii Electric Light under an existing power purchase agreement (PPA) that expires in 2030.

Solar-plus-storage power purchase agreement. In 2018, Mauo executed definitive agreements to acquire a solar-plus-storage PPA for a multi-site, commercial-scale project that provides 8.1 MW of solar capacity and 42.6 megawatt-hours (MWh) of storage capacity on the islands of Maui and Oahu. The PPA has a 15-year term with a customer option to extend for an additional five years.

6-MW photovoltaic system. In September 2020, Ka‘ie‘ie Waho acquired a 6-MW photovoltaic system situated on 20 acres of land on the island of Kauai. Kauai Island Utility Cooperative purchases all of the power generated by the system under a PPA that expires in 2033.

7.5-MW renewable, firm dispatchable closed-loop biomass-to-energy facility. In July 2022, Mahipapa acquired a 7.5-MW renewable, firm dispatchable closed-loop biomass-to-energy facility on Kauai. Kauai Island Utility Cooperative purchases all of the power generated by the system under a PPA that expires in 2035.

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Segment financial information was as follows:

(in thousands)	(in thousands)	Electric utility	Bank	Other	Total	(in thousands)	Electric utility	Bank	Other	Total
2023						**2023**				
Revenues										
Revenues										
Revenues										
Depreciation and amortization										
Interest income										
Interest expense, net										
Income (loss) before income taxes										
Income taxes (benefit)										
Net income (loss)										
Preferred stock dividends of subsidiaries										
Net income (loss) for common stock										
Capital expenditures[1]										
Assets (at December 31, 2023)										
2022	**2022**					**2022**				
Revenues from external customers	Revenues from external customers	$3,408,583	$ 321,068	$12,334	$3,741,985					
Intersegment revenues (eliminations)	Intersegment revenues (eliminations)	4	—	(4)	—					
Revenues	Revenues	3,408,587	321,068	12,330	3,741,985					
Depreciation and amortization	Depreciation and amortization	260,744	24,436	9,661	294,841					
Interest expense, net	Interest expense, net	76,416	13,301	26,986	116,703					
Income (loss) before income taxes	Income (loss) before income taxes	240,600	102,241	(38,646)	304,195					
Income taxes (benefit)	Income taxes (benefit)	49,676	22,252	(10,761)	61,167					
Net income (loss)	Net income (loss)	190,924	79,989	(27,885)	243,028					

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Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	1,995	—	(105)	1,890
Net income (loss) for common stock	Net income (loss) for common stock	188,929	79,989	(27,780)	241,138
Capital expenditures[1]	Capital expenditures[1]	329,457	4,704	9,876	344,037
Assets (at December 31, 2022)	Assets (at December 31, 2022)	6,597,467	9,545,970	140,807	16,284,244
2021	**2021**				**2021**
Revenues from external customers	Revenues from external customers	$2,539,589	$ 306,398	$ 4,392	$2,850,379
Intersegment revenues (eliminations)	Intersegment revenues (eliminations)	47	—	(47)	—
Revenues	Revenues	2,539,636	306,398	4,345	2,850,379
Depreciation and amortization	Depreciation and amortization	251,206	21,124	6,372	278,702
Interest expense, net	Interest expense, net	72,447	5,040	21,916	99,403
Income (loss) before income taxes	Income (loss) before income taxes	223,785	130,559	(43,481)	310,863
Income taxes (benefit)	Income taxes (benefit)	44,148	29,325	(10,666)	62,807
Net income (loss)	Net income (loss)	179,637	101,234	(32,815)	248,056
Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	1,995	—	(105)	1,890
Net income (loss) for common stock	Net income (loss) for common stock	177,642	101,234	(32,710)	246,166
Capital expenditures[1]	Capital expenditures[1]	292,000	11,131	11,393	314,524
Assets (at December 31, 2021)	Assets (at December 31, 2021)	6,491,625	9,181,603	149,409	15,822,637
2020					
Revenues from external customers		$2,265,281	$ 313,511	$ 983	$2,579,775
Intersegment revenues (eliminations)		39	—	(39)	—
Revenues		2,265,320	313,511	944	2,579,775
Depreciation and amortization		256,479	29,349	4,950	290,778

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Interest expense, net	67,794	11,114	20,900	99,808
Income (loss) before income taxes	211,753	69,271	(40,400)	240,624
Income taxes (benefit)	40,418	11,688	(11,196)	40,910
Net income (loss)	171,335	57,583	(29,204)	199,714
Preferred stock dividends of subsidiaries	1,995	—	(105)	1,890
Net income (loss) for common stock	169,340	57,583	(29,099)	197,824
Capital expenditures[1]	350,864	12,203	20,828	383,895
Assets (at December 31, 2020)	6,457,373	8,396,533	150,101	15,004,007

1 Contributions in aid of construction balances are included in capital expenditures.

Intercompany electricity sales of the Utilities to ASB and “other” segments are not eliminated because those segments would need to purchase electricity from another source if it were not provided by the Utilities and the profit on such sales is nominal.

Hamakua Energy’s sales to Hawaii Electric Light (a regulated affiliate) are eliminated in consolidation.

Note 34 · Electric utility segment

Regulatory assets and liabilities. The Utilities record regulatory assets and liabilities when they are deemed probable of recovery from or refund to customers. Determining probability requires significant judgment by management and includes considerations of regulatory orders, proposed regulatory treatment, strength of the applications and other available evidence. Regulatory assets represent deferred costs and accrued decoupling revenues which are expected to be recovered through rates over PUC-authorized periods. Generally, the Utilities do not earn a return on their regulatory assets; however, they have been allowed to recover interest on certain regulatory assets and to include certain regulatory assets in rate base. Regulatory liabilities represent amounts included in rates and collected from ratepayers for costs expected to be incurred in the future, or amounts collected in excess of costs incurred that are refundable to customers. For example, the regulatory liability for cost of removal in excess of salvage value represents amounts that have been collected from ratepayers for costs that are expected to be incurred in the future to retire a utility plant. Generally, the Utilities include regulatory liabilities in rate base or are required to apply interest to certain regulatory liabilities. In the table below, noted in parentheses are the original PUC authorized amortization or recovery periods and, if different, the remaining amortization or recovery periods as of December 31, 2022 December 31, 2023 are noted.

Regulatory assets were as follows:

December 31	December 31	2022	2021	December 31	2023	2022
(in thousands)	(in thousands)			(in thousands)		
Retirement benefit plans (balance primarily varies with plans’ funded statuses)	Retirement benefit plans (balance primarily varies with plans’ funded statuses)	$ 69,919	$351,070			
Income taxes (3-37 years)		82,583	88,087			
Income taxes (2-36 years)						
Decoupling revenue balancing account and RAM (1-2 years)	Decoupling revenue balancing account and RAM (1-2 years)	14,290	31,607			
Unamortized expense and premiums on retired debt and equity issuances (1-28 years; 1-28 years remaining)		5,967	7,300			

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Right-Of-Use (ROU) assets (21 years remaining)			
Vacation earned, but not yet taken (1 year)	Vacation earned, but not yet taken (1 year)	14,109	14,255
COVID-19 related costs (to be determined by PUC)	COVID-19 related costs (to be determined by PUC)	11,403	27,839
ECRC/PPAC (1 year)	ECRC/PPAC (1 year)	20,369	21,386
Other (1-37 years remaining)		23,873	23,999
ECRC/PPAC (1 year)	ECRC/PPAC (1 year)		
Maui windstorm and wildfire related costs (to be determined by PUC)			
Retirement of generating units (10 years)			
Other (1-36 years remaining)			
Total regulatory assets	Total regulatory assets	$242,513	$565,543
Included in:	Included in:		
Current assets	Current assets	$ 52,273	$ 66,664
Long-term assets	Long-term assets	190,240	498,879
Total regulatory assets	Total regulatory assets	$242,513	$565,543

Regulatory liabilities were as follows:

December 31	December 31	2022	2021
(in thousands)	(in thousands)		
Cost of removal in excess of salvage value (1-79 years)	Cost of removal in excess of salvage value (1-79 years)	$ 577,985	$562,514
Income taxes (3-37 years)		316,947	337,304
Income taxes (2-36 years)			

December 31	2023	2022
(in thousands)		

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Decoupling revenue balancing account and RAM (1-2 years)	Decoupling revenue balancing account and RAM (1-2 years)	10,426	251
Retirement benefit plans (balance primarily varies with plans' funded statuses)	Retirement benefit plans (balance primarily varies with plans' funded statuses)	81,950	51,734
Solar tax credits (1-19 years)		50,240	27,123
Other (1-3 years remaining)		18,102	17,842
Solar tax credits (1-18 years)			
ECRC/PPAC (1 year)			
Enterprise Resource Planning (ERP) Benefits (2 years)			
Other (1 year remaining)			
Total regulatory liabilities	Total regulatory liabilities	$1,055,650	$996,768
Included in:	Included in:		
Current liabilities	Current liabilities	$ 31,475	$ 29,760
Current liabilities			
Current liabilities			
Long-term liabilities	Long-term liabilities	1,024,175	967,008
Total regulatory liabilities	Total regulatory liabilities	$1,055,650	$996,768

The regulatory asset and liability relating to retirement benefit plans was recorded as a result of pension and OPEB tracking mechanisms adopted by the PUC in rate case decisions for the Utilities in 2007 (see Note 10) 11).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Regulatory asset related to retirement of Honolulu generating units 8 and 9. On December 22, 2023, the PUC issued a decision and order approving the Utilities' request to establish a regulatory asset for the remaining net book value of the fossil fuel generating units Honolulu units 8 and 9 assets that retired on December 31, 2023, and amortize the regulatory asset over approximately nine years. The PUC also ruled that the Utilities may seek to include the regulatory asset in rate base and seek to recover the amortization expense and a return on the unamortized balance of the regulatory asset in the next rate case or rate re-setting proceeding. As of December 31, 2023, the Utilities have recorded $29.9 million in regulatory assets for the remaining net book value of Honolulu generating units 8 and 9.

Regulatory assets for Maui windstorm and wildfires related costs. On December 27, 2023, the PUC issued an order authorizing deferred accounting treatment for the Utilities' incremental non-labor expenses under specific cost categories related to the August 2023 Maui windstorm and wildfires. The deferred accounting treatment applies to certain non-labor expenses incurred from August 8, 2023 through December 31, 2024 that are not already a part of base rates. The approval pertains to deferred cost treatment. The requests for cost recovery of deferred costs will be the subject of a separate application at which time the PUC will evaluate whether such costs were prudently incurred and reasonable and

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determine the extent to which such costs will be eligible for recovery, and the period over which recovery will occur. If the PUC denies recovery of any deferred costs, such costs would be charged to expense in the period that those costs are no longer considered probable of recovery.

As of December 31, 2023, the Utilities have recorded $14.7 million in regulatory assets for the incremental costs incurred related to the Maui windstorm and wildfires event.

Regulatory liabilities for Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM). The ERP/EAM Implementation Project went live in October 2018. Hawaii Electric Light and Hawaiian Electric began to incorporate their portion of the deferred project costs in rate base and started the amortization over a 12-year period in January 2020 and November 2020, respectively. The PUC required a minimum of $246 million ERP/EAM project-related benefit to be delivered to customers over the system's 12-year service life.

In February 2019, the PUC approved a methodology for passing the future cost saving benefits of the new ERP/EAM system to customers developed by the Utilities in collaboration with the Consumer Advocate. The Utilities filed a benefits clarification document on June 10, 2019, reflecting $150 million in future net other operation and maintenance (O&M) expense reductions and cost avoidance, and $96 million in capital cost reductions and tax savings over the 12-year service life. To the extent the reduction in O&M expense relates to amounts reflected in electric rates, the Utilities would reduce future rates for such amounts. In October 2019, the PUC approved the Utilities and the Consumer Advocate's Stipulated Performance Metrics and Tracking Mechanism. As part of the settlement agreement approved in the Hawaiian Electric 2020 test year rate case, the regulatory liability for Hawaiian Electric will be amortized over five years, beginning in November 2020, and the O&M benefits for Hawaiian Electric was considered flowed through to customers. On December 29, 2023, the PUC approved the Utilities' proposal to accelerate flow-through of the ERP benefits savings currently tracked in regulatory liability accounts to Hawaii Electric Light and Maui Electric customers as part of the customer dividend in the ARA, to mitigate the impact of the Utilities' recovery of the COVID-19 related costs on customers. See "Regulatory assets for COVID-19 related costs" section below.

As of December 31, 2023, the Utilities' regulatory liability was $12.4 million ($2.6 million for Hawaiian Electric, $3.9 million for Hawaii Electric Light and $5.9 million for Maui Electric) for the O&M expense savings that are being amortized or to be included in future rates. At the PUC's direction, the Utilities have been filing Annual Enterprise System Benefits (AESB) report on the achieved benefits savings. The most recent AESB report was filed on February 13, 2024 for the period January 1 through December 31, 2023.

Regulatory assets for COVID-19 related costs. On December 29, 2023, the PUC issued a decision and order (December 2023 D&O) approving the Utilities' request to recover the COVID-19 related deferred costs up to $8.8 million evenly over a three-year recovery period from 2024 through 2026. Following the Utilities' motion for clarification or in the alternative partial reconsideration of the December 2023 D&O, on February 27, 2024, the PUC issued an order clarifying the December 2023 D&O and approving, among other things, the Utilities' requests to base the recovery on the recorded balances as of December 31, 2023 and to modify the recovery period to begin June 1, 2024 and end May 31, 2027. As of December 31, 2023, the Utilities have recorded $8.7 million in regulatory assets for deferral of COVID-19 related costs.

Regulatory assets for suspension of disconnections related costs. Based on the circumstances related to the Maui windstorm and wildfires, on August 31, 2023 and subsequently on October 13, 2023, the PUC issued orders directing all regulated utilities located on, or providing utility service on Maui, including the Utilities, among other things, (i) to suspend disconnections of services and associated disconnection fees beginning from August 8, 2023, through the end of the emergency relief period established by the Governor's Emergency Proclamations related to the Maui windstorm and wildfires, which currently continues through March 5, 2024 (Suspension Period); (ii) to suspend any and all rules and provisions of individual utility tariffs that prevent or condition re-connection of disconnected customers during the Suspension Period; (iii) not to charge customers interest on past due payments or impose any late payment fees through the Suspension Period; (iv) to establish

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

regulatory assets to record costs directly related to the suspension of disconnections, and to record receipt of governmental aid and donation-based aid, loans or grants, and/or all other assistance measures, and any cost savings realized; and (v) to file a notice with the PUC regarding any upcoming application or other request pursuant to HRS Sections 269-16.3, -17, -17.5, -18, -19, or -19.5 and/or regarding any significant financial change to the Maui utility, at least 60 days prior to filing such application or other request with the PUC. The orders also discourage the filing of emergency or general rate increases in response to the emergency situation. In future proceedings, the PUC will assess the utility's request for recovery of these regulatory assets including whether it is reasonable and necessary, the appropriate period of recovery for the approved amount of regulatory assets, any amount of carrying costs thereon, any savings directly attributable to suspension of disconnects, and other related matters. As of December 31, 2023, the Utilities have recorded $0.6 million in regulatory assets for the incremental costs incurred due to the suspension of disconnections.

Major customers. The Utilities received 12% ($393 376 million), 11% 12% ($267 393 million) and 11% ($249 267 million) of their operating revenues from the sale of electricity to various federal government agencies in 2023, 2022 and 2021, and 2020, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Cumulative preferred stock. The following series of cumulative preferred stock are redeemable only at the option of the respective company at the following prices in the event of voluntary liquidation or redemption:

December 31, 2022		Voluntary liquidation price	Redemption price
December 31, 2023			
Series	**Series**		

December 31, 2023	Voluntary liquidation price	Redemption price
Series		

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C, D, E, H, J and K (Hawaiian Electric)	C, D, E, H, J and K (Hawaiian Electric)	$ 20	$ 21
I (Hawaiian Electric)	I (Hawaiian Electric)	20	20
G (Hawaii Electric Light)	G (Hawaii Electric Light)	100	100
H (Maui Electric)	H (Maui Electric)	100	100

Hawaiian Electric is obligated to make dividend, redemption and liquidation payments on the preferred stock of each of its subsidiaries if the respective subsidiary is unable to make such payments, but this obligation is subordinated to Hawaiian Electric's obligation to make payments on its own preferred stock.

Related-party transactions. HEI charged the Utilities $5.6 million $5.2 million, $5.2 million $5.6 million and $5.6 million $5.2 million for general management and administrative services in 2023, 2022 2021 and 2020, 2021, respectively. The amounts charged by HEI to its subsidiaries for services provided by HEI employees are allocated primarily on the basis of time expended in providing such services.

In 2023, 2022 2021 and 2020, 2021, Hamakua Energy (an indirect subsidiary of HEI) sold energy and capacity to Hawaii Electric Light (subsidiary of Hawaiian Electric and indirect subsidiary of HEI) under a PPA power purchase agreement (PPA) in the amount of $66 million $71 million, $53 million $66 million and $50 million $53 million, respectively.

Hawaiian Electric's short-term borrowings from HEI totaled nil at December 31, 2022 December 31, 2023 and 2021. 2022. Borrowings among the Utilities are eliminated in consolidation. Interest charged by HEI to Hawaiian Electric was not material for the years ended December 31, 2022 December 31, 2023 and 2021. 2022.

Unconsolidated variable interest entities.

Power purchase agreements. As of December 31, 2022 December 31, 2023, the Utilities had four PPAs for firm capacity and other PPAs with independent power producers (IPPs) and Schedule Q providers (i.e., customers with cogeneration and/or power production facilities who buy power from or sell power to the Utilities), none of which are currently required to be consolidated as VIEs.

Pursuant to the current accounting standards for VIEs, the Utilities are deemed to have a variable interest in Kalaeloa Partners, L.P. (Kalaeloa) and Hamakua Energy by reason of the provisions of the PPA that the Utilities have with the two IPPs. However, management has concluded that the Utilities are not the primary beneficiary of Kalaeloa and Hamakua Energy because the Utilities do not have the power to direct the activities that most significantly impact the two IPPs' economic performance nor the obligation to absorb their expected losses, if any, that could potentially be significant to the IPPs. Thus, the Utilities have not consolidated Kalaeloa and Hamakua Energy in its consolidated financial statements. However, Hamakua Energy is an indirect subsidiary of Pacific Current, and is consolidated in HEI's consolidated financial statements.

For the other PPAs with IPPs, the Utilities have concluded that the consolidation of the IPPs was not required because either the Utilities do not have variable interests in the IPPs due to the absence of an obligation in the PPAs for the Utilities to absorb any variability of the IPPs, or the IPP was considered a "governmental organization," and thus excluded from the scope of accounting standards for VIEs. The consolidation of any significant IPP could have a material effect on the consolidated financial statements, including the recognition of a significant amount of assets and liabilities and, if such a consolidated IPP were operating at a loss and had insufficient equity, the potential recognition of such losses. If the Utilities determine they are

required to consolidate the financial statements of such an IPP and the consolidation has a material effect, the Utilities would retrospectively apply accounting standards for VIEs to the IPP.

Commitments and contingencies.

Contingencies. The Utilities are subject in the normal course of business to legal, regulatory and environmental proceedings. Management Excluding the potential liabilities from the Maui windstorm and wildfires, management does not anticipate that the aggregate ultimate liability arising out of these pending or threatened legal proceedings will be material to its financial position. However, the Utilities cannot rule out the possibility that such outcomes could have a material effect on the results of operations or liquidity for a particular reporting period in the future. The Utilities record loss contingencies when the outcome of such proceedings is probable and when the amount of the loss is reasonably estimable. The Utilities also evaluate, on a continuous basis, whether developments in such proceedings could cause these assessments or estimates to change. Assessment regarding future events is required when evaluating whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable. Management is often unable to estimate a reasonably possible loss, or a range of loss, particularly in cases in which: (i). the damages sought are indeterminate or the basis for the damages claimed is not clear; (ii) proceedings are in early stages; (iii) discovery is not complete; (iv) the matters involve novel or unsettled legal theories; (v) significant facts are in dispute; (vi) a large number of parties are

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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represented (including circumstances in which it is uncertain how liability, if any, would be shared among multiple defendants); (vii) a lower court or administrative agency's decision or ruling has been appealed, appealed; and/or (vii) a wide range of potential outcomes exist. In such cases, there may be considerable uncertainty regarding the timing or ultimate resolution, including any possible loss, fine, penalty, or business impact.

Power purchase agreements *August 2023 Maui windstorm and wildfires.* . Purchases from all IPPs were as follows:

Years ended December 31	2022	2021	2020
(in millions)			
Kalaeloa	$ 342	$ 204	$ 149
AES Hawaii	82	130	133
HPOWER	73	70	70
Hamakua Energy	66	53	50
Puna Geothermal Venture	48	29	1
Wind IPPs	119	124	105
Solar IPPs	57	50	57
Other IPPs[1]	7	10	4
Total IPPs	$ 794	$ 670	$ 569

[1] Includes hydro power and other PPAs

As of December 31, 2022, the Utilities had four firm capacity PPAs for a total of 362.2 megawatts (MW) of firm capacity. The PGV facility with 34.6 MW of firm capacity went offline in May 2018 due to lava flow on Hawaii Island, but returned to service with firm capacity in the first quarter of 2021, ramped up to 25.7 MW in the second quarter of 2022 and continued to provide 25.7 MW for the remainder of 2022. The PUC allows rate recovery for energy and firm capacity payments to IPPs under these agreements. Assuming that each See Note 2 of the agreements remains in place for its current term (and as amended) and the minimum availability criteria in the PPAs are met, aggregate minimum fixed capacity charges are expected to be approximately $74 million each year in 2023 through 2027, and $365 million from 2028 through 2033.

In general, the Utilities base their payments under the PPAs upon available capacity and actual energy supplied and they are generally not required to make payments for capacity if the contracted capacity is not available, and payments are reduced, under certain conditions, if available capacity drops below contracted levels. In general, the payment rates for capacity have been predetermined for the terms of the agreements. Energy payments will vary over the terms of the agreements. The Utilities pass on changes in the fuel component of the energy charges to customers through the ECRC in their rate schedules. The Utilities do not operate, or participate in the operation of, any of the facilities that provide power under the agreements. Title to the facilities does not pass to Hawaiian Electric or its subsidiaries upon expiration of the agreements, and the agreements do not contain bargain purchase options for the facilities.

Purchase power adjustment clause. *Consolidated Financial Statements.* The PUC has approved PPACs for the Utilities. Purchased power capacity, operation and maintenance (O&M) and other non-energy costs previously recovered through base rates are now recovered in the PPACs and, subject to approval by the PUC, such costs resulting from new purchased power agreements can be added to the PPACs outside of a rate case. Purchased energy costs continue to be recovered through the ECRC.

Kalaeloa Partners, L.P. Under a 1988 PPA, as amended, Hawaiian Electric is committed to purchase 208 MW of firm capacity from Kalaeloa. In October 2021, Hawaiian Electric and Kalaeloa signed the Amended and Restated Power Purchase Agreement for Firm Dispatchable Capacity and Energy (Amended and Restated PPA) to extend the PPA for an additional term of 10 years. The Amended and Restated PPA was approved by the PUC on November 23, 2022, and took effect on January 1, 2023. The price of purchases from Kalaeloa in 2022 have increased 68% over 2021, primarily due to increased fuel oil cost.

AES Hawaii, Inc. Under a PPA entered into in March 1988, as amended (through Amended and Restated Amendment No. 4) for a period of 30 years ending September 2022, Hawaiian Electric agreed to purchase 180 MW of firm capacity from AES Hawaii. The term of the PPA expired on September 1, 2022 and the AES Hawaii coal plant ceased operations.

Stage 1 Renewable PPAs. In February 2018, the Utilities issued their Stage 1 renewable request for proposals and have procured eight renewable PPAs with a total of 274.5 MW capacity. The total annual payments to be made by the Utilities under the eight renewable PPAs are estimated at $64.7 million. The Utilities have received PUC approvals to recover the total projected annual payments under the eight renewable PPAs through the PPAC to the extent such costs are not included in base rates. On July 31, 2022, Mililani I Solar, the first utility-scale solar-plus-storage project on Oahu, reached commercial operations. On January 11, 2023, Waiawa Solar project on Oahu also reached commercial operations. The two projects are 75MW, including 300 MWh batteries, and the both PPA for the project have a 20-year term. The Utilities have accounted for the battery portion of the PPAs as finance leases. (See Note 8 for lease discussions.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Hu Honua Bioenergy, LLC (Hu Honua). In May 2012, Hawaii Electric Light signed a PPA, which the PUC approved in December 2013, with Hu Honua for 21.5 MW of renewable, dispatchable firm capacity fueled by locally grown biomass from a facility on the island of Hawaii. Under the terms of the PPA, the Hu Honua plant was scheduled to be in service in 2016. However, Hu Honua encountered construction and litigation delays, which resulted in the termination of the original PPA. Following the termination, Hu Honua filed a lawsuit in the U.S. District Court for the District of Hawaii. The parties reached a settlement that was conditioned on the PUC's timely, non-appealable final approval of an amended and restated PPA between Hawaii Electric Light and Hu Honua dated May 9, 2017. In July 2017, the PUC approved the amended and restated PPA, which becomes effective once the PUC's order is final and non-appealable. In August 2017, the PUC's approval was appealed by On May 23, 2022, following a third party. On May 10, 2019, the Hawaii Supreme Court issued a decision remanding the matter to the PUC for further proceedings consistent with the court's decision, which must include express consideration of greenhouse gas (GHG) emissions that would result from approving the PPA, whether the cost of energy under the PPA is reasonable in light of the potential for GHG emissions, and

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whether the terms of the PPA are prudent and in the public interest, in light of its potential hidden and long-term consequences. As a result, the PUC reopened the docket for further proceedings, including re-examining all of the issues in the proceedings. On July 9, 2020, the PUC issued an order denying Hawaii Electric Light's request to waive the amended and restated PPA from the PUC's competitive bidding requirements and therefore, dismissed the request for approval of the amended and restated PPA without prejudice to possible participation in any future competitive bidding process. On September 9, 2020, the PUC denied Hu Honua's motion for reconsideration of the PUC's order. Hu Honua filed its notice of appeal to the Hawaii Supreme Court of the PUC's order denying Hu Honua's motion for reconsideration. On May 24, 2021, the Hawaii Supreme Court vacated the PUC's decision and remanded the matter back to the PUC for further proceedings. On June 30, 2021, the PUC issued an order reopening the docket consistent with the Hawaii Supreme Court's order. A contested case hearing, was held in March 2022. On May 23, 2022, the PUC issued a decision and order denying the amended and restated PPA, based on, among other things, findings that: (1) the project will result in significant GHG greenhouse gas (GHG) emissions, (2) Hu Honua's proposed carbon commitment to sequester more GHG emissions than produced by the project are speculative and unsupported, (3) the amended and restated PPA is likely to result in high costs to customers through its relatively high cost of electricity and through potential displacement of other, lower cost, renewable resources, and (4) based on the foregoing, approving the amended and restated PPA is not prudent or in the public interest. On June 2, 2022, Hawaii Electric Light and Hu Honua filed their separate motions for reconsideration. On June 24, 2022, reconsideration, which were denied by the PUC issued an order denying Hawaii Electric Light and Hu Honua's respective motions for reconsideration. on June 24, 2022. On June 29, 2022, Hu Honua filed its notice of appeal to the Hawaii Supreme Court of the PUC's May 23, 2022 decision and order denying the amended and restated PPA, and PPA. On March 13, 2023, the Hawaii Supreme Court affirmed the PUC's June 24, 2022 order decision denying the amended and restated PPA between Hu Honua and Hawaii Electric Light and entered its judgment on appeal on April 12, 2023. On June 7, 2023, Hu Honua's motions for reconsideration. Opening briefs were Honua filed a status report with the U.S. District Court for the District of Hawaii, stating, among other things, that because settlement of the underlying federal lawsuit was contingent on timely, non-appealable, final approval of the amended and restated PPA by the PUC, that the Hawaii Supreme Court's opinion made fulfillment of the condition impossible, and therefore the settlement agreement between the Hawaiian Electric defendants (HEI, Hawaiian Electric, and Hawaii Electric Light) and Hu Honua is null and void and of no further effect. On November 16, 2023, Hu Honua filed its Motion for Leave to Filed Third Amended and Supplemental Complaint and for Permissive Joinder with the U.S. District Court for the District of Hawaii, asking the court to grant it leave to file a Third Amended and Supplemental Complaint, which would amend its claims and add three new proposed defendants. The hearing on October 5, 2022. Answering briefs were filed this motion took place on December 5, 2022, February 14, 2024 and reply briefs were filed on December 28, 2022. The Supreme Court heard oral arguments on January 31, 2023. a decision has not been made yet.

Molokai New Energy Partners (MNEP). In July 2018, the PUC approved Maui Electric's PPA with MNEP to purchase solar energy from a photovoltaic (PV) plus battery storage project. The 4.88 MW PV and 3 MW Battery Energy Storage System (BESS) project was to deliver no more than 2.64 MW at any time to the Molokai system. On March 25, 2020, MNEP filed a complaint in the United Stated District Court for the District of Hawaii against Maui Electric claiming breach of contract. On June 3, 2020, Maui Electric provided a Notice of Default and Termination of the PPA to MNEP terminating the PPA with an effective date of July 10, 2020. Thereafter, MNEP filed an amended complaint to include claims relating to the termination and Hawaiian Electric filed its answer to the amended complaint on September 11, 2020, disputing the facts presented by MNEP and all claims within the original and amended complaint. Currently, the discovery phase is ongoing.

Fuels barging contract *Environmental regulation*. The Utilities are subject to environmental laws and regulations that regulate the operation of existing facilities, the construction and operation of new facilities and the proper cleanup and disposal of hazardous waste and toxic substances.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Hawaiian Electric, Hawaii Electric Light and Maui Electric, like other utilities, periodically encounter petroleum or other chemical releases associated with current or previous operations. The Utilities report and take action on these releases when and as required by applicable law and regulations. The Utilities believe the costs of responding to such releases identified to date will not have a material effect, individually or in the aggregate, on Hawaiian Electric's consolidated results of operations, financial condition or liquidity.

Former Molokai Electric Company generation site. In 1989, Maui Electric acquired Molokai Electric Company. Molokai Electric Company had sold its former generation site (Site) in 1983 but continued to operate at the Site under a lease until 1985 and left the property in 1987. The Environmental Protection Agency (EPA) has since identified environmental impacts in the subsurface soil at the Site. In cooperation with the State of Hawaii Department of Health and EPA, Maui Electric further investigated the Site and the adjacent parcel to determine the extent of impacts of polychlorinated biphenyls (PCBs), residual fuel oils and other subsurface contaminants. Maui Electric has a reserve balance of $2.6 million as of December 31, 2023, representing the probable and reasonably estimable undiscounted cost for remediation of the Site and the adjacent parcel based on presently available information; however, final costs of remediation will depend on the cleanup approach implemented.

Pearl Harbor sediment study. In July 2014, the U.S. Navy notified Hawaiian Electric of the Navy's determination that Hawaiian Electric is a Potentially Responsible Party under CERCLA responsible for the costs of investigation and cleanup of PCB contamination in sediment in the area offshore of the Waiau Power Plant as part of the Pearl Harbor Superfund Site. Hawaiian Electric was also required by the EPA to assess potential sources and extent of PCB contamination onshore at Waiau Power Plant.

As of December 31, 2023, the reserve account balance recorded by Hawaiian Electric to address the PCB contamination was $9.6 million. The reserve balance represents the probable and reasonably estimable undiscounted cost for the onshore and offshore investigation and remediation. The final remediation costs will depend on the actual onshore and offshore cleanup costs.

Kapolei pipeline. James Campbell Company (JCC) through its wholly owned subsidiary, Aina Nui Corporation discovered petroleum contamination in ground water during construction of a project in Kapolei in late 2022 and incurred approximately $0.8 million in remediation costs. JCC made a joint demand for these costs in June 2023 to the two companies, including Hawaiian Electric, that have pipelines in the area of the contamination. This demand was updated on September 1, 2023 to $1.2 million to incorporate additional costs. It has not been determined whether the nature of the contamination is consistent with what was in the Utilities' pipelines or is wholly or partially the responsibility of the other pipeline owner. At this time, the parties are engaging in settlement discussions and the Utilities are unable to determine the ultimate outcome or the amount of any possible loss.

Endangered Species Act. The Utilities received a sixty-day notice from the American Bird Conservancy and Conservation Council for Hawaii in early February. The sixty-day notice is the pre-cursor to a citizen's suit under the Endangered Species Act. The letter alleges that the Utilities are out of compliance with the Act due to alleged impacts on endangered seabirds caused by the Utilities' powerlines and street and facility lights on Maui and Lanai. The Utilities are already in the process of drafting a Habitat Conservation

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Plan and will be applying for associated state and federal permits. The letter asserts that the scope of the plan should be broader and that additional interim measures are required while the plan and permits are pending. At this time, the Utilities are unable to determine the ultimate outcome or the amount of any potential loss.

Commitments. On August 23, 2021

Purchase commitments. As of December 31, 2023, the Utilities' estimated future minimum payments pursuant to purchase obligations related to material contracts for the following five years and thereafter are as follows:

	Payments Due					
(in millions)	**2024**	**2025**	**2026**	**2027**	**2028**	**Thereafter**
Firm capacity PPAs	$ 74	$ 74	$ 74	$ 74	$ 70	$ 295
Renewable dispatchable generation plus energy storage and energy storage PPAs	49	49	49	49	49	740
Fuel transportation	7	7	7	2	—	—
Total	$ 130	$ 130	$ 130	$ 125	$ 119	$ 1,035

Firm capacity PPAs. The Utilities are committed to purchase from four firm capacity PPAs for a total of 362.2 megawatts (MW) of firm capacity, which expire at various dates through 2033.

Renewable dispatchable generation plug energy storage and energy storage PPAs. The Utilities also have long-term renewable PPAs with IPPs from the issuances of Stage 1 and 2 request for proposals in 2018 and 2019, respectively. The Utilities have additional annual payments of $40 million when three projects began commercial operations in 2023. As of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2023, a total of four projects provides the Utilities capacity of 105 MW, with 985 MWh batteries. The contracts expire at various dates through 2048.

Fuel transportation lease contract. The Utilities entered into a five-year an inter-island fuel transportation contract, with Sause Bros., Inc., which commenced expiring in January 2022. On September 22, 2022, 2027.

The PUC has approved PPACs for the PUC issued a decision Utilities to recover purchased power capacity, operation and order (D&O) approving maintenance (O&M) and other non-energy costs related to all aforementioned PPAs. In addition, the inter-island fuels Utilities are able to recover fuel component of the energy charges for firm capacity PPAs as well as costs associated to fuel transportation contract and recovery of associated costs through ECRC.

In general, the Utilities base their payments under the PPAs upon available capacity and actual energy supplied and they are generally not required to make payments for capacity if the contracted capacity is not available, and payments are reduced, under certain conditions, if available capacity drops below contracted levels. In general, the payment rates for capacity have been predetermined for the terms of the agreements. The Utilities do not operate, or participate in the operation of, any of the facilities that provide power under the agreements. Title to the facilities does not pass to Hawaiian Electric or its subsidiaries upon expiration of the agreements, and the agreements do not contain bargain purchase options for the facilities.

Purchases from all IPPs were as follows:

Years ended December 31	**2023**	**2022**	**2021**
(in millions)			
Kalaeloa	$ 298	$ 342	$ 204
AES Hawaii[1]	—	82	130
HPOWER	70	73	70
Hamakua Energy	71	66	53
Puna Geothermal Venture	38	48	29
Wind IPPs	125	119	124
Solar IPPs	72	57	50
Other IPPs[2]	(2)	7	10
Total IPPs	$ 672	$ 794	$ 670

[1]The term of the PPA with AES Hawaii expired on September 1, 2022 and the AES Hawaii coal plant ceased operations.

[2]Includes hydro power and other PPAs.

Utility projects. Many public utility projects require PUC approval and various permits from other governmental agencies. Difficulties in obtaining, or the inability to obtain, the necessary approvals or permits or community support can result in significantly increased project costs or even cancellation of projects. In the event a project does not proceed, or if it becomes probable the PUC will disallow cost recovery for all or part of a project, or if PUC-imposed caps on project costs are expected to be exceeded, project costs may need to be written off in amounts that could result in significant reductions in Hawaiian Electric's consolidated net income.

Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) implementation project. The ERP/EAM Implementation Project went live in October 2018. Hawaii Electric Light and Hawaiian Electric began to incorporate their portion of the deferred project costs in rate base and started the amortization over a 12-year period in January 2020

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and November 2020, respectively. The PUC required a minimum of $246 million ERP/EAM project-related benefit to be delivered to customers over the system's 12-year service life.

In February 2019, the PUC approved a methodology for passing the future cost saving benefits of the new ERP/EAM system to customers developed by the Utilities in collaboration with the Consumer Advocate. The Utilities filed a benefits clarification document on June 10, 2019, reflecting $150 million in future net O&M expense reductions and cost avoidance, and $96 million in capital cost reductions and tax savings over the 12-year service life. To the extent the reduction in O&M expense

relates to amounts reflected in electric rates, the Utilities would reduce future rates for such amounts. In October 2019, the PUC approved the Utilities and the Consumer Advocate's Stipulated Performance Metrics and Tracking Mechanism. As of December 31, 2022, the Utilities' regulatory liability was $10.5 million ($4.0 million for Hawaiian Electric, $2.6 million for Hawaii Electric Light and $3.9 million for Maui Electric) for the O&M expense savings that are being amortized or to be included in future rates. As part of the settlement agreement approved in the Hawaiian Electric 2020 test year rate case, the regulatory liability for Hawaiian Electric will be amortized over five years, beginning in November 2020, and the O&M benefits for Hawaiian Electric was considered flowed through to customers.

On July 7, 2021, the PUC issued an order modifying the reporting frequency of the Semi-Annual Enterprise System Benefits (SAESB) reports to an Annual Enterprise System Benefits (AESB) report on the achieved benefits savings. The most recent AESB report was filed on February 14, 2023 for the period January 1 through December 31, 2022.

West Loch PV Project. In November 2019, Hawaiian Electric placed into service a 20-MW (ac) utility-owned and operated renewable and dispatchable solar facility on property owned by the Department of the Navy. PUC orders resulted in a project cost cap of $67 million (including a cap of $4.7 million for the in-kind work performed in exchange for use of the Navy property) with capital cost recovery approved under Major Project Interim Recovery (MPIR) (See "Performance-based regulation framework" section below for MPIR guidelines and cost recovery discussion.) Project costs incurred as of December 31, 2022 amounted to $60.5 million and generated $14.7 million and $14.0 million in federal and state nonrefundable tax credits, respectively. For book and regulatory purposes, the tax credits are being deferred and amortized, starting in 2020, over 25 years and 10 years for federal and state credits, respectively. In June 2022, the in-kind consideration services were completed and fully accepted by the Navy as partial consideration in lieu of rent payment. Satisfaction of the full-term rent requires on-going compliance with all terms of the lease, which, among other things, includes provision of contingent power upon written notice of the Department of the Navy. Hawaiian Electric accounted for the arrangement as a lease, recording $6.4 million as right-of-use asset with no lease liability and will amortize the right-of-use asset over the remaining term of the lease ending June 30, 2054.

Waena Switchyard/Synchronous Condenser Project. *Project.* In October 2020, to support efforts to increase renewable energy generation and reduce fossil fuel consumption by deactivating current generating units, Maui Electric filed a PUC application to construct a switchyard, which includes the extension of two 69 kV transmission lines and the relocation of another 69 kV transmission line; and the conversion of two generating units to synchronous condensers at Kahului Power Plant in central Maui. In November 2021, the PUC approved Maui Electric's request to commit funds estimated at $38.8 million for the project, and to recover capital expenditures for the project under Exceptional Project Recovery Mechanism (EPRM) not to exceed $38.8 million, which shall be further reduced to reflect the total project cost exclusive of overhead costs not directly attributable to the project. The Waena Switchyard project is expected to be was placed in service in the third quarter of 2023, while the on October 25, 2023. The conversion of the two generating units will be performed after the retirement of Kahului Power Plant Units 3 and 4. 4, which is targeted for the end of 2027.

In approving the project, the PUC recognized that the project will facilitate the ability to accommodate increased renewable energy, as contemplated under the EPRM guidelines. As of December 31, 2022 December 31, 2023, $13.2 million $24.7 million has been incurred for the project.

Environmental regulation Waena Battery Energy Storage System Project. In September 2020, Maui Electric filed a PUC application to purchase and install a 40 MW BESS at its Waena Site in Central Maui. In December 2023, the PUC approved Maui Electric's request to commit funds estimated at $82.1 million, for the purchase and installation of the project, and to recover costs for the project under EPRM. Project costs incurred as of December 31, 2023 amount to $0.6 million.

Climate Adaptation Transmission and Distribution Resilience Program. The Utilities are subject to environmental laws and regulations maintains that regulate the operation of existing facilities, the construction and operation of new facilities and the proper cleanup and disposal of hazardous waste and toxic substances.

Hawaiian Electric, Hawaii Electric Light and Maui Electric, like other utilities, periodically encounter petroleum or other chemical releases associated with current or previous operations. The Utilities report and take action on these releases when and as required by applicable law and regulations. The Utilities believe the costs of responding to such releases identified to date will not have a material effect, individually or in the aggregate, on Hawaiian Electric's consolidated results of operations, financial condition or liquidity.

Former Molokai Electric Company generation site. In 1989, Maui Electric acquired Molokai Electric Company. Molokai Electric Company had sold its former generation site (Site) in 1983 but continued to operate at the Site under a lease until 1985 and left the property in 1987. The federal Environmental Protection Agency (EPA) has since identified environmental impacts in the subsurface soil at the Site. In cooperation with the DOH and EPA, Maui Electric further investigated the Site and the adjacent parcel to determine the extent of impacts of polychlorinated biphenyls (PCBs), residual fuel oils and other subsurface contaminants. Maui Electric has a reserve balance of $2.6 million as of December 31, 2022, representing the probable and reasonably estimable undiscounted cost for remediation improving resiliency of the Site electric grid is an urgent matter and the adjacent parcel based on presently available information; however, final costs of remediation will depend on the cleanup approach implemented.

Additionally, on November 24, 2021 recognizes that climate change is making Hawaii increasingly vulnerable to sever weather events. On January 31, 2024, the current landowners of PUC approved the Site, Misaki's, Inc., filed a lawsuit against Hawaiian Electric (as alleged successor Utilities' request to commit an estimated $189.7 million in interest to Molokai Electric, the prior owner of the Site) in the Circuit Court of the Second Circuit of the State of Hawaii (removed to the U.S. District Court funds for the District Climate Adaptation Transmission and Distribution Resilience Program, over a project period of Hawaii). five years. The complaint which was subsequently amended project is to include Maui Electric, alleges focus on, among other things, strengthening transmission lines and circuits that Hawaiian Electric is responsible for remediation of the Site based serve critical loads, enable

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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on the Comprehensive Environmental Response, Compensation, substation to proactively de-energize before natural disasters and Liability Act of 1980 (CERCLA), system hardening in wildfire risk areas to prevent ignition and the Hawaii Environmental Response Law under Hawaii Revised Statutes Chapter 128D, as well as being liable on contractual claims related to enable quicker response.

The project costs to be recovered through EPRM is subject to a short leaseback period during the transition cap of ownership from Molokai Electric. The amended complaint was dismissed $95 million and a new complaint may any amount in excess will be filed subject to the parties attempt to enter into settlement negotiations, but PUC's further review. Additionally, on August 29, 2023, the U.S. Department of Energy notified the Utilities intend that their application for $95 million in federal funds under the Infrastructure Investment and Jobs Act (IIJA) has been recommended for award, subject to vigorously defend the action if necessary. At this time, the Utilities are unable to determine the ultimate outcome negotiation of the lawsuit or the amount terms of any possible loss. As of December 31, 2022, the reserve balance recorded by the Utilities to address the lawsuit was not material.

Pearl Harbor sediment study financial assistance. In July 2014, the U.S. Navy notified Hawaiian Electric of the Navy's determination that Hawaiian Electric is a Potentially Responsible Party under CERCLA responsible for the costs of investigation and cleanup of PCB contamination in sediment in the area offshore of the Waiau Power Plant as part of the Pearl Harbor Superfund Site. Hawaiian Electric was also required by the EPA to assess potential sources and extent of PCB contamination onshore at Waiau Power Plant.

As of December 31, 2022, the reserve account balance recorded by Hawaiian Electric to address the PCB contamination was $9.9 million. The reserve balance represents the probable and reasonably estimable undiscounted cost for the onshore and offshore investigation and remediation. The final remediation costs will depend on the actual onshore and offshore cleanup costs.

Asset retirement obligations. Asset retirement obligations (AROs) represent legal obligations associated with the retirement of certain tangible long-lived assets, are measured as the present value of the projected costs for the future retirement of specific assets and are recognized in the period in which the liability is incurred if a reasonable estimate of fair value can be made. The Utilities' recognition of AROs have no impact on their earnings. The cost of the AROs is recovered over the life of the asset through depreciation. AROs recognized by the Utilities relate to legal obligations associated with the retirement of plant and equipment, including removal of asbestos and other hazardous materials.

The Utilities recorded AROs related to: 1) the removal of retired generating units, certain types of transformers and underground storage tanks; 2) the abandonment of fuel pipelines, underground injection and supply wells; and 3) the removal of equipment and restoration of leased land used in connection with Utility-owned renewable and dispatchable generation facilities.

Changes to the ARO liability included in "Other liabilities" on Hawaiian Electric's balance sheet were as follows:

(in thousands)	(in thousands)	2022	2021	(in thousands)	2023	2022
Balance, January 1	Balance, January 1	$11,110	$10,692			
Accretion expense	Accretion expense	442	423			
Liabilities incurred	Liabilities incurred	—	—			
Liabilities settled	Liabilities settled	(4)	(5)			
Balance, December 31	Balance, December 31	$11,548	$11,110			
				Balance, December 31		
				Balance, December 31		

The Utilities have not recorded AROs for assets that are expected to operate indefinitely or where the Utilities cannot estimate a settlement date (or range of potential settlement dates). As such, ARO liabilities are not recorded for certain asset retirement activities, including various Utilities-owned generating facilities and certain electric transmission, distribution and telecommunications assets resulting from easements over property not owned by the Utilities.

Regulatory proceedings.

Decoupling. Decoupling is a regulatory model that is intended to provide the Utilities with financial stability and facilitate meeting the State of Hawaii's goals to transition to a clean energy economy and achieve an aggressive renewable portfolio standard. Decoupling delinks the utility's revenues from the utility's sales, removing the disincentive to promote energy efficiency and accept more renewable energy. Decoupling continues under the PBR Framework.

Performance-based regulation framework. On December 23, 2020, the PUC issued a decision and order (PBR D&O) establishing the PBR Framework to govern the Utilities. The PBR Framework incorporates an annual revenue adjustment (ARA) and a suite of new regulatory mechanisms in addition to previously established regulatory mechanisms. Under the PBR Framework, the decoupling mechanism (i.e., the Revenue Balancing Account (RBA)) established by the previous regulatory framework will continue. The existing cost recovery mechanisms will continue continued as currently previously implemented (e.g., the Energy Cost Recovery Clause, Purchased Power Adjustment Clause (PPAC), Demand-Side Management surcharge, Renewable Energy Infrastructure Program, Demand Response Adjustment Clause, Pension and Other Post-Employment Benefits (OPEB) tracking mechanisms). In addition to annual revenues provided by the ARA, the Utilities may seek relief for extraordinary projects or programs through the Exceptional Project Recovery Mechanism (EPRM) (formerly known as the Major Project Interim Recovery adjustment mechanism) and earn financial rewards for exemplary performance as provided through a portfolio of

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Performance Incentive Mechanisms (PIMs) and Shared Savings Mechanisms (SSMs). The PBR Framework incorporates a variety of additional performance mechanisms, including Scorecards, Reported Metrics, and an expedited Pilot Process. The PBR Framework also contains a number of safeguards, including a symmetric Earnings Sharing Mechanism (ESM) which protects the Utilities and customers from excessive earnings or losses, as measured by the Utilities' achieved rate-making ROACE and a Re-Opener mechanism, under which the PUC will open an examination, at its discretion, to determine if adjustments or modifications to specific PBR mechanisms are appropriate. The PBR Framework became fully effective on June 1, 2021.

On June 17, 2022, the PUC issued a decision and order (June 2022 D&O) establishing additional PIMs under the PBR Framework for the Utilities. In 2021, the PUC Staff originally proposed consideration of 11 PIMs and other mechanisms to address identified areas of concern. Seven of the staff proposed PIMs were designed as penalty-only. The June 2022 D&O approved two new PIMs, a new SSM, and extended the timeframe for an existing PIM. Of the new PIMs, only one is penalty-only. Specifically, the PUC approved (1) a new (penalty-only) generation-caused interruption reliability PIM, (2) a new

(penalty/reward) interconnection requirements study (IRS) PIM, (3) a new (reward-only) Collective Shared Savings Mechanism (CSSM), and (4) a modification and extension of the existing interim (reward-only) Interim Grid Services PIM. PIM (reward-only). On November 23, 2022, the PUC approved the Utilities' proposed tariffs to implement the aforementioned PIMs with an effective date of January 1, 2023.

In addition, the June 2022 D&O instructed the Utilities to prepare and submit: a detailed fossil fuel retirement report (FF Retirement Report) outlining necessary steps to safely and reliably retire certain existing fossil fuel power plants during the first multi-year rate period (MRP); and a functional integration plan (FIP) for distributed energy resources (DER) to increase transparency into the Utilities' plans and progress for utilizing cost-effective grid services from DERs and ensure that the necessary functionalities and requisite technologies are in place to do so. The PUC also instructed the PBR Working Group to continue its ongoing collaborative efforts to consider other potential new incentive mechanisms and to address other issues raised during the proceeding. On November 29, 2022 March 30, 2023, the PUC held a PBR Working Group Meeting coordination meeting to discuss next steps supporting future efforts. initiate subgroups on the Long-Term Grid Services PIM, modification/evaluation of existing PIMs, and comprehensive PBR Framework review priority topics.

In accordance with the June 2022 D&O, the Utilities filed their FIP on September 30, 2022, Long-Term Grid Services PIM proposal on July 3, 2023, and FF Retirement Report with on October 13, 2023.

On October 16, 2023, the Utilities filed a request for limited suspension of the Transmission and Distribution (T&D) System Average Interruption Duration Index (SAIDI) PIM, the T&D System Average Interruption Frequency Index (SAIFI) PIM, and the target heat rate provision of Maui Electric Maui Division's Energy Cost Recovery Clause (ECRC) tariff starting from August 8, 2023. On December 28, 2023, the PUC issued an order granting a temporary suspension of Maui Electric's T&D SAIDI and SAIFI PIMs and Maui Electric Maui Division's target heat rate provision from August 8, 2023 through June 30, 2024, which the tariffs became effective on September 30, 2022 January 1, 2024.

On November 3, 2023, the Utilities, Ulupono Initiative LLC, and October 14, 2022 the County of Hawaii filed a stipulation on proposed modifications to the RPS-A, Call Center, AMI Utilization, and interconnection requirements study PIM. On February 8, 2024, respectively. the PUC issued a procedural schedule to govern review of the proposals in the stipulation, which provides for a D&O on the stipulation by June 30, 2024.

On December 26, 2023, the PUC issued an order (1) confirming that the Interim Grid Services PIM will sunset on December 31, 2023, (2) extending the Interconnection Approval PIM through December 31, 2024, and (3) determining that it will continue examination of the Long-Term Grid Services PIM into 2024 as part of a broader examination that addresses barriers to the utilization of DERs to meet grid needs.

Revenue adjustment mechanism. Prior to the implementation of the PBR Framework, the revenue adjustment mechanism (RAM) was a major component of the previously established regulatory framework. The RAM was based on the lesser of: a) an inflationary adjustment for certain O&M expenses and return on investment for certain rate base changes, or b) cumulative annual compounded increase in Gross Domestic Product Price Index applied to annualized target revenues (the RAM Cap). Under the PBR Framework, the ARA mechanism replaced the RAM, and became effective on June 1, 2021. RAM revenue adjustments approved by the PUC in 2020 will continue to be included in the RBA provision's target revenue and RBA rate adjustment unless modified with PUC approval.

Annual revenue adjustment mechanism. The PBR Framework established a five-year MRP during which there will be no general rate cases. Target revenues will be adjusted according to an index-driven ARA based on (i) an inflation factor, (ii) a predetermined X-factor to encompass productivity, which is set at zero, (iii) a Z-factor to account for exceptional circumstances not in the Utilities' control and (iv) a customer dividend consisting of a negative adjustment of 0.22% of adjusted revenue requirements compounded annually and a flow through of the "pre-PBR" savings commitment from the management audit recommendations developed in a prior docket at a rate of $6.6 million per year from 2021 to 2025. The implementation of the ARA occurred on June 1, 2021.

Earnings sharing mechanism. The PBR Framework established a symmetrical ESM for achieved rate-making ROACE outside of a 300 basis points dead band deadband above or below the current authorized ROACE of 9.5% for each of each of the Utilities. There is a 50/50 sharing between customers and Utilities for the achieved rate-making ROACE falling within 150 basis points outside of the dead band deadband in either direction, and a 90/10 sharing for any further difference. A reopening or review of the PBR terms will may be triggered if the Utilities credit rating outlook indicates a potential credit downgrade below investment grade status, or if its achieved rate-making ROACE enters the outer most tier of the ESM.

On August 31, 2023, the PUC issued an order temporarily suspending the ESM until further notice. The intent of the order is to address the unintended consequence of customers potentially bearing the costs associated with the Maui windstorm and wildfires through the operation of the ESM without prior PUC review.

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Exceptional project recovery mechanism. Prior to the implementation of the PBR Framework, the PUC established the Major Project Interim Recovery (MPIR) adjustment mechanism and MPIR Guidelines. The MPIR mechanism provides the opportunity to recover revenues for net costs of approved eligible projects placed in service between general rate cases. In establishing the PBR Framework, the MPIR Guidelines were terminated and replaced with the EPRM Guidelines. Although the MPIR Guidelines were terminated and replaced by the EPRM Guidelines, the MPIR mechanism will continue within the PBR Framework to provide recovery of project costs previously approved for recovery under the MPIR. The established EPRM Guidelines permit the Utilities to include the full amount of approved costs in the EPRM for recovery in the first year the project goes into service, pro-rated for the portion of the year the project is in service. Deferred and O&M expense projects are

also eligible for EPRM recovery under the EPRM Guidelines. EPRM recoverable costs will be limited to the lesser of actual incurred project costs or PUC-approved amounts, net of savings.

As of December 31, 2022 December 31, 2023, the Utilities annualized MPIR and EPRM revenue amounts totaled $26.2 million $33.1 million, including revenue taxes, for the Schofield Generating Station ($16.5 million), West Loch PV Project project ($3.5 3.3 million), Grid Modernization Strategy (GMS) Phase 1 project ($6.1 11.2 million for all three utilities) and , Waiawa UFLS project ($0.1 million) and Waena Switchyard/Synchronous project ($2.0 million) that included the 2022 2023 return on project amount (based on approved amounts) in rate base, depreciation and incremental O&M expenses. The PUC approved the Utilities' recovery of the annualized 2022 2023 MPIR amounts for the Schofield Generating Station, West Loch PV, and GMS Phase 1, and Waiawa UFLS projects effective June 1, 2022 June 1, 2023 and for the Waena Switchyard project effective January 1, 2024 through the RBA rate adjustment. Recovery of the incremental change to the West Loch PV project and Waiawa UFLS project were approved on December 7, 2022 and December 5, 2022, respectively.

As of December 31, 2022 December 31, 2023, the PUC approved two three EPRM applications for projects totaling $41 million $123.5 million to the extent that the project costs are not included in rates. On January 31, 2024, the PUC approved one EPRM application, subject to a cap of $95 million to the extent the project costs are not included in rates. Currently, the Utilities have outstanding applications are seeking EPRM recovery for six three projects with total project costs of $472 million up to $215.9 million, subject to PUC approval.

Pilot process. As part of the PBR Framework, the PUC approved a Pilot Process to foster innovation by establishing an expedited implementation process for pilots that test tests new technologies, programs, business models, and other arrangements. Under the Pilot Process, the Utilities submit specific pilot proposals (Pilot Notices) that are within the scope of the approved Workplan to the PUC for their expedited review. The PUC will strive to issue an order addressing a proposed pilot within 45 days of the filing date of a Pilot Notice. If the PUC does not take affirmative action on a Pilot Notice by the end of the 45-day period, the Pilot Notice shall be considered approved as submitted. The PUC may modify the pilot as originally proposed, and the Utilities shall have 15 days to notify the PUC whether the Utilities accept the modification, propose further modification, or withdraw the Pilot Notice. The PUC may also, where necessary, suspend the Pilot Notice for further investigation.

The approved Pilot Process includes a cost recovery process that generally allows the Utilities to defer and recover total annual expenditures of approved pilot projects net of revenues, subject to an annual cap of $10 million, over twelve 12 months beginning June 1 of the year following pilot implementation through the RBA rate adjustment, although the PUC may determine on a case-by-case basis that a particular project's deferred costs should be amortized over a period greater than twelve months 12 months.

On February 28, 2022 February 28, 2023, the Utilities filed their first annual Pilot Update report covering pilot projects that were approved and active during 2022, including reporting on pilot projects that were initiated prior to the commencement of the newly instituted Pilot Process. The Pilot Update reported on approximately $0.1 million $0.4 million of 2021 deferred 2022 recorded pilot project costs which was incorporated including revenue taxes for the Utilities. The 2022 recorded pilot project costs were included in the Utilities' proposed adjustments to target revenue in the 2022 2023 spring revenue report. The PUC approved the Utilities' recovery of the 2021 Pilot amounts effective June 1, 2022 through the RBA rate adjustment. report filed on March 28, 2023.

On October 26, 2022, the Utilities filed a Pilot Notice to commence a Clearinghouse Pilot project in January 2023, to establish a cloud-based data analytics clearinghouse repository. On December 8, 2022 March 22, 2023, the PUC approved issued an order temporarily suspending the filing of Pilot Notices, pending a stakeholder meeting which was convened on June 15, 2023 to discuss potential improvements to the Pilot Process.

On July 28, 2023, the PUC issued an order providing additional guidance on the Pilot Process, specifying expectations for future Pilot Notices submitted pursuant to the Pilot Process. The order lifted the temporary suspension on submitting Pilot Notices and the Utilities Clearinghouse may file Pilot project. Notices consistent with the approved Workplan.

Performance incentive mechanisms. The PUC has established the following PIMs and SSMs: (1) Service Quality performance incentives, (2) Phase 1 Request for proposal (RFP) PIM for procurement of low-cost renewable energy, (3) Phase 2 RFP PIMs for generation and generation plus storage project, and Grid Services grid services and standalone storage, (4) new PIMs established in the PBR D&O and (5) new PIMs and a SSM established in the June 2022 D&O.

- Service Quality performance incentives (ongoing). Service Quality performance incentives are measured on a calendar-year basis. The PIM tariff requires the performance targets, deadbands and the amount of maximum financial incentives used to determine the PIM financial incentive levels for each of the PIMs to remain constant in interim periods, unless otherwise amended by order of the PUC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Service Reliability Performance measured by Transmission and Distribution-caused System Average Interruption Duration and Frequency Indexes (penalties only). Target performance is based on each utility's historical 10-year average performance with a deadband of one standard deviation. The maximum penalty for each performance index is 20 basis points applied to the common equity share of each respective utility's approved rate base (or maximum penalties of approximately $6.8 million $6.4 million for calendar year 2023 - for both indices in total for the three utilities). On December 28, 2023, the PUC issued an order granting a temporary suspension of Maui Electric's T&D SAIDI and SAIFI PIMs from August 8, 2023 through June 30, 2024. For the 2022 2023 evaluation period, the Utilities accrued $0.1 million $3.7 million in estimated penalties.

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- Call Center Performance measured by the percentage of calls answered within 30 seconds. Target performance is based on the annual average performance for each utility for the most recent 8 eight quarters with a deadband of 3% above and below the target. The maximum penalty or reward is 8 basis points applied to the common equity share of each respective utility's approved rate base (or maximum penalties or rewards of approximately $1.4 million - in total for the three utilities).

- Phase 1 RFP PIM. Procurement of low-cost variable renewable resources through the RFP process in 2018 is measured by comparison of the procurement price to target prices. The first portion of the incentive was earned upon PUC approval of the PPAs. Based on the seven PPAs approved in 2019, the Utilities recognized $1.7 million in 2019 with the remaining award to be recognized in the year following the in-service date of the projects prorated in proportion to the actual amount of energy utilized, which is estimated to occur from 2023 to 2025. Based on the in-service date of one project, for the 2023 evaluation period, the Utilities earned $0.1 million (for Hawaiian Electric) in rewards.
- Phase 2 RFP PIMs. The PUC order issued on October 9, 2019 establishes pricing thresholds, timelines to complete contracting, and other performance criteria for the performance incentive eligibility. The PIMs provide incentives only without penalties. On July 9, 2020, the Utilities filed two Grid Services Purchase Agreements (GSPA) for the Grid Service RFP that potentially qualify for a demand response PIM; however, details of the incentive metrics will be determined by the PUC. On September 15, 2020, the Utilities filed one PPA that qualified for a PIM incentive and on February 16, 2021, the Utilities filed one additional PPA that qualified for a declining PIM incentive. The PUC approved two PPAs in September 2021 and November 2021, and two GSPAs on December 31, 2020. Based on the two approved PPAs, the Utilities recognized $0.1 million in rewards in 2021. In December 2022 and March 2023, these two PPAs were terminated or declared null and void.
- The PUC previously established the following two PIMs in its PBR D&O, which were approved in an order issued on March 23, 2021 and became effective on June 1, 2021. In its June 2022 D&O, the PUC modified and extended the Interim Grid Services PIM. PIM through December 31, 2023.
  - Renewable portfolio standard (RPS)-A - A PIM that provides a financial reward for accelerating the achievement of RPS goals. The Utilities may earn a reward for the amount of system generation above the interpolated statutory RPS goal at $20/MWh in 2021 and 2022, $15/MWh in 2023, and $10/MWh for the remainder of the MRP. Penalties are already prescribed in the RPS as $20/MWh for failing to meet RPS targets in 2030, 2040 and 2045. The evaluation period commenced on January 1, 2021. For the 2023 evaluation period, the Utilities accrued $0.4 million in rewards.
  - Interim Grid Services - A PIM that provides financial rewards on a $/kW basis for the acquisition of eligible grid services. The eligibility period for this PIM initially commenced on January 1, 2021 and was scheduled to end on December 31, 2022. However, the June 2022 D&O extended the eligibility period for this PIM through December 31, 2023. The June 2022 D&O also increased the incentive rate for the acquisition of load reduction grid services. During the PIM performance period, newly acquired committed capacity in the Oahu Scheduled Dispatch Program (SDP), the Oahu Fast DR program (up to the 7 MW cap), and the Maui SDP program shall qualify for the incentive. The Utilities can earn a maximum reward of $1.5 million from 2021 through 2023. In 2022, For the 2023 evaluation period, the Utilities accrued $0.04 million $1.1 million in estimated rewards.
- The PUC also previously established the following three PIMs in its PBR D&O, which were approved by the PUC on May 17, 2021 and became effective on June 1, 2021.
  - Interconnection Approval PIM that provides financial rewards and penalties for interconnection times for DER systems <100 kW in size. The Utilities can earn a total annual maximum reward of $3.0 million or a total annual maximum penalty of $0.9 million. In 2022, For the 2023 evaluation period, the Utilities accrued $3.0 million in estimated rewards.
  - Low-to-Moderate Income (LMI) Energy Efficiency PIM that provides financial rewards for collaboration between the Utilities and the third-party Public Benefits Fee Administrator to deliver energy savings for low- and moderate-income customers. The Utilities can earn a total annual maximum reward of $2.0 million. The PIM will initially have a duration of three years and be subject to an annual review. The evaluation period is based on Hawaii Energy's program year with the initial evaluation year being the period of July 1, 2021 through June 30, 2022. The June 30,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

2022. For the 2022 program year (July 1, 2022 through June 30, 2023), the Utilities accrued $0.4 million in estimated did not accrue any rewards for the program period ending June 30, 2022. pending receipt of verified results.

  - Advanced Metering Infrastructure Utilization PIM that provides financial rewards for leveraging grid modernization investments and engaging customers beyond what is already planned in the Phase 1 Grid Modernization program. The Utilities can earn a total annual maximum reward of $2.0 million. The PIM will initially have a duration of three years after which it will be re-evaluated. The evaluation period commenced on January 1, 2021.
- The PUC established the following new PIMs and SSM in its June 2022 D&O, which became effective on January 1, 2023.
  - Generation-caused System Average Interruption Duration and Frequency Indexes PIMs to incentivize achievement of generation-based reliability targets, measured by Generation System Average Interruption Duration and Frequency Indexes (penalties only). Target performance is based on each utility's historical 10-year average performance with a deadband of one standard deviation. The maximum penalty for each performance index is 3 basis points applied to the common equity share of each respective utility's approved rate base (or maximum penalties of approximately $1 million - for both indices in total for the three utilities).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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- An IRS interconnection requirements study PIM to incentivize the timely completion of the IRS process for large-scale renewable energy projects (rewards and penalties) measured by the number of months between final model checkout and delivery of IRS results to the developer. Target performance is ten months with an asymmetrical deadband of two-months for penalties and no deadband for rewards. The maximum penalty and reward will depend on the specifics of the upcoming procurement.
- A CSSM to incentivize cost control over the Utilities' fuel, purchased power, and EPRM/MPIR costs (collectively, non-ARA costs). This is a reward only incentive where the Utilities retain 20% share of savings when non-ARA costs in a performance year are lower than target year non-ARA costs, which are adjusted for changes in fuel prices, inflation, and system generation from a base year (calendar year 2021). The CSSM does not have a potential penalty and does not have a cap for maximum reward.

For the 2022 2023 evaluation period, the Utilities accrued $3.4 million $0.9 million ($2.4 1.2 million for Hawaiian Electric, $0.5 million $(0.6) million for Hawaii Electric Light and $0.5 million $0.3 million for Maui Electric) in estimated rewards net of penalties. The net rewards related to 2022 2023 will be reflected in the 2023 2024 PIMs annual report and 2023 2024 spring revenue report filings with the exception of the LMI Energy Efficiency Phase 1 RFP PIM that is pending verification of data by was approved in the PUC's third-party evaluator. 2023 fall revenue report.

Annual review cycle. PBR D&O established an annual review cycle for revenue adjustments under the PBR Framework, including the biannual submission of the revenue reports. The Utilities On December 20, 2023, the PUC approved the Utilities' fall revenue report filed on October 31, 2022 was approved October 31, 2023, as amended by the PUC on December 16, 2022. November 13, 2023 Addendum filing, with the exception of the proposed recovery of the COVID-19 related deferred costs and the accelerated return of the Enterprise Resource Planning system benefits savings to Hawaii Electric Light and Maui Electric customers. (See discussion under "Regulatory assets and liabilities" above. The filing reflected ARA revenues for 2023 to be collected from January 1 through December 31, 2023 December 31, 2024, as follows:

(in millions)	(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Total	(in millions)	Hawaiian Electric	Hawaii Electric Light	Elec
2023 ARA revenues		$ 27.0	$ 6.6	$ 6.5	$ 40.1				
2024 ARA revenues									
Management Audit savings commitment	Management Audit savings commitment	(4.6)	(1.0)	(1.0)	(6.6)				
Net 2023 ARA revenues		$ 22.4	$ 5.6	$ 5.5	$ 33.5				
Net 2024 ARA revenues									
Net 2024 ARA revenues									
Net 2024 ARA revenues									

Note: Columns may not foot due to rounding.

The net incremental amounts between the 2022 2023 spring and fall revenue reports are shown in the following table. The amounts are to be collected (refunded) from January 1 through December 31, 2023 December 31, 2024 under the RBA rate tariffs, which were included in the 2022 2023 fall revenue report filing.

(in millions)	(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Total	(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Total
Incremental ARA revenues		$ 27.0	$ 6.6	$ 6.5	$40.1					
Annual change in accrued RBA balance through September 30, 2022 (and associated revenue taxes)		(3.6)	(6.7)	(3.2)	(13.5)					
Incremental RAM revenues and ARA revenues										
Annual change in accrued RBA balance through September 30, 2023 (and associated revenue taxes)										

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Incremental Performance Incentive Mechanisms (net)	Incremental Performance Incentive Mechanisms (net)	—	—	(0.1)	(0.1)
Incremental EPRM/MPIR Revenue Adjustment		0.3	—	—	0.3
Incremental MPIR/EPRM Revenue Adjustment					
Net incremental amount to be collected under the RBA rate tariffs	Net incremental amount to be collected under the RBA rate tariffs	$ 23.6	$ (0.1)	$ 3.3	$26.8

Note: Columns may not foot due to rounding.

Regulatory assets for COVID-19 related costs. On May 4, 2020, the PUC issued an order, authorizing all utilities, including the Utilities, to establish regulatory assets to record costs resulting from the suspension of disconnections of service during the pendency of the Governor's Emergency Proclamation and until otherwise ordered by the PUC. In future proceedings, the PUC will consider the reasonableness of the costs, the appropriate period of recovery, any amount of carrying costs thereon, and any savings directly attributable to suspension of disconnects, and other related matters. As part of the order, the PUC prohibits the Utilities from charging late payment fees on past due payments. As the moratorium on customer disconnections ended on May 31, 2021, the Utilities have resumed charging late payment fees in July 2021. Pursuant to PUC orders, the deferral of COVID-19 related costs by the Utilities ended on December 31, 2020. On October 1, 2021, the PUC approved the Utilities' request to extend the deferral period to December 31, 2021. In December 2021, to keep customers connected and provide some relief to customers experiencing financial difficulty during the pandemic, the Utilities committed to issuing $2 million in bill credits to qualified customers. The Utilities will not seek recovery for the issued bill credits resulting in a reduction to the cumulative deferred costs. On June 9, 2022, the Utilities filed an application with the PUC, requesting recovery of a portion of the COVID-19 related deferral costs, net of cost savings realized, not to exceed the amount of $27.8 million over three years, from June 2023 through May 2026. Annual requests will be limited to actual costs incurred. As of December 31, 2022, the Utilities have recorded $11.4 million in regulatory assets for deferral of COVID-19 related costs. The updated amounts have been reflected in the Utilities' Supplemental Response to the PUC filed on January 12, 2023. On January 25, 2023, the PUC issued an order to modify the procedural schedule to allow more time for more discovery and consideration of the application.

Army privatization. On October 30, 2020, the PUC approved Hawaiian Electric's 50-year contract with the U.S. Army to own, operate and maintain the electric distribution system serving the U.S. Army's 12 installations on Oahu, including Schofield Barracks, Wheeler Army Airfield, Tripler Army Medical Center, Fort Shafter, and Army housing areas. On March 1, 2022, Hawaiian Electric acquired the Army's existing distribution system for a purchase price of $14.5 million, and will pay the Army in the form of a monthly credit against the monthly utility services charge over the 50-year term of the contract. The acquisition of additional assets contemplated in the contract, with an estimated value of $4 million, is planned for the fourth quarter of 2024.

Hawaiian Electric took ownership and all responsibilities for operation and maintenance of the system on March 1, 2022 for a 50-year term after a one-year transition period. Under the contract, Hawaiian Electric will make initial capital upgrades over the first six years of the contract and replace aging infrastructure over the 50-year term. In addition to its regular monthly electricity bill, the Army will pay Hawaiian Electric a monthly utility services charge to cover operations and maintenance expenses and provide recovery for capital upgrades, capital replacements, and the existing distribution system based on a rate of return determined by the PUC for regulated utility investments, as well as depreciation expense. The PUC requires Hawaiian Electric to file regular periodic reports on the activities and investments in fulfillment of the contract and will review the major projects planned on behalf of the Army. The annual impact on Hawaiian Electric's earnings is not expected to be material and will depend on a number of factors, including the amount and timing of capital upgrades and capital replacement.

Consolidating financial information. Consolidating financial information for Hawaiian Electric and its subsidiaries are presented for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, and as of December 31, 2022 December 31, 2023 and 2021, 2022.

Hawaiian Electric unconditionally guarantees Hawaii Electric Light's and Maui Electric's obligations (a) to the State of Hawaii for the repayment of principal and interest on Special Purpose Revenue Bonds issued for the benefit of Hawaii Electric Light and Maui Electric and (b) under their respective private placement note agreements and the Hawaii Electric Light notes and Maui Electric notes issued thereunder. Hawaiian Electric is also obligated, after the satisfaction of its obligations on its own preferred stock, to make dividend, redemption and liquidation payments on Hawaii Electric Light's and Maui Electric's preferred stock if the respective subsidiary is unable to make such payments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Consolidating statement of income

Year ended December 31, 2023

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments	Hawaiian Electric Consolidated

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Revenues	$ 2,356,478	464,161	448,882	—	$	3,269,521
Expenses						
Fuel oil	913,801	105,009	192,610	—		1,211,420
Purchased power	486,067	142,837	42,865	—		671,769
Other operation and maintenance	343,462	85,261	104,834	—		533,557
Depreciation	164,150	42,541	37,014	—		243,705
Taxes, other than income taxes	221,664	43,095	42,153	—		306,912
Total expenses	2,129,144	418,743	419,476	—		2,967,363
Operating income	227,334	45,418	29,406	—		302,158
Allowance for equity funds used during construction	11,721	1,411	2,032	—		15,164
Equity in earnings of subsidiaries	44,809	—	—	(44,809) [2]		—
Retirement defined benefits credit (expense)—other than service costs	3,735	667	(99)	—		4,303
Interest expense and other charges, net	(62,362)	(11,650)	(12,933)	805 [1]		(86,140)
Allowance for borrowed funds used during construction	4,081	451	669	—		5,201
Interest Income	5,113	1,071	1,075	(805) [1]		6,454
Income before income taxes	234,431	37,368	20,150	(44,809)		247,140
Income taxes	39,399	8,327	3,467	—		51,193
Net income	195,032	29,041	16,683	(44,809)		195,947
Preferred stock dividends of subsidiaries	—	534	381	—		915
Net income attributable to Hawaiian Electric	195,032	28,507	16,302	(44,809)		195,032
Preferred stock dividends of Hawaiian Electric	1,080	—	—	—		1,080
Net income for common stock	$ 193,952	28,507	16,302	(44,809)	$	193,952

Consolidating statement of comprehensive income

Year ended December 31, 2023

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments		Hawaiian Electric Consolidated
Net income for common stock	$ 193,952	28,507	16,302	(44,809)		$ 193,952
Other comprehensive loss, net of taxes:						
Retirement benefit plans:						
Net gains arising during the period, net of taxes	10,175	961	1,275	(2,236)	[1]	10,175
Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes	(1,983)	(221)	(266)	487	[1]	(1,983)
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	(8,204)	(752)	(978)	1,730	[1]	(8,204)
Other comprehensive income (loss), net of taxes	(12)	(12)	31	(19)		(12)
Comprehensive income attributable to common shareholder	$ 193,940	28,495	16,333	(44,828)		$ 193,940

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Consolidating statement of income

Year ended December 31, 2022

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments		Hawaiian Electric Consolidated
Revenues	$ 2,452,969	485,590	470,355	(327)	[1]	$ 3,408,587
Expenses						
Fuel oil	917,801	133,238	214,575	—		1,265,614
Purchased power	601,235	143,636	48,713	—		793,584
Other operation and maintenance	326,785	85,110	85,706	—		497,601
Depreciation	158,725	41,404	35,295	—		235,424
Taxes, other than income taxes	228,843	44,685	43,645	—		317,173

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Total expenses	2,233,389	448,073	427,934	—		3,109,396
Operating income	219,580	37,517	42,421	(327)		299,191
Allowance for equity funds used during construction	8,464	898	1,212	—		10,574
Equity in earnings of subsidiaries	47,493	—	—	(47,493)	[2]	—
Retirement defined benefits credit (expense)—other than service costs	3,296	666	(127)	—		3,835
Interest expense and other charges, net	(55,260)	(10,659)	(10,824)	327	[1]	(76,416)
Allowance for borrowed funds used during construction	2,769	277	370	—		3,416
Income before income taxes	226,342	28,699	33,052	(47,493)		240,600
Income taxes	36,333	6,349	6,994	—		49,676
Net income	190,009	22,350	26,058	(47,493)		190,924
Preferred stock dividends of subsidiaries	—	534	381	—		915
Net income attributable to Hawaiian Electric	190,009	21,816	25,677	(47,493)		190,009
Preferred stock dividends of Hawaiian Electric	1,080	—	—	—		1,080
Net income for common stock	$ 188,929	21,816	25,677	(47,493)	$	188,929

Consolidating statement of comprehensive income

Year ended December 31, 2022

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments	Hawaiian Electric Consolidated
(in thousands)						
(in thousands)		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments	Hawaiian Electric Consolidated
Net income for common stock	Net income for common stock	$188,929	21,816	25,677	(47,493)	$ 188,929
Other comprehensive income (loss), net of taxes:						
Other comprehensive income, net of taxes:						
Retirement benefit plans:						
Retirement benefit plans:						
Retirement benefit plans:	Retirement benefit plans:					
Net gains arising during the period, net of taxes	Net gains arising during the period, net of taxes	187,193	44,411	44,386	(88,797) [1]	187,193
Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes	Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes	18,884	2,811	2,584	(5,395) [1]	18,884

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Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	(199,936)	(46,841)	(46,694)	93,535 [1]	(199,936)
Other comprehensive income, net of taxes	Other comprehensive income, net of taxes	6,141	381	276	(657)	6,141
Comprehensive income attributable to common shareholder	Comprehensive income attributable to common shareholder	$195,070	22,197	25,953	(48,150)	$ 195,070

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Consolidating statement of income

Year ended December 31, 2021

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments		Hawaiian Electric Consolidated
Revenues	$ 1,793,372	381,033	365,256	(25)	[1]	$ 2,539,636
Expenses						
Fuel oil	442,818	80,086	121,445	—		644,349
Purchased power	508,642	108,997	52,855	—		670,494
Other operation and maintenance	313,009	79,390	83,013	—		475,412
Depreciation	155,607	40,201	33,661	—		229,469
Taxes, other than income taxes	170,604	35,499	34,251	—		240,354
Total expenses	1,590,680	344,173	325,225	—		2,260,078
Operating income	202,692	36,860	40,031	(25)		279,558
Allowance for equity funds used during construction	7,734	586	1,214	—		9,534
Equity in earnings of subsidiaries	45,353	—	—	(45,353)	[2]	—
Retirement defined benefits credit (expense)—other than service costs	3,348	670	(128)	—		3,890
Interest expense and other charges, net	(51,680)	(10,353)	(10,439)	25	[1]	(72,447)
Allowance for borrowed funds used during construction	2,617	197	436	—		3,250
Income before income taxes	210,064	27,960	31,114	(45,353)		223,785
Income taxes	31,342	6,246	6,560	—		44,148
Net income	178,722	21,714	24,554	(45,353)		179,637
Preferred stock dividends of subsidiaries	—	534	381	—		915
Net income attributable to Hawaiian Electric	178,722	21,180	24,173	(45,353)		178,722
Preferred stock dividends of Hawaiian Electric	1,080	—	—	—		1,080
Net income for common stock	$ 177,642	21,180	24,173	(45,353)		$ 177,642

Consolidating statement of comprehensive income

Year ended December 31, 2021

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments		Hawaiian Electric Consolidated
Net income for common stock	$ 177,642	21,180	24,173	(45,353)		$ 177,642
Other comprehensive income (loss), net of taxes:						
Retirement benefit plans:						
Net losses arising during the period, net of tax benefits	151,523	17,902	16,572	(34,474)	[1]	151,523

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Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes	19,461	2,749	2,553	(5,302)	[1]	19,461
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	(171,345)	(20,585)	(18,898)	39,483	[1]	(171,345)
Other comprehensive income (loss), net of tax benefits	(361)	66	227	(293)		(361)
Comprehensive income attributable to common shareholder	$ 177,281	21,246	24,400	(45,646)		$ 177,281

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Consolidating statement of income

Year ended December 31, 2020

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments		Hawaiian Electric Consolidated
Revenues	$ 1,608,305	334,221	323,430	(636)	[1]	$ 2,265,320
Expenses						
Fuel oil	354,087	72,202	88,985	—		515,274
Purchased power	446,672	73,120	48,957	—		568,749
Other operation and maintenance	311,781	73,746	88,665	—		474,192
Depreciation	151,387	39,041	32,305	—		222,733
Taxes, other than income taxes	154,191	31,181	30,450	—		215,822
Total expenses	1,418,118	289,290	289,362	—		1,996,770
Operating income	190,187	44,931	34,068	(636)		268,550
Allowance for equity funds used during construction	7,335	543	890	—		8,768
Equity in earnings of subsidiaries	47,504	—	—	(47,504)	[2]	—
Retirement defined benefits credit (expense)—other than service costs	(1,294)	672	(141)	—		(763)
Interest expense and other charges, net	(48,775)	(10,004)	(9,651)	636	[1]	(67,794)
Allowance for borrowed funds used during construction	2,540	160	292	—		2,992
Income before income taxes	197,497	36,302	25,458	(47,504)		211,753
Income taxes	27,077	8,275	5,066	—		40,418
Net income	170,420	28,027	20,392	(47,504)		171,335
Preferred stock dividends of subsidiaries	—	534	381	—		915
Net income attributable to Hawaiian Electric	170,420	27,493	20,011	(47,504)		170,420
Preferred stock dividends of Hawaiian Electric	1,080	—	—	—		1,080
Net income for common stock	$ 169,340	27,493	20,011	(47,504)		$ 169,340

Consolidating statement of comprehensive income

Year ended December 31, 2020

(in thousands)

(in thousands)

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments		Hawaiian Electric Consolidated	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidating adjustments	Hawaiian Electric Consolidated
Net income for common stock	Net income for common stock	$169,340	27,493	20,011	(47,504)		$ 169,340					
Other comprehensive income (loss), net of taxes:	Other comprehensive income (loss), net of taxes:											
Retirement benefit plans:	Retirement benefit plans:											
Net gains (losses) arising during the period, net of taxes		(63,050)	(9,424)	(10,897)	20,321	[1]	(63,050)					
Retirement benefit plans:												

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Retirement benefit plans:						
Net gains arising during the period, net of taxes						
Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes	Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes	21,550	3,179	2,763	(5,942) [1]	21,550
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	39,860	6,025	8,000	(14,025) [1]	39,860
Other comprehensive loss, net of tax benefits		(1,640)	(220)	(134)	354	(1,640)
Other comprehensive income (loss), net of tax benefits						
Comprehensive income attributable to common shareholder	Comprehensive income attributable to common shareholder	$167,700	27,273	19,877	(47,150)	$ 167,700

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Consolidating balance sheet

December 31, 2022 2023

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Assets	**Assets**							**Assets**						
Property, plant and equipment	**Property, plant and equipment**													
Utility property, plant and equipment														
Utility property, plant and equipment														
Utility property, plant and equipment	**Utility property, plant and equipment**													
Land	Land	$ 42,860	5,606	3,594	—	—	52,060							
Plant and equipment	Plant and equipment	5,260,685	1,425,442	1,293,383	—	—	7,979,510							
Finance lease right-of-use assets	Finance lease right-of-use assets	48,371	—	—	—	—	48,371							
Less accumulated depreciation	Less accumulated depreciation	(1,855,150)	(644,457)	(586,892)	—	—	(3,086,499)							
Construction in progress	Construction in progress	215,560	23,989	35,804	—	—	275,353							

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Utility property, plant and equipment, net	Utility property, plant and equipment, net	3,712,326	810,580	745,889	—	—	5,268,795				
Nonutility property, plant and equipment, less accumulated depreciation	Nonutility property, plant and equipment, less accumulated depreciation	5,298	115	1,532	—	—	6,945				
Total property, plant and equipment, net	**Total property, plant and equipment, net**	3,717,624	810,695	747,421	—	—	5,275,740				
Investment in wholly-owned subsidiaries, at equity	Investment in wholly-owned subsidiaries, at equity	701,833	—	—	—	(701,833) [2]	—				
Current assets	**Current assets**							**Current assets**			
Cash and cash equivalents	Cash and cash equivalents	27,579	5,092	6,494	77	—	39,242				
Restricted cash											
Advances to affiliates	Advances to affiliates	—	4,500	21,700	—	(26,200) [1]	—				
Customer accounts receivable, net	Customer accounts receivable, net	216,802	39,339	32,197	—	—	288,338				
Accrued unbilled revenues, net	Accrued unbilled revenues, net	136,508	23,839	22,933	—	—	183,280				
Other accounts receivable, net	Other accounts receivable, net	23,746	5,519	6,686	—	(22,384) [1]	13,567				
Fuel oil stock, at average cost	Fuel oil stock, at average cost	153,342	16,964	21,224	—	—	191,530				
Materials and supplies, at average cost	Materials and supplies, at average cost	48,130	9,783	21,655	—	—	79,568				
Prepayments and other	Prepayments and other	24,040	6,346	4,137	—	(1,041) [1]	33,482				
Regulatory assets	Regulatory assets	46,504	2,435	3,334	—	—	52,273				
Total current assets	**Total current assets**	676,651	113,817	140,360	77	(49,625)	881,280				
Other long-term assets	**Other long-term assets**							**Other long-term assets**			
Operating lease right-of-use assets	Operating lease right-of-use assets	42,752	34,283	12,283	—	—	89,318				
Regulatory assets	Regulatory assets	154,040	21,816	14,384	—	—	190,240				
Other	Other	115,028	32,654	29,495	—	(16,288) [1]	160,889				
Other											
Other											
Total other long-term assets	**Total other long-term assets**	311,820	88,753	56,162	—	(16,288)	440,447				
Total assets	**Total assets**	$5,407,928	1,013,265	943,943	77	(767,746)	$ 6,597,467				
Capitalization and liabilities	**Capitalization and liabilities**							**Capitalization and liabilities**			
Capitalization	**Capitalization**							**Capitalization**			
Common stock equity	Common stock equity	$2,344,170	344,720	357,036	77	(701,833) [2]	$ 2,344,170				
Cumulative preferred stock–not subject to mandatory redemption	Cumulative preferred stock–not subject to mandatory redemption	22,293	7,000	5,000	—	—	34,293				
Long-term debt, net	Long-term debt, net	1,126,915	224,439	233,500	—	—	1,584,854				
Total capitalization	**Total capitalization**	3,493,378	576,159	595,536	77	(701,833)	3,963,317				
Current liabilities	**Current liabilities**							**Current liabilities**			

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Current portion of operating lease liabilities	Current portion of operating lease liabilities	9,775	6,690	2,630	—	—	19,095
Current portion of long-term debt, net		49,981	19,992	29,989	—	—	99,962
Short-term borrowings-non-affiliate		87,967	—	—	—	—	87,967
Short-term borrowings-affiliate							
Short-term borrowings-affiliate							
Short-term borrowings-affiliate	Short-term borrowings-affiliate	26,200	—	—	—	(26,200) [1]	—
Accounts payable	Accounts payable	143,253	32,113	27,126	—	—	202,492
Interest and preferred dividends payable	Interest and preferred dividends payable	12,398	2,576	2,282	—	(80) [1]	17,176
Taxes accrued, including revenue taxes	Taxes accrued, including revenue taxes	207,798	42,436	40,709	—	(1,041) [1]	289,902
Regulatory liabilities	Regulatory liabilities	13,145	8,553	9,777	—	—	31,475
Other	Other	64,659	20,856	22,385	—	(22,304) [1]	85,596
Total current liabilities	**Total current liabilities**	615,176	133,216	134,898	—	(49,625)	833,665
Deferred credits and other liabilities	**Deferred credits and other liabilities**						
Operating lease liabilities	Operating lease liabilities	41,049	27,817	9,849	—	—	78,715
Operating lease liabilities							
Operating lease liabilities							
Finance lease liabilities	Finance lease liabilities	46,048	—	—	—	—	46,048
Deferred income taxes	Deferred income taxes	271,234	50,615	62,581	—	—	384,430
Regulatory liabilities	Regulatory liabilities	729,683	194,222	100,270	—	—	1,024,175
Unamortized tax credits	Unamortized tax credits	69,614	13,150	12,536	—	—	95,300
Defined benefit pension and other postretirement benefit plans liability	Defined benefit pension and other postretirement benefit plans liability	65,907	129	—	—	(16,288) [1]	49,748
Other	Other	75,839	17,957	28,273		—	122,069
Total deferred credits and other liabilities	**Total deferred credits and other liabilities**	1,299,374	303,890	213,509	—	(16,288)	1,800,485
Total capitalization and liabilities	**Total capitalization and liabilities**	$5,407,928	1,013,265	943,943	77	(767,746)	$ 6,597,467

Consolidating balance sheet

December 31, 2021 2022

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Assets	**Assets**							**Assets**						
Property, plant and equipment	**Property, plant and equipment**													
Utility property, plant and equipment	**Utility property, plant and equipment**													
Utility property, plant and equipment														

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Utility property, plant and equipment							
Land	Land	$ 42,737	5,606	3,594	—	—	$ 51,937
Plant and equipment	Plant and equipment	5,097,033	1,390,361	1,248,589	—	—	7,735,983
Finance lease right-of-use assets							
Less accumulated depreciation	Less accumulated depreciation	(1,757,096)	(619,991)	(563,430)	—	—	(2,940,517)
Construction in progress	Construction in progress	159,854	17,129	27,586	—	—	204,569
Utility property, plant and equipment, net	Utility property, plant and equipment, net	3,542,528	793,105	716,339	—	—	5,051,972
Nonutility property, plant and equipment, less accumulated depreciation	Nonutility property, plant and equipment, less accumulated depreciation	5,302	115	1,532	—	—	6,949
Total property, plant and equipment, net	**Total property, plant and equipment, net**	3,547,830	793,220	717,871	—	—	5,058,921
Investment in wholly-owned subsidiaries, at equity	Investment in wholly-owned subsidiaries, at equity	676,237	—	—	—	(676,237) [2]	—
Current assets	**Current assets**						**Current assets**
Cash and cash equivalents	Cash and cash equivalents	23,344	5,326	23,422	77	—	52,169
Restricted cash		3,089	—	—	—	—	3,089
Advances to affiliates	Advances to affiliates						
Advances to affiliates	Advances to affiliates	1,000	—	—	—	(1,000) [1]	—
Customer accounts receivable, net	Customer accounts receivable, net	135,949	28,469	22,441	—	—	186,859
Accrued unbilled revenues, net	Accrued unbilled revenues, net	92,469	19,529	17,157	—	—	129,155
Other accounts receivable, net	Other accounts receivable, net	18,624	3,347	3,031	—	(17,735) [1]	7,267
Fuel oil stock, at average cost	Fuel oil stock, at average cost	71,184	12,814	20,080	—	—	104,078
Materials and supplies, at average cost	Materials and supplies, at average cost	42,006	9,727	20,144	—	—	71,877
Prepayments and other	Prepayments and other	32,140	6,052	7,114	—	725 [1]	46,031
Regulatory assets	Regulatory assets	58,695	3,051	4,918	—	—	66,664
Total current assets	**Total current assets**	478,500	88,315	118,307	77	(18,010)	667,189
Other long-term assets	**Other long-term assets**						**Other long-term assets**
Operating lease right-of-use assets	Operating lease right-of-use assets	78,710	22,442	318	—	—	101,470
Regulatory assets	Regulatory assets	337,903	81,645	79,331	—	—	498,879
Other	Other	130,546	17,124	18,510	—	(1,014) [1]	165,166
Total other long-term assets	**Total other long-term assets**	547,159	121,211	98,159	—	(1,014)	765,515
Total assets	**Total assets**	$5,249,726	1,002,746	934,337	77	(695,261)	$ 6,491,625
Capitalization and liabilities	**Capitalization and liabilities**						**Capitalization and liabilities**
Capitalization	**Capitalization**						**Capitalization**
Common stock equity	Common stock equity	$2,261,899	332,900	343,260	77	(676,237) [2]	$ 2,261,899

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Cumulative preferred stock–not subject to mandatory redemption	Cumulative preferred stock–not subject to mandatory redemption	22,293	7,000	5,000	—	—	34,293
Long-term debt, net	Long-term debt, net	1,136,620	234,390	253,417	—	—	1,624,427
Total capitalization	**Total capitalization**	3,420,812	574,290	601,677	77	(676,237)	3,920,619
Current liabilities	**Current liabilities**						
Current portion of operating lease liabilities	Current portion of operating lease liabilities	45,955	3,378	35	—	—	49,368
Current portion of long-term debt		39,981	11,994	—	—	—	51,975
Short-term borrowings-affiliate	Short-term borrowings-affiliate	—	1,000	—	—	(1,000) [1]	—
Accounts payable	Accounts payable	111,024	26,139	22,844	—	—	160,007
Interest and preferred dividends payable	Interest and preferred dividends payable	12,442	2,617	2,269	—	(3) [1]	17,325
Taxes accrued, including revenue taxes	Taxes accrued, including revenue taxes	143,723	33,153	30,679	—	725 [1]	208,280
Regulatory liabilities	Regulatory liabilities	22,240	3,247	4,273	—	—	29,760
Other	Other	56,752	14,158	18,540	—	(17,881) [1]	71,569
Total current liabilities	**Total current liabilities**	432,117	95,686	78,640	—	(18,159)	588,284
Deferred credits and other liabilities	**Deferred credits and other liabilities**						
Operating lease liabilities	Operating lease liabilities	46,426	19,063	291	—	—	65,780
Deferred income taxes	Deferred income taxes	291,027	53,298	64,309	—	—	408,634
Regulatory liabilities	Regulatory liabilities	695,152	179,267	92,589	—	—	967,008
Unamortized tax credits	Unamortized tax credits	76,201	14,212	13,532	—	—	103,945
Defined benefit pension and other postretirement benefit plans liability	Defined benefit pension and other postretirement benefit plans liability	220,480	48,900	53,257	—	(857) [1]	321,780
Other	Other	67,511	18,030	30,042	—	(8)	115,575
Total deferred credits and other liabilities	**Total deferred credits and other liabilities**	1,396,797	332,770	254,020	—	(865)	1,982,722
Total capitalization and liabilities	**Total capitalization and liabilities**	$5,249,726	1,002,746	934,337	77	(695,261)	$ 6,491,625

Cumulative preferred stock–not subject to mandatory redemption	Cumulative preferred stock–not subject to mandatory redemption	22,293	7,000	5,000	—	—	34,293
Long-term debt, net	Long-term debt, net	1,136,620	234,390	253,417	—	—	1,624,427
Total capitalization	**Total capitalization**	3,420,812	574,290	601,677	77	(676,237)	3,920,619
Current liabilities	**Current liabilities**						
Current portion of operating lease liabilities	Current portion of operating lease liabilities	45,955	3,378	35	—	—	49,368
Current portion of long-term debt		39,981	11,994	—	—	—	51,975
Short-term borrowings-affiliate	Short-term borrowings-affiliate	—	1,000	—	—	(1,000) [1]	—
Accounts payable	Accounts payable	111,024	26,139	22,844	—	—	160,007
Interest and preferred dividends payable	Interest and preferred dividends payable	12,442	2,617	2,269	—	(3) [1]	17,325
Taxes accrued, including revenue taxes	Taxes accrued, including revenue taxes	143,723	33,153	30,679	—	725 [1]	208,280
Regulatory liabilities	Regulatory liabilities	22,240	3,247	4,273	—	—	29,760
Other	Other	56,752	14,158	18,540	—	(17,881) [1]	71,569
Total current liabilities	**Total current liabilities**	432,117	95,686	78,640	—	(18,159)	588,284
Deferred credits and other liabilities	**Deferred credits and other liabilities**						
Operating lease liabilities	Operating lease liabilities	46,426	19,063	291	—	—	65,780
Deferred income taxes	Deferred income taxes	291,027	53,298	64,309	—	—	408,634
Regulatory liabilities	Regulatory liabilities	695,152	179,267	92,589	—	—	967,008
Unamortized tax credits	Unamortized tax credits	76,201	14,212	13,532	—	—	103,945
Defined benefit pension and other postretirement benefit plans liability	Defined benefit pension and other postretirement benefit plans liability	220,480	48,900	53,257	—	(857) [1]	321,780
Other	Other	67,511	18,030	30,042	—	(8)	115,575
Total deferred credits and other liabilities	**Total deferred credits and other liabilities**	1,396,797	332,770	254,020	—	(865)	1,982,722
Total capitalization and liabilities	**Total capitalization and liabilities**	$5,249,726	1,002,746	934,337	77	(695,261)	$ 6,491,625

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Consolidating statements of changes in common stock equity

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated

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Balance, December 31, 2019	**$2,047,352**	**298,998**	**292,870**	**101**	**(591,969)**	**$2,047,352**
Net income for common stock	169,340	27,493	20,011	—	(47,504)	169,340
Other comprehensive loss, net of taxes	(1,640)	(220)	(134)	—	354	(1,640)
Issuance of common stock, net of expenses	34,000	7,500	11,000	—	(18,500)	34,000
Common stock dividends	(107,134)	(16,320)	(14,384)	—	30,704	(107,134)
Dissolution of subsidiary	—	—	—	(24)	24	—
Balance, December 31, 2020	**Balance, December 31, 2020**	**2,141,918**	**317,451**	**309,363**	**77**	**(626,891)**	**2,141,918**
Net income for common stock	Net income for common stock	177,642	21,180	24,173	—	(45,353)	177,642
Other comprehensive income (loss), net of taxes	Other comprehensive income (loss), net of taxes	(361)	66	227	—	(293)	(361)
Issuance of common stock, net of expenses	Issuance of common stock, net of expenses	54,400	8,803	24,597	—	(33,400)	54,400
Common stock dividends	Common stock dividends	(111,700)	(14,600)	(15,100)	—	29,700	(111,700)
Balance, December 31, 2021							
Balance, December 31, 2021							
Balance, December 31, 2021	**Balance, December 31, 2021**	**2,261,899**	**332,900**	**343,260**	**77**	**(676,237)**	**2,261,899**
Net income for common stock	Net income for common stock	188,929	21,816	25,677	—	(47,493)	188,929
Other comprehensive income, net of taxes	Other comprehensive income, net of taxes	6,141	381	276	—	(657)	6,141
Issuance of common stock, net of expenses	Issuance of common stock, net of expenses	13,101	6,023	3,023	—	(9,046)	13,101
Common stock dividends	Common stock dividends	(125,900)	(16,400)	(15,200)	—	31,600	(125,900)
Balance, December 31, 2022							
Net income for common stock							
Other comprehensive income (loss), net of taxes							
Balance, December 31, 2022	**2,344,170**	**344,720**	**357,036**	**77**	**(701,833)**	**2,344,170**
Common stock dividends							
Common stock dividends							
Common stock dividends							
Balance, December 31, 2023							
Balance, December 31, 2023							
Balance, December 31, 2023							

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Consolidating statement of cash flows

Year ended December 31, 2023

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Cash flows from operating activities						
Net income	$ 195,032	29,041	16,683	—	(44,809) [2]	$ 195,947
Adjustments to reconcile net income to net cash provided by operating activities						
Equity in earnings of subsidiaries	(44,809)	—	—	—	44,809 [2]	—
Common stock dividends received from subsidiaries	24,450	—	—	—	(24,450) [2]	—
Depreciation of property, plant and equipment	164,150	42,541	37,014	—	—	243,705
Other amortization	17,692	5,003	3,795	—	—	26,490
Deferred income tax expense (benefit)	(851)	(296)	2,586	—	—	1,439
State refundable credit	(7,577)	(1,782)	(1,966)	—	—	(11,325)
Bad debt expense	5,565	1,353	1,243	—	—	8,161
Allowance for equity funds used during construction	(11,721)	(1,411)	(2,032)	—	—	(15,164)
Other	380	(46)	126	—	—	460
Changes in assets and liabilities:						
Increase in accounts receivable	(83,401)	(7,398)	(29,301)	—	55,096 [1]	(65,004)
Decrease (increase) in accrued unbilled revenues	8	(1,308)	(1,748)	—	—	(3,048)
Decrease (increase) in fuel oil stock	45,114	(1,004)	(817)	—	—	43,293
Increase in materials and supplies	(16,204)	(4,614)	(14,047)	—	—	(34,865)
Decrease (increase) in regulatory assets	(6,616)	5,501	(9,498)	—	—	(10,613)
Increase (decrease) in regulatory liabilities	48,833	(1,176)	6,813	—	—	54,470
Increase in accounts payable	13,988	5,998	468	—	—	20,454
Change in prepaid and accrued income taxes, tax credits and revenue taxes	4,314	2,407	(4,843)	—	—	1,878
Decrease in defined benefit pension and other postretirement benefit plans liability	(5,653)	(1,348)	(1,185)	—	—	(8,186)
Change in other assets and liabilities	62,010	2,056	17,305	—	(55,096) [1]	26,275
Net cash provided by operating activities	404,704	73,517	20,596	—	(24,450)	474,367
Cash flows from investing activities						
Capital expenditures	(276,600)	(63,889)	(98,286)	—	—	(438,775)
Advances from (to) affiliates	(70,500)	4,500	21,700	—	44,300 [1]	—
Other	4,118	932	1,126	—	—	6,176
Net cash used in investing activities	(342,982)	(58,457)	(75,460)	—	44,300	(432,599)
Cash flows from financing activities						
Common stock dividends	(129,000)	(13,425)	(11,025)	—	24,450 [2]	(129,000)
Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,080)	(534)	(381)	—	—	(1,995)
Proceeds from issuance of long-term debt	300,000	25,000	25,000	—	—	350,000
Repayment of long-term debt	(50,000)	(20,000)	(30,000)	—	—	(100,000)
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	(114,167)	—	70,500	—	(44,300) [1]	(87,967)
Payments of obligations under finance leases	(2,728)	(400)	—	—	—	(3,128)
Other	(571)	(135)	(137)	—	—	(843)
Net cash provided by (used in) financing activities	2,454	(9,494)	53,957	—	(19,850)	27,067
Net increase (decrease) in cash, cash equivalents and restricted cash	64,176	5,566	(907)	—	—	68,835
Cash, cash equivalents and restricted cash, January 1	27,579	5,092	6,494	77	—	39,242
Cash, cash equivalents and restricted cash, December 31	91,755	10,658	5,587	77	—	108,077
Less: Restricted cash	(2,000)	—	—	—	—	(2,000)

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Cash and cash equivalents, December 31	$ 89,755	10,658	5,587	77	—	$ 106,077

Consolidating statement of cash flows

Year ended December 31, 2022

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated
Cash flows from operating activities						
Net income	$190,009	22,350	26,058	—	(47,493) [2]	$ 190,924
Adjustments to reconcile net income to net cash provided by operating activities						
Equity in earnings of subsidiaries	(47,493)	—	—	—	47,493 [2]	—
Common stock dividends received from subsidiaries	31,600	—	—	—	(31,600) [2]	—
Depreciation of property, plant and equipment	158,725	41,404	35,295	—	—	235,424
Other amortization	16,708	4,996	3,616	—	—	25,320
Deferred income taxes	(33,648)	(4,040)	(3,727)	—	—	(41,415)
State refundable credit	(7,375)	(1,734)	(1,890)	—	—	(10,999)
Bad debt expense	4,175	1,073	779			6,027
Allowance for equity funds used during construction	(8,464)	(898)	(1,212)	—	—	(10,574)
Other	(65)	(50)	(24)	—	—	(139)
Changes in assets and liabilities:						
Increase in accounts receivable	(74,067)	(11,644)	(10,680)	—	4,649 [1]	(91,742)

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Cash flows from operating activities						
Adjustments to reconcile net income to net cash provided by operating activities						
State refundable credit						
Other						
Increase in accounts receivable						

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Increase in accrued unbilled revenues	Increase in accrued unbilled revenues	(43,972)	(4,289)	(5,762)	—	—	(54,023)
Increase in fuel oil stock	Increase in fuel oil stock	(82,158)	(4,150)	(1,144)	—	—	(87,452)
Increase in materials and supplies	Increase in materials and supplies	(6,124)	(56)	(1,511)	—	—	(7,691)
Decrease in regulatory assets	Decrease in regulatory assets	28,076	1,546	4,978	—	—	34,600
Increase in regulatory liabilities	Increase in regulatory liabilities	28,621	7,977	8,290		—	44,888
Increase in accounts payable		18,657	3,294	404	—	—	22,355
Decrease in accounts payable							
Change in prepaid and accrued income taxes, tax credits and revenue taxes	Change in prepaid and accrued income taxes, tax credits and revenue taxes	77,903	11,117	14,178	—	—	103,198
Decrease in defined benefit pension and other postretirement benefit plans liability	Decrease in defined benefit pension and other postretirement benefit plans liability	(3,545)	(626)	(657)	—	—	(4,828)
Change in other assets and liabilities	Change in other assets and liabilities	(17,884)	213	(3,623)	—	(4,649) [1]	(25,943)
Net cash provided by operating activities	Net cash provided by operating activities	229,679	66,483	63,368	—	(31,600)	327,930
Cash flows from investing activities	**Cash flows from investing activities**						**Cash flows from investing activities**
Capital expenditures	Capital expenditures	(223,223)	(49,004)	(57,230)	—	—	(329,457)
Advances from affiliates		1,000	(4,500)	(21,700)	—	25,200 [1]	—
Advances from (to) affiliates							
Other	Other	(5,687)	760	1,253	—	9,046 [1], [2]	5,372
Net cash used in investing activities							
Net cash used in investing activities							
Net cash used in investing activities	Net cash used in investing activities	(227,910)	(52,744)	(77,677)	—	34,246	(324,085)
Cash flows from financing activities	**Cash flows from financing activities**						**Cash flows from financing activities**

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Common stock dividends	Common stock dividends	(125,900)	(16,400)	(15,200)	—	31,600 [2]	(125,900)
Preferred stock dividends of Hawaiian Electric and subsidiaries	Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,080)	(534)	(381)	—	—	(1,995)
Proceeds from issuance of common stock		13,101	6,023	3,023	—	(9,046) [2]	13,101
Proceeds from issuance of long-term debt		40,000	10,000	10,000	—	—	60,000
Proceeds from the issuance of common stock							
Proceeds from the issuance of long-term debt							
Repayment of long-term debt	Repayment of long-term debt	(40,000)	(12,000)	—	—	—	(52,000)
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	114,167	(1,000)	—	—	(25,200) [1]	87,967
Payments of obligations under finance leases							
Payments of obligations under finance leases							
Payments of obligations under finance leases	Payments of obligations under finance leases	(670)	—	—	—	—	(670)
Other	Other	(241)	(62)	(61)	—	—	(364)
Net cash provided by (used in) financing activities		(623)	(13,973)	(2,619)	—	(2,646)	(19,861)
Other							
Other							
Net cash used in financing activities							
Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	1,146	(234)	(16,928)	—	—	(16,016)
Cash, cash equivalents and restricted cash, January 1	Cash, cash equivalents and restricted cash, January 1	26,433	5,326	23,422	77	—	55,258

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Cash, cash equivalents and restricted cash, December 31	Cash, cash equivalents and restricted cash, December 31	27,579	5,092	6,494	77	—	39,242
Less: Restricted cash	Less: Restricted cash	—	—	—	—	—	—
Cash and cash equivalents, December 31	Cash and cash equivalents, December 31	$ 27,579	5,092	6,494	77	—	$ 39,242

Consolidating statement of cash flows

Year ended December 31, 2021

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated
Cash flows from operating activities						
Net income	$ 178,722	21,714	24,554	—	(45,353) [2]	$ 179,637
Adjustments to reconcile net income to net cash provided by operating activities						
Equity in earnings of subsidiaries	(45,353)	—	—	—	45,353 [2]	—
Common stock dividends received from subsidiaries	29,700	—	—	—	(29,700) [2]	—
Depreciation of property, plant and equipment	155,607	40,201	33,661	—	—	229,469
Other amortization	16,688	3,532	1,517	—	—	21,737
Deferred income taxes	(3,191)	(1,955)	1,317	—	—	(3,829)
State refundable credit	(7,120)	(1,672)	(1,790)	—	—	(10,582)
Bad debt expense	1,159	509	515	—	—	2,183
Allowance for equity funds used during construction	(7,734)	(586)	(1,214)	—	—	(9,534)
Bill credits	1,400	300	300	—	—	2,000
Other	366	(41)	1,025	—	—	1,350
Changes in assets and liabilities:						
Increase in accounts receivable	(41,727)	(6,832)	(3,071)	—	1,540 [1]	(50,090)
Increase in accrued unbilled revenues	(18,345)	(5,816)	(3,303)	—	—	(27,464)
Increase in fuel oil stock	(32,407)	(4,343)	(9,090)	—	—	(45,840)
Decrease (increase) in materials and supplies	(3,220)	169	(1,482)	—	—	(4,533)
Decrease (increase) in regulatory assets	(15,422)	24	1,524	—	—	(13,874)
Increase (decrease) in regulatory liabilities	16,269	(1,031)	120			15,358
Decrease in accounts payable	9,828	4,723	3,120	—	—	17,671
Change in prepaid and accrued income taxes, tax credits and revenue taxes	21,217	3,861	1,938	—	(86) [1]	26,930
Decrease in defined benefit pension and other postretirement benefit plans liability	(3,480)	(950)	(724)	—	—	(5,154)
Change in other assets and liabilities	(36,733)	(5,833)	(8,196)	—	(1,540) [1]	(52,302)
Net cash provided by operating activities	216,224	45,974	40,721	—	(29,786)	273,133
Cash flows from investing activities						
Capital expenditures	(194,984)	(50,516)	(46,500)	—	—	(292,000)
Advances from affiliates	25,700	—	—	—	(25,700) [1]	—
Other	(29,596)	1,072	1,073		33,486 [1],[2]	6,035
Net cash used in investing activities	(198,880)	(49,444)	(45,427)	—	7,786	(285,965)
Cash flows from financing activities						
Common stock dividends	(111,700)	(14,600)	(15,100)	—	29,700 [2]	(111,700)
Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,080)	(534)	(381)	—	—	(1,995)

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Proceeds from the issuance of common stock	54,400	8,803	24,597	—	(33,400) [2]		54,400
Proceeds from the issuance of long-term debt	60,000	30,000	25,000	—	—		115,000
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	—	(17,800)	(7,900)	—	25,700 [1]		—
Repayment of short-term debt	(50,000)	—	—	—	—		(50,000)
Other	(702)	(119)	(120)	—	—		(941)
Net cash provided by (used in) financing activities	(49,082)	5,750	26,096	—	22,000		4,764
Net increase (decrease) in cash, cash equivalents and restricted cash	(31,738)	2,280	21,390	—	—		(8,068)
Cash, cash equivalents and restricted cash, January 1	58,171	3,046	2,032	77	—		63,326
Cash, cash equivalents and restricted cash, December 31	26,433	5,326	23,422	77	—		55,258
Less: Restricted cash	(3,089)	—	—	—	—		(3,089)
Cash and cash equivalents, December 31	$ 23,344	5,326	23,422	77	—	$	52,169

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Consolidating statement of cash flows

Year ended December 31, 2020

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated
Cash flows from operating activities						
Net income	$170,420	28,027	20,392	—	(47,504) [2]	$ 171,335
Adjustments to reconcile net income to net cash provided by operating activities						
Equity in earnings of subsidiaries	(47,504)	—	—	—	47,504 [2]	—
Common stock dividends received from subsidiaries	30,704	—	—	—	(30,704) [2]	—
Depreciation of property, plant and equipment	151,387	39,041	32,305	—	—	222,733
Other amortization	24,511	5,090	4,145	—	—	33,746
Deferred income taxes	2,130	(463)	1,484	—	—	3,151
Deferred income tax expense (benefit)						
State refundable credit						
State refundable credit	(6,668)	(1,593)	(1,700)	—	—	(9,961)
Bad debt expense	1,042	620	453	—	—	2,115
Allowance for equity funds used during construction	(7,335)	(543)	(890)	—	—	(8,768)
Bill credits						
Accrued environmental reserve	6,556	—	—	—	—	6,556
Other						
Other	1,201	1,322	87	—	—	2,610

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Cash flows from operating activities						
Adjustments to reconcile net income to net cash provided by operating activities						

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Changes in assets and liabilities:	Changes in assets and liabilities:						
Increase in accounts receivable	Increase in accounts receivable	(8,093)	(3,349)	(1,343)	—	5,499 [1]	(7,286)
Decrease in accrued unbilled revenues		8,832	3,327	3,126	—	—	15,285
Decrease (increase) in fuel oil stock		30,226	430	3,043	—	—	33,699
Increase in materials and supplies		(3,910)	(1,583)	(1,149)	—	—	(6,642)
Increase in accounts receivable	Increase in accounts receivable						
Increase in accrued unbilled revenues							
Increase in fuel oil stock							
Decrease (increase) in materials and supplies							
Decrease (increase) in regulatory assets	Decrease (increase) in regulatory assets	8,526	(2,908)	(4,611)	—	—	1,007
Decrease in regulatory liabilities		(5,490)	(4,489)	(6,583)			(16,562)
Increase (decrease) in regulatory liabilities							
Decrease in accounts payable	Decrease in accounts payable	(26,093)	(1,819)	(5,217)	—	—	(33,129)
Change in prepaid and accrued income taxes, tax credits and revenue taxes	Change in prepaid and accrued income taxes, tax credits and revenue taxes	(25,757)	(5,483)	(5,998)	—	58 [1]	(37,180)
Decrease in defined benefit pension and other postretirement benefit plans liability	Decrease in defined benefit pension and other postretirement benefit plans liability	(3,092)	(643)	(571)	—	—	(4,306)
Change in other assets and liabilities	Change in other assets and liabilities	(21,124)	(8,864)	3,635	—	(5,499) [1]	(31,852)
Net cash provided by operating activities	Net cash provided by operating activities	280,469	46,120	40,608	—	(30,646)	336,551
Cash flows from investing activities	**Cash flows from investing activities**						
Capital expenditures	Capital expenditures	(229,127)	(64,346)	(57,391)	—	—	(350,864)
Advances to affiliates	Advances to affiliates	1,000	8,000	—	—	(9,000) [1]	—

Cash flows from investing activities

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Other	Other	(14,340)	1,032	960	(24)	18,442	[1] [2]	6,070
Net cash used in investing activities	Net cash used in investing activities	(242,467)	(55,314)	(56,431)	(24)	9,442		(344,794)
Net cash used in investing activities								
Net cash used in investing activities								
Cash flows from financing activities	**Cash flows from financing activities**							**Cash flows from financing activities**
Common stock dividends	Common stock dividends	(107,134)	(16,320)	(14,384)	—	30,704	[2]	(107,134)
Preferred stock dividends of Hawaiian Electric and subsidiaries	Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,080)	(534)	(381)	—	—		(1,995)
Proceeds from the issuance of common stock	Proceeds from the issuance of common stock	34,000	7,500	11,000	—	(18,500)	[2]	34,000
Proceeds from the issuance of long-term debt	Proceeds from the issuance of long-term debt	205,000	10,000	40,000	—	—		255,000
Repayment of long-term debt and funds transferred for repayment of long-term debt		(95,000)	(14,000)	—	—	—		(109,000)
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	(46,987)	18,800	(19,800)	—	9,000	[1]	(38,987)
Proceeds from issuance of short-term debt		100,000	—	—	—	—		100,000
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less								
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less								
Repayment of short-term debt								
Repayment of short-term debt								
Repayment of short-term debt	Repayment of short-term debt	(100,000)	—	—	—	—		(100,000)
Other	Other	(1,618)	(214)	(377)	—	—		(2,209)
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	(12,819)	5,232	16,058	—	21,204		29,675
Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	25,183	(3,962)	235	(24)	—		21,432

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Cash, cash equivalents and restricted cash, January 1	Cash, cash equivalents and restricted cash, January 1	32,988	7,008	1,797	101	—	41,894
Cash, cash equivalents and restricted cash, December 31	Cash, cash equivalents and restricted cash, December 31	58,171	3,046	2,032	77	—	63,326
Less: Restricted cash	Less: Restricted cash	(15,966)	—	—	—	—	(15,966)
Cash and cash equivalents, December 31	Cash and cash equivalents, December 31	$ 42,205	3,046	2,032	77	—	$ 47,360

Explanation of consolidating adjustments on consolidating schedules:

[1] Eliminations of intercompany receivables and payables and other intercompany transactions

[2] Elimination of investment in subsidiaries, carried at equity

Note 45 · Bank segment (HEI only)

Selected financial information

American Savings Bank, F.S.B.

Statements of Income and Comprehensive Income Data

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)				(in thousands)			
Interest and dividend income	**Interest and dividend income**				**Interest and dividend income**			
Interest and fees on loans	Interest and fees on loans	$ 207,830	$198,802	$214,134				
Interest and dividends on investment securities	Interest and dividends on investment securities	58,044	43,464	30,529				
Total interest and dividend income	Total interest and dividend income	265,874	242,266	244,663				
Interest expense	**Interest expense**							
Interest on deposit liabilities	Interest on deposit liabilities	7,327	4,981	10,654				
Interest on deposit liabilities	Interest on deposit liabilities							
Interest on other borrowings	Interest on other borrowings	5,974	59	460				
Total interest expense	Total interest expense	13,301	5,040	11,114				
Net interest income	**Net interest income**	**252,573**	**237,226**	**233,549**				
Provision for credit losses	Provision for credit losses	2,037	(25,825)	50,811				
Net interest income after provision for credit losses	**Net interest income after provision for credit losses**	**250,536**	**263,051**	**182,738**				
Noninterest income	**Noninterest income**							

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Fees from other financial services	Fees from other financial services	19,830	21,225	16,447
Fees from other financial services				
Fees from other financial services				
Fee income on deposit liabilities	Fee income on deposit liabilities	18,762	16,663	16,059
Fee income on other financial products	Fee income on other financial products	10,291	8,770	6,381
Bank-owned life insurance	Bank-owned life insurance	2,533	7,318	6,483
Mortgage banking income	Mortgage banking income	1,692	9,305	23,734
Gain on sale of real estate	Gain on sale of real estate	1,778	—	—
Gain on sale of investment securities, net		—	528	9,275
Gain (loss) on sale of investment securities, net				
Other income, net	Other income, net	2,086	851	(256)
Total noninterest income	Total noninterest income	56,972	64,660	78,123
Noninterest expense	**Noninterest expense**			
Compensation and employee benefits				
Compensation and employee benefits				
Compensation and employee benefits	Compensation and employee benefits	113,839	113,970	104,443
Occupancy	Occupancy	24,026	20,584	21,573
Data processing	Data processing	17,681	17,634	14,769
Services	Services	10,679	10,327	11,121
Equipment	Equipment	10,100	9,510	9,001
Office supplies, printing and postage	Office supplies, printing and postage	4,398	4,239	4,623
Marketing	Marketing	3,968	3,870	3,435
FDIC insurance	FDIC insurance	3,591	3,235	2,342
Other expense[1]		16,985	13,783	20,283
Other expense				
Total noninterest expense	Total noninterest expense	205,267	197,152	191,590
Income before income taxes	**Income before income taxes**	**102,241**	**130,559**	**69,271**
Income taxes	Income taxes	22,252	29,325	11,688
Net income	**Net income**	**79,989**	**101,234**	**57,583**

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Other comprehensive income (loss), net of taxes	Other comprehensive income (loss), net of taxes	(298,833)	(52,728)	23,608
Comprehensive income (loss)	**Comprehensive income (loss)**	**$ (218,844)**	**$ 48,506**	**$ 81,191**

[1] 2020, included approximately $5.1 million of certain direct and incremental COVID-19 related costs, including $2.5 million of compensation expense and $2.0 million of enhanced cleaning and sanitation costs.

Reconciliation to amounts per HEI Consolidated Statements of Income*:

Years ended December 31	**Years ended December 31**	**2022**	**2021**	**2020**	**Years ended December 31**	**2023**	**2022**	**2021**
(in thousands)	**(in thousands)**							
Interest and dividend income	Interest and dividend income	$265,874	$242,266	$244,663				
Interest and dividend income					Interest and dividend income			
Noninterest income	Noninterest income	56,972	64,660	78,123				
Less: Gain on sale of real estate	Less: Gain on sale of real estate	1,778	—	—				
Less: Gain on sale of investment securities, net		—	528	9,275				
Less: Loss on sale of investment securities, net								
***Revenues-Bank**	***Revenues-Bank**	**321,068**	**306,398**	**313,511**				
Total interest expense	Total interest expense	13,301	5,040	11,114				
Provision for credit losses	Provision for credit losses	2,037	(25,825)	50,811				
Noninterest expense	Noninterest expense	205,267	197,152	191,590				
Less: Retirement defined benefits expense (credit)—other than service costs	Less: Retirement defined benefits expense (credit)—other than service costs	(723)	(1,828)	1,813				
Add: Gain on sale of real estate	Add: Gain on sale of real estate	1,778	—	—				
***Expenses-Bank**	***Expenses-Bank**	**219,550**	**178,195**	**251,702**				
***Operating income-Bank**	***Operating income-Bank**	**101,518**	**128,203**	**61,809**				

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Add back: Retirement defined benefits expense (credit)—other than service costs	Add back: Retirement defined benefits expense (credit)—other than service costs	(723)	(1,828)	1,813
Add back: Gain on sale of investment securities, net		—	528	9,275
Add back: Loss on sale of investment securities, net				
Income before income taxes	**Income before income taxes**	**$102,241**	**$130,559**	**$ 69,271**

Balance Sheets Data

December 31	**December 31**	**2022**	**2021**	**December 31**	**2023**	**2022**
(in thousands)	**(in thousands)**			**(in thousands)**		
Assets	**Assets**			**Assets**		
Cash and due from banks	Cash and due from banks	$ 153,042	$ 100,051			
Interest-bearing deposits	Interest-bearing deposits	3,107	151,189			
Cash and cash equivalents	Cash and cash equivalents	156,149	251,240			
Investment securities	Investment securities					
Available-for-sale, at fair value	Available-for-sale, at fair value	1,429,667	2,574,618			
Held-to-maturity, at amortized cost (fair value of $1,150,971 and $510,474 at December 31, 2022 and 2021, respectively)		1,251,747	522,270			
				Available-for-sale, at fair value		
				Available-for-sale, at fair value		
				Held-to-maturity, at amortized cost (fair value of $1,103,668 and $1,150,971 at December 31, 2023 and 2022, respectively)		
Stock in Federal Home Loan Bank, at cost	Stock in Federal Home Loan Bank, at cost	26,560	10,000			
Loans held for investment	Loans held for investment	5,978,906	5,211,114			
Allowance for credit losses	Allowance for credit losses	(72,216)	(71,130)			
Net loans	Net loans	5,906,690	5,139,984			

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Loans held for sale, at lower of cost or fair value	Loans held for sale, at lower of cost or fair value	824	10,404
Other	Other	692,143	590,897
Goodwill	Goodwill	82,190	82,190
Total assets	**Total assets**	$9,545,970	$9,181,603
Liabilities and shareholder's equity	**Liabilities and shareholder's equity**		
Deposit liabilities–noninterest-bearing	Deposit liabilities–noninterest-bearing	$2,811,077	$2,976,632
Deposit liabilities–interest-bearing	Deposit liabilities–interest-bearing	5,358,619	5,195,580
Other borrowings	Other borrowings	695,120	88,305
Other	Other	212,269	193,268
Total liabilities	**Total liabilities**	9,077,085	8,453,785
Commitments and contingencies	**Commitments and contingencies**		
Common stock	Common stock	1	1
Additional paid in capital	Additional paid in capital	355,806	353,895
Retained earnings	Retained earnings	449,693	411,704
Accumulated other comprehensive loss, net of tax benefits	Accumulated other comprehensive loss, net of tax benefits		
Net unrealized losses on securities	Net unrealized losses on securities	$(328,904)	$(32,037)
Net unrealized losses on securities			
Net unrealized losses on securities			
Retirement benefit plans			
Retirement benefit plans			
Retirement benefit plans	Retirement benefit plans	(7,711)	(336,615) (5,745) (37,782)
Total shareholder's equity	**Total shareholder's equity**	468,885	727,818
Total liabilities and shareholder's equity	**Total liabilities and shareholder's equity**	$9,545,970	$9,181,603

December 31	**December 31**	**2022**	**2021**	**December 31**	**2023**	**2022**
(in thousands)	**(in thousands)**			**(in thousands)**		
Other assets	**Other assets**			**Other assets**		
Bank-owned life insurance	Bank-owned life insurance	$182,986	$177,566			

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Premises and equipment, net	Premises and equipment, net	195,324	202,299
Accrued interest receivable	Accrued interest receivable	25,077	20,854
Mortgage servicing rights	Mortgage servicing rights	9,047	9,950
Low-income housing investments	Low-income housing investments	106,978	110,989
Deferred tax asset	Deferred tax asset	116,441	7,699
Real estate acquired in settlement of loans, net		115	—
Deferred tax asset	Deferred tax asset		
Other	Other		
Other	Other	56,175	61,540
		$692,143	$590,897

Other liabilities	**Other liabilities**			**Other liabilities**
Accrued expenses	Accrued expenses	$ 97,295	$ 87,905	
Federal income taxes payable	Federal income taxes payable	863	—	
Cashier's checks	Cashier's checks	36,401	33,675	
Advance payments by borrowers	Advance payments by borrowers	9,637	9,994	
Other	Other	68,073	61,694	
		$212,269	$193,268	

Bank-owned life insurance is life insurance purchased by ASB on the lives of certain key employees, with ASB as the beneficiary. The insurance is used to fund employee benefits through tax-free income from increases in the cash value of the policies and insurance proceeds paid to ASB upon an insured's death.

Investment securities. The major components of investment securities were as follows:

							Gross unrealized losses											
							Less than 12 months			12 months or longer								Less than 12 mo
(dollars in thousands)	(dollars in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Number of issues	Estimated fair value	Fair value	Amount	Number of issues	Fair value	Amount	(dollars in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Number of issues	Estimated fair value	Fair value	Amc
December 31, 2023																		
Available-for-sale																		

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Available-for-sale													
Available-for-sale													
U.S. Treasury and federal agency obligations													
Mortgage-backed securities*													
Corporate bonds													
Mortgage revenue bonds													
	$												
Held-to-maturity													
U.S. Treasury and federal agency obligations													
U.S. Treasury and federal agency obligations													
U.S. Treasury and federal agency obligations													
Mortgage-backed securities*													
	$												

December 31, 2022	**December 31, 2022**												
Available-for-sale	**Available-for-sale**												
Available-for-sale	**Available-for-sale**												
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	$ 88,344	$ —	$ (7,281)	$ 81,063	12	$ 41,201	$ (2,120)	4	$ 39,862	$ (5,161)		
Mortgage-backed securities*	Mortgage-backed securities*	1,530,582	—	(237,614)	1,292,968	113	455,836	(56,999)	70	837,132	(180,615)		
Corporate bonds	Corporate bonds	44,377	—	(3,643)	40,734	4	29,644	(2,028)	1	11,090	(1,615)		
Mortgage revenue bonds	Mortgage revenue bonds	14,902	—	—	14,902	—	—	—	—	—	—		
		$1,678,205	$ —	$(248,538)	$1,429,667	129	$ 526,681	$(61,147)	75	$888,084	$(187,391)		
Held-to-maturity	**Held-to-maturity**												
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	$ 59,894	$ —	$ (8,478)	$ 51,416	1	$ 16,874	$ (3,222)	2	$ 34,542	$ (5,256)		
Mortgage-backed securities*		1,191,853	2,670	(94,968)	1,099,555	22	183,629	(10,593)	51	567,250	(84,375)		
		$1,251,747	$ 2,670	$(103,446)	$1,150,971	23	$ 200,503	$(13,815)	53	$601,792	$ (89,631)		
December 31, 2021													

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Available-for-sale												
U.S. Treasury and federal agency obligations												
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	$ 89,714	$ 803	$ (427)	$ 90,090	4	$ 44,827	$ (427)	—	$ —	$ —
Mortgage-backed securities*	Mortgage-backed securities*	2,482,618	6,511	(51,206)	2,437,923	120	1,845,243	(38,321)	18	271,012	(12,885)
Corporate bonds		30,625	655	(102)	31,178	1	12,780	(102)	—	—	—
Mortgage revenue bonds		15,427	—	—	15,427	—	—	—	—	—	—
		$2,618,384	$ 7,969	$ (51,735)	$2,574,618	125	$1,902,850	$(38,850)	18	$271,012	$ (12,885)
Held-to-maturity												
U.S. Treasury and federal agency obligations		$ 59,871	$ 168	$ (170)	$ 59,869	2	$ 39,594	$ (170)	—	$ —	$ —
Mortgage-backed securities*		462,399	1,480	(13,274)	450,605	22	290,883	(7,665)	7	106,483	(5,609)
		$ 522,270	$ 1,648	$ (13,444)	$ 510,474	24	$ 330,477	$ (7,835)	7	$106,483	$ (5,609)
$												

* Issued or guaranteed by U.S. Government agencies or sponsored agencies

ASB does not believe that the investment securities that were in an unrealized loss position as of December 31, 2022 December 31, 2023, represent a credit loss. Total gross unrealized losses were primarily attributable to change in market conditions. On a quarterly basis the investment securities are evaluated for changes in financial condition of the issuer. Based upon ASB's evaluation, all securities held within the investment portfolio continue to be rated investment grade by one or more agencies. The contractual cash flows of the U.S. Treasury, federal agency obligations and agency mortgage-backed securities are backed by the full faith and credit guaranty of the United States government or an agency of the government. ASB does not intend to sell the securities before the recovery of its amortized cost basis and there have been no adverse changes in the timing of the contractual cash flows for the securities. ASB's investment securities portfolio did not require an allowance for credit losses as of December 31, 2022 December 31, 2023.

U.S. Treasury, federal agency obligations, corporate bonds, and mortgage revenue bonds have contractual terms to maturity. Mortgage-backed securities have contractual terms to maturity, but require periodic payments to reduce principal. In addition, expected maturities will differ from contractual maturities because borrowers have the right to prepay the underlying mortgages.

The contractual maturities of investment securities were as follows:

		Amortized	**Fair**		**Amortized**	**Fair**
December 31, 2022		**Cost**	**value**			
December 31, 2023				**December 31, 2023**	**Cost**	**value**
(in thousands)	**(in thousands)**					
Available-for-sale	**Available-for-sale**					
Available-for-sale				**Available-for-sale**		
Due in one year or less				Due in one year or less		
Due in one year or less	Due in one year or less	$ 1,193	$ 1,171			
Due after one year through five years	Due after one year through five years	106,628	98,871			

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Due after five years through ten years	Due after five years through ten years	39,802	36,657
Due after ten years	Due after ten years	—	—
		147,623	136,699
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	1,530,582	1,292,968
Total available-for-sale securities	Total available-for-sale securities	$1,678,205	$1,429,667
Held-to-maturity	**Held-to-maturity**		
Due in one year or less	Due in one year or less	$ —	$ —
Due in one year or less	Due in one year or less		
Due after one year through five years	Due after one year through five years	—	—
Due after five years through ten years	Due after five years through ten years	59,894	51,416
Due after ten years	Due after ten years	—	—
		59,894	51,416
	59,917		
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	1,191,853	1,099,555
Total held-to-maturity securities	Total held-to-maturity securities	$1,251,747	$1,150,971

The proceeds, gross gains and losses from sales of available-for-sale securities were as follows:

Years ended December 31	**Years ended December 31**	**2022**	**2021**	**2020**	**Years ended December 31**	**2023**	**2022**	**2021**
(in thousands)	**(in thousands)**							
Proceeds	Proceeds	$ —	$197,354	$169,157				
Proceeds	Proceeds							
Gross gains	Gross gains	—	975	9,275				

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Gross losses	Gross losses	—	(447)	—
Tax expense on realized gains		—	142	2,486
Tax expense (benefit) on realized gains (losses)				

Interest income from taxable and non-taxable investment securities were as follows:

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)							
Taxable	Taxable	$56,731	$42,534	$29,760				
Taxable	Taxable							
Non-taxable	Non-taxable	1,313	930	769				
		$58,044	$43,464	$30,529				
	$							

ASB pledged securities with a market value of approximately $929 million $1.7 billion and $416 million $0.9 billion as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, as collateral for public funds and other deposits, mortgage pipeline hedge margin, automated clearinghouse transactions, the Federal Reserve Bank of San Francisco discount window and bankruptcy account, and the Federal Home Loan Bank of Des Moines advance line. In addition, ASB pledged securities with a market value of $327 million nil and $161 million $327 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, as collateral for securities sold under agreements to repurchase.

Transfer of available-for-sale securities to held-to-maturity. In October 2022, ASB transferred 66 available-for-sale investment securities with a fair value of $755 million to the held-to-maturity category. On the date of transfer, these securities had a total unrealized loss of $206 million. There was no impact to net income as a result million, which will be amortized from accumulated other comprehensive loss over the remaining life of the transfer. securities to Interest and dividends on investment securities in the statements of income and comprehensive income data. The unamortized amount was $133 million at December 31, 2023.

These transfers were executed to mitigate the potential future impact to capital through accumulated other comprehensive loss and the impact of rising rates on the market value of the investment securities. ASB believes that it maintains sufficient liquidity for future business needs and it has the positive intent and ability to hold these securities to maturity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Stock in FHLB. As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB's stock in FHLB was carried at cost ($26.6 14.7 million and $10.0 million $26.6 million, respectively) because it can only be redeemed at par and it is a required investment based on measurements of ASB's capital, assets and borrowing levels.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Quarterly and as conditions warrant, ASB reviews its investment in the stock of the FHLB for impairment. ASB evaluated its investment in FHLB stock for credit losses as of December 31, 2022 December 31, 2023, consistent with its accounting policy. ASB did not recognize any credit losses for 2023, 2022 2021 and 2020 2021 based on its evaluation of the underlying investment.

Future deterioration in the FHLB's financial position and/or negative developments in any of the factors considered in ASB's impairment evaluation may result in future impairment losses.

Loans. The components of loans were summarized as follows:

December 31	December 31	2022	2021	December 31	2023	2022
(in thousands)	(in thousands)			(in thousands)		
Real estate:	Real estate:			Real estate:		
Residential 1-4 family	Residential 1-4 family	$2,479,637	$2,299,212			

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Commercial real estate	Commercial real estate	1,358,123	1,056,982
Home equity line of credit	Home equity line of credit	1,002,905	835,663
Residential land	Residential land	20,679	19,859
Commercial construction	Commercial construction	88,489	91,080
Residential construction	Residential construction	20,788	11,138
Total real estate	Total real estate	4,970,621	4,313,934
Commercial	Commercial	779,691	793,304
Consumer	Consumer	254,709	113,966
Total loans	Total loans	6,005,021	5,221,204
Less: Deferred fees and discounts	Less: Deferred fees and discounts	(26,115)	(10,090)
Allowance for credit losses	Allowance for credit losses	(72,216)	(71,130)
Total loans, net	Total loans, net	$5,906,690	$5,139,984

ASB's policy is to require private mortgage insurance on all real estate loans when the loan-to-value ratio of the property exceeds 80% of the lower of the appraised value or purchase price at origination. For non-owner occupied residential property purchases, the loan-to-value ratio may not exceed 75% of the lower of the appraised value or purchase price at origination.

ASB services real estate loans for investors (principal balance of $1.5 billion, $1.5 billion and $1.5 billion as of December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively), which are not included in the accompanying balance sheets data. ASB reports fees earned for servicing such loans as income when the related mortgage loan payments are collected and charges loan servicing cost to expense as incurred.

As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB had pledged loans with an amortized cost of approximately $3.0 billion $3.2 billion and $2.8 billion $3.0 billion, respectively, as collateral to secure advances from the FHLB.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the aggregate amount of loans to directors and executive officers of ASB and its affiliates and any related interests (as defined in Federal Reserve Board (FRB) Regulation O) of such individuals, was $10.7 million $23.5 million and $13.1 million $10.7 million, respectively. As of December 31, 2022 December 31, 2023 and 2021, 2022, there was a loan were loans to a related interest of a director of ASB for $10.0 million. totaling $21.6 million and $10.0 million, respectively. The loan was loans were made at ASB's normal credit terms.

Allowance for credit losses. As discussed in Note 1, ASB must maintain an allowance for credit losses that is adequate to absorb estimated expected credit losses associated with its loan portfolio.

The allowance for credit losses (balances and changes) and financing receivables by portfolio segment were as follows:

(in thousands)	(in thousands)	Residential 1-4 family	Commercial real estate	Home equity line of credit	Residential land	Commercial construction	Residential construction	Commercial	Consumer	Total
December 31, 2022										
(in thousands)										
(in thousands)		**Residential 1-4 family**	**Commercial real estate**	**Home equity line of credit**	**Resi la**					
December 31, 2023										
Allowance for credit losses:	**Allowance for credit losses:**									
Beginning balance	Beginning balance	$ 6,545	$ 24,696	$ 5,657	$ 646	$ 2,186	$ 18	$ 15,798	$ 15,584	$ 71,130
Allowance for credit losses:										
December 31, 2023										

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Charge-offs	Charge-offs	(13)	—	—	—	—	—	(563)	(6,254)	(6,830)
Recoveries	Recoveries	79	—	71	104	—	—	1,288	3,837	5,379
Net (charge-offs) recoveries	Net (charge-offs) recoveries	66	—	71	104	—	—	725	(2,417)	(1,451)
Provision	Provision	(341)	(2,798)	397	(33)	(991)	28	(4,097)	10,372	2,537
Ending balance	Ending balance	$ 6,270	$ 21,898	$ 6,125	$ 717	$ 1,195	$ 46	$ 12,426	$ 23,539	$ 72,216
Average loans outstanding	Average loans outstanding	$2,331,473	$1,204,756	$ 918,563	$21,442	$ 90,021	$ 18,317	$710,658	$161,722	$5,456,952
Net charge-offs (recoveries) to average loans	Net charge-offs (recoveries) to average loans	— %	— %	(0.01 %)	(0.49 %)	— %	— %	(0.10 %)	1.49 %	0.03 %

Net charge-offs (recoveries) to average loans	0.04 %	— %	0.02 %	(0.02 %)							

December 31, 2021

December 31, 2022

December 31, 2022

December 31, 2022

Allowance for credit losses:	**Allowance for credit losses:**									
Beginning balance	Beginning balance	$ 4,600	$ 35,607	$ 6,813	$ 609	$ 4,149	$ 11	$ 25,462	$ 23,950	$ 101,201
Charge-offs	Charge-offs	(67)	—	(45)	—	—	—	(1,561)	(8,027)	(9,700)
Recoveries	Recoveries	92	—	113	61	—	—	1,468	4,320	6,054
Net (charge-offs) recoveries	Net (charge-offs) recoveries	25	—	68	61	—	—	(93)	(3,707)	(3,646)
Provision	Provision	1,920	(10,911)	(1,224)	(24)	(1,963)	7	(9,571)	(4,659)	(26,425)
Ending balance	Ending balance	$ 6,545	$ 24,696	$ 5,657	$ 646	$ 2,186	$ 18	$ 15,798	$ 15,584	$ 71,130
Average loans outstanding	Average loans outstanding	$2,155,322	$1,046,276	$ 885,759	$18,227	$111,711	$ 11,361	$856,226	$135,609	$5,220,491
Net charge-offs (recoveries) to average loans	Net charge-offs (recoveries) to average loans	— %	— %	(0.01 %)	(0.33 %)	— %	— %	0.01 %	2.73 %	0.07 %

Net charge-offs (recoveries) to average loans	— %	— %	(0.01 %)	(0.49 %)							

December 31, 2020

December 31, 2021

Allowance for credit losses:	**Allowance for credit losses:**									
Beginning balance, prior to adoption of ASU No. 2016-13		$ 2,380	$ 15,053	$ 6,922	$ 449	$ 2,097	$ 3	$ 10,245	$ 16,206	$ 53,355
Impact of adopting ASU No. 2016-13		2,150	208	(541)	(64)	289	14	922	16,463	19,441

Allowance for credit losses:

Allowance for credit losses:

Beginning balance

Beginning balance

Beginning balance

Charge-offs	Charge-offs	(7)	—	(77)	(351)	—	—	(5,819)	(19,900)	(26,154)

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Recoveries	Recoveries	394	—	63	38	—	—	872	3,381	4,748
Net (charge-offs) recoveries	Net (charge-offs) recoveries	387	—	(14)	(313)	—	—	(4,947)	(16,519)	(21,406)
Provision	Provision	(317)	20,346	446	537	1,763	(6)	19,242	7,800	49,811
Ending balance	Ending balance	$ 4,600	$ 35,607	$ 6,813	$ 609	$ 4,149	$ 11	$ 25,462	$ 23,950	$ 101,201
Average loans outstanding	Average loans outstanding	$2,148,848	$ 861,096	$1,060,444	$13,799	$ 93,740	$ 10,703	$935,663	$215,994	$5,340,287
Net charge-offs (recoveries) to average loans	Net charge-offs (recoveries) to average loans	(0.02)%	— %	— %	2.27 %	— %	— %	0.53 %	7.65 %	0.40 %

Net charge-offs (recoveries) to average loans	— %	— %	(0.01 %)	(0.33 %)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Allowance for loan commitments. The allowance for loan commitments by portfolio segment were as follows:

(in thousands)	(in thousands)	Home equity line of credit	Commercial construction	Commercial loans	Total	(in thousands)	Home equity line of credit	Commercial construction	Commercial loans	Total
Year ended December 31, 2023										
Allowance for loan commitments:										
Allowance for loan commitments:										
Allowance for loan commitments:										
Beginning balance										
Beginning balance										
Beginning balance										
Provision										
Ending balance										
Year ended December 31, 2022										
Year ended December 31, 2022										
Year ended December 31, 2022	**Year ended December 31, 2022**									
Allowance for loan commitments:	**Allowance for loan commitments:**									
Allowance for loan commitments:										
Allowance for loan commitments:										
Beginning balance										
Beginning balance										

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Beginning balance	Beginning balance	$ 400	$ 3,700	$ 800	$4,900
Provision	Provision	—	(1,100)	600	(500)
Ending balance	Ending balance	$ 400	$ 2,600	$ 1,400	$4,400
Year ended December 31, 2021	**Year ended December 31, 2021**				
Year ended December 31, 2021					
Year ended December 31, 2021					
Allowance for loan commitments:	**Allowance for loan commitments:**				
Allowance for loan commitments:					
Allowance for loan commitments:					
Beginning balance					
Beginning balance					
Beginning balance	Beginning balance	$ 300	$ 3,000	$ 1,000	$4,300
Provision	Provision	100	700	(200)	600
Ending balance	Ending balance	$ 400	$ 3,700	$ 800	$4,900
Year ended December 31, 2020					
Allowance for loan commitments:					
Beginning balance, prior to adoption of ASU No. 2016-13		$ 392	$ 931	$ 418	$1,741
Impact of adopting ASU No. 2016-13		(92)	1,745	(94)	1,559
Provision		—	324	676	1,000
Ending balance		$ 300	$ 3,000	$ 1,000	$4,300

Credit quality. ASB performs an internal loan review and grading on an ongoing basis. The review provides management with periodic information as to the quality of the loan portfolio and effectiveness of its lending policies and procedures. The objectives of the loan review and grading procedures are to identify, in a timely manner, existing or emerging credit trends so that appropriate steps can be initiated to manage risk and avoid or minimize future losses. Loans subject to grading include commercial, commercial real estate and commercial construction loans.

Each commercial and commercial real estate loan is assigned an Asset Quality Rating (AQR) reflecting the likelihood of repayment or orderly liquidation of that loan transaction pursuant to regulatory credit classifications: Pass, Special Mention, Substandard, Doubtful, and Loss. The AQR is a function of the probability of default model rating, the loss given default, and possible non-model factors which impact the ultimate collectability of the loan such as character of the business owner/guarantor, interim period performance, litigation, tax liens and major changes in business and economic conditions. Pass exposures generally are well protected by the current net worth and paying capacity of the obligor or by the value of the asset or underlying collateral. Special Mention loans have potential weaknesses that, if left uncorrected, could jeopardize the liquidation of the debt. Substandard loans have well-defined weaknesses that jeopardize the liquidation of the debt and are characterized by the distinct possibility that ASB may sustain some loss. An asset classified Doubtful has the weaknesses of those classified Substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. An asset classified Loss is considered uncollectible and has such little value that its continuance as a bankable asset is not warranted.

The credit risk profile by vintage date based on payment activity or internally assigned grade for loans was as follows:

	Term loans by origination year	Revolving loans

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(in thousands)	(in thousands)	Term loans by origination year							
		2022	2021	2020	2019	2018	Prior	Revolving loans	Converted to term loans
December 31, 2022									
(in thousands)									
(in thousands)									
December 31, 2023									
Residential 1-4 family	Residential 1-4 family								
Residential 1-4 family	Residential 1-4 family								
Current	Current								
Current	Current	$ 432,707	$ 755,056	$ 423,455	$ 113,096	$ 51,860	$ 698,354	$ —	$ —
30-59 days past due	30-59 days past due	—	—	—	—	448	1,098	—	—
60-89 days past due	60-89 days past due	—	—	268	—	—	90	—	—
Greater than 89 days past due	Greater than 89 days past due	—	—	—	—	809	2,396	—	—
		432,707	755,056	423,723	113,096	53,117	701,938	—	—
	263,605								
Current YTD period									
Gross charge-offs									
Gross charge-offs									
Gross charge-offs									
Home equity line of credit	Home equity line of credit								
Current									
Current									
Current	Current	—	—	—	—	—	—	959,131	40,814
30-59 days past due	30-59 days past due	—	—	—	—	—	—	1,103	209
60-89 days past due	60-89 days past due	—	—	—	—	—	—	209	226
Greater than 89 days past due	Greater than 89 days past due	—	—	—	—	—	—	587	626
		—	—	—	—	—	—	961,030	41,875
Residential land									
Current		5,245	9,010	5,222	203	522	477	—	—
30-59 days past due		—	—	—	—	—	—	—	—
60-89 days past due		—	—	—	—	—	—	—	—
Greater than 89 days past due		—	—	—	—	—	—	—	—
		5,245	9,010	5,222	203	522	477	—	—
Residential construction									
Current		7,986	11,624	1,178	—	—	—	—	—

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30-59 days past due	—	—	—	—	—	—	—	—
60-89 days past due	—	—	—	—	—	—	—	—
Greater than 89 days past due	—	—	—	—	—	—	—	—
	7,986	11,624	1,178	—	—	—	—	—
Consumer								
Current	199,574	21,330	5,543	7,580	527	140	10,810	4,782
30-59 days past due	1,110	287	65	239	30	—	81	167
60-89 days past due	756	163	88	137	19	—	45	107
Greater than 89 days past due	621	105	37	176	28	—	20	142
	202,061	21,885	5,733	8,132	604	140	10,956	5,198
Commercial real estate								
Pass	390,206	177,130	283,321	51,542	63,084	278,280	8,235	—
Special Mention	—	11,250	3,446	40,423	—	24,466	—	—
Substandard	—	—	665	11,357	—	14,718	—	—
Doubtful	—	—	—	—	—	—	—	—
	390,206	188,380	287,432	103,322	63,084	317,464	8,235	—
Commercial construction								
Pass	15,094	47,478	44	—	—	—	25,873	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
	15,094	47,478	44	—	—	—	25,873	—
Commercial								
Pass	239,852	185,013	85,220	68,161	46,142	53,192	60,871	13,964
Special Mention	—	—	—	2,374	—	645	9,005	8
Substandard	3,322	2,305	401	1,304	1,346	3,849	1,664	1,053
Doubtful	—	—	—	—	—	—	—	—
	243,174	187,318	85,621	71,839	47,488	57,686	71,540	15,025
Total loans	$ 1,296,473	$ 1,220,751	$ 808,953	$ 296,592	$ 164,815	$ 1,077,705	$ 1,077,634	$ 62,098

—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

		Term loans by origination year						Revolving loans		
		Term loans by origination year								
(in thousands)	(in thousands)	2021	2020	2019	2018	2017	Prior	Revolving loans	Converted to term loans	Total
December 31, 2021										
Residential 1-4 family										
(in thousands)										

(in thousands)	2023	2022	2021	2020	2019	Prior	Revolving loans	Converted to term loans	Total
Current YTD period									
Gross charge-offs									
Gross charge-offs									
Gross charge-offs									

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Residential land											
Current											
Current											
Current	Current	$ 791,758	$461,683	$133,345	$ 64,421	$124,994	$ 712,452	$ —	$ —	$2,288,653	
30-59 days past due	30-59 days past due	—	—	—	809	—	2,210	—	—	3,019	
60-89 days past due	60-89 days past due	—	—	—	—	—	1,468	—	—	1,468	
Greater than 89 days past due	Greater than 89 days past due	—	—	2,987	—	—	3,085	—	—	6,072	
		791,758	461,683	136,332	65,230	124,994	719,215	—	—	2,299,212	
Home equity line of credit											
	3,788										
Current YTD period											
Gross charge-offs											
Gross charge-offs											
Gross charge-offs											
Residential construction											
Current											
Current											
Current	Current	—	—	—	—	—	—	794,518	39,116	833,634	
30-59 days past due	30-59 days past due	—	—	—	—	—	—	296	313	609	
60-89 days past due	60-89 days past due	—	—	—	—	—	—	16	70	86	
Greater than 89 days past due	Greater than 89 days past due	—	—	—	—	—	—	838	496	1,334	
		—	—	—	—	—	—	795,668	39,995	835,663	
Residential land											
	5,369										
Current YTD period											
Gross charge-offs											
Gross charge-offs											
Gross charge-offs											
Consumer											
Current											
Current											
Current	Current	10,572	6,794	1,116	532	267	181	—	—	19,462	
30-59 days past due	30-59 days past due	—	—	—	—	—	—	—	—	—	
60-89 days past due	60-89 days past due	—	—	—	—	—	—	—	—	—	
Greater than 89 days past due	Greater than 89 days past due	—	—	—	—	—	397	—	—	397	
		10,572	6,794	1,116	532	267	578	—	—	19,859	
Residential construction											

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Current		7,856	3,019	—	—	263	—	—	—	11,138
30-59 days past due		—	—	—	—	—	—	—	—	—
60-89 days past due		—	—	—	—	—	—	—	—	—
Greater than 89 days past due		—	—	—	—	—	—	—	—	—
		7,856	3,019	—	—	263	—	—	—	11,138
Consumer										
Current		37,563	15,488	29,383	10,897	302	238	12,740	4,157	110,768
30-59 days past due		202	181	517	234	15	—	156	70	1,375
60-89 days past due		59	127	392	183	8	—	7	106	882
Greater than 89 days past due		14	93	387	192	27	—	141	87	941
		37,838	15,889	30,679	11,506	352	238	13,044	4,420	113,966
	89,230									
Current YTD period										
Gross charge-offs										
Gross charge-offs										
Gross charge-offs										
Commercial real estate	Commercial real estate									
Pass										
Pass										
Pass	Pass	173,794	275,242	49,317	56,490	33,581	259,583	11,602	—	859,609
Special Mention	Special Mention	19,600	3,529	42,935	30,870	20,788	32,824	—	—	150,546
Substandard	Substandard	—	684	13,936	1,859	1,805	28,543	—	—	46,827
Doubtful	Doubtful	—	—	—	—	—	—	—	—	—
		193,394	279,455	106,188	89,219	56,174	320,950	11,602	—	1,056,982
	104,368									
Current YTD period										
Gross charge-offs										
Gross charge-offs										
Gross charge-offs										
Commercial construction	Commercial construction									
Pass										
Pass										
Pass	Pass	17,140	43,261	—	11,342	—	—	19,337	—	91,080
Special Mention	Special Mention	—	—	—	—	—	—	—	—	—
Substandard	Substandard	—	—	—	—	—	—	—	—	—
Doubtful	Doubtful	—	—	—	—	—	—	—	—	—
		17,140	43,261	—	11,342	—	—	19,337	—	91,080
	45,863									
Current YTD period										
Gross charge-offs										
Gross charge-offs										
Gross charge-offs										
Commercial	Commercial									

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Pass										
Pass										
Pass	Pass	266,087	96,963	79,329	56,497	31,019	66,570	96,673	15,510	708,648
Special Mention	Special Mention	40	27,336	10,071	202	439	8,966	15,303	18	62,375
Substandard	Substandard	427	184	3,737	1,777	4,457	2,961	7,083	1,655	22,281
Doubtful	Doubtful	—	—	—	—	—	—	—	—	—
		266,554	124,483	93,137	58,476	35,915	78,497	119,059	17,183	793,304
	126,527									
Current YTD period										
Gross charge-offs										
Gross charge-offs										
Gross charge-offs										
Total loans	Total loans	$1,325,112	$934,584	$367,452	$236,305	$217,965	$1,119,478	$958,710	$ 61,598	$5,221,204

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Term loans by origination year						Revolving loans		
(in thousands)	2022	2021	2020	2019	2018	Prior	Revolving loans	Converted to term loans	Total
December 31, 2022									
Residential 1-4 family									
Current	$ 432,707	$ 755,056	$ 423,455	$ 113,096	$ 51,860	$ 698,354	$ —	$ —	$ 2,474,528
30-59 days past due	—	—	—	—	448	1,098	—	—	1,546
60-89 days past due	—	—	268	—	—	90	—	—	358
Greater than 89 days past due	—	—	—	—	809	2,396	—	—	3,205
	432,707	755,056	423,723	113,096	53,117	701,938	—	—	2,479,637
Home equity line of credit									
Current	—	—	—	—	—	—	959,131	40,814	999,945
30-59 days past due	—	—	—	—	—	—	1,103	209	1,312
60-89 days past due	—	—	—	—	—	—	209	226	435
Greater than 89 days past due	—	—	—	—	—	—	587	626	1,213
	—	—	—	—	—	—	961,030	41,875	1,002,905
Residential land									
Current	5,245	9,010	5,222	203	522	477	—	—	20,679
30-59 days past due	—	—	—	—	—	—	—	—	—
60-89 days past due	—	—	—	—	—	—	—	—	—
Greater than 89 days past due	—	—	—	—	—	—	—	—	—
	5,245	9,010	5,222	203	522	477	—	—	20,679
Residential construction									
Current	7,986	11,624	1,178	—	—	—	—	—	20,788
30-59 days past due	—	—	—	—	—	—	—	—	—
60-89 days past due	—	—	—	—	—	—	—	—	—
Greater than 89 days past due	—	—	—	—	—	—	—	—	—
	7,986	11,624	1,178	—	—	—	—	—	20,788
Consumer									
Current	199,574	21,330	5,543	7,580	527	140	10,810	4,782	250,286
30-59 days past due	1,110	287	65	239	30	—	81	167	1,979
60-89 days past due	756	163	88	137	19	—	45	107	1,315

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Greater than 89 days past due	621	105	37	176	28	—	20	142	1,129
	202,061	21,885	5,733	8,132	604	140	10,956	5,198	254,709
Commercial real estate									
Pass	390,206	177,130	283,321	51,542	63,084	278,280	8,235	—	1,251,798
Special Mention	—	11,250	3,446	40,423	—	24,466	—	—	79,585
Substandard	—	—	665	11,357	—	14,718	—	—	26,740
Doubtful	—	—	—	—	—	—	—	—	—
	390,206	188,380	287,432	103,322	63,084	317,464	8,235	—	1,358,123
Commercial construction									
Pass	15,094	47,478	44	—	—	—	25,873	—	88,489
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
	15,094	47,478	44	—	—	—	25,873	—	88,489
Commercial									
Pass	239,852	185,013	85,220	68,161	46,142	53,192	60,871	13,964	752,415
Special Mention	—	—	—	2,374	—	645	9,005	8	12,032
Substandard	3,322	2,305	401	1,304	1,346	3,849	1,664	1,053	15,244
Doubtful	—	—	—	—	—	—	—	—	—
	243,174	187,318	85,621	71,839	47,488	57,686	71,540	15,025	779,691
Total loans	$ 1,296,473	$ 1,220,751	$ 808,953	$ 296,592	$ 164,815	$ 1,077,705	$ 1,077,634	$ 62,098	$ 6,005,021

Revolving loans converted to term loans during 2022 2023 in the commercial, home equity line of credit and consumer portfolios were $1.9 $2.8 million, $15.6 $26.4 million and $3.5 $1.1 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The credit risk profile based on payment activity for loans was as follows:

(in thousands)	(in thousands)	30-59 days past due	60-89 days past due	Greater than 90 days	Total past due	Current	Total financing receivables	Recorded investment> 90 days and accruing	(in thousands)	30-59 days past due	60-89 days past due	Greater than 90 days	Total past due	Current	Total financing receivables	Recorded investment> 90 days and accruing
December 31, 2023									**December 31, 2023**							
Real estate:									Real estate:							
Residential 1-4 family																
Commercial real estate																
Home equity line of credit																
Residential land																
Commercial construction																
Residential construction																
Commercial																
Consumer																
Total loans																

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December 31, 2022	December 31, 2022								December 31, 2022
Real estate:	Real estate:								Real estate:
Residential 1-4 family	Residential 1-4 family	$1,546	$ 358	$3,205	$ 5,109	$2,474,528	$2,479,637	$ —	
Commercial real estate	Commercial real estate	508	217	—	725	1,357,398	1,358,123	—	
Home equity line of credit	Home equity line of credit	1,312	435	1,213	2,960	999,945	1,002,905	—	
Residential land	Residential land	—	—	—	—	20,679	20,679	—	
Commercial construction	Commercial construction	—	—	—	—	88,489	88,489	—	
Residential construction	Residential construction	—	—	—	—	20,788	20,788	—	
Commercial	Commercial	614	18	77	709	778,982	779,691	—	
Consumer	Consumer	1,979	1,315	1,129	4,423	250,286	254,709	—	
Total loans	Total loans	$5,959	$2,343	$5,624	$13,926	$5,991,095	$6,005,021	$ —	

December 31, 2021							
Real estate:							
Residential 1-4 family	$3,019	$1,468	$6,072	$10,559	$2,288,653	$2,299,212	$ —
Commercial real estate	—	—	—	—	1,056,982	1,056,982	—
Home equity line of credit	609	86	1,334	2,029	833,634	835,663	—
Residential land	—	—	397	397	19,462	19,859	—
Commercial construction	—	—	—	—	91,080	91,080	—
Residential construction	—	—	—	—	11,138	11,138	—
Commercial	700	313	48	1,061	792,243	793,304	—
Consumer	1,375	882	941	3,198	110,768	113,966	—
Total loans	$5,703	$2,749	$8,792	$17,244	$5,203,960	$5,221,204	$ —

The credit risk profile based on nonaccrual loans were as follows:

		December 31, 2022			December 31, 2021							
December 31, 2023									December 31, 2023			December 31, 2022		
(in thousands)	(in thousands)	With a related ACL	Without a related ACL	Total	With a related ACL	Without a related ACL	Total	(in thousands)	With a related ACL	Without a related ACL	Total	With a related ACL	Without a related ACL	Total
Real estate:	Real estate:													
Residential 1-4 family	Residential 1-4 family													
Residential 1-4 family	Residential 1-4 family	$ 4,198	$2,981	$ 7,179	$16,045	$3,703	$19,748							
Commercial real estate	Commercial real estate	—	—	—	14,104	1,221	15,325							
Home equity line of credit	Home equity line of credit	3,654	1,442	5,096	4,227	1,294	5,521							
Residential land	Residential land	420	—	420	97	300	397							
Commercial construction	Commercial construction	—	—	—	—	—	—							
Residential construction	Residential construction	—	—	—	—	—	—							

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Commercial	Commercial	2,183	—	2,183	1,446	692	2,138
Consumer	Consumer	1,588	—	1,588	1,845	—	1,845
Total	Total	$12,043	$4,423	$16,466	$37,764	$7,210	$44,974

ASB did not recognize interest on nonaccrual loans for 2023, 2022 and 2021.

Modifications Made to Borrowers Experiencing Financial Difficulty. The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon origination. The starting point for the estimate of the allowance for credit losses is historical loan information, which includes losses from modifications of receivables to borrowers experiencing financial difficulty. ASB uses a probability of default/loss given default model to determine the allowance for credit losses. An assessment of whether a borrower is experiencing financial difficulty is made at the time of the modification.

The Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit risk profile losses, a change to the allowance for credit losses is generally not recorded upon modification.

Modifications may include interest rate reductions, interest only payments for an extended period of time, protracted terms such as amortization and maturity beyond the customary length of time found in the normal marketplace, and other actions intended to minimize economic loss and to provide alternatives to foreclosure or repossession of collateral.

During 2023, no loans received a material modification based on loans whose terms have been modified and accruing interest were as follows:

(in thousands)	December 31, 2022	December 31, 2021
Real estate:		
Residential 1-4 family	$ 8,821	$ 6,949
Commercial real estate	9,477	3,055
Home equity line of credit	4,404	6,021
Residential land	782	980
Commercial construction	—	—
Residential construction	—	—
Commercial	6,596	7,860
Consumer	50	52
Total troubled debt restructured loans accruing interest	$ 30,130	$ 24,917

ASB did not recognize interest on nonaccrual loans for 2022, 2021 and 2020. borrower financial difficulty.

Troubled debt restructurings. A Prior to January 1, 2023, a loan modification is was deemed to be a TDR when the borrower is was determined to be experiencing financial difficulties and ASB grants granted a concession it would not have otherwise consider. considered. With the adoption of ASU No. 2022-02, accounting guidance for TDRs by creditors was eliminated. Loan refinancing and restructuring guidance was applied to determine whether a modification resulted in a new loan or a continuation of an existing loan. The disclosures below relate to TDRs for prior periods in accordance with Subtopic 310-40, Receivables-Troubled Debt Restructurings by Creditors.

When a borrower who was experiencing financial difficulty fails failed to make a required payment on a loan or is was in imminent default, ASB takes took a number of steps to improve the collectability of the loan and maximize the likelihood of full repayment. At times, ASB may modify have modified or restructure restructured a loan to help a distressed borrower improve its financial position to eventually be able to fully repay the loan, provided the borrower has had demonstrated both the willingness and the ability to fulfill the modified terms. TDR loans are were considered an alternative to foreclosure or liquidation with the goal of minimizing losses to ASB and maximizing recovery.

ASB may consider have considered various types of concessions in granting a TDR including maturity date extensions, extended amortization of principal, temporary deferral of principal payments, and temporary interest rate reductions. ASB rarely grants granted principal forgiveness in its TDR modifications. Residential loan TDR modifications generally involve involved interest rate reduction, extending the amortization period, or capitalizing certain delinquent amounts owed not to exceed the original loan balance. Land loans at origination are typically structured as a three-year term, interest-only monthly payment with a balloon payment due at maturity. Land loan TDR modifications typically involve involved extending the maturity date up to three years and converting the payments from interest-only to principal and interest monthly, at the same or higher interest rate. Commercial loan TDR modifications generally involve involved extensions of maturity dates, extending the interest only or amortization period, and temporary deferral or reduction of principal payments. ASB generally does did not reduce the interest rate on commercial loan TDR modifications. Occasionally, additional collateral and/or guaranties are were obtained.

The allowance for credit losses on TDR loans that do did not share risk characteristics are were individually evaluated based on the present value of expected future cash flows discounted at the loan's effective original contractual rate or based on the fair value of collateral less cost to sell. The financial impact of the estimated loss is was an increase to the allowance associated with the modified loan. When available information confirms confirmed that specific loans or portions thereof are uncollectible (confirmed losses), these those amounts are were charged off against the allowance for credit losses.

The credit risk profile based on loans whose terms have been modified and accruing interest were as follows:

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(in thousands)		December 31, 2022
Real estate:		
Residential 1-4 family	$	8,821
Commercial real estate		9,477
Home equity line of credit		4,404
Residential land		782
Commercial construction		—
Residential construction		—
Commercial		6,596
Consumer		50
Total troubled debt restructured loans accruing interest	$	30,130

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Loan modifications that occurred during 2022 2021, and 2020 2021 were as follows:

(dollars in thousands)	(dollars in thousands)	Number of contracts	Outstanding recorded investment (as of period end)[1]	Related allowance (as of period end)
(dollars in thousands)				
(dollars in thousands)		**Number of contracts**	**Outstanding recorded investment** (as of period end)[1]	**Related allowance** (as of period end)
Year ended December 31, 2022	**Year ended December 31, 2022**			
Year ended December 31, 2022				
Year ended December 31, 2022				
Real estate:	Real estate:			
Real estate:				
Real estate:				
Residential 1-4 family				
Residential 1-4 family				
Residential 1-4 family	Residential 1-4 family	5	$ 1,475	$ 164
Commercial real estate	Commercial real estate	—	—	—
Home equity line of credit	Home equity line of credit	—	—	—
Residential land	Residential land	1	203	42
Commercial construction	Commercial construction	—	—	—
Residential construction	Residential construction	—	—	—
Commercial	Commercial	3	2,634	497
Consumer	Consumer	—	—	—
		9	$ 4,312	$ 703
9				

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Year ended December 31, 2021	Year ended December 31, 2021					
Real estate:	Real estate:					
Real estate:						
Real estate:						
Residential 1-4 family						
Residential 1-4 family	Residential 1-4 family	14	$	8,379	$	442
Commercial real estate	Commercial real estate	—		—		—
Home equity line of credit	Home equity line of credit	—		—		—
Residential land	Residential land	3		799		38
Commercial construction	Commercial construction	—		—		—
Residential construction	Residential construction	—		—		—
Commercial	Commercial	7		2,931		205
Consumer	Consumer	—		—		—
		24	$	12,109	$	685
Year ended December 31, 2020						
Real estate:						
Residential 1-4 family		1	$	144	$	6
Commercial real estate		6		20,714		4,439
Home equity line of credit		3		85		11
Residential land		4		668		54
Commercial construction		—		—		—
Residential construction		—		—		—
Commercial		54		5,380		869
Consumer		—		—		—
		68	$	26,991	$	5,379
24						

1 The period end balances reflect all paydowns and charge-offs since the modification period. TDRs fully paid off, charged-off, or foreclosed upon by period end are not included.

Loans modified in TDRs that experienced a payment default of 90 days or more in 2022 2021, and 2020 2021 and for which the payment default occurred within one year of the modification, were as follows:

Years ended December 31	Years ended December 31	2022		2021		2020		Years ended December 31	2022		2021	
(dollars in thousands)	(dollars in thousands)	Number of contracts	Recorded investment	Number of contracts	Recorded investment	Number of contracts	Recorded investment	(dollars in thousands)	Number of contracts	Recorded investment	Number of contracts	Recorded investment
Troubled debt restructurings that subsequently defaulted	Troubled debt restructurings that subsequently defaulted											

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Real estate:	Real estate:							
Real estate:								
Real estate:								
Residential 1-4 family								
Residential 1-4 family								
Residential 1-4 family	Residential 1-4 family	—	$ —	1	$ 474	—	$ —	
Commercial real estate	Commercial real estate	—	—	—	—	—	—	
Home equity line of credit	Home equity line of credit	—	—	—	—	—	—	
Residential land	Residential land	—	—	—	—	—	—	
Commercial construction	Commercial construction	—	—	—	—	—	—	
Residential construction	Residential construction	—	—	—	—	—	—	
Commercial	Commercial	—	—	1	9	—	—	
Consumer	Consumer	—	—	—	—	—	—	
		—	$ —	2	$ 483	—	$ —	

If a loan modified in a TDR subsequently defaults, defaulted, ASB evaluates evaluated the loan for further impairment. Based on its evaluation, adjustments may be made in the allocation of the allowance or partial charge-offs may be taken to further write-down the carrying value of the loan. Commitments to lend additional funds to borrowers whose loan terms have been modified in a TDR totaled nil at December 31, 2022 and 2021.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides that a financial institution may elect to suspend the requirements under GAAP for certain loan modifications that would otherwise be categorized as a TDR and any related impairment for accounting purposes.

In response to the COVID-19 pandemic, the Board of Governors of the FRB, the FDIC, the National Credit Union Administration, the OCC, and the Consumer Financial Protection Bureau, in consultation with the state financial regulators (collectively, the “agencies”) issued a joint interagency statement (issued March 22, 2020; revised statement issued April 7, 2020). Some of the provisions applicable to the Company include, but are not limited to accounting for loan modifications, past due reporting and nonaccrual status and charge-offs.

Loan modifications that do not meet the conditions of the CARES Act may still qualify as a modification that does not need to be accounted for as a TDR. The agencies confirmed with the FASB staff that short-term modifications made on a good faith basis in response to COVID-19 to borrowers who were current prior to any relief are not TDRs. This includes short-term (e.g., six months) modifications such as payment deferrals, fee waivers, extensions of repayment terms, or insignificant delays in payment. Financial institutions are not expected to designate loans with deferrals granted due to COVID-19 as past due because of the deferral. A loan’s payment date is governed by the due date stipulated in the legal agreement. If a financial institution agrees to a payment deferral, these loans would not be considered past due during the period of the deferral. Lastly, during short-term COVID-19 modifications, these loans generally should not be reported as nonaccrual or as classified.

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Collateral-dependent loans. A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the operation or sale of the collateral.

Loans considered collateral-dependent were as follows:

	December 31, 2022		December 31, 2021	
	Amortized cost	Collateral type	Amortized cost	Collateral type

	December 31, 2023	December 31, 2023		December 31, 2022	
	Amortized cost	Amortized cost	Collateral type	Amortized cost	Collateral type
(in thousands)	(in thousands)				
Real estate:	Real estate:				
Real estate:					

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December 31, 2022	$ 19,544	$ (10,497)	$ —	$ 9,047

Changes related to MSRs were as follows:

(in thousands)	(in thousands)	2022	2021	2020
Mortgage servicing rights	Mortgage servicing rights			
Balance, January 1	Balance, January 1			
Balance, January 1	Balance, January 1	$ 9,950	$ 10,280	$ 9,101
Amount capitalized	Amount capitalized	1,130	3,404	5,096
Amortization	Amortization	(2,033)	(3,734)	(3,917)
Sale of mortgage servicing rights	Sale of mortgage servicing rights	—	—	—
Other-than-temporary impairment	Other-than-temporary impairment	—	—	—
Carrying amount before valuation allowance, December 31	Carrying amount before valuation allowance, December 31	9,047	9,950	10,280
Valuation allowance for mortgage servicing rights	Valuation allowance for mortgage servicing rights			
Balance, January 1	Balance, January 1	—	260	—
Balance, January 1	Balance, January 1			
Provision	Provision	—	(260)	260
Other-than-temporary impairment	Other-than-temporary impairment	—	—	—
Balance, December 31	Balance, December 31	—	—	260
Net carrying value of mortgage servicing rights	Net carrying value of mortgage servicing rights	$ 9,047	$ 9,950	$ 10,020

(in thousands)	2023	2022	2021
Balance, January 1			

The estimated aggregate amortization expenses of MSRs for 2023, 2024, 2025, 2026, 2027 and 2027 2028 are $1.2 million, $1.1 million, $1.0 million, $0.9 million, $0.8 million, $0.8 million and $0.8 million $0.7 million, respectively.

ASB capitalizes MSRs acquired upon the sale of mortgage loans with servicing rights retained. On a monthly basis, ASB compares the net carrying value of the MSRs to its fair value to determine if there are any changes to the valuation allowance and/or other-than-temporary impairment for the MSRs.

ASB uses a present value cash flow model to estimate the fair value of MSRs. Impairment is recognized through a valuation allowance for each stratum when the carrying amount exceeds fair value, with any associated provision recorded as a component of loan servicing fees included in “Revenues - bank” in the consolidated statements of income. A direct write-down is recorded when the recoverability of the valuation allowance is deemed to be unrecoverable.

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Key assumptions used in estimating the fair value of ASB's MSRs used in the impairment analysis were as follows:

December 31	December 31	2022	2021	December 31	2023	2022
(dollars in thousands)	(dollars in thousands)					
Unpaid principal balance	Unpaid principal balance	$1,451,322	$1,481,899			
Unpaid principal balance	Unpaid principal balance					
Weighted average note rate	Weighted average note rate	3.38 %	3.38 %	Weighted average note rate	3.47 %	3.38 %
Weighted average discount rate	Weighted average discount rate	10.00 %	9.25 %	Weighted average discount rate	10.00 %	10.00 %
Weighted average prepayment speed	Weighted average prepayment speed	6.56 %	9.77 %	Weighted average prepayment speed	5.71 %	6.56 %

The sensitivity analysis of fair value of MSRs to hypothetical adverse changes of 25 and 50 basis points in certain key assumptions was as follows:

December 31	December 31	2022	2021	December 31	2023	2022
(in thousands)	(in thousands)					
Prepayment rate:	Prepayment rate:					
Prepayment rate:						
Prepayment rate:						
25 basis points adverse rate change						
25 basis points adverse rate change						
25 basis points adverse rate change	25 basis points adverse rate change	$(92)	$ (714)			
50 basis points adverse rate change	50 basis points adverse rate change	(214)	(1,608)			
Discount rate:	Discount rate:					
25 basis points adverse rate change	25 basis points adverse rate change	(182)	(129)			
25 basis points adverse rate change						

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	25 basis points adverse rate change	
50 basis points adverse rate change	50 basis points adverse rate change	(361) (256)

The effect of a variation in certain assumptions on fair value is calculated without changing any other assumptions. This analysis typically cannot be extrapolated because the relationship of a change in one key assumption to the changes in the fair value of MSRs typically is not linear.

Deposit liabilities. The summarized components of deposit liabilities were as follows:

December 31	December 31	2022		2021		December 31	2023		2022	
(dollars in thousands)	(dollars in thousands)	Weighted-average stated rate	Amount	Weighted-average stated rate	Amount	(dollars in thousands)	Weighted-average stated rate	Amount	Weighted-average stated rate	Amount
Savings	Savings	0.03 %	$3,198,329	0.03 %	$3,234,646					
Checking	Checking					Checking				
Interest-bearing	Interest-bearing	0.17	1,359,519	0.02	1,344,049					
Noninterest-bearing	Noninterest-bearing	—	1,453,937	—	1,472,727					
Commercial checking	Commercial checking	—	1,357,140	—	1,503,905					
Money market	Money market	0.82	189,053	0.06	192,909					
Time certificates	Time certificates	2.39	611,718	0.67	423,976					
		0.24 %	$8,169,696	0.05 %	$8,172,212					

As of December 31, 2022 December 31, 2023 and 2021, 2022, time certificates of $250,000 or more totaled $346.9 million $348.2 million and $87.6 million $346.9 million, respectively.

The approximate scheduled maturities of time certificates outstanding at December 31, 2022 December 31, 2023 were as follows:

(in thousands)	(in thousands)	
2023		$ 495,577
2024		
2024		
2024	2024	59,493
2025	2025	34,360
2026	2026	11,224
2027	2027	8,327
2028		
Thereafter	Thereafter	2,737
		$ 611,718
	$	

Overdrawn deposit accounts are classified as loans and totaled $3.9 million and $1.5 million at December 31, 2023 and $1.3 million at December 31, 2022 and 2021, 2022, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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Interest expense on deposit liabilities by type of deposit was as follows:

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)							
Time certificates					Time certificates			
Time certificates	Time certificates	$5,372	$3,805	$ 7,944				
Savings	Savings	860	802	1,774				
Money market	Money market	330	132	465				
Interest-bearing checking	Interest-bearing checking	765	242	471				
		$7,327	$4,981	$10,654				

Other borrowings.

Securities sold under agreements to repurchase. Securities sold under agreements to repurchase are accounted for as financing transactions and the obligations to repurchase these securities are recorded as liabilities in the consolidated balance sheets. ASB pledges investment securities as collateral for securities sold under agreements to repurchase. All such agreements are subject to master netting arrangements, which provide for conditional right of set-off in case of default by either party; however, ASB presents securities sold under agreements to repurchase on a gross basis in the balance sheet. The following tables present information about the securities sold under agreements to repurchase, including the related collateral received from or pledged to counterparties:

(in millions)	(in millions)	Gross amount of recognized liabilities	Gross amount offset in the Balance Sheets	Net amount of liabilities presented in the Balance Sheets	(in millions)	Gross amount of recognized liabilities	Gross amount offset in the Balance Sheets	Net amount of liabilities presented in the Balance Sheets
Repurchase agreements	Repurchase agreements				Repurchase agreements			
December 31, 2023								
December 31, 2022	December 31, 2022	$ 281	$ —	$ 281				
December 31, 2021		88	—	88				

		Gross amount not offset in the Balance Sheets				Gross amount not offset in the Balance Sheets		
(in millions)	(in millions)	Net amount of liabilities presented in the Balance Sheets	Financial instruments	Cash collateral pledged	(in millions)	Net amount of liabilities presented in the Balance Sheets	Financial instruments	Cash collateral pledged
Commercial account holders	Commercial account holders				Commercial account holders			
December 31, 2023								
December 31, 2023								
December 31, 2023								
December 31, 2022	December 31, 2022	$ 281	$ 327	$ —				
December 31, 2022								
December 31, 2021		88	161	—				

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The securities underlying the agreements to repurchase are book-entry securities and were delivered by appropriate entry into the counterparties' accounts or into segregated tri-party custodial accounts at the FHLB. The securities underlying the agreements to repurchase continue to be reflected in ASB's asset accounts. The counterparties or tri-parties may determine that additional collateral is required based on movements in the fair value of the collateral. Typically, a five percent discount is taken from the fair value of the investment securities to determine the value of the collateral pledged for the repurchase agreements.

Information concerning securities sold under agreements to repurchase, which provided for the repurchase of identical securities, was as follows:

(dollars in thousands)	(dollars in thousands)	2022	2021	2020	(dollars in thousands)	2023	2022	2021
Amount outstanding as of December 31	Amount outstanding as of December 31	$281,120	$88,305	$89,670				
Average amount outstanding during the year	Average amount outstanding during the year	127,170	88,405	73,738				
Maximum amount outstanding as of any month-end	Maximum amount outstanding as of any month-end	284,040	129,665	100,580				
Weighted-average interest rate as of December 31	Weighted-average interest rate as of December 31	3.02 %	0.02 %	0.02 %	Weighted-average interest rate as of December 31	— %	3.02 %	0.02 %
Weighted-average interest rate during the year	Weighted-average interest rate during the year	0.99 %	0.02 %	0.42 %	Weighted-average interest rate during the year	3.48 %	0.99 %	0.02 %
Weighted-average remaining days to maturity as of December 31	Weighted-average remaining days to maturity as of December 31	1	1	1	Weighted-average remaining days to maturity as of December 31	0	1	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Securities sold under agreements to repurchase were summarized as follows:

December 31	December 31	2022	2021	December 31	2023	2022

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Maturity	Maturity	Repurchase liability	Weighted-average interest rate	Collateralized by mortgage-backed securities and federal agency obligations at fair value plus accrued interest	Repurchase liability	Weighted-average interest rate	Collateralized by mortgage-backed securities and federal agency obligations at fair value plus accrued interest	Maturity	Repurchase liability	Weighted-average interest rate	Collateralized by mortgage-backed securities and federal agency obligations at fair value plus accrued interest	Repurchase liability	Weighted-average interest rate	Collateralized by mortgage-backed securities and federal agency obligations at fair value plus accrued interest
(dollars in thousands)	(dollars in thousands)													
Overnight	Overnight	$ 281,120	3.02 %	$ 326,841	$ 88,305	0.02 %	$ 160,847							
Overnight	Overnight													
1 to 29 days	1 to 29 days	—	— %	—	—	— %	—							
30 to 90 days	30 to 90 days	—	— %	—	—	— %	—							
Over 90 days	Over 90 days	—	— %	—	—	— %	—							
		$ 281,120	3.02 %	$ 326,841	$ 88,305	0.02 %	$ 160,847							

Advances from Federal Home Loan Bank. Outstanding FHLB advances were $200 million and $414 million and nil as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. ASB and the FHLB are parties to an Advances, Pledge and Security Agreement (Advances Agreement), which applies to currently outstanding and future advances, and governs the terms and conditions under which ASB borrows and the FHLB makes loans or advances from time to time. Under the Advances Agreement, ASB agrees to abide by the FHLB's credit policies, and makes certain warranties and representations to the FHLB. Upon the occurrence of and during the continuation of an "Event of Default" (which term includes any event of nonpayment of interest or principal of any advance when due or failure to perform any promise or obligation under the Advances Agreement or other credit arrangements between the parties), the FHLB may, at its option, declare all indebtedness and accrued interest thereon, including any

prepayment fees or charges, to be immediately due and payable. Advances from the FHLB are collateralized by loans, investment securities and stock in the FHLB. As of December 31, 2022 December 31, 2023 and 2021, 2022, ASB's available FHLB borrowing capacity was $1.6 billion $1.9 billion, and $2.0 billion $1.6 billion, respectively. In February 2020, the FHLB of Des Moines notified its members that certain assets, which included high-quality home equity lines of credit that were priced off a variable index with a fixed rate option, would no longer qualify as collateral for FHLB Advances and effective October 1, 2020, the FHLB of Des Moines no longer accepted the fixed rate portion of any home equity lines of credit as collateral. In addition, effective July 13, 2020, the FHLB of Des Moines lowered their Loan to Value (LTV), a system-wide percentage applied to eligible pledged collateral to determine borrowing capacity, to reflect ongoing risks in the market due to COVID-19. The lower LTV reduced ASB's collateral value of the existing pledged loans and the borrowing capacity. To increase the borrowing capacity at the FHLB of Des Moines, ASB pledged commercial real estate loans and is evaluating other assets to pledge as collateral to increase its reserve borrowing capacity with the FHLB.

ASB is required to obtain and hold a specific number of shares of capital stock of the FHLB. ASB was in compliance with all Advances Agreement requirements as of December 31, 2022 December 31, 2023 and 2021. 2022.

Borrowings from Federal Reserve Bank. In March 2023, the Federal Reserve Bank created the Bank Term Funding Program (BTFP) to provide an additional source of liquidity to eligible depository institutions. The BTFP offers loans up to one year in length that can be prepaid without penalty. The amount that can be borrowed under the BTFP is based upon the par value of securities pledged as collateral to the program. Advances can be requested under the BTFP until March 11, 2024. At December 31, 2023, ASB had $550.0 million of BTFP borrowings at a weighted average fixed rate of 4.37%, collateralized by investment securities with a book value of $804.3 million, maturing in March 2024.

Common stock equity. ASB is regulated and supervised by the OCC. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on ASB's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, ASB must meet specific capital guidelines that involve quantitative measures of ASB's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

The prompt corrective action provisions impose certain restrictions on institutions that are undercapitalized. The restrictions imposed become increasingly more severe as an institution's capital category declines from "undercapitalized" to "critically undercapitalized." The regulators have substantial discretion in the corrective actions they might direct and

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could include restrictions on dividends and other distributions that ASB may make to ASB Hawaii and the requirement that ASB develop and implement a plan to restore its capital. In 1988, HEI agreed with the OTS predecessor regulatory agency at the time, to contribute additional capital to ASB up to a maximum aggregate amount of approximately $65.1 million (Capital Maintenance Agreement). As of December 31, 2022 December 31, 2023, as a result of capital contributions in prior years, HEI's maximum obligation to contribute additional capital under the Capital Maintenance Agreement has been reduced to approximately $28.3 million. In addition to OCC oversight, federal law and Federal Reserve Board policy require that HEI, as a savings and loan holding company, serve as a source of financial and managerial strength for any FDIC-insured depository institution that it controls. Accordingly, if ASB were to be in financial distress or to otherwise be viewed by the regulators as in unsatisfactory condition, HEI could be required to provide additional capital or liquidity support or take other action, in support of ASB.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

To be categorized as "well capitalized," ASB must maintain minimum total capital, Tier 1 capital, and Tier 1 leverage ratios as set forth in the table below. As of December 31, 2022 December 31, 2023, and 2021 2022 ASB was in compliance with the minimum capital requirements under OCC regulations, and was categorized as "well capitalized" under the regulatory framework for prompt corrective action. There are no conditions or events that management believes have changed the institution's category under the capital guidelines.

The tables below set forth actual and minimum required capital amounts and ratios:

	Actual		Minimum required		Required to be well capitalized	
(dollars in thousands)	**Capital**	**Ratio**	**Capital**	**Ratio**	**Capital**	**Ratio**
December 31, 2022						
Tier 1 leverage	$ 750,851	7.78 %	$ 386,265	4.00 %	$ 482,831	5.00 %
Common equity tier 1	750,851	12.15 %	278,076	4.50 %	401,665	6.50 %
Tier 1 capital	750,851	12.15 %	370,767	6.00 %	494,356	8.00 %
Total capital	811,729	13.14 %	494,356	8.00 %	617,946	10.00 %
December 31, 2021						
Tier 1 leverage	714,789	7.86 %	363,630	4.00 %	454,538	5.00 %
Common equity tier 1	714,789	13.29 %	242,072	4.50 %	349,659	6.50 %
Tier 1 capital	714,789	13.29 %	322,762	6.00 %	430,350	8.00 %
Total capital	769,836	14.31 %	430,350	8.00 %	537,937	10.00 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Actual		Minimum required		Required to be well capitalized	
(dollars in thousands)	**Capital**	**Ratio**	**Capital**	**Ratio**	**Capital**	**Ratio**
December 31, 2023						
Tier 1 leverage	$ 759,921	7.68 %	$ 395,812	4.00 %	$ 494,765	5.00 %
Common equity tier 1	759,921	12.27 %	278,681	4.50 %	402,539	6.50 %
Tier 1 capital	759,921	12.27 %	371,575	6.00 %	495,433	8.00 %
Total capital	828,901	13.38 %	495,433	8.00 %	619,291	10.00 %
December 31, 2022						
Tier 1 leverage	750,851	7.78 %	386,265	4.00 %	482,831	5.00 %
Common equity tier 1	750,851	12.15 %	278,076	4.50 %	401,665	6.50 %
Tier 1 capital	750,851	12.15 %	370,767	6.00 %	494,356	8.00 %
Total capital	811,729	13.14 %	494,356	8.00 %	617,946	10.00 %

In 2022, 2023, ASB paid cash dividends of $42.0 million $39.0 million to HEI, compared to cash dividends of $59.0 million $42.0 million in 2021. 2022. The FRB and OCC approved the dividends.

Related-party transactions. HEI charged ASB $1.9 million $2.3 million, $2.1 million $1.9 million and $2.3 million $2.1 million for general management and administrative services in 2023, 2022 2021 and 2020, 2021, respectively. The amounts charged by HEI for services performed by HEI employees to its subsidiaries are allocated primarily on the basis of time expended in providing such services. All amounts charged to ASB were settled as a capital contribution by HEI to ASB.

Derivative financial instruments. ASB enters into interest rate lock commitments (IRLCs) with borrowers, and forward commitments to sell loans or to-be-announced mortgage-backed securities to investors to hedge against the inherent interest rate and pricing risks associated with selling loans.

ASB enters into IRLCs for residential mortgage loans, which commit ASB to lend funds to a potential borrower at a specific interest rate and within a specified period of time. IRLCs that relate to the origination of mortgage loans that will be held for sale are considered derivative financial instruments under applicable accounting guidance. Outstanding

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IRLCs expose ASB to the risk that the price of the mortgage loans underlying the commitments may decline due to increases in mortgage interest rates from inception of the rate lock to the funding of the loan. The IRLCs are free-standing derivatives which are carried at fair value with changes recorded in mortgage banking income.

ASB enters into forward commitments to hedge the interest rate risk for rate locked mortgage applications in process and closed mortgage loans held for sale. These commitments are primarily forward sales of to-be-announced mortgage backed securities. Generally, when mortgage loans are closed, the forward commitment is liquidated and replaced with a mandatory delivery forward sale of the mortgage to a secondary market investor. In some cases, a best-efforts forward sale agreement is utilized as the forward commitment. These commitments are free-standing derivatives which are carried at fair value with changes recorded in mortgage banking income.

Changes in the fair value of IRLCs and forward commitments subsequent to inception are based on changes in the fair value of the underlying loan resulting from the fulfillment of the commitment and changes in the probability that the loan will fund within the terms of the commitment, which is affected primarily by changes in interest rates and the passage of time.

The notional amount and fair value of ASB's derivative financial instruments were as follows:

December 31	December 31	2022		2021		December 31	2023		2022	
(in thousands)	(in thousands)	Notional amount	Fair value	Notional amount	Fair value	(in thousands)	Notional amount	Fair value	Notional amount	Fair value
Interest rate lock commitments	Interest rate lock commitments	$ 1,720	$ 9	$39,377	$638					
Forward commitments	Forward commitments	1,500	18	38,000	(11)					

ASB's derivative financial instruments, their fair values, and balance sheet location were as follows:

Derivative Financial Instruments Not Designated as Hedging Instruments [1]	Derivative Financial Instruments Not Designated as Hedging Instruments [1]									
December 31	December 31	2022		2021		2023			2022	
(in thousands)	(in thousands)	Asset derivatives	Liability derivatives	Asset derivatives	Liability derivatives	(in thousands)	Asset derivatives	Liability derivatives	Asset derivatives	Liability derivatives
Interest rate lock commitments	Interest rate lock commitments	$ 9	$ —	$ 638	$ —					
Forward commitments	Forward commitments	18	—	—	11					
		$ 27	$ —	$ 638	$ 11					

[1] Asset derivatives are included in other assets and liability derivatives are included in other liabilities in the balance sheets.

The following table presents ASB's derivative financial instruments and the amount and location of the net gains or losses recognized in ASB's statements of income:

Derivative Financial Instruments Not Designated as Hedging Instruments (in thousands)	Location of net gains (losses) recognized in the Statements of Income	Years ended December 31		
		2022	2021	2020
Interest rate lock commitments	Mortgage banking income	$ (629)	$ (3,898)	$ 4,239
Forward commitments	Mortgage banking income	29	489	(458)
		$ (600)	$ (3,409)	$ 3,781

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Derivative Financial Instruments Not Designated as Hedging Instruments (in thousands)	Location of net gains (losses) recognized in the Statements of Income	Years ended December 31 2023	2022	2021
Interest rate lock commitments	Mortgage banking income	$ 77	$ (629)	$ (3,898)
Forward commitments	Mortgage banking income	(36)	29	489
		$ 41	$ (600)	$ (3,409)

Commitments. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the commitments. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since certain commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. ASB minimizes its exposure to loss under these commitments by requiring that customers meet certain conditions prior to disbursing funds. The amount of collateral, if any, is based on a credit evaluation of the borrower and may include residential real estate, accounts receivable, inventory and property, plant and equipment.

Letters of credit are conditional commitments issued by ASB to guarantee payment and performance of a customer to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. ASB holds collateral supporting those commitments for which collateral is deemed necessary.

The following is a summary of outstanding off-balance sheet arrangements:

December 31 (in thousands)	December 31 2022	2021	December 31 2023	2022
Unfunded commitments to extend credit:	Unfunded commitments to extend credit:			
Unfunded commitments to extend credit:				
Unfunded commitments to extend credit:				
Home equity line of credit	Home equity line of credit			
Home equity line of credit	Home equity line of credit	$1,264,320	$1,181,496	
Commercial and commercial real estate	Commercial and commercial real estate	692,989	612,158	
Consumer	Consumer	85,768	62,090	
Residential 1-4 family	Residential 1-4 family	20,546	44,262	
Commercial and financial standby letters of credit	Commercial and financial standby letters of credit	15,521	11,723	
Total	Total	$2,079,144	$1,911,729	

Federal Deposit Insurance Corporation assessment. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) raised the minimum reserve ratio for the Deposit Insurance Fund (DIF) to 1.35 percent but required percent. As of June 30, 2020, the Federal Deposit Insurance Corporation (FDIC) to offset the effect of the increase in the minimum DIF reserve ratio fell to 1.30%, below the statutory minimum of 1.35%. The FDIC, as required under the Federal Deposit Insurance Act, established a plan on small institutions (generally insured depository institutions with total consolidated assets September 15, 2020 to restore the DIF reserve ratio to meet or exceed the statutory minimum of $10 billion or less) when setting assessments. In September 2018, 1.35% within eight years. On October 18, 2022, the FDIC adopted an amended restoration plan to increase the likelihood that the reserve ratio reached 1.36 percent and would be restored to at least 1.35% by September 30, 2028. The FDIC's amended restoration plan increases the FDIC awarded the small institutions an initial base deposit insurance assessment credit, which was applied to a portion of the 2019 and 2020 assessments for these banks. rate schedules uniformly by 2 basis points, beginning in 2023.For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 ASB's FDIC insurance expenses were $3.6 million $6.2 million, $3.2 million $3.6 million and $2.3 million $3.2 million, respectively.

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Note 5 6 · Short-term borrowings

Commercial paper and bank term loan. As of December 31, 2022 December 31, 2023 and 2021, 2022, HEI had $50 million nil and $54 million $50 million of commercial paper outstanding, respectively. The weighted-average interest rate of HEI's outstanding commercial paper as of December 31, 2022 and 2021 was 5.19% and 0.55%, respectively. .

As of December 31, 2022 December 31, 2023 and 2021, 2022, Hawaiian Electric had $88 million nil and no $88 million commercial paper outstanding, respectively. The weighted-average interest rate of Hawaiian Electric's outstanding commercial paper as of December 31, 2022 was 4.8%.

As of December 31, 2022, At both December 31, 2023 and 2022, HEI had five letters of credit outstanding in the aggregate amount of $8 million, on behalf of Mauo and Hamakua Energy. As of December 31, 2021, HEI had five letters of credit outstanding in the aggregate amount of $10 million, on behalf of Mauo and Hamakua Energy.

HEI Term Loan term loan. On October 20, 2022, HEI executed entered into a $100 million term loan credit agreement with two financial institutions. The term loan facility allows in the aggregate principal amount of $100 million. On December 28, 2022, HEI to draw down proceeds drew $35 million on a delayed basis through the term loan and on March 31, 2023, HEI drew the remaining $65 million at an initial interest rate of 5.81% for an initial one month interest period. On May 31, 2023, HEI fully repaid the term loan facility at which time the term loan commitment expires. it was terminated. Borrowings under the facility bear bore interest at Term Secured Overnight Financing Rate (SOFR), as defined in the agreement, plus an applicable margin and a SOFR spread adjustment. On December 28, 2022, HEI drew an initial $35 million SOFR term loan at an initial interest of 5.32% for an initial one month interest period. Any borrowings under the facility mature on November 30, 2023. The term loan facility contains contained certain restrictive financial covenants that are were substantially the same as the financial covenants contained in HEI's revolving unsecured the HEI credit facility, as amended. facility.

Credit agreements. On May 14, 2021, HEI and Hawaiian Electric each entered into a separate agreement with a syndicate of nine financial institutions (the HEI Facility and Hawaiian Electric Facility, respectively, and together, the Credit Facilities) to amend and restate their respective previously existing revolving unsecured credit agreements. The $175 million HEI Facility and the $200 million Facility's initial termination date was May 14, 2026. The $200 million Hawaiian Electric Facility both terminate Facility's initial termination date was May 13, 2022, but on May 14, 2026. On February 18, 2022, the PUC approved Hawaiian Electric's request to extend the term of the $200 million Hawaiian Electric Facility to May 14, 2026. In

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

addition to extending the term, Hawaiian Electric also received PUC approval to exercise its options of two one-year extensions of the commitment termination date and to increase its aggregate revolving commitment amount from $200 million to $275 million, should there be a need.

On April 21, 2023, HEI and Hawaiian Electric executed Amendment No. 1 to the Credit Facilities (Amendment). The Amendment was executed to reflect the transition from the London Inter-Bank Offered Rate (LIBOR) to the Term Secured Overnight Financing Rate (SOFR) as the benchmark interest rate for non-Alternate Base Rate (ABR) Loans under the Credit Facilities.

On May 14, 2023, HEI and Hawaiian Electric exercised their first of two, one-year extensions to the commitment termination date with eight of the nine financial institutions to extend the Credit Facilities to May 14, 2027. The committed capacities under the HEI Facility and Hawaiian Electric Facility are $175 million and $200 million, respectively, through May 14, 2026, and step down to approximately $157 million and $180 million, respectively, through May 14, 2027 (see Note 7).

After multiple downgrades of the Companies' credit ratings to ratings below investment grade, by Fitch, Moody's and S&P due to the Maui windstorm and wildfires, on August 15, 2023, HEI made an initial $2.5 million draw on its $175 million existing revolving credit facility to repay maturing commercial paper. By August 23, 2023, HEI drew its remaining and Hawaiian Electric drew its full committed capacity on their respective existing revolving credit facilities, totaling $175 million and $200 million, respectively. The draws were made to provide access to liquidity and support the Company's restoration efforts on Maui. The cash proceeds were primarily invested in highly liquid short-term investments, were used to repay $100 million of Hawaiian Electric's long-term debt that matured on November 1, 2023, and used for general corporate purposes.

None of the facilities are collateralized. As of December 31, 2022 and 2021, no amounts were outstanding under the Credit Facilities.

The Credit Facilities will be were maintained to support each company's respective short-term commercial paper program, but may be and were drawn on in August 2023 to meet each company's respective working capital needs and general corporate purposes.

Under the Credit Facilities, draws generally bear interest, based on each company's respective current long-term credit ratings, at the "Adjusted LIBO Term SOFR Rate," as defined in the Credit Facilities, plus 137.5 and 125.0 175.0 basis points for HEI and Hawaiian Electric, respectively, and incur annual fees on undrawn commitments, excluding swingline borrowings, at the rate of 20.0 and 17.5 30.0 basis points for HEI and Hawaiian Electric, respectively. The Credit Facilities also include provisions to accommodate a transition from the London Interbank Offered Rate (LIBOR) to an alternative reference rate, based on the secured overnight financing rate administered by the Federal Reserve Bank of New York, upon the phase out of LIBOR as a reference rate. Electric.

Additionally, the Credit Facilities contain provisions for pricing adjustments in the event of a long-term ratings change based on the respective Facility's ratings-based pricing grid, which includes the ratings by Fitch, Moody's and S&P. The Credit

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Facilities do not contain clauses that would affect access to the Credit Facilities by reason of a ratings downgrade, nor do they have broad “material adverse change” clauses. In addition, the Credit Facilities contain provisions for potential annual pricing adjustments to the Eurodollar Term Benchmark or Alternate Base Rate margin on draws and fees on undrawn commitments of up to +/-5 basis points and +/-1 basis point, respectively, based on performance against certain sustainability-linked metrics. The sustainability-linked metrics include achievement of renewable portfolio standards in excess of statutory requirements and increasing cumulative penetration of installed MWs of photovoltaic systems on residential rooftops.

The Credit Facilities also include updated terms and conditions customary for facilities of this type and contain customary conditions that must be met in order to draw on them, including compliance with covenants (such as covenants preventing HEI’s and Hawaiian Electric’s respective subsidiaries from entering into agreements that restrict the ability of such subsidiaries to pay dividends to, or to repay borrowings from, HEI or Hawaiian Electric, as applicable; and a covenant in Hawaiian Electric’s facility restricting Hawaiian Electric’s ability, as well as the ability of any of its subsidiaries, to guarantee additional indebtedness of the subsidiaries if such additional debt would cause the subsidiary’s “Consolidated Subsidiary Funded Debt to Capitalization Ratio” (as defined in the Hawaiian Electric Facility) to exceed 65%).

Under the HEI Facility, it is an event of default if HEI fails to maintain an unconsolidated “Capitalization Ratio” (funded debt) (as defined in the HEI Facility) of 50% or less or if HEI no longer owns Hawaiian Electric or ASB. Under the Hawaiian Electric Facility, it is an event of default if Hawaiian Electric fails to maintain a “Consolidated Capitalization Ratio” (equity) (as defined in the Hawaiian Electric Facility) of at least 35%, or if Hawaiian Electric is no longer owned by HEI.

Note 67 · Long-term debt

December 31	December 31	2022	2021	December 31	2023	2022
(dollars in thousands)	(dollars in thousands)			(dollars in thousands)		
Long-term debt of Utilities, net of unamortized debt issuance costs [1]	Long-term debt of Utilities, net of unamortized debt issuance costs [1]	$1,684,816	$1,676,402			
HEI 2.99% term loan, paid in 2022		—	150,000			
HEI 3.99% senior notes, due 2023		50,000	50,000			
HEI 3.99% senior notes, paid in 2023						
HEI 4.58% senior notes, due 2025	HEI 4.58% senior notes, due 2025	50,000	50,000			
HEI 4.72% senior notes, due 2028	HEI 4.72% senior notes, due 2028	100,000	100,000			
HEI 2.82% senior notes, due 2028	HEI 2.82% senior notes, due 2028	24,000	24,000			
HEI 2.48% senior notes, due 2028	HEI 2.48% senior notes, due 2028	30,000	30,000			
HEI 6.04% senior notes, due 2028						
HEI 2.98% senior notes, due 2030	HEI 2.98% senior notes, due 2030	50,000	50,000			

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HEI 3.15% senior notes, due 2031	HEI 3.15% senior notes, due 2031	51,000	51,000
HEI 2.78% senior notes, due 2031	HEI 2.78% senior notes, due 2031	25,000	25,000
HEI 2.98% senior notes, due 2032	HEI 2.98% senior notes, due 2032	30,000	—
HEI 5.43% senior notes, due 2032	HEI 5.43% senior notes, due 2032	75,000	—
HEI 6.10% senior notes, due 2033			
HEI 5.43% senior notes, due 2034	HEI 5.43% senior notes, due 2034	35,000	—
HEI 3.74% senior notes, due 2051	HEI 3.74% senior notes, due 2051	20,000	20,000
HEI 3.94% senior notes, due 2052	HEI 3.94% senior notes, due 2052	20,000	—
Hamakua Energy 4.02% non-recourse notes, due 2030[2]	Hamakua Energy 4.02% non-recourse notes, due 2030[2]	49,048	52,166
Mauo LIBOR + 1.375% loan, due 2023[3]		11,060	21,702
Mauo 4.90% non-recourse term loan, due 2034[2]		17,692	12,686
Mauo SOFR + 1.475% loan, due 2024[3]			
Mauo 4.91% non-recourse term loan, due 2034 to 2035[2]			
Ka'ie'ie Waho 2.79% non-recourse loan, due 2031[2]	Ka'ie'ie Waho 2.79% non-recourse loan, due 2031[2]	10,936	12,145

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Mahipapa 1.90% non-recourse loan, due 2034 to 2036[2]	Mahipapa 1.90% non-recourse loan, due 2034 to 2036[2]	58,869	—
Mahipapa 5.25% non-recourse loan, due 2027[2]		724	—
Mahipapa 5.625% non-recourse loan, due 2027[2]			
HEI revolving credit facility SOFR + 1.80%, due 2026 to 2027[4]			
Less unamortized debt issuance costs and debt discount	Less unamortized debt issuance costs and debt discount	(8,165)	(3,164)
		$2,384,980	$2,321,937
	$		

1 See components of "Total long-term debt" and unamortized debt issuance costs in Hawaiian Electric and subsidiaries' Consolidated Statements of Capitalization.

2 Secured by real and personal property of the respective entity, including various land parcels, a 60MW combined cycle facility, photovoltaic and battery storage infrastructure, and a biomass plant. The aggregate net book value of the collateralized property, plant & equipment is approximately $198 $187 million as of December 31, 2022 December 31, 2023.

3 In December 2021, the loan was amended to allow advances through October 5, 2022, in the maximum aggregate principal amount of up to $50.5 million million. As of July 1, 2023, LIBOR was replaced by the term SOFR plus the applicable margin of 1.375%, plus an additional 0.10% replacement rate adjustment. On February 8, 2024, the outstanding loan balance was fully repaid and in December 2022, extended the required paydown of the loan balance to was terminated.

4 As of December 31, 2023, the lesser interest rate is based on term SOFR plus the applicable margin of (i) $7 million or (ii) 1.75%, reduced by a 0.05% sustainability margin adjustment, plus an additional 0.10% spread adjustment; the amount of state renewable tax credits not received by March 5, 2023 weighted-average interest rate was 7.19%.

As of December 31, 2022 December 31, 2023, the aggregate principal payments required on the Company's long-term debt for 2023 2024 through 2027 2028 are $172 million in 2023, $13 million $18 million in 2024, $109 million in 2025, $136 million $174 million in 2026, $449 million in 2027 and $112 million $273 million in 2027. 2028. As of December 31, 2022 December 31, 2023, the aggregate payments of principal required on the Utilities' long-term debt for 2023 2024 through 2027 2028 are $100 million in 2023, nil in 2024, $47 million in 2025, $125 million $145 million in 2026, $280 million in 2027 and $100 million $68 million in 2027. 2028.

The HEI term loans and senior notes contain customary representation and warranties, affirmative and negative covenants and events of default (the occurrence of which may result in some or all of the notes then outstanding becoming immediately due and payable). The HEI term loans and senior notes also contain provisions requiring the maintenance by HEI of certain financial ratios generally consistent with those in HEI's revolving unsecured credit facility, as amended. Upon a change of control or certain dispositions of assets (as defined in the note purchase agreements of the senior notes), HEI is required to offer to prepay the senior notes.

The Utilities' senior notes contain customary representations and warranties, affirmative and negative covenants, and events of default (the occurrence of which may result in some or all of the notes of each and all of the utilities then outstanding becoming immediately due and payable) and provisions requiring the maintenance by Hawaiian Electric, and each of Hawaii Electric Light and Maui Electric, of certain financial ratios generally consistent with those in Hawaiian Electric's existing, amended revolving unsecured credit agreement.

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Changes in long-term debt. As of December 31, 2023, HEI and Hawaiian Electric were in compliance with all applicable financial covenants.

HEI and Hawaiian Electric's Credit Facilities. See Note 6 for more information.

HEI private placement. On September 29, 2022 March 16, 2023, HEI entered into a note purchase agreement (HEI NPA) under which HEI has authorized the issue and sale of $110 $100 million of unsecured senior notes that were drawn on November 1, 2022 May 30, 2023.

Proceeds from the Series 2022C tranche were used for general corporate purposes, including refinancing a portion of $150 million of debt that matured in November 2022 and the repayment of a portion of HEI commercial paper outstanding. Proceeds from the Green Series 2022D tranche are expected to be used to finance and/or refinance Green Investments, as defined in the HEI NPA, provided, however, that pending the full allocation of an amount equal to the proceeds from the Green Series 2022D to eligible Green Investments, the The proceeds of the Green Series 2022D tranche will be managed in accordance with notes were used to repay the Company's normal treasury practices, including $100 million term loan facility on May 31, 2023. The terms of the repayment of existing indebtedness and/or used for working capital purposes. notes are as follows:

Once drawn, interest

	HEI Series 2023A	HEI Series 2023B
Aggregate principal amount	$39 million	$61 million
Fixed coupon interest rate	6.04%	6.10%
Maturity date	6/15/2028	6/15/2033

Interest on the notes is paid semiannually on June 15th and December 15th. The HEI NPA contains certain restrictive financial covenants that are substantially the same as the financial covenants contained in HEI's revolving unsecured credit facility, the HEI Facility, as amended. The HEI notes may be prepaid in whole or in part at any time at the prepayment price of the principal amount, together with interest accrued to the date of prepayment plus a "Make-Whole Amount," as defined in the agreements.

On September 29, 2021, HEI executed a $125 million private placement, utilizing a delayed draw feature with two tranches. The first tranche of $75 million was drawn on December 29, 2021 and the proceeds were primarily used to invest in the Utilities' equity to support its capital expenditure program and maintain the Utilities' equity capitalization ratio of approximately 58%. The second and final tranche of $50 million was drawn on October 26, 2022, to refinance a portion of $150 million of debt that matured on November 20, 2022.

The following table displays HEI private placements drawn in 2022.

	HEI Series 2022A	HEI Series 2022B	HEI Series 2022C	HEI Green Series 2022D
Aggregate principal amount	$30 million	$20 million	$75 million	$35 million
Fixed coupon interest rate	2.98%	3.94%	5.43%	5.43%
Maturity date	10/26/2032	10/26/2052	11/1/2032	11/1/2034

Utilities private placement. On May 11, 2022 January 10, 2023, the Utilities executed, through a private placement pursuant to separate Note Purchase Agreements (the NPAs), the following unsecured senior notes bearing taxable interest (2022 (2023 Notes). The 2022 Notes had a delayed draw feature and the Utilities drew down all the proceeds on June 15, 2022.

	Series 2022A
Aggregate principal amount	$60 million
Fixed coupon interest rate	3.7%
Maturity date	6/15/2032
Principal amount by company:	
Hawaiian Electric	$40 million
Hawaii Electric Light	$10 million
Maui Electric	$10 million

The 2022 Notes include substantially the same financial covenants and customary conditions as Hawaiian Electric's credit agreement. Hawaiian Electric is also a party as guarantor under the NPAs entered into by Hawaii Electric Light and Maui Electric. The Utilities did not obtain any of the proceeds at execution and instead drew down all the proceeds on June 15, 2022. The proceeds were used to finance their respective capital expenditures, repay short-term debt used to finance or refinance capital expenditures and/or reimburse funds used for the payment of capital expenditures. The 2022 Notes may be prepaid in whole or in part at any time at the prepayment price of the principal amount plus a "Make-Whole Amount" as defined in the NPAs.

On January 10, 2023, the Utilities executed through a private placement pursuant to separate NPAs, the following unsecured senior notes bearing taxable interest (2023 Notes). The 2023 Notes had a delayed draw feature and the Utilities drew down all the proceeds on February 9, 2023.

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		Series 2023A	Series 2023B	Series 2023C						
	Series 2023A							Series 2023A	Series 2023B	Series 2023C
Aggregate principal amount	Aggregate principal amount	$90 million	$40 million	$20 million	Aggregate principal amount	$90 million	$40 million		$20 million	
Fixed coupon interest rate	Fixed coupon interest rate									
Hawaiian Electric										
Hawaiian Electric										
Hawaiian Electric	Hawaiian Electric	6.11%	6.25%	6.70%	6.11%	6.25%	6.70%			
Hawaii Electric Light	Hawaii Electric Light	6.25%		—	Hawaii Electric Light	6.25%		—		
Maui Electric	Maui Electric	6.25%		—	Maui Electric	6.25%		—		
Maturity date	Maturity date									
Hawaiian Electric	Hawaiian Electric	2/9/2030	2/9/2033	2/9/2053						
Hawaii Electric Light		2/9/2033		—						
Maui Electric		2/9/2033		—						
Principal amount by company:										
Hawaiian Electric										
Hawaiian Electric	Hawaiian Electric	$40 million		$20 million	2/9/2030	2/9/2033	2/9/2053			
Hawaii Electric Light	Hawaii Electric Light	$25 million		—	Hawaii Electric Light	2/9/2033		—		
Maui Electric	Maui Electric	$25 million		—	Maui Electric	2/9/2033		—		
Principal amount by company										
Hawaiian Electric										
Hawaiian Electric										
Hawaiian Electric						$40 million			$20 million	
Hawaii Electric Light					Hawaii Electric Light	$25 million		—		
Maui Electric					Maui Electric	$25 million		—		

The 2023 Notes include substantially the same financial covenants and customary conditions as the Hawaiian Electric's credit agreement. Electric Facility. Hawaiian Electric is also a party as guarantor under the NPAs entered into by Hawaii Electric Light and Maui Electric. The Utilities did not obtain any of the proceeds at execution and instead drew down all the proceeds on February 9, 2023. The proceeds were used to finance their respective capital expenditures, repay short-term debt used to finance or refinance capital expenditures and/or reimburse funds used for the payment of capital expenditures. The 2023 Notes may be prepaid in whole or in part at any time at the prepayment price of the principal amount plus a "Make-Whole Amount" as defined in the NPAs.

Mahipapa loan. On July 1, 2022, Mahipapa, a wholly owned subsidiary of Pacific Current, acquired Green Energy Team, LLC's 7.5 MW renewable, firm dispatchable closed-loop biomass-to-energy facility on Kauai. In connection with the acquisition, Mahipapa assumed approximately $61 million of long-term debt in various tranches that mature on various dates through 2036. Principal and interest total approximately $1.6 million per quarter. The loan is secured by all of the assets of Mahipapa and all equity ownership interests in Mahipapa, excluding certain mobile equipment.

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Note 78 · Shareholders' equity

Reserved shares. As of December 31, 2022 December 31, 2023, HEI had reserved a total of 15.3 million 13.9 million shares of common stock for future issuance under the HEI Dividend Reinvestment and Stock Purchase Plan (DRIP), the Hawaiian Electric Industries Retirement Savings Plan (HEIRSP), the ASB 401(k) Plan, the HEI 2011 Nonemployee Director Stock Plan, and the 2010 Equity and Incentive Plan, as amended.

Accumulated other comprehensive income/(loss). Changes in the balances of each component of AOCI were as follows:

	HEI Consolidated				Hawaiian Electric Consolidated
(in thousands)	Net unrealized gains (losses) on securities	Unrealized gains (losses) on derivatives	Retirement benefit plans	AOCI	AOCI-Retirement benefit plans
Balance, December 31, 2019	$ 2,481	$ (1,613)	$ (20,907)	$ (20,039)	$ (1,279)
Current period other comprehensive income (loss) and reclassifications, net of taxes	17,505	(1,750)	3,020	18,775	(1,640)
Balance, December 31, 2020	19,986	(3,363)	(17,887)	(1,264)	(2,919)
Current period other comprehensive income (loss) and reclassifications, net of taxes	(52,023)	(275)	1,029	(51,269)	(361)
Balance, December 31, 2021	(32,037)	(3,638)	(16,858)	(52,533)	(3,280)
Current period other comprehensive income (loss) and reclassifications, net of taxes	(296,867)	5,629	7,743	(283,495)	6,141
Balance, December 31, 2022	$ (328,904)	$ 1,991	$ (9,115)	$ (336,028)	$ 2,861

	HEI Consolidated				Hawaiian Electric Consolidated
(in thousands)	Net unrealized gains (losses) on securities	Unrealized gains (losses) on derivatives	Retirement benefit plans	AOCI	AOCI-Retirement benefit plans
Balance, December 31, 2022					
Current period other comprehensive income (loss) and reclassifications, net of taxes					
Balance, December 31, 2023					

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Balance, December 31, 2023	

Reclassifications out of AOCI were as follows:

Years ended December 31	Amount reclassified from AOCI 2023	2022	2021	Affected line item in the Statement of Income/Balance Sheet
(in thousands)				
HEI consolidated				
Available-for sale investment securities:				
Net realized losses (gains) on securities included in net income	$ 10,954	$ —	$ (387)	Loss (gain) on sale of investment securities, net and equity-method investment
Amortization of unrealized holding losses on held-to-maturity securities	14,398	3,993	—	Bank revenues
Net realized losses (gains) on derivatives qualifying as cash flow hedges	(186)	172	37	Interest expense
Retirement benefit plans:				
Amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost	(1,560)	19,659	19,253	See Note 11 for additional details
Impact of D&Os of the PUC included in regulatory assets	(8,204)	(199,936)	(171,345)	See Note 11 for additional details
Total reclassifications	$ 15,402	$ (176,112)	$ (152,442)	
Hawaiian Electric consolidated				
Retirement benefit plans:				
Amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost	$ (1,983)	$ 18,884	$ 19,461	See Note 11 for additional details
Impact of D&Os of the PUC included in regulatory assets	(8,204)	(199,936)	(171,345)	See Note 11 for additional details
Total reclassifications	$ (10,187)	$ (181,052)	$ (151,884)	

Note 9 ·Leases

Reclassifications out of AOCI were as follows:

Years ended December 31	Amount reclassified from AOCI 2022	2021	2020	Affected line item in the Statement of Income/Balance Sheet
(in thousands)				
HEI consolidated				
Net unrealized gains (losses) on available-for sale investment securities:				
Net realized gains on securities included in net income	$ —	$ (387)	$ (1,638)	Gain on sale of investment securities, net
Amortization of unrealized holding losses on held-to-maturity securities	3,993	—	—	Bank revenues
Net realized losses on derivatives qualifying as cash flow hedges	172	37	—	Interest expense
Retirement benefit plans:				
Amortization of prior service credit and net losses recognized during the period in net periodic benefit cost	19,659	19,253	23,689	See Note 10 for additional details
Impact of D&Os of the PUC included in regulatory assets	(199,936)	(171,345)	39,860	See Note 10 for additional details
Total reclassifications	$ (176,112)	$ (152,442)	$ 61,911	
Hawaiian Electric consolidated				
Retirement benefit plans:				
Amortization of prior service credit and net losses recognized during the period in net periodic benefit cost	$ 18,884	$ 19,461	$ 21,550	See Note 10 for additional details
Impact of D&Os of the PUC included in regulatory assets	(199,936)	(171,345)	39,860	See Note 10 for additional details
Total reclassifications	$ (181,052)	$ (151,884)	$ 61,410	

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Note 8 ·Leases

The Company leases certain real estate and equipment for various terms under long-term lease agreements. The agreements expire at various dates through 2054 and provide for renewal options up to 10 years. The periods associated with the renewal options are excluded for the purpose of determining the lease term unless the exercise of the renewal option is reasonably certain. In the normal course of business, it is expected that many of these agreements will be replaced by similar agreements. Certain real estate leases require the Company to pay for operating expenses such as common area maintenance, real estate taxes and insurance, which are recognized as variable lease expense when incurred and are not included in the measurement of the lease liability. The Company elected the short-term lease recognition exemption for all of its leases that qualify, and accordingly, does not recognize lease liabilities and ROU assets for all leases that have lease terms that are 12 months or less. The amounts related to short-term leases are not material. The Company elected the practical expedient to not separate lease and non-lease components for its real estate and equipment and fossil fuel and renewable energy PPAs and to separate lease components from non-lease components for renewable energy plus battery storage PPAs.

The Utilities contract with independent power producers to supply energy under long-term power purchase agreements. Certain PPAs are treated as operating leases under the lease standard because the Company elected the practical expedient package under which prior conclusions about lease identification were not reassessed. The fixed capacity payments under the PPAs are included in the lease liability, while the variable lease payments (e.g., payments based on kWh) are excluded from the lease liability. Several as-available PPAs have variable-only payment terms based on production. For PPAs with no minimum lease payments, the Utilities do not recognize any lease liabilities or ROU assets, and the related costs are reported as variable lease costs. In the first quarter of 2021, PGV returned to service with firm capacity of 13 MW and ramped up to 25.7 MW in the second quarter of 2022. Hawaii Electric Light is required to make fixed capacity payments based on 25.7 MW. As of December 31, 2022, Hawaii Electric Light has a total of $19 million in lease liability with a corresponding ROU asset for the PGV PPA.

The Utilities' lease payments for each operating lease agreement were discounted using its estimated unsecured borrowing rates for the appropriate term, reduced for the estimated impact of collateral, which is a reduction of approximately 20 basis points. ASB's lease payments for each operating lease agreement were discounted using Federal Home Loan Bank (FHLB) of Des Moines (FHLB) fixed rate advance rates, which are collateralized, for the appropriate term. The FHLB is ASB's primary wholesale funding source and can provide collateralized borrowing rates for various terms starting at overnight borrowings to 30-year borrowing terms.

In December 2020, Hawaiian Electric entered into an agreement with an unrelated party to sublease out approximately 64,000 square feet of the downtown Honolulu office space commencing in January 2021. The sublease is an operating lease for six and a half years with an option to extend the term for an additional two years. Estimated base rent revenue is approximately $8.3 million for the entire lease term. In addition to the base rent, Hawaiian Electric will also collect from the sublessee its proportionate share of all operating expenses, utilities, and taxes, which will be recognized as an additional rent revenue.

In August 2021, the Utilities entered into an agreement with an unrelated party for exclusive use of a barge and tug to transport fuels between islands, commencing in January 2022. The contract is an operating lease with a term of five years with an option to extend the term for an additional five years. Annual base rent expense is approximately $6.2 $6.4 million and the operating lease liability recorded upon commencement was $32 million. In addition to the annual base payment, there are additional payments for operating expenses, such as inspection expense, wharfage and pipeline tolls, which are recognized as variable lease cost when incurred.

On July 31, 2022, Mililani I Solar, the first utility-scale solar-plus-storage project reached commercial operations on Oahu. The project is for a 20-year term and generates 39 MW, including a 156 MWh battery. The Utilities have accounted account for the battery portion of renewable energy plus storage and energy storage PPAs as leases at their commencement dates. As of December 31, 2023, the project as a Utilities recognized additional finance lease and recorded a lease liability liabilities with a corresponding right-of-use asset assets of $48 million. $293.8 million, including Waiawa Solar, AES Waikoloa Solar and Kapolei Energy Storage project that began commercial operations during the year. The timing of the Utilities' recognition of the lease expense conforms to ratemaking treatment for the Utilities' recovery of the cost of electricity and is included in purchased power for the interest and amortization of financing leases related to PPAs. Any material differences between expense recognition and timing of payments is are deferred as a regulatory asset or liability in order to match what is being recovered for ratemaking purposes.

Amounts related to the Company's total lease cost and cash flows arising from lease transactions are as follows:

	HEI consolidated			Hawaiian Electric consolidated		
		PPAs classified as			PPAs classified as	
Year ended December 31, 2022	**Other leases**	**leases**	**Total**	**Other leases**	**leases**	**Total**
(dollars in thousands)						
Operating lease cost	$ 20,811	$ 46,160	$ 66,971	$ 15,030	$ 46,160	$ 61,190
Variable lease cost	8,931	241,199	250,130	6,152	241,199	247,351
Sublease income	(2,675)	—	(2,675)	(2,675)	—	(2,675)
Total operating lease cost	$ 27,067	$ 287,359	$ 314,426	$ 18,507	$ 287,359	$ 305,866
Finance lease costs:						

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Amortization of right-of-use assets	$ 188	$ 1,008	$ 1,196	$ —	$ 1,008	$ 1,008
Interest on lease liabilities	20	786	806	—	786	786
Total finance lease cost	$ 208	$ 1,794	$ 2,002	$ —	$ 1,794	$ 1,794
Other information						
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from operating leases	$ 19,143	$ 40,050	$ 59,193	$ 14,068	$ 40,050	$ 54,118
Operating cash flows from financing leases	$ 20	$ 786	$ 806	$ —	$ 786	$ 786
Financing cash flows from financing leases	$ 179	$ 670	$ 849	$ —	$ 670	$ 670
Weighted-average remaining lease term (in years):						
Operating leases	8.1	5.0	7.7	7.3	5.0	6.8
Finance leases	2.4	19.6	19.2	—	19.6	19.6
Weighted-average discount rate:						
Operating leases	2.96 %	3.50 %	3.04 %	2.94 %	3.50 %	3.05 %
Finance leases	3.77 %	3.92 %	3.92 %	—	3.92 %	3.92 %

	HEI consolidated			Hawaiian Electric consolidated		
Year ended December 31, 2021	**Other leases**	**PPAs classified as leases**	**Total**	**Other leases**	**PPAs classified as leases**	**Total**
(dollars in thousands)						
Operating lease cost	$ 14,184	$ 66,070	$ 80,254	$ 8,578	$ 66,070	$ 74,648
Variable lease cost	14,360	257,472	271,832	11,586	257,472	269,058
Sublease income	(2,515)	—	(2,515)	(2,515)	—	(2,515)
Total lease cost	$ 26,029	$ 323,542	$ 349,571	$ 17,649	$ 323,542	$ 341,191
Other information						
Cash paid for amounts included in the measurement of lease liabilities—						
Operating cash flows from operating leases	$ 11,239	$ 62,136	$ 73,375	$ 6,168	$ 62,136	$ 68,304
Weighted-average remaining lease term—operating leases (in years)	9.1	2.5	6.1	10.0	2.5	5.9
Weighted-average discount rate—operating leases	2.84 %	3.63 %	3.18 %	2.98 %	3.63 %	3.31 %

	HEI consolidated			Hawaiian Electric consolidated		
Year ended December 31, 2023	**Other leases**	**PPAs classified as leases**	**Total**	**Other leases**	**PPAs classified as leases**	**Total**
(dollars in thousands)						
Operating lease cost	$ 21,882	$ 4,071	$ 25,953	$ 15,947	$ 4,071	$ 20,018
Variable lease cost	8,491	202,556	211,047	5,605	202,556	208,161
Sublease income	(3,031)	—	(3,031)	(3,031)	—	(3,031)
Total operating lease cost	$ 27,342	$ 206,627	$ 233,969	$ 18,521	$ 206,627	$ 225,148
Finance lease costs:						
Amortization of right-of-use assets	$ 390	$ 5,591	$ 5,981	$ —	$ 5,591	$ 5,591
Interest on lease liabilities	32	6,350	6,382	—	6,350	6,350
Total finance lease cost	$ 422	$ 11,941	$ 12,363	$ —	$ 11,941	$ 11,941
Other information						
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from operating leases	$ 23,076	$ 4,071	$ 27,147	$ 17,729	$ 4,071	$ 21,800
Operating cash flows from financing leases	$ 32	$ 6,350	$ 6,382	$ —	$ 6,350	$ 6,350
Financing cash flows from financing leases	$ 391	$ 3,128	$ 3,519	$ —	$ 3,128	$ 3,128
Weighted-average remaining lease term (in years):						
Operating leases	7.9	4.0	7.4	6.8	4.0	6.3
Finance leases	1.5	20.1	20.0	—	20.1	20.1
Weighted-average discount rate:						
Operating leases	3.04 %	3.50 %	3.11 %	2.92 %	3.50 %	3.03 %

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Finance leases	3.77 %	8.18 %	8.18 %	—	8.18 %	8.18 %

	HEI consolidated			Hawaiian Electric consolidated		
Year ended December 31, 2022	Other leases	PPAs classified as leases	Total	Other leases	PPAs classified as leases	Total
(dollars in thousands)						
Operating lease cost	$ 20,811	$ 46,160	$ 66,971	$ 15,030	$ 46,160	$ 61,190
Variable lease cost	8,931	241,199	250,130	6,152	241,199	247,351
Sublease income	(2,675)	—	(2,675)	(2,675)	—	(2,675)
Total operating lease cost	$ 27,067	$ 287,359	$ 314,426	$ 18,507	$ 287,359	$ 305,866
Finance lease costs:						
Amortization of right-of-use assets	$ 188	$ 1,008	$ 1,196	$ —	$ 1,008	$ 1,008
Interest on lease liabilities	20	786	806	—	786	786
Total finance lease cost	$ 208	$ 1,794	$ 2,002	$ —	$ 1,794	$ 1,794
Other information						
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from operating leases	$ 19,143	$ 40,050	$ 59,193	$ 14,068	$ 40,050	$ 54,118
Operating cash flows from financing leases	$ 20	$ 786	$ 806	$ —	$ 786	$ 786
Financing cash flows from financing leases	$ 179	$ 670	$ 849	$ —	$ 670	$ 670
Weighted-average remaining lease term (in years):						
Operating leases	8.1	5.0	7.7	7.3	5.0	6.8
Finance leases	2.4	19.6	19.2	—	19.6	19.6
Weighted-average discount rate:						
Operating leases	2.96 %	3.50 %	3.04 %	2.94 %	3.50 %	3.05 %
Finance leases	3.77 %	3.92 %	3.92 %	—	3.92 %	3.92 %

The following table summarizes the maturity of our operating lease liabilities as of December 31, 2022 December 31, 2023:

	HEI consolidated			Hawaiian Electric consolidated		
(in millions)	Other leases	PPAs classified as leases	Total	Other leases	PPAs classified as leases	Total
2023	$ 24	$ 4	$ 28	$ 18	$ 4	$ 22
2024	21	4	25	15	4	19
2025	16	4	20	12	4	16
2026	15	4	19	12	4	16
2027	9	4	13	6	4	10
2028						
Thereafter	38	—	38	25	—	25
Total lease payments	123	20	143	88	20	108
Less: Imputed interest	(15)	(1)	(16)	(9)	(1)	(10)

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Total present value of lease payments[1]	Total present value of lease payments	$ 108	$ 19	$ 127	$ 79	$ 19	$ 98

1 The fixed capacity payment related to the existing PPA with PGV, which will expire on December 31, 2027, is included as a lease liability as of December 31, 2021. The PGV facility returned to service with firm capacity in the first quarter of 2021. The annual capacity payment based on the most recent accepted output is approximately $4 million. The lease liability will be remeasured when PGV ramps back up to the original contracted firm capacity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table summarizes the maturity of our finance lease liabilities for PPAs as of December 31, 2022 December 31, 2023:

		HEI consolidated	Hawaiian Electric consolidated
(in millions)	(in millions)	PPAs classified as leases	PPAs classified as leases
2023		3	$ 3
2024	2024	3	3
2025	2025	3	3
2026	2026	4	4
2027	2027	4	4
Thereafter	Thereafter	52	52
Total lease payments	Total lease payments	69	69
Less: Imputed interest	Less: Imputed interest	(21)	(21)
Total present value of lease payments	Total present value of lease payments	$ 48	$ 48

Note: Other finance leases are not material.

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Note 9 10 · Revenues

Revenue from contracts with customers. The revenues subject to ASC Topic 606 include the Utilities' electric energy sales revenue and the ASB's transaction fees, as further described below.

Electric Utilities.

Electric energy sales. sales. Electric energy sales represent revenues from the generation and transmission of electricity to customers under tariffs approved by the PUC. Transaction pricing for electricity is determined and approved by the PUC for each rate class and includes revenues from the base electric charges, which are composed of (1) the customer, demand, energy, and minimum charges, and (2) the power factor, service voltage, and other adjustments as provided in each rate and rate rider schedule. Electric energy sales also represent contract rate charge from the generation and transmission of electricity to the Army. The monthly pricing is recalculated on an annual basis based on actual costs, approved by the Army.

The Utilities satisfy performance obligations of electric energy sales over time, i.e., the Utilities generate and transfer control of the electricity over time as the customer simultaneously receives and consumes the benefits provided by the Utilities' performance. Payments from customers are generally due within 30 days from the end of the billing period. As electric bills to customers reflect the amount that corresponds directly with the value of the Utilities' performance to date, the Utilities have elected to use the right to invoice practical expedient, which entitles them to recognize revenue in the amount they have the right to invoice.

The Utilities' revenues include amounts for recovery of various Hawaii state revenue taxes. Revenue taxes are generally recorded as an expense in the year the related revenues are recognized. For 2023, 2022 2021 and 2020, 2021, the Utilities' revenues include recovery of revenue taxes of approximately $303 million $291 million, $226 million $303 million and $202 $226 million, respectively, which amounts are in "Taxes, other than income taxes" expense. However, the Utilities pay revenue taxes to the taxing authorities based on (1) the prior year's billed revenues (in the case of public service company taxes and PUC fees) in the current year or (2) the current year's cash collections from electric sales (in the case of franchise taxes) after year end. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Utilities had recorded $188 million $182 million and $128 $188 million, respectively, in "Taxes accrued, including revenue taxes" on the Utilities' consolidated balance sheet for amounts previously collected from customers or accrued for public service company taxes and PUC fees, net of amounts paid to the taxing authorities. Such amounts will be used to pay public service company taxes and PUC fees owed for the following year.

Bank.

Bank fees. Bank fees are primarily transaction-based and are recognized when the transaction has occurred and the performance obligation satisfied. From time to time, customers will request a fee waiver and ASB may grant reversals of fees. Revenues are not recorded for the estimated amount of fee reversals for each period.

Fees from other financial services - These fees primarily include debit card interchange income and fees, automated teller machine fees, credit card interchange income and fees, check ordering fees, wire fees, safe deposit rental fees, corporate/business fees, merchant income, online banking fees and international banking fees. Amounts paid to third parties for payment

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

network expenses are included in this financial statement caption in ASB's Statements of Income and Comprehensive Income Data (in Revenues—Bank financial statement caption of HEI's Consolidated Statements of Income).

Fee income on deposit liabilities - These fees primarily include "not sufficient funds" fees, monthly deposit account service charge fees, commercial account analysis fees and other deposit fees.

Fee income on other financial products - These fees primarily include commission income from the sales of annuity, mutual fund, and life insurance products. ASB also offers a fee-based, managed account product in which income is based on a percentage of assets under management.

Other Segment.

Other sales. Other sales primarily consist of revenues from the generation and sale of renewable energy at fixed contractual prices per kWh to customers under power purchase agreements by Pacific Current subsidiaries. The performance obligation is satisfied over time as renewable energy is generated and control is transferred to the customer that simultaneously receives and consumes the benefits provided. Payments from customers are generally due within 30 days from the end of the billing period. The bill to customers reflect reflects the amount that corresponds directly with the value of performance to date. Pacific Current has elected to use the right to invoice practical expedient, which entitles it to recognize revenue in the amount they have the right to invoice.

Revenues from other sources. Revenues from other sources not subject to ASC Topic 606 are accounted for as follows:

Electric Utilities.

Regulatory revenues. Regulatory revenues primarily consist of revenues from the decoupling mechanism and cost recovery surcharges.

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Decoupling mechanism - Under the current decoupling mechanism, the Utilities are allowed to recover or obligated to refund the difference between actual revenue and the target revenue as determined by the PUC, collect annual revenue adjustment mechanism (ARA) and exceptional project recovery mechanism revenues, and recover or refund performance incentive mechanism penalties or rewards. These adjustments will be reflected in tariffs in future periods. Under the PBR framework, the accrued RBA revenues as of the preceding September 30 balance and the annual ARA amount are billed from January 1 through December 31 of each year, which is within 24 months following the end of the year in which they are recorded as required by the accounting standard for alternative revenue programs (see “Regulatory proceedings” in Note 3) 4).

Cost recovery surcharges - For the timely recovery of additional costs incurred, and reconciliation of costs and expenses included in tariffed rates, the Utilities recognize revenues under surcharge mechanisms approved by the PUC. These will be reflected in tariffs in future periods (e.g., ECRC and PPAC).

Since revenue adjustments discussed above resulted from either agreements with the PUC or change in tax law, rather than contracts with customers, they are not subject to the scope of ASC Topic 606. Also, see Notes 1, 3 4 and 12 13 of the Consolidated Financial Statements. The Utilities have elected to present these revenue adjustments on a gross basis, which results in the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

amounts being billed to customers presented in revenues from contracts with customers and the amortization of the related regulatory asset/liability as revenues from other sources. Depending on whether the previous deferral balance being amortized was a regulatory asset or regulatory liability, and depending on the size and direction of the current year deferral of surcharges and/or refunds to customers, it could result in negative regulatory revenue during the year.

Utility pole attachment fees. These fees primarily represent revenues from third-party companies for their access to and shared use of Utilities-owned poles through licensing agreements. As the shared portion of the utility pole is functionally dependent on the rest of the structure, no distinct goods appear to exist. Therefore, these fees are not subject to the scope of ASC Topic 606, but recognized in accordance with ASC Topic 610, *Other Income*.

Army privatization extraordinary O&M (EOM) fees. The monthly EOM fee provides the recovery of the incremental extraordinary O&M costs not covered under the standard utility services. The nature of the work related to transitional period revenue and monthly EOM fees do not represent the Utilities’ ongoing major or central operations (i.e., generating, and transmission and distribution of electricity) and is provided specifically for the arrangement between the Utilities and the Army. Therefore, these revenues are not subject to the scope of ASC Topic 606, but recognized in accordance with ASC Topic 610, *Other Income*.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Bank.

Interest and dividend income. Interest and fees on loans are recognized in accordance with ASC Topic 310, *Receivables*, including the related allowance for credit losses. Interest and dividends on investment securities are recognized in accordance with ASC Topic 320, *Investments-Debt and Equity Securities.* See Notes 1 and 4 5 of the Consolidated Financial Statements.

Other bank noninterest income. Other bank noninterest income primarily consists of mortgage banking income and bank-owned life insurance income.

Mortgage banking income - Mortgage banking income consists primarily of realized and unrealized gains on sale of loans accounted for pursuant to ASC Topic 860, *Transfers and Servicing*. Interest rate lock commitments and forward loan sales are considered derivatives and are accounted pursuant to ASC Topic 815, *Derivatives and Hedging*.

Bank-Owned Life Insurance (BOLI) - The recognition of BOLI cash surrender value does not represent a contract with a customer and is accounted for in accordance with Emerging Issues Task Force Issue 06-05, ASC 325-30, *Accounting for Purchases of Life Insurance-Determining the Amount that Could be Realized Investments-Other - Investments in Accordance with FASB Technical Bulletin No. 85-4, Accounting for Purchases of Life Insurance Contracts*.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Revenue disaggregation. The following tables disaggregate revenues by major source, timing of revenue recognition, and segment:

	Year ended December 31, 2022				Year ended December 31, 2021											
	Year ended December 31, 2023									Year ended December 31, 2023						
(in thousands)	Electric utility	Bank	Other	Total	Electric utility	Bank	Other	Total	(in thousands)	Electric utility	Bank	Other	Total	Electric utility	Bank	Other To
Revenues from contracts with customers	**Revenues from contracts with customers**															
Electric energy sales - residential																

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Electric energy sales - residential									
Electric energy sales - residential	Electric energy sales - residential	$1,078,372	$ —	$ —	$1,078,372	$ 830,653	$ —	$ —	$ 830,653
Electric energy sales - commercial	Electric energy sales - commercial	1,087,485	—	—	1,087,485	791,424	—	—	791,424
Electric energy sales - large light and power	Electric energy sales - large light and power	1,221,608	—	—	1,221,608	837,834	—	—	837,834
Electric energy sales - other	Electric energy sales - other	17,063	—	—	17,063	10,770	—	—	10,770
Bank fees	Bank fees	—	48,883	—	48,883	—	46,658	—	46,658
Bank fees									
Bank fees									
Other sales	Other sales	—	—	11,804	11,804	—	—	4,086	4,086
Total revenues from contracts with customers	**Total revenues from contracts with customers**	3,404,528	48,883	11,804	3,465,215	2,470,681	46,658	4,086	2,521,425
Revenues from other sources	**Revenues from other sources**								
Regulatory revenue									
Regulatory revenue									
Regulatory revenue	Regulatory revenue	(29,124)	—	—	(29,124)	40,069	—	—	40,069
Bank interest and dividend income	Bank interest and dividend income	—	265,874	—	265,874	—	242,266	—	242,266
Other bank noninterest income	Other bank noninterest income	—	6,311	—	6,311	—	17,474	—	17,474
Other	Other	33,183	—	526	33,709	28,886	—	259	29,145
Total revenues from other sources	**Total revenues from other sources**	4,059	272,185	526	276,770	68,955	259,740	259	328,954
Total revenues	**Total revenues**	$3,408,587	$321,068	$12,330	$3,741,985	$2,539,636	$306,398	$4,345	$2,850,379
Timing of revenue recognition	**Timing of revenue recognition**								
Services/goods transferred at a point in time	Services/goods transferred at a point in time	$ —	$ 48,883	$ —	$ 48,883	$ —	$ 46,658	$ —	$ 46,658
Services/goods transferred at a point in time									
Services/goods transferred at a point in time									
Services/goods transferred over time	Services/goods transferred over time	3,404,528	—	11,804	3,416,332	2,470,681	—	4,086	2,474,767
Total revenues from contracts with customers	**Total revenues from contracts with customers**	$3,404,528	$ 48,883	$11,804	$3,465,215	$2,470,681	$ 46,658	$4,086	$2,521,425

There are no material contract assets or liabilities associated with revenues from contracts with customers existing at December 31, 2022 December 31, 2023 and 2021. 2022. Accounts receivable and unbilled revenues related to contracts with customers represent an unconditional right to consideration since all performance obligations have been

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satisfied. These amounts are disclosed as *accounts receivable and unbilled revenues, net* on HEI's consolidated balance sheets and *customer accounts receivable, net* and *accrued unbilled revenues, net* on Hawaiian Electric's consolidated balance sheets.

As of December 31, 2022 December 31, 2023, the Company had no material remaining performance obligations due to the nature of the Company's contracts with its customers. For the Utilities, performance obligations are fulfilled as electricity is delivered to customers. For ASB, fees are recognized when a transaction is completed.

Note 10 11 · Retirement benefits

Defined benefit plans. Substantially all of the employees of HEI and the Utilities hired on or before December 31, 2021, participate in the Retirement Plan for Employees of Hawaiian Electric Industries, Inc. and Participating Subsidiaries (HEI Pension Plan). The HEI Pension Plan was closed to new employees first hired on or after January 1, 2022. Substantially all of the employees of ASB participated in the American Savings Bank Retirement Plan (ASB Pension Plan) until it was frozen on December 31, 2007. The HEI Pension Plan and the ASB Pension Plan (collectively, the Plans) are qualified, noncontributory defined benefit pension plans and include, in the case of the HEI Pension Plan, benefits for utility union employees determined in accordance with the terms of the collective bargaining agreements between the Utilities and the union. The Plans are subject to the provisions of ERISA. In addition, some current and former executives and directors of HEI and its subsidiaries participate in noncontributory, nonqualified plans (collectively, Supplemental Plans). In general, benefits are based on the employees' or directors' years of service and compensation.

The continuation of the Plans and the Supplemental Plans and the payment of any contribution thereunder are not assumed as contractual obligations by the participating employers. The Supplemental Plan for directors has been frozen since 1996. The ASB Pension Plan was frozen as of December 31, 2007. The HEI Supplemental Executive Retirement Plan and ASB Supplemental Executive Retirement, Disability, and Death Benefit Plan (noncontributory, nonqualified, defined benefit plans) were frozen as of December 31, 2008. No participants have accrued any benefits under these plans after the respective plan's freeze and the plans will be terminated at the time all remaining benefits have been paid.

Each participating employer reserves the right to terminate its participation in the applicable plans at any time, and HEI and ASB reserve the right to terminate their respective plans at any time. If a participating employer terminates its participation in the Plans, the interest of each affected participant would become 100% vested to the extent funded. Upon the termination of the Plans, assets would be distributed to affected participants in accordance with the applicable allocation provisions of ERISA and any excess assets that exist would be paid to the participating employers. Participants' benefits in the Plans are covered up to certain limits under insurance provided by the Pension Benefit Guaranty Corporation.

Postretirement benefits other than pensions. HEI and the Utilities provide eligible employees health and life insurance benefits upon retirement under the Postretirement Welfare Benefits Plan for Employees of Hawaiian Electric Company, Inc. and participating employers (Hawaiian Electric Benefits Plan). Eligibility of employees and dependents is based on eligibility to retire at termination, the retirement date and the date of hire. The plan was amended in 2011, changing eligibility for certain bargaining unit employees hired prior to May 1, 2011, based on new minimum age and service requirements effective January 1, 2012, per the collective bargaining agreement, and certain management employees hired prior to May 1, 2011 based on new eligibility minimum age and service requirements effective January 1, 2012. The minimum age and service requirements for management and bargaining unit employees hired May 1, 2011 and thereafter have increased and their dependents are not eligible to receive postretirement benefits. Employees may be eligible to receive benefits from the HEI Pension Plan but may not be eligible for postretirement welfare benefits if the different eligibility requirements are not met.

The executive death benefit plan was frozen on September 10, 2009 for participants at benefit levels as of that date.

The Company's and Utilities' cost for OPEB has been adjusted to reflect the plan amendments, which reduced benefits and created prior service credits to be amortized over average future service of affected participants. The amortization of the prior service credit will reduce benefit costs until the various credit bases are fully recognized. Each participating employer reserves the right to terminate its participation in the Hawaiian Electric Benefits Plan at any time.

Balance sheet recognition of the funded status of retirement plans. Employers must recognize on their balance sheets the funded status of defined benefit pension and other postretirement benefit plans with an offset to AOCI in shareholders' equity (using the projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO), to calculate the funded status).

The PUC allowed the Utilities to adopt pension and OPEB tracking mechanisms in previous rate cases. The amount of the net periodic pension cost (NPPC) and net periodic benefits costs (NPBC) to be recovered in rates is established by the PUC in each rate case or as allowed under the PBR Framework (see "Regulatory proceedings" in Note 3) 4). Under the Utilities' tracking mechanisms, any actual costs determined in accordance with GAAP that are over/under amounts allowed in rates are charged/credited to a regulatory asset/liability. The regulatory asset/liability for each utility will then be amortized over 5 years beginning with the respective utility's next rate case. Accordingly, all retirement benefit expenses (except for executive life and nonqualified pension plan expenses, which amounted to $1.3 million $0.7 million and $1.2 $1.3 million in 2022 2023 and 2021, 2022, respectively) determined in accordance with GAAP will be recovered.

Under the tracking mechanisms, amounts that would otherwise be recorded in AOCI (excluding amounts for executive life and nonqualified pension plans), net of taxes, as well as other pension and OPEB charges, are allowed to be reclassified as a

regulatory asset, as those costs will be recovered in rates through the NPPC and NPBC in the future. The Utilities have reclassified to a regulatory asset/(liability) charges for retirement benefits that would otherwise be recorded in AOCI (amounting to the elimination of a potential adjustment to AOCI of $(11.1) million pretax and $(269.3) million pretax for 2023 and $(230.8) million pretax for 2022, and 2021, respectively).

Under the pension tracking mechanism, the Utilities are required to make contributions to the pension trust in the amount of the actuarially calculated NPPC, except when limited by the ERISA minimum contribution requirements or the maximum contributions imposed by the Internal Revenue Code. Contributions in excess of the calculated NPPC are

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recorded in a separate regulatory asset.

The OPEB tracking mechanisms generally require the Utilities to make contributions to the OPEB trust in the amount of the actuarially calculated NPBC, (excluding amounts for executive life), except when limited by material, adverse consequences imposed by federal regulations. Future decisions in rate cases could further impact funding amounts.

Defined benefit pension and other postretirement benefit plans information. The changes in the obligations and assets of the Company's and Utilities' retirement benefit plans and the changes in AOCI (gross) for 2022 2023 and 2021 2022 and the funded status of these plans and amounts related to these plans reflected in the Company's and Utilities' consolidated balance sheets as of December 31, 2022 December 31, 2023 and 2021 2022 were as follows:

		2022		2021			2023		2022	
(in thousands)	(in thousands)	Pension benefits	Other benefits	Pension benefits	Other benefits	(in thousands)	Pension benefits	Other benefits	Pension benefits	Other benefits
HEI consolidated	**HEI consolidated**									
Benefit obligation, January 1	Benefit obligation, January 1	$2,644,639	$218,151	$2,624,530	$226,421					
Benefit obligation, January 1	Benefit obligation, January 1									
Service cost	Service cost	78,173	2,580	81,432	2,827					
Interest cost	Interest cost	80,062	6,502	75,361	6,122					
Actuarial gains		(848,905)	(60,283)	(43,300)	(8,527)					
Actuarial loss (gain)										
Participants contributions	Participants contributions	—	3,348	—	2,943					
Benefits paid and expenses	Benefits paid and expenses	(97,204)	(12,862)	(93,384)	(11,635)					
Benefit obligation, December 31	Benefit obligation, December 31	1,856,765	157,436	2,644,639	218,151					
Fair value of plan assets, January 1	Fair value of plan assets, January 1	2,320,745	239,311	2,089,491	219,873					
Actual return on plan assets	Actual return on plan assets	(461,669)	(39,469)	271,443	28,130					
Employer contributions	Employer contributions	42,542	—	51,777	—					
Participants contributions	Participants contributions	—	3,348	—	2,943					
Benefits paid and expenses	Benefits paid and expenses	(95,239)	(12,643)	(91,966)	(11,635)					
Fair value of plan assets, December 31	Fair value of plan assets, December 31	1,806,379	190,547	2,320,745	239,311					
Accrued benefit asset (liability), December 31	Accrued benefit asset (liability), December 31	$ (50,386)	$ 33,111	$ (323,894)	$ 21,160					
Other assets	Other assets	$ 21,012	$ 33,526	$ 23,675	$ 21,663					
Defined benefit pension and other postretirement benefit plans liability	Defined benefit pension and other postretirement benefit plans liability	(71,398)	(415)	(347,569)	(503)					
Accrued benefit asset (liability), December 31	Accrued benefit asset (liability), December 31	$ (50,386)	$ 33,111	$ (323,894)	$ 21,160					

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AOCI debit/(credit), January 1 (excluding impact of PUC D&Os)	AOCI debit/(credit), January 1 (excluding impact of PUC D&Os)	$ 347,799	$ (19,975)	$ 557,564	$ 2,395
Recognized during year – prior service credit	Recognized during year – prior service credit	—	928	—	1,533
Recognized during year – prior service credit					
Recognized during year – prior service credit					
Recognized during year – net actuarial gain (loss)	Recognized during year – net actuarial gain (loss)	(27,412)	12	(27,245)	(203)
Occurring during year – net actuarial gain		(245,969)	(7,203)	(182,520)	(23,700)
Occurring during year – net actuarial loss (gain)					
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	74,418	(26,238)	347,799	(19,975)
Cumulative impact of PUC D&Os	Cumulative impact of PUC D&Os	(55,201)	19,486	(324,162)	19,166
AOCI debit/(credit), December 31	AOCI debit/(credit), December 31	$ 19,217	$ (6,752)	$ 23,637	$ (809)
Net actuarial loss (gain)	Net actuarial loss (gain)	$ 74,418	$ (25,363)	$ 347,799	$ (18,172)
Prior service gain	Prior service gain	—	(875)	—	(1,803)
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	74,418	(26,238)	347,799	(19,975)
Cumulative impact of PUC D&Os	Cumulative impact of PUC D&Os	(55,201)	19,486	(324,162)	19,166
AOCI debit/(credit), December 31	AOCI debit/(credit), December 31	19,217	(6,752)	23,637	(809)
Income taxes (benefits)	Income taxes (benefits)	(5,088)	1,740	(6,199)	209

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AOCI debit/(credit), net of taxes (benefits), December 31	AOCI debit/(credit), net of taxes (benefits), December 31	$ 14,129	$ (5,012)	$ 17,438	$ (600)

As shown in the table above, as of December 31, 2022, the other postretirement benefit plan with APBO in excess of plan assets is an unfunded plan, and as of December 31, 2021, the other postretirement benefit plans with APBOs in excess of plan assets are unfunded plans.

As shown in the table above, as of December 31, 2023 and 2022, the other postretirement benefit plan with APBO in excess of plan assets is related to an unfunded plan.

As shown in the table above, as of December 31, 2023 and 2022, the other postretirement benefit plan with APBO in excess of plan assets is related to an unfunded plan.

As shown in the table above, as of December 31, 2023 and 2022, the other postretirement benefit plan with APBO in excess of plan assets is related to an unfunded plan.

		2022		2021		2023			2022	
(in thousands)	(in thousands)	Pension benefits	Other benefits	Pension benefits	Other benefits	(in thousands)	Pension benefits	Other benefits	Pension benefits	Other benefits
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**									
Benefit obligation, January 1	Benefit obligation, January 1	$2,464,944	$209,470	$2,440,758	$217,074					
Benefit obligation, January 1										
Benefit obligation, January 1										
Service cost	Service cost	75,845	2,554	79,463	2,802					
Interest cost	Interest cost	74,363	6,227	70,235	5,875					
Actuarial gains		(804,498)	(58,253)	(39,755)	(7,779)					
Actuarial loss (gain)										
Participants contributions	Participants contributions	—	3,286	—	2,886					
Benefits paid and expenses	Benefits paid and expenses	(88,450)	(12,750)	(85,425)	(11,388)					
Transfers	Transfers	(6,079)	—	(332)	—					
Benefit obligation, December 31	Benefit obligation, December 31	1,716,125	150,534	2,464,944	209,470					
Fair value of plan assets, January 1	Fair value of plan assets, January 1	2,142,617	235,525	1,909,730	216,315					
Actual return on plan assets	Actual return on plan assets	(426,825)	(38,764)	266,922	27,712					
Employer contributions	Employer contributions	41,894	—	51,079	—					
Participants contributions	Participants contributions	—	3,286	—	2,886					
Benefits paid and expenses	Benefits paid and expenses	(87,952)	(12,541)	(84,852)	(11,388)					
Other	Other	(3,854)	(12)	(262)	—					
Fair value of plan assets, December 31	Fair value of plan assets, December 31	1,665,880	187,494	2,142,617	235,525					
Accrued benefit asset (liability), December 31	Accrued benefit asset (liability), December 31	$ (50,245)	$ 36,960	$ (322,327)	$ 26,055					
Other assets	Other assets	$ —	$ 36,960	$ —	$ 26,055					
Other liabilities (short-term)	Other liabilities (short-term)	(497)	—	(547)	—					
Defined benefit pension and other postretirement benefit plans liability	Defined benefit pension and other postretirement benefit plans liability	(49,748)	—	(321,780)	—					
Accrued benefit asset (liability), December 31	Accrued benefit asset (liability), December 31	$ (50,245)	$ 36,960	$ (322,327)	$ 26,055					
AOCI debit/(credit), January 1 (excluding impact of PUC D&Os)	AOCI debit/(credit), January 1 (excluding impact of PUC D&Os)	$ 329,645	$ (20,231)	$ 538,521	$ 1,181					
Recognized during year – prior service credit	Recognized during year – prior service credit	—	925	—	1,530					

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Recognized during year – net actuarial loss		(26,358)	—	(27,534)	(206)
Occurring during year – net actuarial gain		(246,023)	(6,096)	(181,342)	(22,736)
Recognized during year – prior service credit					
Recognized during year – prior service credit					
Recognized during year – net actuarial gain (loss)					
Occurring during year – net actuarial loss (gain)					
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	57,264	(25,402)	329,645	(20,231)
Cumulative impact of PUC D&Os	Cumulative impact of PUC D&Os	(55,201)	19,486	(324,162)	19,166
AOCI debit/(credit), December 31	AOCI debit/(credit), December 31	$ 2,063	$ (5,916)	$ 5,483	$ (1,065)
Net actuarial loss (gain)	Net actuarial loss (gain)	$ 57,264	$ (24,530)	$ 329,645	$ (18,434)
Prior service gain	Prior service gain	—	(872)	—	(1,797)
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	57,264	(25,402)	329,645	(20,231)
Cumulative impact of PUC D&Os	Cumulative impact of PUC D&Os	(55,201)	19,486	(324,162)	19,166
AOCI debit/(credit), December 31	AOCI debit/(credit), December 31	2,063	(5,916)	5,483	(1,065)
Income taxes (benefits)	Income taxes (benefits)	(531)	1,523	(1,412)	274
AOCI debit/(credit), net of taxes (benefits), December 31	AOCI debit/(credit), net of taxes (benefits), December 31	$ 1,532	$ (4,393)	$ 4,071	$ (791)

Pension benefits. In 2023, actuarial losses due to demographic experience, including any assumption changes, reduced the funded position. The most impactful of these assumption changes were the decrease in the discount rate used to measure PBO compared to the prior year and the change in assumed rates of retirement. Investment returns greater than assumed largely offset the decline.

In 2022, actuarial gains (losses) due to demographic experience, including any assumption changes, the most significant of which was the increase in the discount rate used to measure PBO compared to the prior year, improved funded position while investment returns lower than assumed rates, partially offset the improvement.

Other benefits. In 2021, investment returns were higher than assumed rates and improved the funded position. Actuarial 2023, actuarial gains due to demographic experience, including any assumption changes, improved the funded position. The most significant impactful of which these assumption changes was a reduction in the increase percentage of participants expected to participate. This gain was partially offset by a decrease in the discount rate used to measure PBO compared to rate. Investment returns greater than assumed further improved the prior year, improved funded position while the updates to mortality assumptions projected generationally, partially offset the improvement. position.

Other benefits. In 2022, actuarial gains (losses) due to demographic experience, including any assumption changes, the most significant of which was the increase in the discount rate used to measure APBO compared to the prior year, improved funded position while investment returns lower than assumed rates, partially offset the improvement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In 2021, investment returns were higher than assumed rates and improved funded position. Actuarial gains due to demographic experience, including assumption changes, the most significant of which was the increase in the discount rate used to measure APBO, improved the funded position while the updates to the per capita claims cost to reflect 2022 premiums and mortality assumptions projected generationally, partially offset the improvement.

The dates used to determine retirement benefit measurements for the defined benefit plans and OPEB were December 31 of 2023, 2022 2021 and 2020. 2021.

Through December 31, 2020, for purposes of calculating NPPC and NPBC for all plan assets, the Company and the Utilities have determined the market-related value of retirement benefit plan assets, primarily equity securities and fixed income securities, by calculating the difference between the expected return and the actual return on the fair value of the plan assets, then amortizing the difference over future years – 0% in the first year and 25% in each of years two through five – and finally adding or subtracting the unamortized differences for the past four years from fair value. The method includes a 15% range restriction around the fair value of such assets (i.e., 85% to 115% of fair value). Effective January 1, 2021, the Company adopted a change in accounting principle for the plans' fixed income securities from the calculated market-related value method to the fair value method in the calculation of the expected return on plan assets component of NPPC and NPBC. The remaining plan assets continue to use the calculated market-related value methodology. The Company considers the fair value approach to be preferable for its fixed-income securities portfolio because it results in a current reflection of the changes in the value of plan assets in a way similar to the obligations it is intended to hedge. The Company evaluated the effect of this change in accounting principle and deemed it to be immaterial to the historical financial statements of the Company and Hawaiian Electric and, therefore, did not account for the change retrospectively and recorded the cumulative effects from the change in accounting principle in earnings for non-Utility businesses in the first quarter of 2021. Amounts related to the Utilities were reflected as adjustments to regulatory assets as appropriate, consistent with the expected regulatory treatment as described in the following paragraph.

The Utilities have implemented pension and OPEB tracking mechanisms under which all of their retirement benefit expenses (except for executive life and nonqualified pension plan expenses) determined in accordance with GAAP are recovered over time. Under the tracking mechanisms, any actual costs determined in accordance with GAAP that are over/under amounts allowed in rates are charged/credited to a regulatory asset/liability. The regulatory asset/liability for each utility will then be amortized over 5 years beginning with the respective utility's next rate case. proceeding.

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A primary goal of the plans is to achieve long-term asset growth sufficient to pay future benefit obligations at a reasonable level of risk. The investment policy target for defined benefit pension and OPEB plans of HEI and the Utilities reflects the philosophy that long-term growth can best be achieved by prudent investments in equity securities while balancing overall fund and pension liability volatility by an appropriate allocation to fixed income securities. To reduce the level of portfolio risk and volatility in returns, efforts have been made to diversify the plans' investments by asset class, geographic region, market capitalization and investment style. ASB's frozen, overfunded defined benefit pension plan is invested in a portfolio that uses a liability-driven investment strategy to limit funded status volatility.

The asset allocation of defined benefit retirement plans to equity and fixed income securities (excluding cash) and related investment policy targets and ranges were as follows:

		Pension benefits[1]				Other benefits[2]			
				Investment policy				Investment policy	
December 31	December 31	2022	2021	Target	Range[3]	2022	2021	Target	Range[3]
Assets held by category	Assets held by category								
U.S. equity securities	U.S. equity securities	58 %	59 %	50 %	40-65%	57 %	58 %	50 %	40-65%
Non-U.S equity securities	Non-U.S equity securities	13	13	15	5-25%	15	15	15	5-25%
Fixed income securities	Fixed income securities	27	27	30	20-60%	28	27	30	20-60%
Private equity	Private equity	2	1	5	0-10%	—	—	5	0-10%
		100 %	100 %	100 %		100 %	100 %	100 %	

		Pension benefits[1]						Other benefits[2]					
				Investment policy						Investment policy			
December 31	December 31	2023		2022		Target	Range[3]	2023		2022		Target	Range[3]
Assets held by category	Assets held by category												
U.S. equity securities	U.S. equity securities	56 %		58 %		50 %	40-65%	58 %		57 %		50 %	40-65%
Non-U.S equity securities	Non-U.S equity securities	13	13	13	15	15	5-25%	15	15	15	15	15	5-25%
Fixed income securities	Fixed income securities	28	27	27	30	30	20-60%	27	28	28	30	30	20-60%
Private equity	Private equity	3	2	2	5	5	0-10%	—	—	—	5	5	0-10%
		100 %		100 %		100 %		100 %		100 %		100 %	

1 Asset allocation (excluding cash) is applicable to only HEI and the Utilities. As of December 31, 2022 December 31, 2023 and 2021, 2022, nearly all of ASB's pension assets were invested in fixed income securities.

2 Asset allocation (excluding cash) is applicable to only HEI and the Utilities. ASB does not fund its other benefits.

3 Broad range for equity securities is a minimum of 60% and a maximum of 80% for pension benefits and other benefits.

The fair values of the investments shown in the tables below represent the Company's best estimates of the amounts that would be received upon sale of those assets in an orderly transaction between market participants at that date. Those fair value

measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset at the measurement date, the fair value measurement reflects the Company's judgments about the assumptions that market participants would use in pricing the asset. Those judgments are developed by the Company based on the best information available in the circumstances.

The Company used the following valuation methodologies for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 December 31, 2023 and 2021. 2022.

Equity securities, equity index fund, exchange-traded funds, U.S. Treasury fixed income securities and mutual funds (Level 1). Equity securities, equity index fund, exchange-traded funds, U.S. Treasury fixed income securities and mutual funds are valued at the closing price reported on the active market on which the individual securities or funds are traded.

Fixed income securities and preferred securities (Level 2). Fixed income and preferred securities, other than those issued by the U.S. Treasury, are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Assets held in various trusts for the retirement benefit plans are measured at fair value on a recurring basis and were as follows:

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		Pension benefits			Other benefits			Pension benefits	Other benefits
			Fair value measurements using			Fair value measurements using		Fair value measurements using	Fair value measurements using
(in millions)	(in millions)	December 31	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	December 31	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)		
2023									
2023									
2023									
U.S. equity securities									
U.S. equity securities									
U.S. equity securities									
Non-U.S. equity securities									
Non-U.S. equity securities									
Non-U.S. equity securities									
U.S. equity index and exchange-traded funds (ETFs)									
U.S. equity index and exchange-traded funds (ETFs)									
U.S. equity index and exchange-traded funds (ETFs)									
Non-U.S. equity investments at net asset value (NAV)									
Non-U.S. equity investments at net asset value (NAV)									
Non-U.S. equity investments at net asset value (NAV)									
Total equity investments									
Total equity investments									
Total equity investments									
Fixed income securities									
Fixed income securities									
Fixed income securities									
Fixed income mutual and ETFs									
Fixed income mutual and ETFs									
Fixed income mutual and ETFs									
Fixed income investments at NAV									
Fixed income investments at NAV									
Fixed income investments at NAV									
Total fixed income investments									
Total fixed income investments									
Total fixed income investments									

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Private equity at NAV								
Private equity at NAV								
Private equity at NAV								
Cash equivalents, fund and at NAV								
Cash equivalents, fund and at NAV								
Cash equivalents, fund and at NAV								
Total								
Total								
Total								
Cash, receivables and payables, net								
Cash, receivables and payables, net								
Cash, receivables and payables, net								
Fair value of plan assets								
Fair value of plan assets								
Fair value of plan assets								
2022								
2022								
2022	**2022**							
U.S. equity securities	U.S. equity securities	$ 387	$ 387	$ —	$ 48	$ 48	$ —	
U.S. equity securities								
U.S. equity securities								
Non-U.S. equity securities	Non-U.S. equity securities	147	147	—	18	18	—	
U.S. equity index and exchange-traded funds		580	580	—	58	58	—	
Non-U.S. equity investments at net asset value (NAV)		75	—	—	10	—	—	
Non-U.S. equity securities								
Non-U.S. equity securities								
U.S. equity index and ETFs								
U.S. equity index and ETFs								
U.S. equity index and ETFs								
Non-U.S. equity investments at NAV								
Non-U.S. equity investments at NAV								
Non-U.S. equity investments at NAV								
Total equity investments								
Total equity investments								
Total equity investments	Total equity investments	1,189	1,114	—	134	124	—	
Fixed income securities	Fixed income securities	83	10	73	—	—	—	
Fixed income mutual and exchange-traded funds		225	225	—	50	50	—	
Fixed income securities								
Fixed income securities								

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Fixed income mutual and ETFs							
Fixed income mutual and ETFs							
Fixed income mutual and ETFs							
Fixed income investments at NAV							
Fixed income investments at NAV							
Fixed income investments at NAV	Fixed income investments at NAV	226	—	—	3	—	—
Total fixed income investments	Total fixed income investments	534	235	73	53	50	—
Total fixed income investments							
Total fixed income investments							
Private equity at NAV							
Private equity at NAV							
Private equity at NAV	Private equity at NAV	34	—	—	—	—	—
Cash equivalents, fund and at NAV	Cash equivalents, fund and at NAV	48	15	—	4	3	—
Cash equivalents, fund and at NAV							
Cash equivalents, fund and at NAV							
Total							
Total							
Total	Total	1,805	$1,364	$ 73	191	$ 177	$ —
Cash, receivables and payables, net	Cash, receivables and payables, net	1			—		
Fair value of plan assets		$ 1,806			$ 191		
2021							
U.S. equity securities		$ 432	$ 431	$ 1	$ 53	$ 53	$ —
Non-U.S. equity securities		188	188	—	24	24	—
U.S. equity index and exchange-traded funds		830	830	—	84	84	—
Non-U.S. equity investments at NAV		96	—	—	12	—	—
Total equity investments		1,546	1,449	1	173	161	—
Fixed income securities and mutual funds		393	146	247	58	56	2
Fixed income investments at NAV		307	—	—	5	—	—
Total fixed income investments		700	146	247	63	56	2
Private equity at NAV		22	—	—	—	—	—
Cash equivalents, fund and at NAV		50	15	—	3	3	—
Total		2,318	$1,610	$ 248	239	$ 220	$ 2

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Cash, receivables and payables, net			
Cash, receivables and payables, net	Cash, receivables and payables, net	3	—
Fair value of plan assets	Fair value of plan assets	$ 2,321	$ 239
Fair value of plan assets			
Fair value of plan assets			

The fair value of investments measured at NAV presented in the table above is intended to permit reconciliation to the fair value of plan assets.

The following table represents assets measured at NAV.

		Pension benefits			Other benefits		
		Pension benefits					
Measured at NAV	Measured at NAV	December 31	Redemption frequency	Redemption notice period	December 31	Redemption frequency	Redemption notice period
(in millions)	(in millions)						
2022							
2023							
2023							
2023							
Non-U.S. equity funds (a)							
Non-U.S. equity funds (a)							
Non-U.S. equity funds (a)	Non-U.S. equity funds (a)	$ 75	Daily-Monthly	5-30 days	$ 10	Daily-Monthly	5-30 days
Fixed income investments (b)	Fixed income investments (b)	226	Daily	15 days	3	Daily	15 days
Private equity (c)	Private equity (c)	34	NA	NA	—	NA	NA
Cash equivalents (d)	Cash equivalents (d)	33	Daily	0-1 day	1	Daily	0-1 day
		$ 368			$ 14		
2021							
	$						

		Pension benefits			
Measured at NAV	December 31	Redemption frequency	Redemption notice period	December 31	Rede fre
2022					
2022					
2022					
Non-U.S. equity funds (a)					
Non-U.S. equity funds (a)					
Non-U.S. equity funds (a)	$ 77	Daily-Monthly	Daily-Monthly	5-30 days	$ 10	Daily-Monthly
Fixed income investments (b)	250	Daily	Daily	15 days	2	Daily
Private equity (c)	50	NA	NA	1	NA	
Cash equivalents (d)	45	Daily	Daily	0-1 day	—	Daily
2022						
2022						
2022						
Non-U.S. equity funds (a)						
Non-U.S. equity funds (a)						
Non-U.S. equity funds (a)	$ 75	Daily-Monthly	Daily-Monthly	5-30 days	$ 10	Daily-Monthly
Fixed income investments (b)	226	Daily	Daily	15 days	3	Daily
Private equity (c)	34	NA	NA	—	NA	

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Cash equivalents (d)	Cash equivalents (d)	35	Daily	0-1 day	—	Daily	0-1 day	Cash equivalents (d)	33	Daily	Daily	0-1 day	1	Daily						
		$ 460			$ 17															
	$																			

NA Not applicable

None of the investments presented in the tables above have unfunded commitments, other than private equity disclosed in (c) below.

(a) Represents investments in funds that primarily invest in non-U.S., emerging markets equities. Redemption frequency for pension benefits assets as of December 31, 2023 were: daily, 63% and monthly, 37%, and as of December 31, 2022 were: were daily, 59% and monthly, 41%, and as of December 31, 2021 were daily, 61% and monthly, 39%. Redemption frequency for other benefits assets as of December 31, 2023 were: daily, 61% and monthly, 39% and as of December 31, 2022 were: daily, 56% and monthly, 44% and as of December 31, 2021 were: daily, 57% and monthly, 43%.

(b) Represents investments in fixed income securities invested in a US-dollar denominated fund that seeks to exceed the Bloomberg US Long Corporate A or Better Bond Index through investments in US-dollar denominated fixed income securities and commingled vehicles.

(c) Represents investment in a private equity fund. The fund is valued as reported by the General Partner, based on the valuation of the underlying investments. As of December 31, 2022 December 31, 2023 and 2021, 2022, the unfunded commitment of the private equity fund was $138 million and $56 million, and $66 respectively. A second tranche commitment of $100 million respectively; the was entered into effective January 1, 2023. The fund does not allow redemptions but may be dissolved with six months written notice. The termination date of the fund is November 1, 2100, unless dissolved earlier.

(d) Represents investments in cash equivalent funds. This class includes funds that invest primarily in securities issued or guaranteed by the U.S. government or its agencies or instrumentalities. For pension benefits, the fund may also invest in fixed income securities of investment grade issuers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following weighted-average assumptions were used in the accounting for the plans:

		Pension benefits			Other benefits				Pension benefits	
December 31	December 31	2022	2021	2020	2022	2021	2020	December 31	2023	2022
Benefit obligation	Benefit obligation									
Discount rate[1]	Discount rate[1]	5.67 %	3.05 %	2.92 %	5.66 %	3.07 %	2.83 %			
	Discount rate[1]									
	Discount rate[1]								5.35 %	5.67 %
Rate of compensation increase	Rate of compensation increase	3.5	3.5	3.5	NA	NA	NA	Rate of compensation increase	3.5	3.5
Net periodic pension/benefit cost (years ended)	Net periodic pension/benefit cost (years ended)									
Discount rate[2]	Discount rate[2]	3.05	2.92	3.61	3.07	2.83	3.52			
	Discount rate[2]									
	Discount rate[2]									
Expected return on plan assets[3]	Expected return on plan assets[3]	7.25	7.25	7.25	7.25	7.25	7.25			
Rate of compensation increase[4]	Rate of compensation increase[4]	3.5	3.5	3.5	NA	NA	NA	Rate of compensation increase[4]	3.5	3.5

NA Not applicable

1 HEI and the Utilities pension benefits discount rate only at December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021. ASB's pension benefits discount rate at December 31, 2022 December 31, 2023, 2022 and 2021 was 5.39%, 5.63% and 2020 was 5.63%, 3.04% and 2.76%, respectively. All other disclosed rates apply to the Company and the Utilities.

2 ASB's pension benefits discount rate for the year ended December 31, 2022 December 31, 2023, 2022 and 2021 was 5.63%, 3.04% and 2020 was 3.04%, 2.76% and 3.49%. All other disclosed rates apply to the Company and the Utilities.

3 HEI and the Utilities' plan assets only (gross return). For 2023, 2022 2021 and 2020, 2021, ASB's expected return on plan assets was 3.24% 5.83%, 2.96% 3.24% and 3.69% 2.96%, respectively.

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4 HEI and the Utilities use a graded rate of compensation increase assumption based on age. The rate provided above is an average across all future years of service for the current population. NA for ASB.

The Company and the Utilities based their selection of an assumed discount rate for 2023 2024 NPPC and NPBC and December 31, 2022 December 31, 2023 disclosure on a cash flow matching analysis that utilized bond information provided by Bloomberg for all non-callable, high quality bonds (generally rated Aa or better) as of December 31, 2022 December 31, 2023. In selecting the expected rate of return on plan assets for 2023 2024 NPPC and NPBC: a) HEI and the Utilities considered economic forecasts for the types of investments held by the plans (primarily equity and fixed income investments), the Plans' asset allocations, industry and corporate surveys and the past performance of the plans' assets in selecting 7.25% and b) ASB considered its liability-driven investment strategy in selecting 5.83% 5.59%, which is consistent with the assumed discount rate as of December 31, 2022 December 31, 2023 with a 20 basis point active manager premium. For 2022, 2023, retirement benefit plans' assets of both the Company had a net gain of 14.9% and the Utilities had a net loss gain of (19.8)% 15.2%.

As of December 31, 2023, the assumed health care trend rates for 2024 and future years were as follows: medical, 6.25%, grading down to 5% for 2029 and thereafter; dental, 5%; and vision, 4%. As of December 31, 2022, the assumed health care trend rates for 2023 and future years were as follows: medical, 6.50%, grading down to 5% for 2029 and thereafter; dental, 5%; and vision, 4%. As of December 31, 2021, the assumed health care trend rates for 2022 and future years were as follows: medical, 6.50%, grading down to 5% for 2028 and thereafter; dental, 5%; and vision, 4%.

The components of NPPC and NPBC were as follows:

		Pension benefits			Other benefits		
(in thousands)	(in thousands)	2022	2021	2020	2022	2021	2020
HEI consolidated	**HEI consolidated**						
Service cost	Service cost	$ 78,173	$ 81,432	$ 73,387	$ 2,580	$ 2,827	$ 2,537
Interest cost		80,062	75,361	81,335	6,502	6,122	7,407
Expected return on plan assets		(141,266)	(132,223)	(113,800)	(13,621)	(12,957)	(12,124)
Amortization of net prior service (gain) cost		—	—	8	(928)	(1,533)	(1,761)
Amortization of net actuarial losses		27,412	27,245	33,456	(12)	203	208
Net periodic pension/benefit cost		44,381	51,815	74,386	(5,479)	(5,338)	(3,733)
Impact of PUC D&Os		37,148	27,963	20,997	4,966	4,839	3,179
Net periodic pension/benefit cost (adjusted for impact of PUC D&Os)		$ 81,529	$ 79,778	$ 95,383	$ (513)	$ (499)	$ (554)
Hawaiian Electric consolidated							
Service cost							
Service cost	Service cost	$ 75,845	$ 79,463	$ 71,604	$ 2,554	$ 2,802	$ 2,515
Interest cost	Interest cost	74,363	70,235	75,484	6,227	5,875	7,103
Expected return on plan assets	Expected return on plan assets	(133,873)	(125,404)	(107,369)	(13,381)	(12,755)	(11,957)
Amortization of net prior service (gain) cost		—	—	9	(925)	(1,530)	(1,758)
Amortization of net actuarial losses		26,358	27,534	30,566	—	206	207
Amortization of net prior service gain							
Amortization of net prior service gain							
Amortization of net prior service gain							
Amortization of net actuarial losses (gains)							
Net periodic pension/benefit cost	Net periodic pension/benefit cost	42,693	51,828	70,294	(5,525)	(5,402)	(3,890)
Impact of PUC D&Os	Impact of PUC D&Os	37,148	27,963	20,997	4,966	4,839	3,179

	Pension benefits			Other benefits		
(in thousands)	2023	2022	2021	2023	2022	2021

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Net periodic pension/benefit cost (adjusted for impact of PUC D&Os)	Net periodic pension/benefit cost (adjusted for impact of PUC D&Os)	$ 79,841	$ 79,791	$ 91,291	$ (559)	$ (563)	$ (711)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Pension benefits			Other benefits		
(in thousands)	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Hawaiian Electric consolidated						
Service cost	$ 44,143	$ 75,845	$ 79,463	$ 1,415	$ 2,554	$ 2,802
Interest cost	95,351	74,363	70,235	8,143	6,227	5,875
Expected return on plan assets	(131,962)	(133,873)	(125,404)	(13,442)	(13,381)	(12,755)
Amortization of net prior service gain	—	—	—	(872)	(925)	(1,530)
Amortization of net actuarial losses (gains)	28	26,358	27,534	(1,827)	—	206
Net periodic pension/benefit cost	7,560	42,693	51,828	(6,583)	(5,525)	(5,402)
Impact of PUC D&Os	71,905	37,148	27,963	5,846	4,966	4,839
Net periodic pension/benefit cost (adjusted for impact of PUC D&Os)	$ 79,465	$ 79,841	$ 79,791	$ (737)	$ (559)	$ (563)

The Company recorded pension expense of $47 million $43 million, $47 million, $59 million $47 million in 2023, 2022 2021 and 2020, 2021, respectively, and OPEB income of $(0.1) million in 2023, 2022 2021 and 2020 2021 and charged the remaining amounts primarily to electric utility plant. The Utilities recorded pension expense of $45 million $42 million, $47 million $45 million and $55 million $47 million, respectively, and OPEB income of $(0.1) $(0.3) million, $(0.2) $(0.1) million and $(0.2) million in 2023, 2022 2021 and 2020, 2021, respectively, and charged the remaining amounts primarily to electric utility plant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Additional information on the defined benefit pension plans' accumulated benefit obligations (ABOs), which do not consider projected pay increases (unlike the PBOs shown in the table above), and pension plans with ABOs and PBOs in excess of plan assets were as follows:

		HEI consolidated		Hawaiian Electric consolidated			HEI consolidated		Hawaiian Electric consolidated
December 31	**December 31**	**2022**	**2021**	**2022**	**2021**	**December 31**	**2023**	**2022**	**2023**	**2022**
(in billions)	**(in billions)**									
Defined benefit plans - ABOs	Defined benefit plans - ABOs									
Defined benefit plans - ABOs	Defined benefit plans - ABOs	$ 1.7	$ 2.3	$ 1.5	$ 2.1					
Defined benefit plans with PBOs in excess of plan assets	Defined benefit plans with PBOs in excess of plan assets									

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Defined benefit plans with PBOs in excess of plan assets					
Defined benefit plans with PBOs in excess of plan assets					
PBOs					
PBOs					
PBOs	PBOs	1.8	2.5	1.7	2.5
Fair value of plan assets	Fair value of plan assets	1.7	2.2	1.7	2.1

HEI consolidated. The Company estimates that the cash funding for the qualified defined benefit pension plans in 2023 2024 will be $8 million, which will fully satisfy the ERISA minimum required contribution, the requirements of the Utilities' pension tracking mechanisms and the Plan's funding policy. The Company's current estimate of contributions to its other postretirement benefit plans in 2023 2024 is nil.

As of December 31, 2022 December 31, 2023, the benefits expected to be paid under all retirement benefit plans in 2023, 2024, 2025, 2026, 2027, 2028 and 2028 2029 through 2032 2033 amount to $107 million, $111 million, $114 million $113 million, $117 million, $121 million, $124 million, $128 million and $655 million $690 million, respectively.

Hawaiian Electric consolidated. The Utilities estimate that the cash funding for the qualified defined benefit pension plan in 2023 2024 will be $8 million, which will fully satisfy the ERISA minimum required contribution, the requirements of the pension tracking mechanisms and the Plan's funding policy. The Utilities' current estimate of contributions to its other postretirement benefit plans in 2023 2024 is nil.

As of December 31, 2022 December 31, 2023, the benefits expected to be paid under all retirement benefit plans in 2023, 2024, 2025, 2026, 2027, 2028 and 2028 2029 through 2032 2033 amounted to $98 million, $101 million, $104 million $103 million, $107 million, $110 million, $114 million, $117 million and $601 million $635 million, respectively.

Defined contribution plans information. For 2023, 2022 2021 and 2020, 2021, the Company's expense for its defined contribution plans under the HEIRSP and the ASB 401(k) Plan was $9 million, $6 million $9 million and $7 million $6 million, respectively; and its cash contributions were $7 million $10 million, $6 million $7 million and $7 million $6 million, respectively. Included in the 2023 and 2022 amount amounts are non-elective employer contributions for the Utilities and HEI employees first hired on or after January 1, 2022, equal to 10% of those new employees' annual compensation. For each of 2023, 2022 2021 and 2020 2021 the Utilities' expense and cash contributions for its defined contribution plan under the HEIRSP was $4 million $6 million, $3 million, $4 million and $3 million, respectively.

Note 11 12 · Share-based compensation

Under the 2010 Equity and Incentive Plan, as amended and restated effective March 1, 2014 (EIP), HEI can issue shares of common stock as incentive compensation to selected employees in the form of stock options, stock appreciation rights, restricted shares, restricted stock units, performance shares and other share-based and cash-based awards. The original 2010 Equity and Incentive Plan (original EIP) was amended and restated effective March 1, 2014 (EIP) and an additional 1.5 million shares were added to the shares available for issuance under these programs.

As of December 31, 2022 December 31, 2023, approximately 2.8 million 2.7 million shares remained available for future issuance under the terms of the EIP, assuming recycling of shares withheld to satisfy statutory tax liabilities relating to EIP awards, including an estimated 0.5 million shares that could be issued upon the vesting of outstanding restricted stock units and the achievement of performance goals for awards outstanding under long-term incentive plans (assuming that such performance goals are achieved at maximum levels).

Restricted stock units awarded under the EIP in 2023, 2022, 2021 2020 and 2019 2020 will vest and be issued in unrestricted stock in three (2022 (2023, 2022 and 2021) or four (2020 and 2019) (2020) equal annual increments on the anniversaries of the grant date and are forfeited to the extent they have not become vested for terminations of employment during the vesting period, except that pro-rata vesting is provided for terminations due to death, disability and retirement. Restricted stock units expense has been recognized in accordance with the fair-value-based measurement method of accounting. Dividend equivalent rights are accrued quarterly and are paid at the end of the restriction period when the associated restricted stock units vest.

Stock performance awards granted under the 2023-25, 2022-24 2021-23 and 2020-22 2021-23 long-term incentive plans (LTIP) entitle the grantee to shares of common stock with dividend equivalent rights once service conditions and performance conditions are satisfied at the end of the three-year performance period. LTIP awards are forfeited for terminations of employment during the performance period, except that pro-rata participation is provided for terminations due to death, disability and retirement based upon completed months of service after a minimum of 12 months of service in the performance period. Compensation expense for the stock performance awards portion of the LTIP has been recognized in accordance with the fair-value-based measurement method of accounting for performance shares.

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Under the 2011 Nonemployee Director Stock Plan (2011 Director Plan), HEI can issue shares of common stock as compensation to nonemployee directors of HEI, Hawaiian Electric and ASB. As of December 31, 2022 December 31, 2023, there were 208,627 168,177 shares remaining available for future issuance under the 2011 Director Plan.

Share-based compensation expense and the related income tax benefit were as follows:

(in millions)	(in millions)	2022	2021	2020	(in millions)	2023	2022	2021
HEI consolidated	**HEI consolidated**							
Share-based compensation expense[1]	Share-based compensation expense[1]	$10.4	$9.1	$5.8				
					Share-based compensation expense[1]			
					Share-based compensation expense[1]			
Income tax benefit	Income tax benefit	2.1	1.4	1.0				
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**							
Share-based compensation expense[1]	Share-based compensation expense[1]	3.0	2.7	1.8				
					Share-based compensation expense[1]			
					Share-based compensation expense[1]			
Income tax benefit	Income tax benefit	0.7	0.6	0.4				

[1] For 2023, 2022 2021 and 2020, 2021, the Company has not capitalized any share-based compensation.

Stock awards. HEI granted HEI common stock to nonemployee directors under the 2011 Director Plan as follows:

(dollars in millions)	(dollars in millions)	2022	2021	2020	(dollars in millions)	2023	2022	2021
Shares granted	Shares granted	35,720	29,816	36,100				
Fair value	Fair value	$ 1.5	$ 1.3	$ 1.3				
Income tax benefit	Income tax benefit	0.4	0.3	0.3				

The number of shares issued to each nonemployee director of HEI, Hawaiian Electric and ASB is determined based on the closing price of HEI common stock on the grant date.

Restricted stock units. Information about HEI's grants of restricted stock units was as follows:

	2022		2021		2020		2023		2022		2021	
	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)
Outstanding, January 1	233,448	$38.10	193,939	$40.89	207,641	$35.36						
Granted	98,463	41.31	137,582	34.66	78,595	47.99						
Vested	(96,282)	37.75	(79,623)	38.51	(77,719)	34.19						
Forfeited	(53,101)	39.01	(18,450)	39.92	(14,578)	36.20						

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Outstanding, December 31	Outstanding, December 31	182,528	$39.75	233,448	$38.10	193,939	$40.89
Total weighted-average grant-date fair value of shares granted (in millions)	Total weighted-average grant-date fair value of shares granted (in millions)	$ 4.1		$ 4.8		$ 3.8	

(1) Weighted-average grant-date fair value per share based on the average price of HEI common stock on the date of grant.

For 2023, 2022 2021 and 2020, 2021, total restricted stock units and related dividends that vested had a fair value of $4.2 million $3.7 million, $3.0 million $4.2 million and $4.2 million $3.0 million, respectively, and the related tax benefits were $0.6 million $0.8 million, $0.6 million and $0.7 million $0.6 million, respectively.

As of December 31, 2022 December 31, 2023, there was $4.3 million $4.1 million of total unrecognized compensation cost related to the nonvested restricted stock units. The cost is expected to be recognized over a weighted-average period of 1.7 1.8 years.

Long-term incentive plan payable in stock. The 2020-22, 2021-23, 2022-24 and 2022-24 2023-25 LTIPs provide for performance awards under the EIP of shares of HEI common stock based on the satisfaction of performance goals, including a market condition goal. The number of shares of HEI common stock that may be awarded is fixed on the date the grants are made, subject to the achievement of specified performance levels and calculated dividend equivalents. The potential payout varies from 0% to 200% of the number of target shares, depending on the achievement of the goals. The market condition goal is based on HEI's total shareholder return (TSR) compared to the Edison Peer Group (Edison Electric Institute Index (EEI Index) for the 2021-23 and 2022-24 performance periods, and compared to the Company's compensation peer group consisting of companies in the EEI Index and approved by the Company's Compensation and Human Capital Management Committee for the 2023-25 performance period), in each case over the relevant three-year period. The other performance condition goals relate to EPS growth, cumulative EPS, return on average common equity (ROACE), renewable portfolio standards,

carbon emissions reduction, Hawaiian Electric's net income growth, ASB's efficiency ratio and strategic initiatives and Pacific Current's EBITDA growth and return on average invested capital.

LTIP linked to TSR. Information about HEI's LTIP grants linked to TSR was as follows:

		2022		2021		2020		2023		2022		2021	
		Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)
Outstanding, January 1	Outstanding, January 1	90,974	$42.86	89,222	$42.10	96,402	$39.62						
Granted	Granted	26,469	54.92	46,024	41.12	24,630	48.62						
Vested (issued or unissued and cancelled)	Vested (issued or unissued and cancelled)	(29,042)	41.07	(32,355)	38.20	(29,409)	39.51						
Forfeited	Forfeited	(16,827)	44.45	(11,917)	43.07	(2,401)	41.22						
Outstanding, December 31	Outstanding, December 31	71,574	$47.67	90,974	$42.86	89,222	$42.10						
Total weighted-average grant-date fair value of shares granted (in millions)	Total weighted-average grant-date fair value of shares granted (in millions)	$ 1.5		$ 1.9		$ 1.2							

(1) Weighted-average grant-date fair value per share determined using a Monte Carlo simulation model.

The grant date fair values of the shares were determined using a Monte Carlo simulation model utilizing actual information for the common shares of HEI and its peers the Peer Group for the period from the beginning of the performance period to the grant date and estimated future stock volatility of HEI and its peers the Peer Group over the remaining three-year performance period. The expected stock volatility assumptions for HEI and its peer group the Peer Group were based on the three-year historic stock volatility. A dividend assumption is not required for the Monte Carlo simulation because the grant payout includes dividend equivalents and projected returns include the value of reinvested dividends.

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The following table summarizes the assumptions used to determine the fair value of the LTIP awards linked to TSR and the resulting fair value of LTIP awards granted:

		2022	2021	2020		2023	2022	2021
Risk-free interest rate	Risk-free interest rate	1.71 %	0.19 %	1.39 %	Risk-free interest rate	4.19 %	1.71 %	0.19 %
Expected life in years	Expected life in years	3	3	3	Expected life in years	3	3	
Expected volatility	Expected volatility	31.0 %	29.9 %	13.1 %	Expected volatility	33.1 %	31.0 %	29.9 %
Range of expected volatility for Peer Group	Range of expected volatility for Peer Group	25.4% to 76.7%	25.6% to 102.9%	13.6% to 95.4%	Range of expected volatility for Peer Group	28.7% to 38.8%	25.4% to 76.7%	25.6% to 102.9%
Grant date fair value (per share)	Grant date fair value (per share)	$54.92	$41.12	$48.62				

There were no share-based LTIP awards linked to TSR with a vesting date in 2023. For 2022 2021 and 2020, 2021, total vested LTIP awards linked to TSR and related dividends had a fair value of $0.8 million, and $0.8 million and $2.6 million, respectively, and the related tax benefits were $0.1 million, and $0.2 million and $0.4 million, respectively.

As of December 31, 2022 December 31, 2023, there was $1.2 million $1.3 million of total unrecognized compensation cost related to the nonvested performance awards payable in shares linked to TSR. The cost is expected to be recognized over a weighted-average period of 1.5 years.

LTIP awards linked to other performance conditions. Information about HEI's LTIP awards payable in shares linked to other performance conditions was as follows:

		2022		2021		2020		2023		2022		2021	
		Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)
Outstanding, January 1	Outstanding, January 1	306,342	$38.42	220,715	$41.03	403,768	$35.15						
Granted	Granted	105,860	41.31	184,102	34.37	98,522	48.10						
Vested	Vested	(71,807)	37.68	(43,155)	34.12	(135,804)	33.48						
Increase above target (cancelled)	Increase above target (cancelled)	36,505	35.75	(7,646)	39.06	(136,163)	36.44						
Forfeited	Forfeited	(67,311)	37.35	(47,674)	38.74	(9,608)	38.36						
Outstanding, December 31	Outstanding, December 31	309,589	$39.50	306,342	$38.42	220,715	$41.03						
Total weighted-average grant-date fair value of shares granted (at target performance levels) (in millions)	Total weighted-average grant-date fair value of shares granted (at target performance levels) (in millions)	$ 4.4		$ 6.3		$ 4.7							

(1) Weighted-average grant-date fair value per share based on the average price of HEI common stock on the date of grant.

For 2023, 2022 2021 and 2020, 2021, total vested LTIP awards linked to other performance conditions and related dividends had a fair value of $3.2 million $2.9 million, $1.7 million $3.2 million and $7.6 million $1.7 million, respectively, and the related tax benefits were $0.4 million $0.6 million, $0.4 million and $1.2 million $0.4 million, respectively.

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As of December 31, 2022 December 31, 2023, there was $3.7 million $4.4 million of total unrecognized compensation cost related to the nonvested shares linked to performance conditions other than TSR. The cost is expected to be recognized over a weighted-average period of 1.4 1.5 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 12 13 · Income taxes

The components of income taxes attributable to net income for common stock were as follows:

		HEI consolidated			Hawaiian Electric consolidated		
Years ended December 31	Years ended December 31	2022	2021	2020	2022	2021	2020
(in thousands)	(in thousands)						
Federal	Federal						
Federal	Federal						
Current	Current						
Current	Current	$77,595	$51,455	$23,207	$75,118	$42,794	$31,950
Deferred	Deferred	(37,410)	(11,689)	(4,215)	(39,646)	(12,109)	(5,408)
Deferred tax credits, net*	Deferred tax credits, net*	4,031	4,611	10,979	137	302	1,549
		44,216	44,377	29,971	35,609	30,987	28,091
State	State						
Current	Current	11,981	12,119	8,430	15,780	4,861	3,768
Deferred	Deferred	4,914	6,290	2,509	(1,769)	8,279	8,559
Deferred tax credits, net*	Deferred tax credits, net*	56	21	—	56	21	—
		16,951	18,430	10,939	14,067	13,161	12,327
Total	Total	$61,167	$62,807	$40,910	$49,676	$44,148	$40,418

* In 2022 2021 and 2020, 2021, primarily represents federal tax credits related to Mauo's solar-plus-storage project, deferred and amortized starting in 2022 2021 and 2020, 2021, respectively.

A reconciliation of the amount of income taxes computed at the federal statutory rate to the amount provided in the consolidated statements of income was as follows:

		HEI consolidated			Hawaiian Electric consolidated		
Years ended December 31	Years ended December 31	2022	2021	2020	2022	2021	2020
(in thousands)	(in thousands)						
Amount at the federal statutory income tax rate	Amount at the federal statutory income tax rate	$63,881	$65,281	$50,531	$50,526	$46,995	$44,468
Amount at the federal statutory income tax rate							

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Amount at the federal statutory income tax rate							
Increase (decrease) resulting from:	Increase (decrease) resulting from:						Increase (decrease) resulting from:
State income taxes, net of federal income tax benefit	State income taxes, net of federal income tax benefit	14,438	15,735	9,448	11,026	10,323	9,658
Net deferred tax asset (liability) adjustment related to the Tax Act	Net deferred tax asset (liability) adjustment related to the Tax Act	(9,886)	(9,886)	(11,267)	(9,886)	(9,886)	(11,267)
Tax credits, net							
Other, net	Other, net	(7,266)	(8,323)	(7,802)	(1,990)	(3,284)	(2,441)
Total	Total	$61,167	$62,807	$40,910	$49,676	$44,148	$40,418
Effective income tax rate (%)	Effective income tax rate (%)	20.1	20.2	17.0	20.6	19.7	19.1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The tax effects of book and tax basis differences that give rise to deferred tax assets and liabilities were as follows:

		HEI consolidated		Hawaiian Electric consolidated			HEI consolidated		Hawaiian Electric consolidated	
December 31	December 31	2022	2021	2022	2021	December 31	2023	2022	2023	2022
(in thousands)	(in thousands)									
Deferred tax assets	Deferred tax assets									
Deferred tax assets										
Deferred tax assets										
Regulatory liabilities, excluding amounts attributable to property, plant and equipment	Regulatory liabilities, excluding amounts attributable to property, plant and equipment	$ 82,488	$ 87,817	$ 82,488	$ 87,817					
Operating lease liabilities		45,016	35,449	37,472	29,661					
Regulatory liabilities, excluding amounts attributable to property, plant and equipment										
Regulatory liabilities, excluding amounts attributable to property, plant and equipment										
Lease liabilities										
Retirement benefits	Retirement benefits	7,692	—	6,852	—					
Revenue taxes	Revenue taxes	51,392	35,040	51,392	35,040					
Allowance for bad debts	Allowance for bad debts	22,734	26,217	2,195	7,156					

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Available-for-sale investments	Available-for-sale investments	120,405	11,728	—	—
Other[1]	Other[1]	39,399	46,790	20,287	20,529
Total deferred tax assets	Total deferred tax assets	369,126	243,041	200,686	180,203
Deferred tax liabilities	Deferred tax liabilities				
Property, plant and equipment related	Property, plant and equipment related	511,832	500,659	497,929	490,713
Property, plant and equipment related					
Property, plant and equipment related					
Property, plant and equipment related					
Operating lease right-of-use assets		44,461	35,271	37,472	29,661
Lease right-of-use assets					
Lease right-of-use assets					
Lease right-of-use assets					
Regulatory assets, excluding amounts attributable to property, plant and equipment	Regulatory assets, excluding amounts attributable to property, plant and equipment	22,183	23,700	22,183	23,700
Retirement benefits	Retirement benefits	—	6,863	—	8,261
Retirement benefits					
Retirement benefits					
Other					
Other					
Other	Other	53,112	61,308	27,532	36,502
Total deferred tax liabilities	Total deferred tax liabilities	631,588	627,801	585,116	588,837
Net deferred income tax liability	Net deferred income tax liability	$262,462	$384,760	$384,430	$408,634

1 As of December 31, 2022 December 31, 2023, HEI consolidated has deferred tax assets of $4.3 million $6.0 million relating to the benefit of state tax credit carryforwards of $5.6 million $8.1 million. These state tax credit carryforwards primarily relate to the West Loch PV project and low income housing investments that do not expire. The Company concluded that as of December 31, 2022 December 31, 2023, a valuation allowance is not required.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible. Based upon historical taxable income and projections for future taxable income, management believes it is more likely than not the Company and the Utilities will realize substantially all of the benefits of the deferred tax assets. As of December 31, 2022 December 31, 2023 and 2021, 2022, valuation allowances for deferred tax benefits were nil. The Utilities are included in the consolidated federal and Hawaii income tax returns of HEI and are subject to the provisions of HEI's tax sharing agreement, which determines each subsidiary's (or subgroup's) income tax return liabilities and refunds on a standalone basis as if it filed a separate return (or subgroup consolidated return).

The following is a reconciliation of the Company's liability for unrecognized tax benefits for 2023, 2022 2021 and 2020, 2021.

		HEI consolidated			Hawaiian Electric consolidated				HEI consolidated				Hawaiian Electric consolidated		
(in millions)	(in millions)	2022	2021	2020	2022	2021	2020	(in millions)	2023	2022	2021		2023	2022	2021

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Unrecognized tax benefits, January 1	Unrecognized tax benefits, January 1	$17.1	$12.7	$ 2.2	$11.6	$12.7	$ 1.7
Additions based on tax positions taken during the year	Additions based on tax positions taken during the year	19.0	2.8	0.2	0.1	0.3	0.2
Reductions based on tax positions taken during the year	Reductions based on tax positions taken during the year	(3.5)	(0.5)	—	—	—	—
Additions for tax positions of prior years	Additions for tax positions of prior years	0.6	7.6	11.6	0.2	0.2	11.6
Reductions for tax positions of prior years	Reductions for tax positions of prior years	(2.6)	(5.5)	(0.1)	(0.2)	(1.6)	(0.1)
Lapses of statute of limitations	Lapses of statute of limitations	—	—	(0.2)	—	—	(0.2)
Settlement	Settlement	—	—	(1.0)	—	—	(0.5)
Unrecognized tax benefits, December 31	Unrecognized tax benefits, December 31	$30.6	$17.1	$12.7	$11.7	$11.6	$12.7

The Internal Revenue Service began its examination of the Company's U.S. income tax returns for 2017 and 2018 in the third quarter of 2020. The Company and the Utilities anticipate completing the examination by the end of 2024. At December 31, 2023, the Company and the Utilities believe that it is reasonably possible that there will be a decrease of up to $1.8 million in unrecognized tax benefits related to the reversal of temporary differences, due to the completion of the examination. In addition, the Company believes that it is reasonably possible that there will be a decrease of up to $1.3 million

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

related the reversal of temporary differences due to the lapsing of the statute of limitations. The Company's and the Utilities' estimate of the unrecognized tax benefits related to the tax credit claims under examination range from nil to $10 million. Of this amount, the Utilities expect that a portion of the recognized tax credit will be returned to ratepayers. At December 31, 2022, the amount was not material.

At December 31, 2022 December 31, 2023 and 2021, 2022, there were $13.8 million and $10.2 million of unrecognized tax benefits, respectively, that, if recognized, would affect the Company's and Utilities' annual effective tax rate.

HEI consolidated. The Company recognizes interest accrued related to unrecognized tax benefits in "Interest expense-other than on deposit liabilities and other bank borrowings" and penalties, if any, in operating expenses. In 2022, 2021 and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

2020, the Company recognized approximately $0.4 million, $0.2 million and $(0.5) million, respectively, in interest expense. The Company had $0.6 million and $0.3 million of interest accrued as of December 31, 2022 and 2021, respectively.

Hawaiian Electric consolidated. The Utilities recognize interest accrued related to unrecognized tax benefits in "Interest expense and other charges, net" and penalties, if any, in operating expenses. In 2022, 2021 and 2020, the Utilities recognized approximately $0.1 million, $0.1 million and $(0.3) million, respectively, in interest expense. The Utilities had $0.2 million and $0.1 million of interest accrued as of December 31, 2022 and 2021, respectively.

As of December 31, 2022, the disclosures above present the Company's and the Utilities' accruals for potential tax liabilities, which involve management's judgment regarding the likelihood of the benefits being sustained under governmental review. While the Company and the Utilities currently do not expect material changes to occur in the next twelve months, the Company and the Utilities are generally unable to estimate the range of impacts on the balance of uncertain tax positions or the impact on the effective tax rate from the resolution of these issues until the Internal Revenue Service addresses them in the current examination process, and therefore, it is possible that the amount of unrecognized

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benefit with respect to the Company's and the Utilities' uncertain tax positions could increase or decrease within the next 12 months. The final resolution of uncertain tax positions could result in adjustments to recorded amounts.

Based on information currently available, the Company and the Utilities believe these accruals have adequately provided for potential income tax issues with federal and state tax authorities, and that the ultimate resolution of tax issues for all open tax periods will not have a material adverse effect on its results of operations, financial condition or liquidity.

The statute of limitations for IRS examinations has expired for years prior to 2017. The Company is currently under IRS examination for the tax years 2017 and 2018. In the fourth quarter of 2020, the Company and the Hawaii Department of Taxation agreed to a final assessment of tax liabilities for the years 2011 through 2018, however, the statute of limitations for Hawaii remains open for tax years 2017 and subsequent.

HEI consolidated. The Company recognizes interest accrued related to unrecognized tax benefits in "Interest expense-other than on deposit liabilities and other bank borrowings" and penalties, if any, in operating expenses. In 2023, 2022 and 2021, the Company recognized approximately $1.3 million, $0.4 million and $0.2 million, respectively, in interest expense. The Company had $1.9 million and $0.6 million of interest accrued as of December 31, 2023 and 2022, respectively.

Hawaiian Electric consolidated. The Utilities recognize interest accrued related to unrecognized tax benefits in "Interest expense and other charges, net" and penalties, if any, in operating expenses. In each of 2023, 2022 and 2021, the Utilities recognized approximately $0.1 million in interest expense. The Utilities had $0.4 million and $0.2 million of interest accrued as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, the disclosures above present the Company's and the Utilities' accruals for potential tax liabilities, which involve management's judgment regarding the likelihood of the benefits being sustained under governmental review.

Tax developments. The Inflation Reduction Act of 2022 (IRA) was signed by President Biden on August 16, 2022. Key provisions under the IRA include a 15% corporate alternative minimum tax (CAMT) imposed on certain large corporations and a 1% excise tax on stock repurchases after December 31, 2022. Based on current interpretation of the law and current guidance available we do not believe HEI will be impacted by the CAMT or stock repurchase excise tax provisions.

The IRA also creates new tax credits and enhances others to stimulate investment in renewable energy sources. Certain provisions of the IRA will become became effective beginning in tax year 2023. The Company continues to monitor guidance and assess related is exploring clean energy tax planning opportunities. incentives included in the IRA.

Note 13 14 · Cash flows

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in millions)	(in millions)							
Supplemental disclosures of cash flow information	Supplemental disclosures of cash flow information							
Supplemental disclosures of cash flow information								
Supplemental disclosures of cash flow information								
HEI consolidated	HEI consolidated							
Interest paid to non-affiliates, net of amounts capitalized								
Interest paid to non-affiliates, net of amounts capitalized								
Interest paid to non-affiliates, net of amounts capitalized	Interest paid to non-affiliates, net of amounts capitalized	$106	$98	$98				
Income taxes paid (net of refundable credits)	Income taxes paid (net of refundable credits)	41	41	32				
Income taxes refunded (including refundable credits)	Income taxes refunded (including refundable credits)	2	7	3				
Hawaiian Electric consolidated	Hawaiian Electric consolidated							
Interest paid to non-affiliates, net of amounts capitalized								
Interest paid to non-affiliates, net of amounts capitalized								

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Interest paid to non-affiliates, net of amounts capitalized	Interest paid to non-affiliates, net of amounts capitalized	69	71	65	
Income taxes paid (net of refundable credits)	Income taxes paid (net of refundable credits)	67	45	41	
Income taxes refunded (including refundable credits)	Income taxes refunded (including refundable credits)	—	5	3	
Supplemental disclosures of noncash activities	**Supplemental disclosures of noncash activities**				**Supplemental disclosures of noncash activities**
HEI consolidated	**HEI consolidated**				
Property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	Property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	68	48	44	
Property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)					
Property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)					
Common stock dividends reinvested in HEI common stock (financing) [1]					
Loans transferred from held for investment to held for sale (investing)	Loans transferred from held for investment to held for sale (investing)	—	61	—	
Real estate transferred from property, plant and equipment to other assets held-for-sale (investing)	Real estate transferred from property, plant and equipment to other assets held-for-sale (investing)	—	3	—	
Real estate transferred from property, plant and equipment to other assets held-for-sale (investing)					
Real estate transferred from property, plant and equipment to other assets held-for-sale (investing)					
Transfer of retail repurchase agreements to deposit liabilities (financing)					
Right-of-use assets obtained in exchange for operating lease obligations (investing)	Right-of-use assets obtained in exchange for operating lease obligations (investing)	51	44	26	
Property, plant, equipment and other assets received in exchange for the assumption of debt associated with a business acquisition (investing)	Property, plant, equipment and other assets received in exchange for the assumption of debt associated with a business acquisition (investing)	68	—	—	

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Debt, lease liabilities and other liabilities assumed in business acquisition (financing)	Debt, lease liabilities and other liabilities assumed in business acquisition (financing)	68	—	—
Common stock issued (gross) for director and executive/management compensation (financing)[1]	Common stock issued (gross) for director and executive/management compensation (financing)[1]	10	7	16
Obligations to fund low income housing investments, net (investing)	Obligations to fund low income housing investments, net (investing)	9	36	25
Transfer of securities from available for sale to held to maturities (investing)	Transfer of securities from available for sale to held to maturities (investing)	755	—	—
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**			
Electric utility property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	Electric utility property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	64	43	41
Electric utility property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)				
Electric utility property, plant and equipment-Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)				
Right-of-use assets obtained in exchange for operating lease obligations (investing)	Right-of-use assets obtained in exchange for operating lease obligations (investing)	44	44	17
HEI Consolidated and Hawaiian Electric consolidated	**HEI Consolidated and Hawaiian Electric consolidated**			
Electric utility property, plant and equipment	Electric utility property, plant and equipment			
Electric utility property, plant and equipment				
Electric utility property, plant and equipment				
Estimated fair value of noncash contributions in aid of construction (investing)				
Estimated fair value of noncash contributions in aid of construction (investing)				
Estimated fair value of noncash contributions in aid of construction (investing)	Estimated fair value of noncash contributions in aid of construction (investing)	14	8	10
Increase related to an acquisition (investing)	Increase related to an acquisition (investing)	15	—	—
Increase related to an acquisition (investing)				
Increase related to an acquisition (investing)				

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Right-of-use assets obtained in exchange for finance lease obligations (financing)	Right-of-use assets obtained in exchange for finance lease obligations (financing)	48	—	—
Reduction of long-term debt from funds previously transferred for repayment (financing)		—	—	82

1 The amounts shown represent the market value of common stock issued for director and executive/management compensation and withheld to satisfy statutory tax liabilities.

Note 14 15 · Regulatory restrictions on net assets

The abilities of certain of HEI's subsidiaries to pay dividends or make other distributions to HEI are subject to contractual and regulatory restrictions. Under the PUC Agreement, in the event that the consolidated common stock equity of the electric utility subsidiaries falls below 35% of the total capitalization of the electric utilities (including the current maturities of long-term debt, but excluding short-term borrowings), the electric utility subsidiaries would, absent PUC approval, be restricted in their payment of cash dividends to 80% of the earnings available for the payment of dividends in the current fiscal year and preceding five years, less the amount of dividends paid during that period. The PUC Agreement also provides that the foregoing dividend restriction shall not be construed as relinquishing any right the PUC may have to review the dividend policies of the electric utility subsidiaries. As of December 31, 2022 December 31, 2023, the consolidated common stock equity of HEI's electric utility subsidiaries was 57% 51% of their total capitalization (as calculated for purposes of the PUC Agreement) Agreement, which total capitalization includes finance lease liabilities). As of December 31, 2022 December 31, 2023,

Hawaiian Electric and its subsidiaries had common stock equity of $2.3 billion $2.4 billion of which approximately $951 million $1.2 billion was not available for transfer to HEI in the form of dividends, loans or advances without regulatory approval.

The ability of ASB to make capital distributions to HEI and other affiliates is restricted under federal law. Subject to a limited exception for stock redemptions that do not result in any decrease in ASB's capital and would improve ASB's financial condition, ASB is prohibited from declaring any dividends, making any other capital distributions, or paying a management fee to a controlling person if, following the distribution or payment, ASB would be deemed to be undercapitalized, significantly undercapitalized or critically undercapitalized. As of December 31, 2023, ASB is had in excess of approximately $210 million of net assets over the required to notify the FRB and OCC prior "well-capitalized" position. Prior to making any capital distribution (including dividends) to HEI (through ASB Hawaii). , ASB evaluates its level of business model risk, credit outlook, current and forecasted liquidity and expected balance sheet growth to determine if a distribution is warranted. All dividends capital distributions (including dividends) to HEI (through ASB Hawaii) are subject to review reviewed and approved by the OCC and FRB and receipt of a letter from the FRB communicating the agencies' non-objection prior to the payment of any dividend ASB proposes to declare and pay to ASB Hawaii and HEI. distribution. Generally, the FRB and OCC may disapprove or deny ASB's request to make a capital distribution if the proposed distribution will cause ASB to become undercapitalized, or the proposed distribution raises safety and soundness concerns, or the proposed distribution violates a prohibition contained in any statute, regulation or agreement between ASB and the OCC. As of December 31, 2022 December 31, 2023, ASB could transfer approximately $194 million of net assets did not request a dividend distribution from the OCC and FRB, and will reevaluate its ability to HEI and maintain its "well-capitalized" position. distribute excess capital next quarter.

HEI and its subsidiaries are also subject to debt covenants, preferred stock resolutions and the terms of guarantees that could limit their respective abilities to pay dividends. The Company does not expect that the regulatory and contractual restrictions applicable to HEI and/or its subsidiaries will significantly affect the operations of HEI or its ability to pay dividends on its common stock.
HEI.

Note 15 16 · Significant group concentrations of credit risk

Most of the Company's business activity is with customers located in the State of Hawaii.

The Utilities are regulated operating electric public utilities engaged in the generation, purchase, transmission, distribution and sale of electricity on the islands of Oahu, Hawaii, Maui, Lanai and Molokai in the State of Hawaii. The Utilities provide the only electric public utility service on the islands they serve. The Utilities extend credit to customers, all of whom reside or conduct business in the State of Hawaii. See Note 3 4 for a discussion of the Utilities' major customers. The Utilities target compensation at market rates, and due to the significant increase in competitive market pay for linemen over the past few years, provided an 11.4% market rate adjustment and a 4% annual incentive effective February 1, 2024. The International Brotherhood of Electrical Workers Local 1260 represents roughly half of the Utilities' workforce covered by a collective bargaining agreement that expires on October 31, 2024 agreement. On January 26, 2024, a new three-year contract was ratified and will be in effect from November 1, 2024 through October 31, 2027. The contract provides for a 3% general wage increase in each year of the three-year contract, double time for callouts, and a 1% incentive payment upon achievement of specified objectives.

Most of ASB's financial instruments are based in the State of Hawaii, except for the investment securities it owns. Substantially all real estate loans are collateralized by real estate in Hawaii. ASB's policy is to require mortgage insurance on all real estate loans with a loan to appraisal appraised value ratio in excess of 80% at origination.

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Pacific Current's investments are in projects located in the State of Hawaii since its strategy is focused on investing in non-regulated renewable energy and sustainable infrastructure in the State of Hawaii.

Note 16 17 · Fair value measurements

Fair value measurement and disclosure valuation methodology. The following are descriptions of the valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value for financial instruments not carried at fair value:

Short-term borrowings—other than bank. The carrying amount of short-term borrowings approximated fair value because of the short maturity of these instruments.

Investment securities. The fair value of ASB's investment securities is determined quarterly through pricing obtained from independent third-party pricing services or from brokers not affiliated with the trade. Non-binding broker quotes are infrequent and generally occur for new securities that are settled close to the month-end pricing date. The third-party pricing vendors ASB uses for pricing its securities are reputable firms that provide pricing services on a global basis and have processes in place to ensure quality and control. The third-party pricing services use a variety of methods to determine the fair value of securities that fall under Level 2 of ASB's fair value measurement hierarchy. Among the considerations are quoted prices for similar securities in an active market, yield spreads for similar trades, adjustments for liquidity, size, collateral characteristics, historic and generic prepayment speeds, and other observable market factors.

To enhance the robustness of the pricing process, ASB will on a quarterly basis compare its standard third-party vendor's price with that of another third-party vendor. If the prices are within an acceptable tolerance range, the price of the standard vendor will be accepted. If the variance is beyond the tolerance range, an evaluation will be conducted by ASB and a challenge

to the price may be made. Fair value in such cases will be based on the value that best reflects the data and observable characteristics of the security. In all cases, the fair value used will have been independently determined by a third-party pricing vendor or non-affiliated broker.

The fair value of the mortgage revenue bonds is estimated using a discounted cash flow model to calculate the present value of future principal and interest payments and, therefore is classified within Level 3 of the valuation hierarchy.

Loans held for sale. Residential and commercial loans are carried at the lower of cost or market and are valued using market observable pricing inputs, which are derived from third party loan sales and, therefore, are classified within Level 2 of the valuation hierarchy.

Loans held for investment. Fair value of loans held for investment is derived using a discounted cash flow approach which includes an evaluation of the underlying loan characteristics. The valuation model uses loan characteristics which includes product type, maturity dates and the underlying interest rate of the portfolio. This information is input into the valuation models along with various forecast valuation assumptions including prepayment forecasts, to determine the discount rate. These assumptions are derived from internal and third party sources. Since the valuation is derived from model-based techniques, ASB includes loans held for investment within Level 3 of the valuation hierarchy.

Collateral dependent loans. Collateral dependent loans have been adjusted to fair value. When a loan is identified as collateral dependent, the Company measures the impairment using the current fair value of the collateral, less selling costs. Depending on the characteristics of a loan, the fair value of collateral is generally estimated by obtaining external appraisals, but in some cases, the value of the collateral may be estimated as having little or no value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. If it is determined that the value of the collateral dependent loan is less than its recorded investment, the Company recognizes this impairment and adjusts the carrying value of the loan to fair value through the allowance for credit losses.

Real estate acquired in settlement of loans. Foreclosed assets are initially measured at fair value (less estimated costs to sell) and subsequently measured at the lower of the carrying value or fair value less selling costs. Fair values are generally based upon appraisals or independent market prices that are periodically updated subsequent to classification as real estate owned. Such adjustments typically result in a Level 3 classification of the inputs for determining fair value. ASB estimates the fair value of collateral-dependent loans and real estate owned using the sales comparison approach.

Mortgage servicing rights. MSRs are capitalized at fair value based on market data at the time of sale and accounted for in subsequent periods at the lower of amortized cost or fair value. MSRs are evaluated for impairment at each reporting date. ASB's MSRs are stratified based on predominant risk characteristics of the underlying loans including loan type and note rate. For each stratum, fair value is calculated by discounting expected net income streams using discount rates that reflect industry pricing for similar assets. Expected net income streams are estimated based on industry assumptions regarding prepayment expectations and income and expenses associated with servicing residential mortgage loans for others. Impairment is recognized through a valuation allowance for each stratum when the carrying amount exceeds fair value, with any associated provision recorded as a component of loan servicing fees included in "Revenues - bank" in the consolidated statements of income. A direct write-down is recorded when the recoverability of the valuation allowance is deemed to be unrecoverable. ASB compares the fair value of MSRs to an estimated value calculated by an independent third-party. The third-party relies on both published and unpublished sources of market related assumptions and its own experience and expertise to arrive at a value. ASB uses the third-party value only to assess the reasonableness of its own estimate. ASB includes MSRs within Level 3 of the valuation hierarchy.

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Time deposits. The fair value of fixed-maturity certificates of deposit was estimated by discounting the future cash flows using the rates currently offered for FHLB advances of similar remaining maturities. Deposit liabilities are classified in Level 2 of the valuation hierarchy.

Other borrowings. For advances, and repurchase agreements and other bank borrowings, fair value is estimated using quantitative discounted cash flow models that require the use of interest rate inputs that are currently offered for advances, and repurchase agreements and other bank borrowings of similar remaining maturities. The majority of market inputs are actively quoted and can be validated through external sources, including broker market transactions and third party pricing services.

Long-term debt—other than bank. Fair value of fixed-rate long-term debt—other than bank was obtained from third-party financial services providers based on the current rates offered for debt of the same or similar remaining maturities and from discounting the future cash flows using the current rates offered for debt of the same or similar risks, terms, and remaining

maturities. The carrying amount of floating rate long-term debt—other than bank approximated fair value because of the short-term interest reset periods. Long-term debt—other than bank is classified in Level 2 of the valuation hierarchy.

Interest rate lock commitments (IRLCs). The estimated fair value of commitments to originate residential mortgage loans for sale is based on quoted prices for similar loans in active markets. IRLCs are classified as Level 2 measurements.

Forward sales commitments. To be announced (TBA) mortgage-backed securities forward commitments are classified as Level 1, and consist of publicly-traded debt securities for which identical fair values can be obtained through quoted market prices in active exchange markets. The fair values of ASB's best efforts and mandatory delivery loan sale commitments are determined using quoted prices in the market place that are observable and are classified as Level 2 measurements.

Interest rate swaps. The Company measures its interest rate swaps at fair value. The fair values of the Company's interest rate swaps are based on the estimated amounts that the Company would receive or pay to terminate the contracts at the reporting date and are determined using interest rate pricing models and interest rate related observable inputs. The fair values of the Company's interest rate swaps are classified as a Level 2 measurements.

The following table presents the carrying or notional amount, fair value, and placement in the fair value hierarchy of the Company's financial instruments.

		Estimated fair value						Estimated fair value			
(in thousands)	(in thousands)	Carrying or notional amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	(in thousands)	Carrying or notional amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
December 31, 2023							**December 31, 2023**					
Financial assets							**Financial assets**					
HEI consolidated												
Available-for-sale investment securities												
Available-for-sale investment securities												
Available-for-sale investment securities												
Held-to-maturity investment securities												
Loans, net												
Loans, net												
Loans, net												

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Mortgage servicing rights						
Derivative assets						
Derivative assets						
Derivative assets						
Financial liabilities						
Financial liabilities						
Financial liabilities						
HEI consolidated						
Deposit liabilities						
Deposit liabilities						
Deposit liabilities						
Other bank borrowings						
Other bank borrowings						
Other bank borrowings						
Long-term debt, net—other than bank						
Derivative liabilities						
Hawaiian Electric consolidated						
Long-term debt, net						
Long-term debt, net						
Long-term debt, net						
December 31, 2022						
December 31, 2022						

December 31, 2022	**December 31, 2022**					
Financial assets	**Financial assets**					**Financial assets**
HEI consolidated	**HEI consolidated**					
Available-for-sale investment securities	Available-for-sale investment securities	$1,429,667	$ —	$1,414,765	$ 14,902	$1,429,667
Available-for-sale investment securities						
Available-for-sale investment securities						
Held-to-maturity investment securities	Held-to-maturity investment securities	1,251,747	—	1,150,971	—	1,150,971
Loans, net						
Loans, net						
Loans, net	Loans, net	5,907,514	—	821	5,453,381	5,454,202
Mortgage servicing rights	Mortgage servicing rights	9,047	—	—	17,646	17,646

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Derivative assets	Derivative assets	16,220	18	1,330	—	1,348
Derivative assets						
Derivative assets						
Financial liabilities	**Financial liabilities**					
Financial liabilities						
Financial liabilities						
HEI consolidated	**HEI consolidated**					
Deposit liabilities						
Deposit liabilities						
Deposit liabilities	Deposit liabilities	611,718	—	597,617	—	597,617
Short-term borrowings—other than bank	Short-term borrowings—other than bank	172,568	—	172,568	—	172,568
Other bank borrowings	Other bank borrowings	695,120	—	695,095	—	695,095
Long-term debt, net—other than bank	Long-term debt, net—other than bank	2,384,980	—	2,122,605	—	2,122,605
Derivative liabilities	Derivative liabilities	22,949	—	472	—	472
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**					
Short-term borrowings	Short-term borrowings	87,967	—	87,967	—	87,967
Short-term borrowings						
Short-term borrowings						
Long-term debt, net	Long-term debt, net	1,684,816	—	1,487,496	—	1,487,496
December 31, 2021						
Financial assets						
HEI consolidated						
Available-for-sale investment securities		$2,574,618	$ —	$2,559,191	$ 15,427	$2,574,618
Held-to-maturity investment securities		522,270	—	510,474	—	510,474
Loans, net		5,150,388	—	10,403	5,218,121	5,228,524
Mortgage servicing rights		9,950	—	—	14,480	14,480
Derivative assets		57,377	—	909	—	909
Financial liabilities						
HEI consolidated						
Deposit liabilities		423,976	—	442,361	—	442,361
Short-term borrowings—other than bank		53,998	—	53,998	—	53,998
Other bank borrowings		88,305	—	88,304	—	88,304
Long-term debt, net—other than bank		2,321,937	—	2,624,130	—	2,624,130
Derivative liabilities		57,000	11	5,271	—	5,282
Hawaiian Electric consolidated						

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Long-term debt, net	1,676,402	—	1,955,710	— 1,955,710

Fair value measurements on a recurring basis. Assets and liabilities measured at fair value on a recurring basis were as follows:

December 31	December 31	2022			2021		
		Fair value measurements using			Fair value measurements using		
(in thousands)	(in thousands)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Available-for-sale investment securities (bank segment)	Available-for-sale investment securities (bank segment)						
Available-for-sale investment securities (bank segment)							
Available-for-sale investment securities (bank segment)							
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies							
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies							
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	$ —	$1,292,968	$ —	$ —	$2,437,923	$ —
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	—	81,063	—	—	90,090	—
Corporate bonds	Corporate bonds	—	40,734	—	—	31,178	—
Mortgage revenue bonds	Mortgage revenue bonds	—	—	14,902	—	—	15,427
		$ —	$1,414,765	$14,902	$ —	$2,559,191	$15,427
Derivative assets	Derivative assets						
Interest rate lock commitments (bank segment)[1]	Interest rate lock commitments (bank segment)[1]	$ —	$ 9	$ —	$ —	$ 638	$ —
Forward commitments (bank segment)[1]		18	—	—	—	—	—
Interest rate swap (Other segment)[2]		—	1,321	—	—	271	—

December 31	2023			2022		
	Fair value measurements using			Fair value measurements using		
(in thousands)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Available-for-sale investment securities (bank segment)						
Available-for-sale investment securities (bank segment)						
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies						
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies						

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		$ 18	$ 1,330	$ —	$ —	$ 909	$ —				
Derivative liabilities											
Interest rate lock commitments (bank segment)[1]											
Interest rate lock commitments (bank segment)[1]	Interest rate lock commitments (bank segment)[1]	$ —	$ —	$ —	$ —	$ —	$ —				
Forward commitments (bank segment)[1]	Forward commitments (bank segment)[1]	—	—	—	11	—	—				
Interest rate swap (Other segment)[2]	Interest rate swap (Other segment)[2]	—	472	—	—	5,271	—				
Interest rate swap (Other segment)[2]											
Interest rate swap (Other segment)[2]											
$											
Derivative liabilities											
		$ —	$ 472	$ —	$ 11	$ 5,271	$ —				
Forward commitments (bank segment)[1]											
Forward commitments (bank segment)[1]											
Forward commitments (bank segment)[1]											
Interest rate swap (Other segment)[2]											
Interest rate swap (Other segment)[2]											
Interest rate swap (Other segment)[2]											
$											

1 Derivatives are carried at fair value in other assets or other liabilities in the balance sheets with changes in value included in mortgage banking income.

2 Derivatives are included in other assets and other liabilities in the balance sheets.

There were no transfers of financial assets and liabilities between Level 1 and Level 2 of the fair value hierarchy during the years ended December 31, 2022 December 31, 2023 and 2021. 2022.

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis were as follows:

(in thousands)	(in thousands)	2022	2021	(in thousands)	2023	2022
Mortgage revenue bonds	**Mortgage revenue bonds**					
Balance, January 1						
Balance, January 1						
Balance, January 1	**Balance, January 1**	$ 15,427	$ 27,185			
Principal payments received	Principal payments received	(525)	(11,758)			
Purchases	Purchases	—		Purchases	—	

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Unrealized gain (loss) included in other comprehensive income	Unrealized gain (loss) included in other comprehensive income	—	—
Balance, December 31	**Balance, December 31**	$14,902	$15,427

Mortgage revenue bonds are issued by the Department of Budget and Finance of the State of Hawaii. The Company estimates the fair value by using a discounted cash flow model to calculate the present value of estimated future principal and interest payments. The unobservable input used in the fair value measurement is the weighted average discount rate. As of December 31, 2022 December 31, 2023, the weighted average discount rate was 4.89% 5.67% which was derived by incorporating a credit spread over the one month LIBOR rate. SOFR. Significant increases (decreases) in the weighted average discount rate could result in a significantly lower (higher) fair value measurement.

Fair value measurements on a nonrecurring basis. Certain assets and liabilities are measured at fair value on a nonrecurring basis and therefore are not included in the tables above. These measurements primarily result from assets carried at the lower of cost or fair value or from impairment of individual assets. As of December 31, 2022 and 2021, there were no financial instruments measured at fair value on a nonrecurring basis.

For 2022 2023 and 2021, 2022, there were no adjustments to fair value for ASB's loans held for sale.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

HEI and Hawaiian Electric: None

ITEM 9A. CONTROLS AND PROCEDURES

HEI:

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Scott W. H. Seu, HEI Chief Executive Officer (CEO), and Paul K. Ito, Scott T. DeGhetto, HEI Chief Financial Officer (CFO), have evaluated the disclosure controls and procedures of HEI as of December 31, 2022 December 31, 2023. Based on their evaluation, as of December 31, 2022 December 31, 2023, they have concluded that the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective in ensuring that information required to be disclosed by HEI in reports HEI files or submits under the Securities Exchange Act of 1934:

(1) is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and

(2) is accumulated and communicated to HEI management, including HEI's CEO and CFO, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in its report which appears herein.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the quarter ended December 31, 2022 December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Hawaiian Electric:

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Shelee M. T. Kimura, Hawaiian Electric CEO, and Tayne S. Y. Sekimura, Paul K. Ito, Hawaiian Electric CFO, have evaluated the disclosure controls and procedures of Hawaiian Electric as of December 31, 2022 December 31, 2023. Based on their evaluation, as of December 31, 2022 December 31, 2023, they have concluded that the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective in ensuring that information required to be disclosed by Hawaiian Electric in reports Hawaiian Electric files or submits under the Securities Exchange Act of 1934:

(1) is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and

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(2) is accumulated and communicated to Hawaiian Electric management, including Hawaiian Electric's CEO and CFO, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended. Hawaiian Electric's internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of Hawaiian Electric's internal control over financial reporting as of December 31, 2022 December 31, 2023 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO. Based on this evaluation, management has concluded that Hawaiian Electric's internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the quarter ended December 31, 2022 December 31, 2023 that have materially affected, or are reasonably likely to materially affect, Hawaiian Electric's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2023, none of the Company's directors or officers or the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," in each case as defined in Item 408(a) of Regulation S-K.

The Company is reporting the following information in lieu of reporting on a Current Report on Form 8-K:

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(e) On February 23, 2024, the Compensation and Human Capital Management Committee of Hawaiian Electric Industries, Inc. (the "Company") recommended board of director approval of three separate executive severance arrangements that provide benefits for the Company's executive officers who are employed at each of the Company, Hawaiian Electric Company, Inc. ("Hawaiian Electric"), and American Savings Bank, F.S.B. ("American Savings") and also recommended approval of a Retention Bonus Agreement between American Savings and Ann Teranishi (the "Retention Agreement"). On February 23, 2024, the Board of Directors of the Company approved the Hawaiian Electric Industries, Inc. Executive Severance Plan (the "HEI Plan"), the Board of Directors of Hawaiian Electric approved the Hawaiian Electric Company, Inc. Executive Severance Plan (the "Hawaiian Electric Plan") and the Board of Directors of American Savings approved the Executive Severance Board Policy (the "American Savings Policy" and collectively, the "Severance Plans") and the Retention Agreement. On February 23, 2024, American Savings and Ms. Teranishi each executed the Retention Agreement. The Severance Plans and Retention Agreement are described in more detail below.

The HEI Plan and Hawaiian Electric Plan

The HEI Plan and Hawaiian Electric Plan are substantially the same and provide for the payment of severance and other benefits to eligible executives in the event of a termination of employment by the respective company without cause or by the eligible executive for good reason, with each of cause and good reason as defined in the respective severance plan (each, an "HEI/Hawaiian Electric Qualifying Termination"), in each case in lieu of benefits provided by any other company severance arrangement, provided, however, that if the eligible executive is party to a change in control agreement, the severance plans will not apply to an HEI/Hawaiian Electric Qualifying Termination in the event of a change in control whereby benefits are provided to such eligible executive pursuant to such change in control agreement.

In the event of an HEI/Hawaiian Electric Qualifying Termination and subject to employee confidentiality and non-disparagement obligations and execution of a general release of claims, the HEI Plan and Hawaiian Electric Plan each provide for, as it relates to HEI's executive officers, the following payments and benefits: (i) a lump sum payment in an amount equal to two times the annualized base salary as of the date of termination for the CEO of the respective company, including currently Scott Seu at HEI and Shelee Kimura at Hawaiian Electric: NoneElectric, and one and one-half times for Executive Vice Presidents and Senior Vice Presidents, including currently Scott DeGhetto and Kurt Murao at HEI, (ii) a lump sum payment in an amount equal to the eligible employee's pro-rata annual target bonus for the year of termination, (iii) accelerated pro-rata vesting of long-term equity or cash awards, with performance-based awards vesting at target, (iv) payment of the employer portion of any COBRA premium for a period of twenty-four months for Mr. Seu and Ms. Kimura and eighteen months for Messrs. DeGhetto and Murao, and (v) outplacement services for six months in an amount not to exceed $10,000.

American Savings Policy

The American Savings Policy provides for the payment of severance and other benefits to eligible executives in the event of a termination of employment by American Savings without cause or, in the event of a change in control of American Savings, by American Savings without cause or by the eligible executives for good reason, with each of cause and good reason as defined in the American Savings Policy (each, an "ASB Qualifying Termination"). In the event of an ASB Qualifying Termination, the American Savings Policy provides the CEO of American Savings, currently Ann Teranishi, the following payments and benefits: (i) a lump sum payment in an amount equal to one and one-half times the highest annual base salary paid during the three years preceding the date of termination, (ii) continued participation in the company's health benefit plans for a period of eighteen months, and (iii) in the case of an ASB Qualifying Termination within two years of the date of a change in control, accelerated vesting of restricted stock and restricted cash awards, provided that, where it is applicable, Ms. Teranishi's existing change in control agreement will govern the applicable severance benefits in lieu of those provided under the American Savings Policy.

Retention Agreement

The Retention Agreement provides that Ms. Teranishi shall receive retention bonus payments totaling one and one-half times Ms. Teranishi's base salary as of January 1, 2024 ("Retention Bonus") paid in five equal installments every six months beginning on March 15, 2024, subject to Ms. Teranishi continuing employment in good standing through each

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respective payment date, provided that if Ms. Teranishi's employment is terminated (i) by American Savings for any reason other than for cause or (ii) following a change in control, other than (A) by American Savings for cause, (B) by reason of death or disability, or (C) by Ms. Teranishi without good reason (each as defined in the Retention Agreement), all outstanding Retention Bonus payments will be accelerated and paid as soon as practicable following the date of termination. In addition, in the event that Ms. Teranishi's employment is involuntarily terminated without cause or she resigns for good reason, Ms. Teranishi will be awarded the benefits for which she is eligible under the American Savings Policy in accordance with the terms of that policy.

The foregoing descriptions of the Severance Plans and Retention Agreement are qualified in their entirety by the full terms of the HEI Plan, Hawaiian Electric Plan, American Savings Policy and Retention Agreement, copies of which are attached to this Form 10-K as Exhibit 10.19, Exhibit 10.20, Exhibit 10.21 and Exhibit 10.22, respectively, and incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

HEI and Hawaiian Electric: None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

HEI:

Information regarding HEI's executive officers is provided in the "Information about our Executive Officers" section following Item 4 of this report.

The remaining information required by this Item 10 for HEI is incorporated herein by reference to the following sections in HEI's 2023 2024 Proxy Statement:

- "Director Nominees for Election"
- "Continuing Directors"
- "Committees of the Board" (portions regarding whether HEI has an audit & risk committee and identifying its members; no other portion of the Committees of the Board section is incorporated herein by reference)
- "Audit & Risk Committee Report" (portion identifying audit & risk committee financial experts who serve on the HEI Audit & Risk Committee only; no other portion of the Audit & Risk Committee Report is incorporated herein by reference)

Family relationships; director arrangements

There are no family relationships between any HEI director or director nominee and any other HEI director or director nominee or any HEI executive officer. There are no arrangements or understandings between any HEI director or director nominee and any other person pursuant to which such director or director nominee was selected. Information required to be reported under this caption is incorporated herein by reference to the "Other relationships and related person transactions" section in HEI's 2023 2024 Proxy Statement.

Delinquent Section 16(a) reports

Information required to be reported under this caption is incorporated herein by reference to the "Delinquent Section 16(a) Reports" section in HEI's 2023 2024 Proxy Statement.

Code of Conduct

HEI has a Corporate Code of Conduct that includes a code of ethics applicable to, among others, its principal executive officer, principal financial officer and principal accounting officer. The Corporate Code of Conduct is available on HEI's website at www.hei.com. HEI intends to disclose the information required by Form 8-K, Item 5.05, "Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics," through this website and such information will remain available on this website for at least a 12-month period.

Hawaiian Electric:

The information required by this Item 10 for Hawaiian Electric is incorporated herein by reference to pages 1 to 6 of Hawaiian Electric Exhibit 99.1.

ITEM 11. EXECUTIVE COMPENSATION

HEI:

The information required by this Item 11 for HEI is incorporated herein by reference to the information relating to executive and director compensation in HEI's 2023 2024 Proxy Statement.

Hawaiian Electric:

The information required by this Item 11 for Hawaiian Electric is incorporated herein by reference to:

- Pages 7 to 35 34 of Hawaiian Electric Exhibit 99.1 to this Form 10-K;
- The discussion of "2021-23 "2022-24 Long-Term Incentive Plan" at pages 17 18 to 18 19 of Hawaiian Electric's Exhibit 99.1 to Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022; and
- Information concerning compensation paid to directors of Hawaiian Electric who are also directors of HEI under the section of HEI's 2023 2024 Proxy Statement entitled, "Director Compensation."

COMPENSATION & HUMAN CAPITAL MANAGEMENT COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

HEI:

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The information required to be reported under this caption for HEI is incorporated herein by reference to the “Compensation & Human Capital Management Interlocks and Insider Participation” section in HEI’s 2023 2024 Proxy Statement.

Hawaiian Electric:

The information required to be reported under this caption for Hawaiian Electric is incorporated herein by reference to page 23 of Hawaiian Electric Exhibit 99.1.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

HEI:

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The information required by this Item 12 for HEI is incorporated herein by reference to the “Stock Ownership Information-Security Ownership of Certain Beneficial Owners” section in HEI’s 2023 2024 Proxy Statement.

Equity Compensation Plan Information

Information as of December 31, 2022 2023 about HEI Common Stock that may be issued under all of the Company’s equity compensation plans was as follows:

Plan category	Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (2)	Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (2)
Equity compensation plans approved by shareholders	Equity compensation plans approved by shareholders	514,181	$ —	2,454,293				
Equity compensation plans not approved by shareholders	Equity compensation plans not approved by shareholders	—	—	—				
Total	Total	514,181	$ —	2,454,293				

(1) This column includes the number of shares of HEI Common Stock which may be issued under the HEI 2010 Equity and Incentive Plan, as amended (EIP) on account of awards outstanding as of December 31, 2022 December 31, 2023, including:

EIP	
125,391 132,369	Restricted stock units plus estimated compounded dividend equivalents (if applicable)*
388,790 403,782	Shares to be issued in February 2023, 2024 February 2024, 2025 and 2025 2026 under the 2020-22, 2021-23, 2022-24 and 2022-24 2023-25 LTIPs, respectively, plus compounded dividend equivalents**
514,181 536,151	

* Under the EIP as of December 31, 2022 December 31, 2023, RSUs count as one share against shares available for issuance less estimated shares withheld for taxes under net share settlement, which again become available for the issuance of new shares on a one-to-one basis.

** For shares to be issued in February 2024 2025 and 2025 2026 under the 2021-23 2022-24 and 2022-24 2023-25 LTIPs, respectively, the number of shares to be issued assumes that applicable performance goals are achieved and shares are issued at maximum levels, reduced by the estimated number of shares withheld for taxes.

(2) This represents the number of shares available as of December 31, 2022 December 31, 2023 for future awards, including 2,245,666 2,120,512 shares available for future awards under the EIP and 208,627 168,177 shares available for future awards under the 2011 Nonemployee Director Plan.

Hawaiian Electric:

The information required by this Item 12 for Hawaiian Electric is incorporated herein by reference to pages 35 34 to 36 35 of Hawaiian Electric Exhibit 99.1.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

HEI:

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The information required by this Item 13 for HEI is incorporated herein by reference to the sections relating to related person transactions and director independence in HEI's 2023 2024 Proxy Statement.

Hawaiian Electric:

The information required by this Item 13 for Hawaiian Electric is incorporated herein by reference to pages 36 35 to 37 36 of Hawaiian Electric Exhibit 99.1.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

HEI:

The information required by this Item 14 for HEI is incorporated herein by reference to the relevant information in the Audit & Risk Committee Report in HEI's 2023 2024 Proxy Statement (but no other part of the "Audit & Risk Committee Report" is incorporated herein by reference).

Hawaiian Electric:

The information required by this Item 14 for Hawaiian Electric is incorporated herein by reference to page 38 37 of Hawaiian Electric Exhibit 99.1.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial statements

See Item 8 for the Consolidated Financial Statements of HEI and Hawaiian Electric.

(a)(2) and (c) Financial statement schedules

The following financial statement schedules for HEI and Hawaiian Electric are included in this report on the pages indicated below:

			Page/s in Form 10-K				Page/s in Form 10-K	
			HEI	Hawaiian Electric			HEI	Hawaiian Electric
	HEI							
Schedule I	Schedule I	Condensed Financial Information of Registrant, Hawaiian Electric Industries, Inc. (Parent Company) at December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020	188-190	NA	Schedule I	Condensed Financial Information of Registrant, Hawaiian Electric Industries, Inc. (Parent Company) at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021	198-200	NA
Schedule II	Schedule II	Valuation and Qualifying Accounts, Hawaiian Electric Industries, Inc. and subsidiaries and Hawaiian Electric Company, Inc. and subsidiaries for the years ended December 31, 2022, 2021 and 2020	192	192	Schedule II	Valuation and Qualifying Accounts, Hawaiian Electric Industries, Inc. and subsidiaries and Hawaiian Electric Company, Inc. and subsidiaries for the years ended December 31, 2023, 2022 and 2021	202	202

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NA Not applicable.	NA Not applicable.	NA Not applicable.	

Certain schedules, other than those listed, are omitted because they are not required, or are not applicable, or the required information is shown in the Consolidated Financial Statements.

ITEM 16. FORM 10-K SUMMARY

HEI and Hawaiian Electric: None

Hawaiian Electric Industries, Inc.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT

HAWAIIAN ELECTRIC INDUSTRIES, INC. (PARENT COMPANY)

CONDENSED BALANCE SHEETS

December 31	December 31	2022	2021	December 31	2023	2022
(dollars in thousands)	(dollars in thousands)			(dollars in thousands)		
Assets	**Assets**			**Assets**		
Cash and cash equivalents	Cash and cash equivalents	$ 611	$ 479			
Restricted cash						
Accounts receivable	Accounts receivable	946	873			
Notes receivable from subsidiaries	Notes receivable from subsidiaries	1,140	—			
Property, plant and equipment, net	Property, plant and equipment, net	1,877	2,052			
Deferred income tax assets	Deferred income tax assets	12,107	17,000			
Other assets and intercompany receivables	Other assets and intercompany receivables	17,695	15,940			
Investments in subsidiaries, at equity	Investments in subsidiaries, at equity	2,894,856	3,025,729			
Total assets	Total assets	$2,929,232	$3,062,073			
Liabilities and shareholders' equity	**Liabilities and shareholders' equity**			**Liabilities and shareholders' equity**		
Liabilities	Liabilities			Liabilities		
Accounts payable	Accounts payable	$ 797	$ 914			
Interest payable	Interest payable	1,554	2,238			
Commercial paper	Commercial paper	49,683	53,998			
Commercial paper						
Commercial paper						
Short-term debt, net	Short-term debt, net	34,918	—			
Long-term debt, net	Long-term debt, net	557,874	548,480			

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Retirement benefits liability	Retirement benefits liability	21,983	26,340
Other	Other	59,924	39,219
Total liabilities	Total liabilities	726,733	671,189
Shareholders' equity	Shareholders' equity		
Preferred stock, no par value, authorized 10,000,000 shares; issued: none	Preferred stock, no par value, authorized 10,000,000 shares; issued: none	—	—
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding: 109,470,795 shares and 109,311,785 shares at December 31, 2022 and 2021, respectively		1,692,697	1,685,496
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding: 110,151,798 shares and 109,470,795 shares at December 31, 2023 and 2022, respectively			
Retained earnings	Retained earnings	845,830	757,921
Accumulated other comprehensive loss, net of tax benefits	Accumulated other comprehensive loss, net of tax benefits	(336,028)	(52,533)
Total shareholders' equity	Total shareholders' equity	2,202,499	2,390,884
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	$2,929,232	$3,062,073

Shareholders' equity

Hawaiian Electric Industries, Inc.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (continued)

HAWAIIAN ELECTRIC INDUSTRIES, INC. (PARENT COMPANY)

CONDENSED STATEMENTS OF INCOME

Years ended December 31	Years ended December 31	2022	2021	2020	Years ended December 31	2023	2022	2021
(in thousands)	(in thousands)				(in thousands)			
Revenues	**Revenues**	$ 320	$ 105	$ 208				

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Equity in net income of subsidiaries	**Equity in net income of subsidiaries**	273,076	278,743	227,098
Expenses:				
Expenses				**Expenses**
Operating, administrative and general	Operating, administrative and general	20,850	24,006	20,731
Depreciation of property, plant and equipment	Depreciation of property, plant and equipment	399	414	485
Taxes, other than income taxes	Taxes, other than income taxes	732	514	654
Total expenses	**Total expenses**	21,981	24,934	21,870
Income before interest expense and income tax benefits		251,415	253,914	205,436
Operating income				
Operating income				
Operating income				
Retirement defined benefits credit (expense)—other than service costs	Retirement defined benefits credit (expense)—other than service costs	147	(114)	634
Interest expense	Interest expense	21,997	18,444	18,237
Interest income				
Income before income tax benefits	**Income before income tax benefits**	229,271	235,584	186,565
Income tax benefits	Income tax benefits	11,867	10,582	11,259
Net income	**Net income**	$241,138	$246,166	$197,824

HAWAIIAN ELECTRIC INDUSTRIES, INC. (PARENT COMPANY)
STATEMENTS OF COMPREHENSIVE INCOME
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Incorporated by reference are HEI and Subsidiaries' Statements of Consolidated Comprehensive Income and Consolidated Statements of Changes in Shareholders' Equity in Part II, Item 8.

Hawaiian Electric Industries, Inc.
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (continued)
HAWAIIAN ELECTRIC INDUSTRIES, INC. (PARENT COMPANY)
CONDENSED STATEMENTS OF CASH FLOWS

Years ended December 31	**Years ended December 31**	**2022**	**2021**	**2020**	**Years ended December 31**	**2023**	**2022**	**2021**
(in thousands)	**(in thousands)**							

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Net cash provided by operating activities	**Net cash provided by operating activities**	$167,150	$154,151	$134,363
Net cash provided by operating activities				
Net cash provided by operating activities				
Cash flows from investing activities	**Cash flows from investing activities**			
Increase in note receivable from subsidiary	Increase in note receivable from subsidiary	(1,140)	—	—
Decrease in note receivable from subsidiary		—	—	22,719
Capital expenditures				
Capital expenditures				
Capital expenditures	Capital expenditures	(224)	(10)	(20)
Investments in subsidiaries	Investments in subsidiaries	(50,629)	(76,232)	(42,664)
Other	Other	1,662	180	2,435
Net cash used in investing activities	**Net cash used in investing activities**	(50,331)	(76,062)	(17,530)
Cash flows from financing activities	**Cash flows from financing activities**			
Net decrease in short-term borrowings with original maturities of three months or less	Net decrease in short-term borrowings with original maturities of three months or less	(4,315)	(10,493)	(32,232)
Net decrease in short-term borrowings with original maturities of three months or less				
Net decrease in short-term borrowings with original maturities of three months or less				
Proceeds from issuance of short-term debt	Proceeds from issuance of short-term debt	35,000	—	65,000

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Repayment of short-term debt	Repayment of short-term debt	—	(15,000)	(50,000)
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	160,000	150,000	50,000
Repayment of long-term debt	Repayment of long-term debt	(150,000)	(50,000)	—
Proceeds from issuance of syndicated credit facility		—	—	66,300
Repayment of syndicated credit facility		—	—	(66,300)
Proceeds from issuance of revolving credit facility				
Withheld shares for employee taxes on vested share-based compensation	Withheld shares for employee taxes on vested share-based compensation	(3,165)	(2,006)	(5,700)
Withheld shares for employee taxes on vested share-based compensation				
Withheld shares for employee taxes on vested share-based compensation				
Net proceeds from issuance of common stock				
Common stock dividends	Common stock dividends	(153,229)	(148,643)	(144,096)
Other	Other	(978)	(1,767)	(459)
Net cash used in financing activities		(116,687)	(77,909)	(117,487)
Net increase (decrease) in cash and equivalents		132	180	(654)
Cash and cash equivalents, January 1		479	299	953
Cash and cash equivalents, December 31		$ 611	$ 479	$ 299
Net cash provided by (used in) financing activities				
Net increase in cash and equivalents				

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Cash, cash equivalents and restricted cash, January 1	
Cash, cash equivalents and restricted cash December 31	
Less: restricted cash	
Cash and cash equivalents December 31	

NOTES TO CONDENSED FINANCIAL INFORMATION

Basis of Presentation

The “Notes to Consolidated Financial Statements” in Part II, Item 8 should be read in conjunction with the above HEI (Parent Company) financial statements. All HEI subsidiaries are reflected in the Condensed Financial Statements under the equity method. Income taxes for equity method investments are included in “Equity in net income of subsidiaries.”

Long-term debt

The components of long-term debt, net, were as follows:

December 31	December 31	2022	2021	December 31	2023	2022
(dollars in thousands)	(dollars in thousands)			(dollars in thousands)		
HEI 2.99% term loan, paid in 2022		$ —	$150,000			
HEI 3.99% senior notes, due 2023		50,000	50,000			
HEI 3.99% senior notes, paid in 2023						
HEI 3.99% senior notes, paid in 2023						
HEI 3.99% senior notes, paid in 2023						
HEI 4.58% senior notes, due 2025	HEI 4.58% senior notes, due 2025	50,000	50,000			
HEI 4.72% senior notes, due 2028	HEI 4.72% senior notes, due 2028	100,000	100,000			
HEI 2.82% senior notes, due 2028	HEI 2.82% senior notes, due 2028	24,000	24,000			
HEI 2.48% senior notes, due 2028	HEI 2.48% senior notes, due 2028	30,000	30,000			
HEI 6.04% senior notes, due 2028						

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HEI 2.98% senior notes, due 2030	HEI 2.98% senior notes, due 2030	50,000	50,000
HEI 3.15% senior notes, due 2031	HEI 3.15% senior notes, due 2031	51,000	51,000
HEI 2.78% senior notes, due 2031	HEI 2.78% senior notes, due 2031	25,000	25,000
HEI 2.98% senior notes, due 2032	HEI 2.98% senior notes, due 2032	30,000	—
HEI 5.43% senior notes, due 2032	HEI 5.43% senior notes, due 2032	75,000	—
HEI 6.10% senior notes, due 2033			
HEI 5.43% senior notes, due 2034	HEI 5.43% senior notes, due 2034	35,000	—
HEI 3.74% senior notes, due 2051	HEI 3.74% senior notes, due 2051	20,000	20,000
HEI 3.94% senior notes, due 2052	HEI 3.94% senior notes, due 2052	20,000	—
HEI revolving credit facility SOFR + 1.80% due 2026 to 2027[1]			
Less unamortized debt issuance costs	Less unamortized debt issuance costs	(2,126)	(1,520)
Long-term debt, net	Long-term debt, net	$557,874	$548,480

[1] As of December 31, 2023, the interest rate is based on term SOFR plus the applicable margin of 1.75%, reduced by a 0.05% sustainability margin adjustment, plus an additional 0.10% spread adjustment; the weighted-average interest rate was 7.19%..

The aggregate payments of principal required within five years after December 31, 2022 December 31, 2023 on long-term debt are $50 million in 2023, nil in 2024, $50 million in 2025, nil $18 million in 2026, nil $157 million in 2027, $193 million for 2027, 2028, and $460 million $367 million thereafter.

Income taxes

The Company's financial reporting policy for income tax allocations is based upon a separate entity concept whereby each subsidiary provides income tax expense (or benefits) as if each were a separate taxable entity. The difference between the aggregate separate tax return income tax provisions and the consolidated financial reporting income tax provision is charged or credited to HEI's separate tax provision.

Dividends from HEI subsidiaries

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In 2023, 2022 2021 and 2020, 2021, cash dividends received from subsidiaries were $168 million, $172 million $168 million and $145 million $172 million, respectively.

Supplemental disclosures of noncash activities

In 2023, 2022 and 2021, $2.3 million, $1.9 million and 2020, $1.9 million, $2.1 million and $2.3 million, respectively, of HEI accounts receivable from ASB Hawaii were reduced with a corresponding reduction in HEI notes payable to ASB Hawaii in noncash transactions.

In 2023, 2022 and 2021, $2.3 million, $1.9 million and 2020, $1.9 million, $2.1 million and $2.3 million, respectively, were contributed as equity by HEI into ASB Hawaii with a corresponding increase in HEI notes payable to ASB Hawaii in noncash transactions.

Under the HEI DRIP, common stock dividends reinvested by shareholders in HEI common stock in noncash transactions was immaterial $5.4 million for 2023 and nil for 2022 2021 and 2020 as 2021. HEI satisfied the share purchase requirements of the DRIP in 2023, 2022 2021 and 2020 2021 through open market purchases of its common stock rather than new issuances.

Hawaiian Electric Industries, Inc. and subsidiaries and Hawaiian Electric Company, Inc. and subsidiaries

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

Years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021

Col. A	Col. A	Col. B	Col. C		Col. D	Col. E	Col. A	Col. B	Col. C		Col. D		Col. E	
(in thousands)	(in thousands)		Additions				(in thousands)		Additions					
Description	Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Deductions	Balance at end of period	Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts		Deductions		Balance at end of period
2023							**2023**							
Allowance for uncollectible accounts – electric utility														
2022														
2022														
2022	**2022**													
Allowance for uncollectible accounts – electric utility	Allowance for uncollectible accounts – electric utility	$26,100	$ 6,028	$(14,626) (a)	$ 11,391 (b)	$ 6,111								
2021														
2021														
2021	**2021**													
Allowance for uncollectible accounts – electric utility	Allowance for uncollectible accounts – electric utility	$17,809	$ 4,183	$ 11,795 (a)	$ 7,687 (b)	$26,100								
2020														
Allowance for uncollectible accounts – electric utility		$ 1,377	$ 2,100	$ 18,041 (a)	$ 3,709 (b)	$17,809								

(a) Includes recoveries, ($2,700) and ($16,200) of recoveries from previous deferred bad debt expense for 2023 and 2022, as well as respectively, and $10,700 and $16,700 of bad debt expenses for 2021, and 2020, respectively, that have been deferred to regulatory assets pursuant to a PUC order as the recovery is probable. Total deferred bad debt expense of $10,700 in 2021 is net of a $2,000 reversal associated with customer bill credits to be provided under the Utilities' bill forgiveness program.

(b) Bad debts charged off.

(a)(3) and (b) Exhibits

The exhibits listed for HEI and Hawaiian Electric are listed in the index under the headings "HEI" and "Hawaiian Electric," respectively, except that the exhibits listed under "Hawaiian Electric" are also exhibits for HEI.

EXHIBIT INDEX

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The exhibits designated by an asterisk (*) are filed herewith. The exhibits not so designated are incorporated by reference to the indicated filing.

Exhibit no. HEI:	Exhibit no. HEI:	Description	Form	File Number	Exhibit #	Filing date	Exhibit no.	Description	Form	File Number	Exhibit #	Filing date
	3(i)	HEI's Amended and Restated Articles of Incorporation effective June 2, 2020.	10-Q	1-8503	3.1	8/6/20						
	3(ii)	HEI's Amended and Restated Bylaws effective November 3, 2022.	8-K	1-8503	3	11/7/22						
	4	Description of HEI Common Stock	10-K	1-8503	4	2/28/20						
	4.1	Agreement to provide the SEC with instruments which define the rights of holders of certain long-term debt of HEI and its subsidiaries.	10-Q	1-8503	4.1	5/9/22						
	4.2	Master Note Purchase Agreement among HEI and the Purchasers thereto, dated March 24, 2011.	8-K	1-8503	4(a)	3/28/11						
	4.2(a)	First Supplement to Note Purchase Agreement among HEI and the Purchasers thereto, dated March 6, 2013.	8-K	1-8503	4(a)	3/6/13						
	3(i)											
	3(i)											

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	3(i)				HEI's Amended and Restated Articles of Incorporation effective June 2, 2020.	10-Q	1-8503		3.1	8/6/20		
	3(ii)				3(ii)	HEI's Amended and Restated Bylaws effective November 3, 2022.	8-K	1-8503	3	11/7/22		
	4				4	Description of HEI Common Stock	10-K	1-8503	4	2/28/20		
	4.1				4.1	Agreement to provide the SEC with instruments which define the rights of holders of certain long-term debt of HEI and its subsidiaries.	10-Q	1-8503	4.1	5/9/22		
	4.2				4.2	Hawaiian Electric Industries Retirement Savings Plan, restatement effective October 6, 2022.	10-Q	1-8503	4	5/9/23		
*	*	4.3	Hawaiian Electric Industries Retirement Savings Plan, restatement effective October 6, 2022.									
		4.4	Master Trust Agreement dated as of September 4, 2012 between HEI and ASB and Fidelity Management Trust Company, as Trustee	10-Q	1-8503	4	11/8/12					
		4.4(a)	Letter Amendment effective November 28, 2012 to Master Trust Agreement dated as of September 4, 2012 between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.6(a)	2/19/13					

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4.4(b)	Letter Amendment effective October 1, 2014 to Master Trust Agreement dated as of September 4, 2012 between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4		11/6/14
4.4(c)	First Amendment effective March 1, 2015 to Master Trust Agreement (dated as of September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4		5/6/15
4.4(d)	Letter Amendment effective August 3, 2015 to Master Trust Agreement (dated as of September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(d)		3/1/18

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4.4(e)	Letter Amendment effective August 15, 2017 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	11/2/17	
4.4(f)	Second Amendment effective January 1, 2018 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(f)	3/1/18	
4.4(g)	Letter of Direction effective January 2, 2018 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(g)	3/1/18	

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	4.4(h)	Third Amendment effective July 1, 2018 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	8/3/18
	4.4(i)	Fourth Amendment effective June 26, 2019 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	S-8	333-232360	4.15	6/26/19
	4.4(j)	Letter Amendment effective November 1, 2019 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(j)	2/28/20

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4.4(k)	Fifth Amendment effective March 1, 2020 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company	10-Q	1-8503	4.2	5/5/20
4.4(l)	Letter Amendment effective October 15, 2021 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company	10-Q	1-8503	4	11/5/21

4.3								
4.3								
4.3		Master Trust Agreement dated as of September 4, 2012 between HEI and ASB and Fidelity Management Trust Company, as Trustee	10-Q	1-8503	4	11/8/12		
4.3(a)		4.3(a)	Letter Amendment effective November 28, 2012 to Master Trust Agreement dated as of September 4, 2012 between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.6(a)	2/19/13	
4.3(b)		4.3(b)	Letter Amendment effective October 1, 2014 to Master Trust Agreement dated as of September 4, 2012 between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	11/6/14	
4.3(c)		4.3(c)	First Amendment effective March 1, 2015 to Master Trust Agreement (dated as of September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	5/6/15	
4.3(d)		4.3(d)	Letter Amendment effective August 3, 2015 to Master Trust Agreement (dated as of September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(d)	3/1/18	
4.3(e)		4.3(e)	Letter Amendment effective August 15, 2017 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	11/2/17	

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4.3(f)		4.3(f)	Second Amendment effective January 1, 2018 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(f)	3/1/18
4.3(g)		4.3(g)	Letter of Direction effective January 2, 2018 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(g)	3/1/18
4.3(h)		4.3(h)	Third Amendment effective July 1, 2018 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	8/3/18
4.3(i)		4.3(i)	Fourth Amendment effective June 26, 2019 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	S-8	333-232360	4.15	6/26/19
4.3(j)		4.3(j)	Letter Amendment effective November 1, 2019 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(j)	2/28/20
4.3(k)		4.3(k)	Fifth Amendment effective March 1, 2020 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company	10-Q	1-8503	4.2	5/5/20
4.3(l)		4.3(l)	Letter Amendment effective October 15, 2021 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company	10-Q	1-8503	4	11/5/21
4.3(m)		4.3(m)	Letter Amendment effective November 1, 2022 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	11/7/22

Exhibit no.	Exhibit no.	Description	File Form	File Number	Exhibit #	Filing date	Exhibit no.	Description	Form	File Number	Exhibit #	Filing date
	4.3(n)						4.3(n)	Letter Amendment effective January 1, 2023 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-K	1-8503	4.4(n)	2/27/23
	4.4						4.4	Hawaiian Electric Industries, Inc. Dividend Reinvestment and Stock Purchase Plan, as amended and restated, effective November 3, 2022.	S-3	333-268339	4.3	11/14/22
	4.5						4.5	American Savings Bank 401(k) Plan, restatement effective January 1, 2013.	10-K	1-8503	4.8	2/19/13
	4.5(a)						4.5(a)	Amendment 2013-1 to the American Savings Bank 401(k) Plan, effective January 1, 2014.	10-K	1-8503	4.7(a)	2/23/16
	4.5(b)						4.5(b)	Amendment 2019-1 to the American Savings Bank 401(k) Plan, effective as of May 6, 2019.	S-8	333-232361	4.5	6/26/19
	4.5(c)						4.5(c)	Amendment 2020-1 to the American Savings Bank 401(k) Plan, effective as of January 1, 2020.	10-K	1-8503	4.1	2/28/20
	4.5(d)						4.5(d)	Amendment 2021-1 to the American Savings Bank 401(k) Plan, executed on of October 4, 2021.	10-K	1-8503	4.6(d)	2/27/23

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	4.5(e)						4.5(e)	Amendment 2022-1 to the American Savings Bank 401(k) Plan, executed on June 8, 2022.	10-K	1-8503	4.6(e)	2/27/23	
	4.5(f)						4.5(f)	Amendment 2022-2 to the American Savings Bank 401(k) Plan, executed on December 5, 2022.	10-K	1-8503	4.6(f)	2/27/23	
	4.5(g)						4.5(g)	Amendment 2023-1 to the American Savings Bank 401(k) Plan, executed on January 12, 2023.	10-K	1-8503	4.6(g)	2/27/23	
*													
	10.1												
	10.1												
	10.1							Conditions for the Merger and Corporate Restructuring of Hawaiian Electric Company, Inc. dated September 23, 1982.	10-K	1-8503	10.1	2/28/07	
	10.2						10.2	Regulatory Capital Maintenance/Dividend Agreement dated May 26, 1988, between HEI, HEIDI and the Federal Savings and Loan Insurance Corporation (by the Federal Home Loan Bank of Seattle).	8-K	1-8503	10.2	5/9/22	
	10.3						10.3	OTS letter regarding release from Part II.B. of the Regulatory Capital Maintenance/Dividend Agreement dated May 26, 1988.	10-K	1-8503	10.3	5/9/22	
	4.4(m)	Letter Amendment effective November 1, 2022 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.	10-Q	1-8503	4	11/7/22							
*	4.4(n)	Letter Amendment effective January 1, 2023 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company.											
	4.5	Hawaiian Electric Industries, Inc. Dividend Reinvestment and Stock Purchase Plan, as amended and restated, effective November 3, 2022.	S-3	333-268339	4.3	11/14/22							
	4.6	American Savings Bank 401(k) Plan, restatement effective January 1, 2013.	10-K	1-8503	4.8	2/19/13							

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	4.6(a)	Amendment 2013-1 to the American Savings Bank 401(k) Plan, effective January 1, 2014.	10-K	1-8503	4.7(a)	2/23/16
	4.6(b)	Amendment 2019-1 to the American Savings Bank 401(k) Plan, effective as of May 6, 2019.	S-8	333-232361	4.5	6/26/19
	4.6(c)	Amendment 2020-1 to the American Savings Bank 401(k) Plan, effective as of January 1, 2020.	10-K	1-8503	4.1	2/28/20
*	4.6(d)	Amendment 2021-1 to the American Savings Bank 401(k) Plan, executed on of October 4, 2021.				
*	4.6(e)	Amendment 2022-1 to the American Savings Bank 401(k) Plan, executed on June 8, 2022.				
*	4.6(f)	Amendment 2022-2 to the American Savings Bank 401(k) Plan, executed on December 5, 2022.				
*	4.6(g)	Amendment 2023-1 to the American Savings Bank 401(k) Plan, executed on January 12, 2023.				
	10.1	Conditions for the Merger and Corporate Restructuring of Hawaiian Electric Company, Inc. dated September 23, 1982.	10-K	1-8503	10.1	2/28/07
	10.2	Regulatory Capital Maintenance/Dividend Agreement dated May 26, 1988, between HEI, HEIDI and the Federal Savings and Loan Insurance Corporation (by the Federal Home Loan Bank of Seattle).	8-K	1-8503	10.2	5/9/22
	10.3	OTS letter regarding release from Part II.B. of the Regulatory Capital Maintenance/Dividend Agreement dated May 26, 1988.	10-K	1-8503	10.3	5/9/22

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HEI Exhibits 10.4 through 10.21 are management contracts or compensatory plans or arrangements required to be filed as exhibits pursuant to Item 15(b) of this report. HEI Exhibits 10.4 through 10.18 are also management contracts or compensatory plans or arrangements with Hawaiian Electric participants.					
10.4	HEI Executive Incentive Compensation Plan amended as of February 4, 2013.	10-K	1-8503	10.4	2/19/13
10.5	HEI Executives' Deferred Compensation Plan amended and restated effective January 1, 2019.	10-K	1-8503	10.5	2/28/19
10.6	Hawaiian Electric Industries, Inc. 2010 Equity and Incentive Plan, as amended and restated November 16, 2010.	10-K	1-8503	10.6	2/18/11
10.7	Hawaiian Electric Industries, Inc. 2010 Equity and Incentive Plan, as amended and restated February 14, 2014.	Proxy (DEF 14A)	1-8503	Appendix D	3/25/14
10.7(a)	Form of Non-Qualified Stock Option Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.4	5/11/10
10.7(b)	Form of Stock Appreciation Right Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.5	5/11/10
10.7(c)	Form of Restricted Shares Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.6	5/11/10
10.7(d)	Form of Performance Shares Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.7	5/11/10
10.7(e)	Form of Restricted Stock Unit Agreement, pursuant to 2010 Equity and Incentive Plan, as amended and restated February 5, 2021.	10-Q	1-8503	10	5/10/21

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10.8	HEI Long-Term Incentive Plan amended and restated as of February 5, 2021.	10-K	1-8503	10.8	2/26/21
10.9	HEI Supplemental Executive Retirement Plan amended and restated as of January 1, 2009.	10-Q	1-8503	10.3	11/5/08
10.9(a)	Amendments to the HEI Supplemental Executive Retirement Plan Freezing Benefit Accruals Effective December 31, 2008.	10-K	1-8503	10.9(a)	2/27/09
10.10	HEI Excess Pay Plan amended and restated as of January 1, 2009.	10-K	1-8503	10.10	2/27/09

HEI Exhibits 10.4 through 10.24 are management contracts or compensatory plans or arrangements required to be filed as exhibits pursuant to Item 15(b) of this report. HEI Exhibits 10.4 through 10.18 are also management contracts or compensatory plans or arrangements with Hawaiian Electric participants and HEI Exhibit 10.20 is a management contract or compensatory plan or arrangement with Hawaiian Electric participants.

HEI Exhibits 10.4 through 10.24 are management contracts or compensatory plans or arrangements required to be filed as exhibits pursuant to Item 15(b) of this report. HEI Exhibits 10.4 through 10.18 are also management contracts or compensatory plans or arrangements with Hawaiian Electric participants and HEI Exhibit 10.20 is a management contract or compensatory plan or arrangement with Hawaiian Electric participants.

HEI Exhibits 10.4 through 10.24 are management contracts or compensatory plans or arrangements required to be filed as exhibits pursuant to Item 15(b) of this report. HEI Exhibits 10.4 through 10.18 are also management contracts or compensatory plans or arrangements with Hawaiian Electric participants and HEI Exhibit 10.20 is a management contract or compensatory plan or arrangement with Hawaiian Electric participants.

10.4									
10.4									
10.4				HEI Executive Incentive Compensation Plan amended as of February 4, 2013.	10-K	1-8503		10.4	2/19/13
10.5				10.5	HEI Executives' Deferred Compensation Plan amended and restated effective January 1, 2019.	10-K	1-8503	10.5	2/28/19
10.6				10.6	Hawaiian Electric Industries, Inc. 2010 Equity and Incentive Plan, as amended and restated November 16, 2010.	10-K	1-8503	10.6	2/18/11

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	10.7							10.7	Hawaiian Electric Industries, Inc. 2010 Equity and Incentive Plan, as amended and restated February 14, 2014.	Proxy (DEF 14A)	1-8503	Appendix D	3/25/14
	10.7(a)							10.7(a)	Form of Non-Qualified Stock Option Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.4	5/11/10
	10.7(b)							10.7(b)	Form of Stock Appreciation Right Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.5	5/11/10
	10.7(c)							10.7(c)	Form of Restricted Shares Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.6	5/11/10
	10.7(d)							10.7(d)	Form of Performance Shares Agreement pursuant to 2010 Equity and Incentive Plan.	S-8	333-166737	4.7	5/11/10
	10.7(e)							10.7(e)	Form of Restricted Stock Unit Agreement, pursuant to 2010 Equity and Incentive Plan, as amended and restated February 5, 2021.	10-Q	1-8503	10	5/10/21
	10.8							10.8	HEI Long-Term Incentive Plan amended and restated as of February 5, 2021.	10-K	1-8503	10.8	2/26/21
	10.9							10.9	HEI Supplemental Executive Retirement Plan amended and restated as of January 1, 2009.	10-Q	1-8503	10.3	11/5/08
	10.9(a)							10.9(a)	Amendments to the HEI Supplemental Executive Retirement Plan Freezing Benefit Accruals Effective December 31, 2008.	10-K	1-8503	10.9(a)	2/27/09
	10.10							10.10	HEI Excess Pay Plan amended and restated as of January 1, 2009.	10-K	1-8503	10.10	2/27/09
	10.10(a)							10.10(a)	HEI Excess Pay Plan Addendum for Constance H. Lau.	10-K	1-8503	10.10(a)	2/27/09
	10.10(b)							10.10(b)	Amendment No. 1 dated December 13, 2010 to January 1, 2009 Restatement of HEI Excess Pay Plan.	10-K	1-8503	10.10(c)	2/19/13
	10.11							10.11	Form of Change in Control Agreement.	10-K	1-8503	10.11	2/27/09
	10.12							10.12	Nonemployee Director Retirement Plan, effective as of October 1, 1989.	10-K	1-8503	10.12	5/9/22
	10.13							10.13	HEI 2011 Nonemployee Director Stock Plan, as amended effective October 31, 2019.	10-K	1-8503	10.13	2/28/20
	10.14							10.14	HEI Non-Employee Directors' Deferred Compensation Plan.	10-Q	1-8503	10.5	11/5/08
	10.15							10.15	Executive Death Benefit Plan of HEI and Participating Subsidiaries restatement effective as of January 1, 2009.	10-Q	1-8503	10.6	11/5/08
	10.15(a)							10.15(a)	Resolution of the Compensation Committee of the Board of Directors of Hawaiian Electric Industries, Inc. Re: Adoption of Amendment No. 1 to January 1, 2009 Restatement of the Executive Death Benefit Plan.	10-Q	1-8503	10.1	11/2/09

Exhibit no.	Exhibit no.	Description	Form	File Number	Exhibit #	Filing date
	10.10(a)	HEI Excess Pay Plan Addendum for Constance H. Lau.	10-K	1-8503	10.10(a)	2/27/09

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10.10(b)	Amendment No. 1 dated December 13, 2010 to January 1, 2009 Restatement of HEI Excess Pay Plan.	10-K	1-8503	10.10(c)	2/19/13
10.11	Form of Change in Control Agreement.	10-K	1-8503	10.11	2/27/09
10.12	Nonemployee Director Retirement Plan, effective as of October 1, 1989.	10-K	1-8503	10.12	5/9/22
10.13	HEI 2011 Nonemployee Director Stock Plan, as amended effective October 31, 2019.	10-K	1-8503	10.13	2/28/20
10.14	HEI Non-Employee Directors' Deferred Compensation Plan.	10-Q	1-8503	10.5	11/5/08
10.15	Executive Death Benefit Plan of HEI and Participating Subsidiaries restatement effective as of January 1, 2009.	10-Q	1-8503	10.6	11/5/08

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10.15(a)	Resolution of the Compensation Committee of the Board of Directors of Hawaiian Electric Industries, Inc. Re: Adoption of Amendment No. 1 to January 1, 2009 Restatement of the Executive Death Benefit Plan.	10-Q	1-8503	10.1	11/2/09
10.16	Amended and Restated Severance Pay Plan for Management Employees of Hawaiian Electric Industries, Inc. and Executive Employees of Affiliates, effective as of April 2, 2018.	10-Q	1-8503	10	8/3/18
10.17	Hawaiian Electric Industries, Inc. Executives' Deferred Compensation Plan effective on January 1, 2009.	10-Q	1-8503	10.2	11/5/08
10.18	Form of Indemnity Agreement (HEI, Hawaiian Electric and ASB with their respective directors and HEI with certain of its senior officers).	10-Q	1-8503	10.1	11/8/12

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10.19	American Savings Bank Select Deferred Compensation Plan (Restatement Effective January 1, 2009).	10-Q	1-8503	10.7	11/5/08
10.19(a)	Amendment No. 1 to January 1, 2009 Restatement of American Savings Bank Select Deferred Compensation Plan dated December 30, 2009.	10-K	1-8503	10.20(a)	2/23/16
10.19(b)	Amendment No. 2 to January 1, 2009 Restatement of American Savings Bank Select Deferred Compensation Plan dated December 29, 2010.	10-K	1-8503	10.20(b)	2/23/16
10.19(c)	Amendment No. 3 to January 1, 2009 Restatement of American Savings Bank Select Deferred Compensation Plan dated December 3, 2014.	10-K	1-8503	10.20(c)	2/23/16

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	10.19(d)	Amendment No. 4 to January 1, 2009 Restatement of American Savings Bank Select Deferred Compensation Plan dated December 4, 2017.	10-K	1-8503	10.20(d)	3/1/18	
	10.19(e)	Amendment No. 5 to January 1, 2009 Restatement of American Savings Bank Select Deferred Compensation Plan dated December 5, 2018.	10-K	1-8503	10.20(e)	2/28/20	
*	10.19(e)	Amendment No. 6 to January 1, 2009 Restatement of American Savings Bank Select Deferred Compensation Plan dated December 5, 2022.					
	10.20	American Savings Bank Supplemental Executive Retirement, Disability, and Death Benefit Plan, effective January 1, 2009.	10-Q	1-8503	10.8	11/5/08	

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10.20(a)	Amendments to the American Savings Bank Supplemental Executive Retirement, Disability, and Death Benefit Plan Freezing Benefit Accruals Effective December 31, 2008.	10-K	1-8503	10.19(b)	2/27/09
10.21	Executive Separation and Release Agreement dated as of May 5, 2021 between Richard F. Wacker, American Savings Bank, F.S.B., and Hawaiian Electric Industries, Inc.	10-Q	1-8503	10.1	8/9/21
10.22***	Third Amended and Restated Credit Agreement, dated as of May 14, 2021, among Hawaiian Electric Industries, Inc., as Borrower, the Lenders Party Hereto, and Bank of America, N.A. and U.S. Bank National Association, as Co-Syndication Agents, and Wells Fargo Bank, National Association, MUFG Union Bank, N.A., Barclays Bank PLC, Bank of Hawaii and The Toronto-	10-Q	1-8503	10.2	8/9/21

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		Dominion Bank, New York Branch, as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent, Swingline Lender and Issuing Bank, and JPMorgan Chase Bank, N.A. and Bank of America, N.A. as Sustainability Structuring Agents and JPMorgan Chase Bank, N.A., BofA Securities, Inc. and U.S. Bank National Association, as Joint Lead Arrangers and Joint Book Runners.							
	10.16								
	10.16								
	10.16		Amended and Restated Severance Pay Plan for Management Employees of Hawaiian Electric Industries, Inc. and Executive Employees of Affiliates, effective as of April 2, 2018.	10-Q	1-8503		10	8/3/18	
	10.17		10.17	Hawaiian Electric Industries, Inc. Executives' Deferred Compensation Plan effective on January 1, 2009.	10-Q	1-8503	10.2	11/5/08	
	10.18		10.18	Form of Indemnity Agreement (HEI, Hawaiian Electric and ASB with their respective directors and HEI with certain of its senior officers).	10-Q	1-8503	10.1	11/8/12	
*	* 21.1	HEI - Subsidiaries of the Registrant.							

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*	* 23.1	Consent of Independent Registered Public Accounting Firm (Deloitte & Touche LLP).						
*	* 31.1	Certification Pursuant to Section 13a-14 of the Securities Exchange Act of 1934 of Scott W. H. Seu (HEI Chief Executive Officer).						
*	* 31.2	Certification Pursuant to Section 13a-14 of the Securities Exchange Act of 1934 of Paul K. Ito (HEI Chief Financial Officer).						
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	10.24							
	10.24							
	10.24		American Savings Bank Supplemental Executive Retirement, Disability, and Death Benefit Plan, effective January 1, 2009.	10-Q	1-8503		10.8	11/5/08
	10.24(a)		10.24(a)	Amendments to the American Savings Bank Supplemental Executive Retirement, Disability, and Death Benefit Plan Freezing Benefit Accruals Effective December 31, 2008.	10-K	1-8503	10.19(b)	2/27/09

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10.25(a)***	10.25(a)***	Third Amended and Restated Credit Agreement, dated as of May 14, 2021, among Hawaiian Electric Industries, Inc., as Borrower, the Lenders Party Hereto, and Bank of America, N.A. and U.S. Bank National Association, as Co-Syndication Agents, and Wells Fargo Bank, National Association, MUFG Union Bank, N.A., Barclays Bank PLC, Bank of Hawaii and The Toronto-Dominion Bank, New York Branch, as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent, Swingline Lender and Issuing Bank, and JPMorgan Chase Bank, N.A. and Bank of America, N.A. as Sustainability Structuring Agents and JPMorgan Chase Bank, N.A., BofA Securities, Inc. and U.S. Bank National Association, as Joint Lead Arrangers and Joint Book Runners.	10-Q	1-8503	10.2	8/9/21
10.25(b)***	10.25(b)***	Amendment No. 1 dated as of April 21, 2023 to the Third Amended and Restated Credit Agreement, dated as of May 14, 2021.	10-Q	1-8503	10.1	8/7/23

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Exhibit no.	Exhibit no.	Description	Form	File Number	Exhibit #	Filing date
*	* 32.1	HEI Certification Pursuant to 18 U.S.C. Section 1350.				
*	* 101.INS	XBRL Instance Document.				
*	* 101.SCH	XBRL Taxonomy Extension Schema Document.				

Exhibit no.	Description	Form	File Number	Exhibit #	Filing date

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*	*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					
*	*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					
*	*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					
*	*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					
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Hawaiian Electric:								
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Hawaiian Electric:								
3(i).1								
3(i).1								
3(i).1			Hawaiian Electric's Certificate of Amendment of Articles of Incorporation.	10-K	1-4955		3.1	3/31/89
3(i).2			3(i).2	Articles of Amendment to Hawaiian Electric's Amended Articles of Incorporation.	10-K	1-4955	3.1(b)	3/27/90**
3(i).3			3(i).3	Articles of Amendment to Hawaiian Electric's Amended Articles of Incorporation.	10-K	1-4955	3(i).4	3/23/99
3(i).4			3(i).4	Articles of Amendment amending Article V of Hawaiian Electric's Amended Articles of Incorporation effective August 6, 2009.	10-Q	1-4955	3(i).4	8/7/09

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3(ii)		3(ii)	Hawaiian Electric's Amended and Restated Bylaws (as last amended August 6, 2010).	8-K	1-4955	3(ii)	8/9/10	
4		4	Description of Hawaiian Electric's Preferred Stock	10-K	1-4955	4	2/28/20	
4.1		4.1	Agreement to provide the SEC with instruments which define the rights of holders of certain long-term debt of Hawaiian Electric, Hawaii Electric Light and Maui Electric	10-K	1-4955	4.1	3/19/03	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).							
Hawaiian Electric:								
4.2								
4.2								
4.2		Note Purchase Agreement among Hawaiian Electric and the Purchasers that are parties thereto, dated April 19, 2012.		8-K	1-4955	4(a)	4/23/12	
4.3								
4.3								
4.3		Note Purchase Agreement among Hawaiian Electric and the Purchasers that are parties thereto, dated September 13, 2012.		8-K	1-4955	4	9/14/12	
4.4		4.4	Note Purchase Agreement among Hawaiian Electric Company, Inc. and the Purchasers that are parties thereto, dated as of October 3, 2013.	8-K	1-4955	4(a)	10/7/13	
4.5		4.5	Note Purchase and Guaranty Agreement among Hawaiian Electric, Maui Electric Company, Limited and the Purchasers that are parties thereto, dated as of October 3, 2013.	8-K	1-4955	4(b)	10/7/13	

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4.6					4.6			Note Purchase and Guaranty Agreement among Hawaiian Electric, Hawaii Electric Light Company, Inc. and the Purchasers that are parties thereto, dated as of October 3, 2013.	10-Q	1-4955	4	11/7/13
4.7					4.7			Note Purchase Agreement among Hawaiian Electric Company, Inc. and the Purchasers that are parties thereto, dated as of October 15, 2015.	8-K	1-4955	4(a)	10/16/15
4.8					4.8			Note Purchase and Guaranty Agreement among Hawaiian Electric, Maui Electric Company, Limited and the Purchasers that are parties thereto, dated as of October 15, 2015.	8-K	1-4955	4(b)	10/16/15
4.9					4.9			Note Purchase and Guaranty Agreement among Hawaiian Electric, Hawaii Electric Light Company, Inc. and the Purchasers that are parties thereto, dated as of October 15, 2015.	8-K	1-4955	4(c)	10/16/15
4.10					4.10			Note Purchase Agreement among Hawaiian Electric Company, Inc. and the Purchasers that are parties thereto, dated as of December 15, 2016.	8-K	1-4955	4	12/19/16
10.1(a)												
10.1(a)												
10.1(a)								Amended and Restated Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated October 29, 2021.	10-K	1-4955	10.1(j)	2/25/22
3(i).1	Hawaiian Electric's Certificate of Amendment of Articles of Incorporation.	10-K	1-4955	3.1	3/31/89							

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3(i).2	Articles of Amendment to Hawaiian Electric's Amended Articles of Incorporation.	10-K	1-4955	3.1(b)	3/27/90**
3(i).3	Articles of Amendment to Hawaiian Electric's Amended Articles of Incorporation.	10-K	1-4955	3(i).4	3/23/99
3(i).4	Articles of Amendment amending Article V of Hawaiian Electric's Amended Articles of Incorporation effective August 6, 2009.	10-Q	1-4955	3(i).4	8/7/09
3(ii)	Hawaiian Electric's Amended and Restated Bylaws (as last amended August 6, 2010).	8-K	1-4955	3(ii)	8/9/10
4	Description of Hawaiian Electric's Preferred Stock	10-K	1-4955	4	2/28/20
4.1	Agreement to provide the SEC with instruments which define the rights of holders of certain long-term debt of Hawaiian Electric, Hawaii Electric Light and Maui Electric	10-K	1-4955	4.1	3/19/03
10.2(a)					

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4.2	Note Purchase Agreement among Hawaiian Electric and the Purchasers that are parties thereto, dated April 19, 2012.	8-K	1-4955	4(a)	4/23/12
4.3	Note Purchase and Guaranty Agreement among Hawaiian Electric, Maui Electric and the Purchasers that are parties thereto, dated April 19, 2012.	8-K	1-4955	4(b)	4/23/12
4.4	Note Purchase and Guaranty Agreement among Hawaiian Electric, Hawaii Electric Light and the Purchasers that are parties thereto, dated April 19, 2012.	8-K	1-4955	4(c)	4/23/12
4.5	Note Purchase Agreement among Hawaiian Electric and the Purchasers that are parties thereto, dated September 13, 2012.	8-K	1-4955	4	9/14/12

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4.6	Note Purchase Agreement among Hawaiian Electric Company, Inc. and the Purchasers that are parties thereto, dated as of October 3, 2013.	8-K	1-4955	4(a)	10/7/13
4.7	Note Purchase and Guaranty Agreement among Hawaiian Electric, Maui Electric Company, Limited and the Purchasers that are parties thereto, dated as of October 3, 2013.	8-K	1-4955	4(b)	10/7/13
4.8	Note Purchase and Guaranty Agreement among Hawaiian Electric, Hawaii Electric Light Company, Inc. and the Purchasers that are parties thereto, dated as of October 3, 2013.	10-Q	1-4955	4	11/7/13

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4.9	Note Purchase Agreement among Hawaiian Electric Company, Inc. and the Purchasers that are parties thereto, dated as of October 15, 2015.	8-K	1-4955	4(a)	10/16/15
4.10	Note Purchase and Guaranty Agreement among Hawaiian Electric, Maui Electric Company, Limited and the Purchasers that are parties thereto, dated as of October 15, 2015.	8-K	1-4955	4(b)	10/16/15
4.11	Note Purchase and Guaranty Agreement among Hawaiian Electric, Hawaii Electric Light Company, Inc. and the Purchasers that are parties thereto, dated as of October 15, 2015.	8-K	1-4955	4(c)	10/16/15

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4.12	Note Purchase Agreement among Hawaiian Electric Company, Inc. and the Purchasers that are parties thereto, dated as of December 15, 2016.	8-K	1-4955	4	12/19/16
10.1(a)	Power Purchase Agreement between Kalaeloa Partners, L.P., and Hawaiian Electric dated October 14, 1988.	10-Q	1-4955	10(a)	11/14/88
10.2(a)					
10.1(b)	Amendment No. 1 to Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated June 15, 1989.	10-Q	1-4955	10(c)	8/14/89
10.1(c)	Lease Agreement between Kalaeloa Partners, L.P., as Lessor, and Hawaiian Electric, as Lessee, dated February 27, 1989.	10-Q	1-4955	10(d)	8/14/89

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10.2(a)	Power Purchase Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light dated October 22, 1997 (but with the following attachments omitted: Attachment C, “Selected portions of the North American Electric Reliability Council Generating Availability Data System Data Reporting Instructions dated October 1996” and Attachment E, “Form of the Interconnection Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light,” which is provided in final form as Exhibit 10.6(b)).	10-K	1-4955		10.7	3/27/98
10.2(b)	10.2(b)	Interconnection Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light dated October 22, 1997.	10-K	1-4955	10.7(a)	3/27/98
10.2(c)	10.2(c)	Amendment No. 1, executed on January 14, 1999, to Power Purchase Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light dated October 22, 1997.	10-K	1-4955	10.7(b)	3/23/99

Exhibit no.	Description	Form	File Number	Exhibit #	Filing date
10.1(d)	Restated and Amended Amendment No. 2 to Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated February 9, 1990.	10-K	1-4955	10.2(c)	3/27/90**
10.1(e)	Amendment No. 3 to Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated December 10, 1991.	10-K	1-4955	10.2(e)	3/24/92
10.1(f)	Amendment No. 4 to Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated October 1, 1999.	10-Q	1-4955	10.1	11/8/00
10.1(g)	Confirmation Agreement Concerning Section 5.2B(2) of Power Purchase Agreement and Amendment No. 5 to Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated October 12, 2004.	10-Q	1-4955	10.3	11/5/04
10.1(h)	Agreement for Increment Two Capacity and Amendment No. 6 to Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated October 12, 2004.	10-Q	1-4955	10.4	11/5/04
10.1(i)	Letter agreement dated July 28, 2016 and executed August 1, 2016 extending the term of the Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated October 14, 1988 (as amended).	10-Q	1-4955	10	11/4/16
10.1(j)	Amended and Restated Power Purchase Agreement between Hawaiian Electric and Kalaeloa Partners, L.P., dated October 29, 2021.	10-K	1-4955	10.1(j)	2/25/22
10.2(a)	Purchase Power Contract between Hawaii Electric Light and Thermal Power Company dated March 24, 1986.	10-Q	1-4955	10(a)	8/14/89
10.2(b)	Firm Capacity Amendment between Hawaii Electric Light and Puna Geothermal Venture (assignee of AMOR VIII, who is the assignee of Thermal Power Company) dated July 28, 1989 to Purchase Power Contract between Hawaii Electric Light and Thermal Power Company dated March 24, 1986.	10-Q	1-4955	10(b)	8/14/89
10.2(c)	Amendment made in October 1993 to Purchase Power Contract between Hawaii Electric Light and Puna Geothermal Venture dated March 24, 1986, as amended.	10-K	1-4955	10.5(b)	3/27/98
10.2(d)	Third Amendment dated March 7, 1995 to the Purchase Power Contract between Hawaii Electric Light and Puna Geothermal Venture dated March 24, 1986, as amended.	10-K	1-4955	10.5(c)	3/27/98
10.2(e)	Performance Agreement and Fourth Amendment dated February 12, 1996 to the Purchase Power Contract between Hawaii Electric Light and Puna Geothermal Venture dated March 24, 1986, as amended.	10-K	1-4955	10.5(b)	3/25/96
10.2(f)	Fifth Amendment dated February 7, 2011 to the Purchase Power Contract between Hawaii Electric Light and Puna Geothermal Venture dated March 24, 1986, as amended.	10-K	1-4955	10.4(f)	2/17/12
10.2(g)	Power Purchase Agreement between Puna Geothermal Venture and Hawaii Electric Light dated February 7, 2011.	10-K	1-4955	10.4(g)	2/17/12
10.2(h)	Amended and Restated Power Purchase Agreement between Puna Geothermal Venture and Hawaii Electric Light dated December 31, 2019.	10-K	1-4955	10.3(h)	2/28/20

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10.3(a)	Power Purchase Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light dated October 22, 1997 (but with the following attachments omitted: Attachment C, “Selected portions of the North American Electric Reliability Council Generating Availability Data System Data Reporting Instructions dated October 1996” and Attachment E, “Form of the Interconnection Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light,” which is provided in final form as Exhibit 10.6(b)).	10-K	1-4955	10.7	3/27/98
10.3(b)	Interconnection Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light dated October 22, 1997.	10-K	1-4955	10.7(a)	3/27/98
10.3(c)	Amendment No. 1, executed on January 14, 1999, to Power Purchase Agreement between Encogen Hawaii, L.P. and Hawaii Electric Light dated October 22, 1997.	10-K	1-4955	10.7(b)	3/23/99
10.3(d)	Notice and acknowledgment under power purchase agreement effective November 24, 2017 by Hamakua Energy, LLC and acknowledged by Hawaii Electric Light.	10-K	1-4955	10.4(d)	3/1/18
10.4	Supply Contract for Low Sulfur Fuel Oil, High Sulfur Fuel Oil, No. 2 Diesel, and Ultra-Low Sulfur Diesel by and between Hawaiian Electric, Hawaii Electric Light, and Maui Electric and PAR Hawaii Refining, LLC dated January 21, 2019 (certain confidential information has been omitted)	10-Q	1-4955	10	5/7/19
10.4(a)	First Amendment dated June 9, 2020 to Supply Contract for Low Sulfur Fuel Oil, High Sulfur Fuel Oil, No. 2 Diesel, and Ultra-Low Sulfur Diesel by and between Hawaiian Electric, Hawaii Electric Light, and Maui Electric and PAR Hawaii Refining, LLC dated January 21, 2019 (certain confidential information has been omitted).	10-Q	1-4955	10	8/6/20

Exhibit no.	Exhibit no.	Description	Form	File Number	Exhibit #	Filing date	Exhibit no.	Description	Form	File Number	Exhibit #	Filing date
	10.2(d)						10.2(d)	Notice and acknowledgment under power purchase agreement effective November 24, 2017 by Hamakua Energy, LLC and acknowledged by Hawaii Electric Light.	10-K	1-4955	10.4(d)	3/1/18
	10.3											
	10.3											
	10.3							Supply Contract for Low Sulfur Fuel Oil, High Sulfur Fuel Oil, No. 2 Diesel, and Ultra-Low Sulfur Diesel by and between Hawaiian Electric, Hawaii Electric Light, and Maui Electric and PAR Hawaii Refining, LLC dated February 1, 2022 (certain confidential information has been omitted)	10-Q	1-4955	10.1	5/9/22

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10.4(b)	Second Amendment dated February 1, 2022 to Supply Contract for Low Sulfur Fuel Oil, High Sulfur Fuel Oil, No. 2 Diesel, and Ultra-Low Sulfur Diesel by and between Hawaiian Electric, Hawaii Electric Light, and Maui Electric and PAR Hawaii Refining, LLC dated January 21, 2019 (certain confidential information has been omitted).	10-Q	1-4955	10.4	5/9/22
10.5	Supply Contract for Low Sulfur Fuel Oil, High Sulfur Fuel Oil, No. 2 Diesel, and Ultra-Low Sulfur Diesel by and between Hawaiian Electric, Hawaii Electric Light, and Maui Electric and PAR Hawaii Refining, LLC dated February 1, 2022 (certain confidential information has been omitted)	10-Q	1-4955	10.1	5/9/22
10.4					

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10.6	Inter-Island Fuel Transportation Contract between Sause Bros., Inc. and Hawaiian Electric dated August 23, 2021 (certain confidential information has been omitted)	10-K	1-4955	10.6	2/25/22
10.7	Amended and Restated Power Purchase Agreement between Hawaiian Electric and Hu Honua Bioenergy, LLC dated May 9, 2017.	10-K	1-4955	10.11(a)	3/1/18
10.8***	Third Amended and Restated Credit Agreement, dated as of May 14, 2021, among Hawaiian Electric Company, Inc., as Borrower, the Lenders Party Hereto, and Bank of America, N.A. and U.S. Bank National Association, as Co-Syndication Agents, and Wells Fargo Bank, National Association, MUFG Union Bank, N.A., Barclays Bank PLC, Bank of Hawaii and The Toronto-Dominion Bank, New York Branch,	10-Q	1-4955	10.3	8/9/21

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	as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent, Swingline Lender and Issuing Bank, and JPMorgan Chase Bank, N.A. and Bank of America, N.A. as Sustainability Structuring Agents and JPMorgan Chase Bank, N.A., BofA Securities, Inc. and U.S. Bank National Association, as Joint Lead Arrangers and Joint Book Runners.					
10.4						
10.4		Inter-Island Fuel Transportation Contract between Sause Bros., Inc. and Hawaiian Electric dated August 23, 2021 (certain confidential information has been omitted)	10-K	1-4955	10.6	2/25/22
10.5(a)***						
10.5(a)***						
10.5(a)***		Third Amended and Restated Credit Agreement, dated as of May 14, 2021, among Hawaiian Electric Company, Inc., as Borrower, the Lenders Party Hereto, and Bank of America, N.A. and U.S. Bank National Association, as Co-Syndication Agents, and Wells Fargo Bank, National Association, MUFG Union Bank, N.A., Barclays Bank PLC, Bank of Hawaii and The Toronto-Dominion Bank, New York Branch, as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent, Swingline Lender and Issuing Bank, and JPMorgan Chase Bank, N.A. and Bank of America, N.A. as Sustainability Structuring Agents and JPMorgan Chase Bank, N.A., BofA Securities, Inc. and U.S. Bank National Association, as Joint Lead Arrangers and Joint Book Runners.	10-Q	1-4955	10.3	8/9/21
10.5(b)***		10.5(b)***	Amendment No. 1 dated as of April 21, 2023 to the Third Amended and Restated Credit Agreement, dated as of May 14, 2021.	10-Q	1-8503	10.2	8/7/23

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*	* 21.2	Hawaiian Electric - Subsidiaries of the Registrant.
*	* 31.3	Certification Pursuant to Section 13a-14 of the Securities Exchange Act of 1934 of Shelee M. T. Kimura (Hawaiian Electric Chief Executive Officer).
*	* 31.4	Certification Pursuant to Section 13a-14 of the Securities Exchange Act of 1934 of Tayne S. Y. Sekimura (Hawaiian Electric Chief Financial Officer).
*	* 32.2	Hawaiian Electric Certification Pursuant to 18 U.S.C. Section 1350.

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*	* 99.1	Hawaiian Electric's Directors, Executive Officers and Corporate Governance; Hawaiian Electric's Executive Compensation; Hawaiian Electric's Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters; Hawaiian Electric's Certain Relationships and Related Transactions, and Director Independence; and Hawaiian Electric's Principal Accounting Fees and Services.
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** Date of transmittal letter to SEC.

*** Schedules and exhibits have been omitted from this filing pursuant to Item 601(a) (5) of the Regulation S-K. We agree to furnish a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized. The execution of this report by registrant Hawaiian Electric Company, Inc. shall be deemed to relate only to matters having reference to

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such registrant and its subsidiaries.

HAWAIIAN ELECTRIC INDUSTRIES, INC. (Registrant)		**HAWAIIAN ELECTRIC COMPANY, INC.** (Registrant)	
By	/s/ Scott T. DeGhetto By Scott T. DeGhetto	By	/s/ Paul K. Ito /s/ Tayne S. Y. Sekimura
	Paul K. Ito Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer of HEI)		Tayne S. Y. Sekimura Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer of Hawaiian Electric)
Date:	February 27, 2023 29, 2024	Date:	February 27, 2023 29, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrants and in the capacities indicated on February 27, 2023 February 29, 2024. The execution of this report by each of the undersigned who signs this report solely in such person's capacity as a director or officer of Hawaiian Electric Company, Inc. shall be deemed to relate only to matters having reference to such registrant and its subsidiaries.

Signature	**Title**
/s/ Scott W. H. Seu Scott W. H. Seu	President & Chief Executive Officer of HEI and Director of HEI (Principal Executive Officer of HEI)
/s/ Shelee M. T. Kimura Shelee M. T. Kimura	President & Chief Executive Officer of Hawaiian Electric and Director of Hawaiian Electric (Principal Executive Officer of Hawaiian Electric)
/s/ Paul K. Ito Scott T. DeGhetto Paul K. Ito Scott T. DeGhetto	Executive Vice President, Chief Financial Officer and Treasurer of HEI (Principal Financial and Accounting Officer of HEI)
/s/ Bruce K. Tamashiro Bruce K. Tamashiro	Controller of HEI (Principal Accounting Officer of HEI)
/s/ Tayne S. Y. Sekimura Paul K. Ito Tayne S. Y. Sekimura Paul K. Ito	Senior Vice President, Chief Financial Officer and Treasurer of Hawaiian Electric (Principal Financial Officer of Hawaiian Electric)
/s/ Shannon K. Asato Shannon K. Asato	Controller of Hawaiian Electric (Principal Accounting Officer of Hawaiian Electric)
/s/ James A. Ajello James A. Ajello	Director of Hawaiian Electric
/s/ Kevin M. Burke Signature Kevin M. Burke	**Director of Hawaiian Electric Title**
/s/ Celeste A. Connors Celeste A. Connors	Director of HEI

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Signature	Title
/s/ Richard J. Dahl Richard J. Dahl	Director of HEI
/s/ Thomas B. Fargo Thomas B. Fargo	Chair of the Board of Directors of HEI
/s/ Elisia K. Flores Elisia K. Flores	Director of HEI
/s/ Peggy Y. Fowler Peggy Y. Fowler	Director of HEI
/s/ Timothy E. Johns Timothy E. Johns	Chair of the Board of Directors of Hawaiian Electric
/s/ Micah A. Kāne Micah A. Kāne	Director of HEI
/s/ Michael J. Kennedy Michael J. Kennedy Micah A. Kāne	Director of HEI
/s/ Mary E. Kipp Mary E. Kipp	Director of Hawaiian Electric
/s/ Yoko Otani Yoko Otani	Director of HEI
/s/ Alana Kobayashi Pakkala Alana Kobayashi Pakkala	Director of Hawaiian Electric
/s/ Keith P. Russell Keith P. Russell	Director of HEI
/s/ William James Scilacci, Jr. William James Scilacci, Jr.	Director of HEI
/s/ Kelvin H. Taketa Kelvin H. Taketa	Director of Hawaiian Electric
/s/ Toby B. Taniguchi Toby B. Taniguchi	Director of Hawaiian Electric

HEI Exhibit 4.3 4.2(a)

AMENDMENT 2023-1 TO THE

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HAWAIIAN ELECTRIC INDUSTRIES RETIREMENT SAVINGS PLAN

(Restatement effective October 6, 2022)

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INTRODUCTION

Hawaiian Electric Industries, Inc. (the "Company") established the Hawaiian Electric Industries Retirement Savings Plan (the "Plan") effective April 1, 1984, is made to enable clarify the participation date for eligible employees of the Company and its participating subsidiaries to save for retirement on a tax-deferred basis.

The Plan document was restated effective January 1, 2008. On June 16, 2011, the Internal Revenue Service issued a favorable determination letter with respect to the 2008 Plan restatement.

The Plan was again restated, effective May 1, 2011, to (a) add a matching contribution and associated vesting schedule for participants who are first employed by a participating employer after April 30, 2011 (or who are deemed to be new employees after April 30, 2011, under Section 1.2 of the Retirement Plan for Employees of Hawaiian Electric Industries, Inc. and Participating Subsidiaries); and (b) designate Hawaiian Electric Industries, Inc., the corporate entity, as the Plan "Administrator," as defined in the Employee Retirement Income Security Act of 1974, as amended.

The Plan was again restated, effective January 1, 2013, to incorporate all amendments required by the 2011 Cumulative List of Changes in Plan Qualification Requirements, including amendments required to comply with the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "HEART Act"), and the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA").

This restatement, which is effective January 1, 2022, incorporates all prior amendments, including to add a non-elective contribution and associated vesting schedule participants who are first employed by a participating employer after December 31, 2021 (or who are deemed to be new employees after December 31, 2021, under Section 1.2 of the Retirement Plan for Employees of Hawaiian Electric Industries, Inc. and Participating Subsidiaries).

The Plan is an individually designed, single-employer defined contribution retirement plan that covers both bargaining unit and non-bargaining unit employees. The Plan amendment is intended to meet the tax-qualification requirements in Sections 401(a) and 401(k) of the Internal Revenue Code. The Plan is a remedial amendment Cycle B plan. effective August 1, 2023.

A participant's benefits and rights under the Plan shall be determined in accordance with the terms

1. Section 1.1(b) of the Plan, in effect on the date the participant terminates employment and shall not be affected by any subsequent amendment to the Plan, unless, and only to the extent, specifically provided for in such amendment or otherwise required by law.

DEFINITIONS

Capitalized terms used in this document are defined in Article XII.

ARTICLE I
PARTICIPATION

Section 1.1 Eligibility to Participate

(a) Non-Bargaining Unit Employees.

A non-bargaining unit Eligible Employee shall become eligible to participate as of the date he or she first performs one (1) Hour of Service for a Participating Employer.

(b)Bargaining Unit Employees. Employees, is amended to state in its entirety as follows:

(b) Bargaining Unit Employees.

An Eligible Employee whose employment with a Participating Employer is governed by a collective bargaining agreement shall become eligible to participate as of the first day of the payroll period immediately following the date he or she first (1st) performs one (1) Hour of Service as a "regular" bargaining unit Eligible Employee. "Regular" employment is defined by reference to the governing collective bargaining agreement.

Section 1.1.A Eligibility Rules for "Regular Part-time Under Twenty (20) Hours Non-Bargaining Unit Employees"

(a) General Rule.

An Eligible Employee who is classified by a Participating Employer as a "regular part-time under twenty (20) hours non-bargaining unit employee" shall become eligible for either the Matching Contributions described in Section 2.4 or the Non-Elective Contributions described in Section 2.5 with

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the first (1st) paycheck on or after the "Entry Date" following the date such Eligible Employee completes one (1) "Year of Eligibility Service". There are two (2) Entry Dates–January 1st and July 1st. A "Year of Eligibility Service" is a computation period of twelve (12) consecutive months during which a regular part-time under twenty (20) hours non-bargaining unit employee is credited with at least one thousand (1000) Hours of Service. The initial computation period shall begin on the date the regular part-time under twenty (20) hours non-bargaining unit employee first performs one (1) Hour of Service with a Participating Employer or Associated Company. If the regular part-time under twenty (20) hours non-bargaining unit employee does not complete one thousand (1000) Hours of Service in the initial computation period, subsequent computation periods shall be the Plan Year, beginning with the Plan Year following the Plan Year in which the regular part-time under twenty (20) hours non-bargaining unit employee first performs one (1) Hour of Service.

(b) Changes in Classification

(i) Change from Regular Part-time Under Twenty (20) Hours Non-Bargaining Unit Employee.

If a regular part-time under twenty (20) hours non-bargaining unit employee who has not yet met the one (1)-year, one thousand (1000) hour service requirement in Section 1.1.A(a) to become eligible for either Matching Contributions or Non-Elective Contributions changes classification to a non-bargaining unit Eligible Employee that is not a regular part-time under twenty (20) hours non-bargaining unit employee, such Eligible Employee shall immediately become eligible for either Matching Contributions or Non-Elective Contributions, as described in Sections 2.4 and 2.5. If a regular part-time under twenty (20) hours non-bargaining unit employee who has not yet met the one (1)-year, one thousand (1000) hour service requirement in Section 1.1.A(a) to become eligible for either Matching Contributions or Non-Elective Contributions becomes a bargaining unit Eligible Employee, such employee shall become eligible for either Matching Contributions or Non-Elective Contributions in accordance with the eligibility rules for bargaining unit Eligible Employees in Section 1.1(b) and as described in Sections 2.4 and 2.5.

(ii) Change to Regular Part-time Under Twenty (20) Hours Non-Bargaining Unit Employees.

If a non-bargaining unit Eligible Employee who is not a regular part-time under twenty (20) hours non-bargaining unit employee changes classification to become a regular part-time under twenty (20) hours non-bargaining unit employee, the change will have no impact on such Eligible Employee's eligibility for either Matching Contributions or Non-Elective Contributions, as described in Sections 2.4 and 2.5. If the non-bargaining unit Eligible Employee was eligible for either Matching Contributions or Non-Elective Contributions under either Section 2.4 or Section 2.5 at the time of the change in classification, the non-bargaining unit Eligible Employee will continue to be eligible for either Matching Contributions or Non-Elective Contributions after the change in classification, depending on their hire date as described in Sections 2.4 and 2.5. If a bargaining unit Eligible Employee changes classification to become a regular part-time under twenty (20) hours non-bargaining unit employee before becoming a Participant in accordance with Section 1.1(b), such Eligible Employee will be subject to the one (1)-year, one thousand (1000) hour service requirement in Section 1.1.A(a) to become eligible for either Matching Contributions or Non-Elective Contributions, as described in Sections 2.4 and 2.5. If Hours of Service have not been counted for such Eligible Employee, such Eligible Employee shall be credited with ten (10) Hours of Service for each work day of employment as a bargaining unit employee.

(c) Break-in-Service Rules.

If a regular part-time under twenty (20) hours non-bargaining unit employee terminates employment with the Participating Employers after having met the one (1)-year, one thousand (1000) hour service requirement in Section 1.1.A(a) to become eligible for either Matching Contributions or Non-Elective Contributions, such regular part-time under twenty (20) hours non-bargaining unit employee shall be eligible for either Matching Contributions or Non-Elective Contributions immediately upon return to employment with a Participating Employer, depending on their hire date as described in Sections 2.2 and 2.3. However, if a regular part-time under twenty (20) hours non-bargaining unit employee incurs a "One (1)-Year Break in Service" before meeting the one (1)-year, one thousand (1000) hour service requirement for either Matching Contributions or Non-Elective Contributions in Section 1.1.A(a), such regular part-time under twenty (20) hours non-bargaining unit employee must complete one (1) "Year of Eligibility Service," upon return to employment before becoming eligible for either Matching Contributions or Non-Elective Contributions, depending on their hire date as described in Sections 2.4 and 2.5. For purposes of this Section 1.1.A(c) only, a "One (1)-Year Break in Service" means a twelve (12) consecutive month computation period during which the Employee does not complete more than five hundred (500) Hours of Service. The twelve (12) month computation periods used for determining eligibility under Section 1.1.A(a) shall be used for determining "One (1)-Year Breaks in Service".

Solely for purposes of determining whether a One (1)-Year Break in Service has occurred in a computation period (and not for purposes of determining whether a regular part-time under twenty (20) hours non-bargaining unit employee has met the one (1)-year service requirement for eligibility in Section 1.1.A(a)), a regular part-time under twenty (20) hours non-bargaining unit employee who is absent from work because of unpaid FMLA leave or for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to

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such regular part-time under twenty (20) hours non-bargaining unit employee but for such absence, or in any case in which such hours cannot be determined, eight (8) Hours of service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the regular part-time under twenty (20) hours non-bargaining unit employee, (2) by reason of a birth of a child of the regular part-time under twenty (20) hours non-bargaining unit employee, (3) by reason of the placement of a child with the regular part-time under twenty (20) hours nonunion employee in connection with TO RECORD the adoption of such child, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited (1) in the computation period in which the absence begins if the crediting is necessary to prevent a One (1)-Year Break in Service in that period, or (2) in all other cases, in the following computation period.

(d) Regular Part-time Under Twenty (20) Hours Non-Bargaining Unit Employees are not "Covered Employees" for purposes of Automatic Enrollment.

A regular part-time under twenty (20) hours non-bargaining unit employee shall not be a "covered employee" as defined in Section 1.414(w)-1(e)(3) of the Treasury Regulations, for purposes of the eligible automatic contribution arrangement under Section 2.2.

Section 1.2 Reemployment

If a Participant terminates employment from the Participating Employers and later returns to employment as an Eligible Employee, the Participant shall immediately recommence active participation in the Plan.

Section 1.3 Duration of Participation

Once an Eligible Employee becomes a Participant, he or she shall have all rights to active participation (applicable contributions, etc.) as long as he or she receives Compensation from a Participating Employer and continues to be an Eligible Employee. A Participant who terminates employment with the Participating Employers with a vested Account balance shall continue to be a Participant on an inactive basis until his or her entire vested Account balance is distributed in accordance with the terms of the Plan.

ARTICLE II
CONTRIBUTIONS

There are four types of possible contributions to the Plan: Salary Reduction Contributions, Matching Contributions, Rollover Contributions and Non-Elective Contributions. Salary Reduction Contributions (which include Catch-up Contributions) and Rollover Contributions may be made by all Participants. Matching Contributions are made only for Participants who are first employed by a Participating Employer after April 30, 2011 and before January 1, 2022, or who are deemed to be new Employees after April 30, 2011 and before January 1, 2022, under Section 1.2 of the HEI Retirement Plan. Non-Elective Contributions are made only for Participants who are first employed by a Participating Employer after December 31, 2021, or who are deemed to be new Employees after December 31, 2021, under Section 1.2 of the HEI Retirement Plan..

Section 2.1 Salary Reduction Contributions

Each Participating Employer shall make Salary Reduction Contributions in accordance with this Section 2.1 (affirmative pre-tax elections), Section 2.2 (automatic enrollment), and Section 2.3 (affirmative Roth elections).

(a) Salary Reduction Election.

An Eligible Employee who has met the requirements for participation in Section 1.1(a) or (b), as applicable, may begin making Salary Reduction Contributions by making an affirmative salary reduction election. A salary reduction election is an election by the Participant to forego taxable cash compensation in return for a pre-tax or Roth contribution of equal amount to the Participant's Account in the Plan. A Participant's affirmative salary reduction election becomes effective as soon as practicable following its completion and submission in accordance with procedures approved by the Administrative Committee, but only with respect to amounts that are not "currently available" to the Participant at the time the election is made. An amount is "currently available" if it has been paid to the Participant or if the Participant is able currently to receive the amount at the Participant's discretion.

(b) Pre-tax, Regular Salary Reduction Contributions.

A Participant may elect to make pre-tax, Regular Salary Reduction Contributions of up to thirty percent (30%) of the Participant's Compensation for the period in the Plan Year during which he or she is an active Participant. In addition to this percentage limitation, a Participant's Regular Salary Reduction Contributions are subject to the limitations in Article III of the Plan.

(c) Catch-up Contributions.

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Any Participant who will have attained age fifty (50) before the end of the taxable year (a "catch-up eligible Participant") is eligible as of the first (1st) day of the Plan Year to make Catch-up Contributions in accordance with, and subject to the limitations in, Section 3.2(b) of the Plan and Section 414(v) of the Code. Catch-up Contributions are not subject to the thirty percent (30%)-of-Compensation limit that applies to Regular Salary Reduction Contributions, but total Salary Reduction Contributions (Regular Salary Reduction Contributions plus Catch-up Contributions) may not exceed seventy-five percent (75%) of a Participant's Compensation.

Catch-up Contributions are not subject to the limits on annual additions, are not counted in the ADP test, and are not counted in determining the minimum allocation under Section 416 of the Code (but Catch-up Contributions made in prior years are counted in determining whether the Plan is top-heavy).

A catch-up eligible Participant may elect to make Catch-up Contributions for the Plan Year regardless of whether his or her Regular Salary Reduction Contributions have yet reached the Plan limitation set forth in Section 2.1(b) or the Code limitations set forth in Sections 3.2 or 3.4. However, if such catch-up eligible Participant's Regular Salary Reduction Contributions do not reach such limits by the end of the Plan Year, the Catch-up Contributions shall be recharacterized as Regular Salary Reduction Contributions to the extent necessary to meet the requirements of Section 414(v) of the Code.

(d) Amendment or Revocation of a Salary Reduction Election.

A Participant may amend or revoke a salary reduction election for any reason, such changes to take effect prospectively beginning with the first (1st) payroll period in which it is administratively practicable to effect the change. If a Participant voluntarily terminates a salary reduction election, the Participant may resume Salary Reduction Contributions by making and submitting a new election. A Participating Employer or the Administrative Committee may also revoke or amend a salary reduction election to prevent the Participant from exceeding one (1) of the maximum limitations described in Article III or in the event of a conflict between the Participant's salary reduction election and other payroll deductions authorized by the Participant or required by law. The Administrative Committee may adopt and modify rules and procedures for salary reduction elections. Such rules and procedures will control in the event of any conflict between the rules and procedures and this Section 2.1.

(e) Application of Section 401(a)(17) Limit.

Section 401(a)(17) of the Code limits the amount of Compensation that may be taken into account in determining contributions for a Plan Year, and this limit is reflected in the definition of Compensation in Article XII. The limit applies on an annual basis. However, salary reduction elections are applied on a payroll period basis. In accordance with Section 2.1(d), a Participant may change the salary reduction percentage in effect at any time. Since contributions are limited by dollar amount under Section 402(g) of the Code, the Section 402(g) limit will apply to stop contributions before a Participant is limited by the Plan's thirty percent (30%) limit on Compensation, as capped by Section 401(a)(17) of the Code.

(f) No Other Benefits Conditioned on Salary Reduction Election.

No other employee benefit, including, but not limited to, benefits under a defined benefit plan, non-elective employer contributions to a defined contribution plan (other than Matching

Contributions), the availability, cost, or amount of health benefits, vacations or vacation pay, life insurance, dental benefits, legal services plans, loans (including Plan loans), financial planning services, subsidized retirement benefits, stock options, property subject to Code Section 83, or dependent care assistance, shall be directly or indirectly conditioned upon any Participant making a salary reduction election.

(g) Deposit of Salary Reduction Contributions.

The Participating Employers shall deposit Salary Reduction Contributions with the Trustee on the earliest date such contributions can reasonably be segregated from the Participating Employer's general assets.

(h) No Prefunding of Salary Reduction Contributions.

In accordance with Section 1.401(k)-1(a)(3)(iii) of the Treasury Regulations, the Participating Employers may not make Salary Reduction Contributions prior to the Participant's salary reduction election and the Participant's performance of service with respect to which the Salary Reduction Contributions are made. However, this "prefunding" limitation shall not apply to contributions that are made due to bona fide administrative considerations as provided in the Treasury Regulations.

Section 2.2 Eligible Automatic Contribution Arrangement

(a) "Covered Employees".

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There are two categories of Eligible Employees who are “covered employees,” as defined in Section 1.414(w)-1(e)(3) of the Treasury Regulations, in the eligible automatic contribution arrangement (“EACA”) established under this Section 2.2. The first (1st) category of “covered employees” are Eligible Employees who: (i) first (1st) performed one (1) Hour of Service with a Participating Employer after April 30, 2011 and before January 1, 2015, or who are treated as such under Section 1.2 of the HEI Retirement Plan; (ii) have never made an affirmative salary reduction election; and (iii) do not make an affirmative salary reduction election (i.e., an election to contribute any percentage of Compensation as a Salary Reduction Contribution or an election to opt-out of automatic enrollment) during the “Election Period” described in Section 2.2(b). The second (2nd) category of “covered employees” are Eligible Employees who first (1st) perform one (1) Hour of Service with a Participating Employer after December 31, 2014, and who do not make an affirmative salary reduction election (i.e., an election to contribute any percentage of Compensation as a Salary Reduction Contribution or an election to opt-out of automatic enrollment) during the “Election Period” described in Section 2.2(b). “Covered employees” are referred to as “EACA Participants” in this Plan.

(b) Election Period: Automatic Enrollment Date; Default Election.

Every Eligible Employee who is eligible for the EACA shall be given a sixty (60)-day election period to opt-out of automatic enrollment or to make an affirmative salary reduction election. The sixty (60)-day election period begins on the date the “EACA Notice,” described in Section 2.2(e), is provided to the Eligible Employee. If, at the end of the sixty (60)-day election period, the Eligible Employee has not opted out of automatic enrollment or made an affirmative salary reduction election, the Eligible Employee shall be deemed to have elected to become an “EACA Participant” and to have made a default salary reduction election to contribute three percent (3%) of his or her Compensation as a pre-tax, Regular Salary Reduction Contribution, and the sixtieth (60th) day of the election period shall be the EACA Participant’s “Automatic Enrollment Date”. The EACA Participant’s default salary reduction election shall become effective as soon as administratively practicable following the EACA Participant’s Automatic Enrollment Date.

(c) Termination of EACA Participant Status.

(i) General Rules.

An EACA Participant’s default salary reduction election will continue until the EACA Participant makes an affirmative election to change (increase, decrease, or stop) the default Salary Reduction Contributions, at which point the Participant will no longer be an EACA Participant. Any change in an EACA Participant’s default salary reduction election will take effect as soon as administratively practicable after the change in accordance with Section 2.1(d) (setting forth the Plan's normal rules for changes in salary reduction elections).

(ii) Rehired EACA Participants.

If an Eligible Employee is an EACA Participant when the Eligible Employee terminates employment with the Participating Employers and the Eligible Employee is subsequently re-employed as an Eligible Employee, the Eligible Employee will again be an EACA Participant and default pre-tax, Regular Salary Reduction Contributions shall commence immediately upon rehire. If an Eligible Employee is not an EACA Participant when the Eligible Employee terminates employment with the Participating Employers (either because the Eligible Employee was never an EACA Participant or because the Eligible Employee’s EACA Participant status had terminated), the Eligible Employee will not be an EACA Participant if the Eligible Employee is re-employed by a Participating Employer and must make an affirmative salary reduction election to commence or re-commence participation in the Plan.

(d) Reasonable Opportunity To Make an Affirmative Election.

An EACA Participant shall have a reasonable opportunity after receipt of the EACA Notice to opt-out of automatic enrollment or to make an affirmative salary reduction election. The rules in Section 2.2(b) are intended to meet this requirement.

(e) Advance Notice Requirement.

At least thirty (30) days, but not more than ninety (90) days, before the beginning of each Plan Year the Plan Administrator shall provide each EACA Participant with a comprehensive notice (the “EACA Notice”) of the EACA Participant’s rights and obligations under the EACA. If an Eligible Employee becomes an EACA Participant after the ninetieth (90th) day before the beginning of the Plan Year and does not receive the EACA Notice for that reason,

the EACA Notice will be provided no more than ninety (90) days before the Eligible Employee becomes an EACA Participant but not later than the date the Eligible Employee becomes an EACA Participant. The EACA Notice shall (1) describe the EACA Participant’s right to opt-out of automatic enrollment or to make an affirmative salary reduction election; (2) state that a default pre-tax, Regular Salary Reduction Contribution equal to three percent (3%) of the EACA Participant’s Compensation shall be made in the absence of an affirmative election; (3) describe how the default Salary

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Reduction Contributions will be invested in the absence of affirmative investment instructions from the EACA Participant; and (4) describe the EACA Participant's right to elect a withdrawal of default contributions in accordance with Section 2.2(g).

(f) Default Investment.

In the absence of investment directions from an EACA Participant, the EACA Participant's default Salary Reduction Contributions shall be invested in the qualified default investment alternative described in Section 4.3(c).

(g) Elective Withdrawal of Default Salary Reduction Contributions.

(i) Election.

No later than ninety (90) days after an EACA Participant's Automatic Enrollment Date (which will occur earlier than ninety (90) days after default Salary Reduction Contributions are first (1st) withheld from the EACA Participant's pay), the EACA Participant may elect to withdraw all of the default Salary Reduction Contributions made to the EACA Participant's Account, as adjusted for earnings and losses to the date of the withdrawal. An EACA Participant's election to withdraw default Salary Reduction Contributions shall be effective as soon as administratively practicable after the election but no later than the earlier of (1) the pay date for the second (2nd) payroll period that begins after the date the election is made or (2) the first (1st) pay date that occurs at least thirty (30) days after the election is made.

(ii) Deemed Election To Stop Default Salary Reduction Contributions.

Unless the EACA Participant affirmatively elects otherwise, any withdrawal request under this Section 2.2(g) shall be treated as an affirmative election to stop making Salary Reduction Contributions to the Participant's Account. Any EACA Participant who withdraws his or her default Salary Reduction Contributions under this Section 2.2(g) shall no longer be an EACA Participant and will have to make an affirmative election to continue or recommence Salary Reduction Contributions.

(iii) No Effect on Section 402(g) Limit or ADP Test.

Any default Salary Reduction Contributions withdrawn under this Section 2.2(g) are not counted towards the dollar limitation on elective deferrals set forth in Section 402(g) of the Code and described in Section 3.2 of the Plan. Furthermore,

such withdrawn default Salary Reduction Contributions are not taken into account in performing the ADP test described in Section 3.1 of the Plan.

(iv) Effect on Matching Contributions.

Matching Contributions that would otherwise be allocated to an EACA Participant's Account will not be allocated to the extent the EACA Participant withdraws his or her default Salary Reduction Contributions under this Section 2.2(g), and any Matching Contributions that have already been made on account of default Salary Reduction Contributions that are later withdrawn shall be forfeited.

(h) Preemption of State Wage Laws.

Section 514(e) of ERISA preempts any state wage law (or any other state law) that would directly or indirectly prohibit an automatic contribution arrangement (i.e., the withholding of wages without the Employee's express written consent).

Section 2.3 Roth Salary Reduction Contributions

A Participant making an affirmative salary reduction election in accordance with Section 2.1(a) may designate all or a portion of the Participant's Salary Reduction Contributions (including Catch-up Contributions) as Roth Salary Reduction Contributions if the following conditions are satisfied:

(a) Irrevocable Election.

The Participant's designation must be made before the Salary Reduction Contributions are withheld from the Participant's Compensation in accordance with procedures approved by the Administrative Committee. Once Roth Salary Reduction Contributions are withheld from the Participant's Compensation, the designation is irrevocable. However, the election may be changed with respect to future Salary Reduction Contributions in accordance with Section 2.1(d) (setting forth the Plan's normal rules for changes in salary reduction elections). To the extent a Participant does not affirmatively designate Salary Reduction Contributions as Roth Salary Reduction Contributions, such contributions shall constitute pre-tax Salary Reduction Contributions. All Salary Reduction Contributions for EACA Participants (i.e., Participants who have been automatically enrolled in the Plan in accordance with Section 2.2) shall constitute pre-tax, Regular Salary Reduction Contributions.

(b) After-Tax Treatment by the Participating Employers.

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The Participating Employers shall treat any Roth Salary Reduction Contributions as includible in the Participant's income (i.e., treat as wages subject to applicable income and employment tax withholding) at the time the Participant would have received the contributed amounts in cash but for the salary reduction election.

(c) Separate Accounting.

In accordance with Section 4.2, the Trustee or an affiliate of the Trustee shall establish and maintain one or more Roth Contribution Subaccounts (by whatever names or designations the Trustee deems appropriate) for each Participant who elects to make Roth Salary Reduction Contributions to the Plan. The Roth Contribution Subaccounts shall include a record of the Participant's "investment in the contract" (i.e., Roth Salary Reduction Contributions that have not been distributed). Gains, income, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis among the Roth Contribution Subaccounts and all other Subaccounts. However, no forfeitures shall be allocated to any Roth Contribution Subaccount. The separate accounting requirement described in this paragraph shall be applicable at the first time any Roth Salary Reduction Contribution is made and shall continue until the Roth Contribution Subaccounts are completely distributed.

(d) Coordination with Salary Reduction Contribution Rules.

Except as otherwise provided hereunder, the Participant's Roth Salary Reduction Contributions shall be subject to all Plan requirements applicable to pre-tax Salary Reduction Contributions. For example, except as otherwise provided hereunder, the Roth Salary Reduction Contributions shall constitute Salary Reduction Contributions for purposes of: (i) the affirmative election procedures under Section 2.1(a); (ii) the thirty percent (30%) Plan limit on Regular Salary Reduction Contributions in Section 2.1(b); (iii) the nondiscrimination tests and rules under Section 3.1; (iv) the calendar-year dollar limitation under Section 402(g) of the Code and Section 3.2(a) of the Plan; (v) the Catch-up Contribution provisions in Section 414(v) of the Code and Sections 2.1(c) and 3.2(b) of the Plan; (vi) any allocation of Matching Contributions under the Plan; (vii) the limitations under Section 415(c) of the Code that are described in Section 3.4; (viii) the minimum distribution rules in Section 401(a)(9) of the Code and Section 6.8 of the Plan; (ix) full vesting of Salary Reduction Contributions under Section 5.1(a); and (x) the determination of Top-Heavy Plan status under Article XI.

Section 2.4 Matching Contributions for Participants First Employed by a Participating Employer After April 30, 2011 and Before January 1, 2022 (or Deemed To Be New Employees After April 30, 2011 and Before January 1, 2022, Under Section 1.2 of the HEI Retirement Plan)

A Participant who is first employed by a Participating Employer after April 30, 2011 and before January 1, 2022, or who is deemed to be a new Employee of a Participating Employer after April 30, 2011 and before January 1, 2022, under Section 1.2 of the HEI Retirement Plan, shall be eligible for the Matching Contributions described in this Section 2.4. Any Participant who was first employed by a Participating Employer prior to May 1, 2011 or after December 31, 2021, and who is not deemed to be a new Employee after April 30, 2011 and before January 1, 2022, under Section 1.2 of the HEI Retirement Plan, is not eligible for the Matching Contributions described in this Section 2.4.

(a) Amount.

The Participating Employers shall match the Salary Reduction Contributions of their eligible Participants on the following basis: a fifty percent (50%) match on the first six percent (6%) of annual Compensation deferred by the Participant (i.e., maximum Matching Contribution of three percent (3%) of the Participant's annual Compensation). Since Section 12.8 limits the Compensation taken into account in determining contributions to Compensation earned after an Eligible Employee becomes a Participant, in a Participant's first (1st) year of participation, Compensation earned before the Participant begins participation shall not be counted in the Participant's annual Compensation for purposes of calculating the Participant's Matching Contribution.

(b) Matching Contributions on Catch-up Contributions.

Catch-up Contributions are treated as "elective deferrals" under the Code and Treasury Regulations. Accordingly, Catch-up Contributions are eligible for Matching Contributions. However, since Matching Contributions are made only on the first six percent (6%) of Compensation deferred, so long as the interplay of the limitations in Sections 401(a)(17) and 402(g) of the Code make it impossible for Catch-up Contributions to be within the first six percent (6%) of a Participant's Compensation, no Matching Contributions shall be made on Catch-up Contributions.

(c) Deposit of Matching Contributions; True-up.

The Participating Employers will pay the Matching Contributions to the Trustee no later than the due date, including extensions thereof, for filing the Company's tax return for the taxable year with respect to which the Matching Contributions are made. If the Participating Employers pay the Matching Contributions to the Trustee prior to the end of the year with respect to which the Matching Contributions are made, the Participating Employers shall true-up the Matching Contributions at or after the end of the year to make sure that each Participant received a Matching Contribution equal to fifty percent (50%) of the first six percent (6%) of annual Compensation deferred by the Participant for the year.

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(d) Application of Section 401(a)(17) Limit.

The dollar limit in effect under Section 401(a)(17) of the Code shall be applied on an as-earned basis. This means that once a Participant has earned Compensation equal to the dollar limit under Section 401(a)(17) for the Plan Year, no further Matching Contributions shall be made for that Participant for the Plan Year.

Section 2.5 Non-Elective Contributions for Participants First Employed by a Participating Employer After December 31, 2021 (or Deemed to Be New Employees After December 31, 2021, Under Section 1.2 of the HEI Retirement Plan)

A Participant who is first employed by a Participating Employer after December 31, 2021, or who is deemed to be a new Employee of a Participating Employer after December 31, 2021, under Section 1.2 of the HEI Retirement Plan, shall be eligible for the Non-Elective Contributions described in this Section 2.5. Any Participant who was first employed by a Participating Employer prior to January 1, 2022, and who is not deemed to be a new Employee after December 31, 2021, under Section 1.2 of the HEI Retirement Plan, is not eligible for the Non-Elective Contributions described in this Section 2.5.

(a) Amount.

Each Plan Year, the Participating Employers shall make a Non-Elective Contribution on behalf of each Participant in an amount equal to ten percent (10%) of the Participant's Compensation for such year. Since Section 12.8 limits the Compensation taken into account in determining contributions to Compensation earned after an Eligible Employee becomes a Participant, in a Participant's first year of participation the Compensation earned before the Participant begins participation shall not be taken into account in determining the Participant's Compensation for purposes of calculating the Participant's Non-Elective Contribution.

(b) Timing of Deposit of Non-Elective Contributions

The Participating Employers will pay the Non-Elective Contributions to the Trustee no later than the due date, including extensions thereof, for filing the Company's tax return for the taxable year with respect to which the Non-Elective Contributions are made. If the Participating Employers pay the Non-Elective Contributions to the Trustee prior to the end of the Plan Year with respect to which the Non-Elective Contributions are made, the Participating Employers shall true-up the Non-Elective Contributions at or after the end of the Plan Year, as may be necessary to ensure that each Participant receives a Non-Elective Contribution equal to fifty percent (10%) of the Participant's Compensation for such year.

Section 2.6 Return of Contributions

(a) Mistake of Fact.

If a contribution is made because of a mistake of fact, the contribution may be returned within one (1) year after the contribution is made. The amount that may be returned is the amount contributed over the amount that would have been contributed had no mistake of fact occurred. Earnings on mistaken Matching Contributions and Non-Elective Contributions may not be returned, but losses attributable thereto reduce the amount returned. Mistaken Regular Salary Reduction and Catch-up Contributions shall be adjusted for earnings or losses.

(b) Loss of Deduction.

If a Matching Contribution or Non-Elective Contribution is not deductible under the Code, such contribution (to the extent the deduction is disallowed) may be returned to the Participating Employer within one (1) year after the disallowance of the deduction. Earnings on nondeductible contributions may not be returned, but losses attributable thereto reduce the amount returned.

Section 2.7 Rollover Contributions

(a) Direct Rollovers.

A Participant or an Eligible Employee (whether or not a Participant) may make a "direct rollover" to the Plan of an "eligible rollover distribution" from: (i) a retirement plan qualified under Section 401(a) of the Code; (ii) an annuity plan described in Section 403(a) of the Code; (iii) an annuity contract described in Section 403(b) of the Code; (iv) an individual retirement account or individual retirement annuity described in Section 408 of the Code; or (v) an eligible Section 457(b) deferred compensation plan established and maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

A "direct rollover" is a direct payment of an eligible rollover distribution by any reasonable means from the trustee, custodian, or annuity provider of the former plan or arrangement to the Trustee of this Plan. For purposes of this Section 2.7, an "eligible rollover distribution" means a payment of cash which is not one of a series of periodic payments, is not a payment required to be distributed to the Participant under Section 401(a)(9) of the Code, and is not a hardship distribution from another plan.

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The Administrative Committee may adopt reasonable standards and procedures for determining whether a proposed rollover is permissible.

(b) Direct Rollovers from Designated Roth Accounts.

A Participant or an Eligible Employee may make a direct rollover from a designated Roth account in another tax-qualified 401(k) plan or 403(b) annuity or governmental 457(b) plan. The Trustee shall separately account for any Roth contributions rolled over to the Plan. Rollover contributions are not permitted from Roth IRAs.

(c) Direct Rollovers of Other After-Tax Amounts.

The Plan may accept direct rollovers of other after-tax amounts from retirement plans qualified under Section 401(a) of the Code or from annuity contracts described in Section 403(b) of the Code. The Trustee shall separately account for the after-tax portion of any direct rollover under this Section 2.7(c).

(d) Traditional Rollovers.

The Administrative Committee may consider traditional rollovers by Eligible Employees. To protect the tax-qualified status of the Plan, the Administrative Committee may ask the Eligible Employee to provide an opinion of counsel or other evidence to establish that the requirements for a traditional rollover have been satisfied.

Section 2.8 USERRA Rights of Participants Returning from Qualified Military Service

If a Participant returns to employment with a Participating Employer following a leave of absence for Qualified Military Service, the Participant shall be eligible to have his or her military leave of absence counted as employment with the Participating Employer for purposes of Salary Reduction Contributions, Non-Elective Contributions, and Matching Contributions, as applicable. The Administrative Committee has established written procedures to meet the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”). These procedures establish rules permitting reemployed veterans to make up Salary Reduction Contributions upon their return to employment with a Participating Employer and granting makeup Matching Contributions for returning Participants who would have been entitled to Matching Contributions during the military leave of absence. The USERRA procedures are incorporated herein by this reference and may be amended at any time without notice and without further amendment to the Plan.

Section 2.9 Qualified Nonelective Contributions

The Participating Employers may make qualified nonelective contributions if necessary to correct a qualification failure in accordance with the Employee Plans Compliance Resolution System. A “qualified nonelective contribution” is an employer contribution that is one hundred percent (100%) vested when made, that the Participant may not elect to receive in cash, and that is distributable only in accordance with the distribution restrictions applicable to Salary Reduction Contributions, except that qualified nonelective contributions may not be distributed on account of hardship. Qualified nonelective contributions cannot be taken into account in performing the ADP and ACP tests described in Sections 3.1 and 3.3, respectively, for a Plan Year for an NHCE to the extent such contributions exceed the product of that NHCE’s ADP Compensation and the greater of five percent (5%) or two (2) times the Plan’s representative contribution rate. Any qualified nonelective contribution taken into account under an ACP test under Section 1.401(m)-2(a)(6) of the Treasury Regulations (including the determination of the representative contribution rate for purposes of Section 1.401(m)-2(a)(6)(v)(B)) is not permitted to be taken into account under the ADP test (including the determination of the representative contribution rate under Section 1.401(k)-2(a)(6)(iv)(B)). Any qualified nonelective contribution taken into account in an ADP test under Section 1.401(k)-2(a)(6) of the Treasury Regulations (including the determination of the representative contribution rate for purposes of Section 1.401(k)-2(a)(6)(iv)(B)) is not permitted to be taken into account under the ACP test (including the determination of the representative contribution rate for purposes of Section 1.401(m)-2(a)(6)(v)(B)). The Plan’s “representative contribution rate” is the lowest applicable contribution rate of any eligible NHCE among a group of eligible NHCEs that consists of half of all eligible NHCEs for the Plan Year (or, if greater, the lowest applicable contribution rate of any eligible NHCE in the group of all eligible NHCEs for the Plan Year and who is employed by a

Participating Employer on the last day of the Plan Year). For purposes of the ADP test, the “applicable contribution rate” for an eligible NHCE is the sum of the qualified matching contributions, if any, taken into account in performing the ADP test for the eligible NHCE for the Plan Year and the qualified nonelective contributions made for the eligible NHCE for the Plan Year, divided by the eligible NHCE’s ADP Compensation for the same period. For purposes of the ACP test, the “applicable contribution rate” for an eligible NHCE is the sum of the matching contributions taken into account in performing the ACP test for the eligible NHCE for the Plan Year and the qualified nonelective contributions made for the eligible NHCE for the Plan Year, divided by the eligible NHCE’s ADP Compensation for the same period.

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ARTICLE III
NONDISCRIMINATION RULES; LIMITATIONS ON CONTRIBUTIONS

Section 3.1 Section 401(k) Nondiscrimination Rules

(a) ADP Test.

Regular Salary Reduction Contributions are tested for discrimination under the actual deferral percentage ("ADP") test of Section 401(k)(3)(A)(ii) of the Code. For purposes of ADP testing, the portion of the Plan that covers nonunion Participants and the portion of the Plan that covers bargaining unit Participants are treated as separate plans and tested separately.

(b) Prior-year Testing Method.

The Plan uses the prior-year ADP testing method, under which the ADP in the current year for the group of Eligible Employees who are HCEs is compared to the ADP in the previous year for the group of Eligible Employees who were NHCEs in the previous year. The comparative percentages must satisfy one of the following tests:

(i) 1.25 Test.

The ADP for the current Plan Year for the group of Eligible Employees who are HCEs is not more than the ADP in the previous Plan Year for the group of Eligible Employees who were NHCEs in the previous Plan Year multiplied by 1.25 [HCE ADP ≤ (NHCE ADP x 1.25)], or

(ii) Two Percent (2%) Spread Test.

The excess of the ADP for the current Plan Year for the group of Eligible Employees who are HCEs is not more than two percentage points greater than the ADP in the previous Plan Year for the group of Eligible Employees who were NHCEs in the previous Plan Year, and the ADP for the current Plan Year for the group of Eligible Employees who are HCEs is not more than twice the ADP in the previous Plan Year for the group of Eligible Employees who were NHCEs in the previous Plan Year [HCE ADP < (NHCE ADP + 2%)] and [HCE ADP ≤ (NHCE ADP x 2)].

(c) ADP Rules

(i) Groups.

The ADP for a specified group of Eligible Employees for a Plan Year means the average of the ratios (calculated separately for each Eligible Employee in such group) of (A) the amount of Regular Salary Reduction contributions allocated to the Eligible Employee's Account as of a date within such Plan Year to (B) such Eligible Employee's ADP Compensation for such Plan Year. The ADP of an

Eligible Employee who is eligible to but does not elect to have Salary Reduction Contributions made on his or her behalf for a Plan Year is zero.

(ii) Special Rule for HCEs.

The ADP for any Eligible Employee who is an HCE for the Plan Year and who is eligible to have contributions allocated to his or her account under two or more cash or deferred arrangements described in Section 401(k) of the Code that are maintained by a Participating Employer or Associated Company shall be determined as if such contributions were made under a single arrangement.

(iii) Lookback.

The ADP for the eligible NHCEs is determined using the actual deferral ratios for the Eligible Employees who were NHCEs in the previous Plan Year, regardless of whether those NHCEs are Eligible Employees or NHCEs in the Plan Year for which the ADP test is being calculated.

(iv) Catch-up Contributions.

Catch-up Contributions are not taken into account under the ADP test for any Plan Year.

The provisions of Section 401(k)(3) of the Code and Section 1.401(k)-2 of the Treasury Regulations are incorporated in the Plan by this reference.

(d) Correction of Excess Contributions.

Excess contributions are corrected under a four-step process as follows:

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(i) Step 1.

If the Plan does not satisfy either of the ADP tests for a Plan Year, the dollar amount of excess contributions for each affected HCE shall be calculated in a manner consistent with Section 401(k)(8)(B) of the Code and Section 1.401(k)-2(b)(2) of the Treasury Regulations, which states that the amount of excess contributions for an HCE is the amount (if any) by which such HCE's contributions must be reduced for the HCE's actual deferral ratio ("ADR") to equal the highest permitted ADR for the year. To calculate the highest permitted ADR, the ADR of the HCE with the highest ADR is reduced by the amount required to cause that HCE's ADR to equal the ADR of the HCE with the next highest ADR. If a lesser reduction would enable the arrangement to satisfy the ADP test after reductions, only this lesser reduction would be used. The process described in this Step 1 must be repeated until the arrangement would satisfy the ADP test after reductions. The sum of all reductions for all HCEs is the total amount of excess contributions for the Plan Year.

(ii) Step 2.

The total amount of excess contributions determined in Step 1 shall be apportioned among the HCEs in accordance with this Step 2. The contributions of the HCE with the highest dollar amount of contributions taken into account under the ADP test shall be reduced by the amount required to cause that HCE's contributions to equal the dollar amount of the contributions for the HCE with the next highest dollar amount of contributions taken into account under the ADP test. However, if a lesser apportionment to the HCE would enable the Plan to apportion the total amount of excess contributions, only the lesser apportionment would apply. The procedure in this Step 2 must be repeated until the total amount of excess contributions has been apportioned.

(iii) Step 3.

The amount of excess contributions apportioned to an HCE shall be adjusted for any income or loss attributable to such excess contributions, provided that there shall be no adjustment for earnings or losses occurring in the gap period between the end of the Plan Year in which the excess contributions were made and the time when the excess contributions are distributed. The income or loss allocable to the excess contributions shall be calculated by multiplying the income or loss allocable to the HCE's Salary Reduction Subaccount for the Plan Year in which the excess contributions occurred by a fraction, the numerator of which is the HCE's excess contributions for the Plan Year and the denominator of which is the balance of the HCE's Salary Reduction Subaccount as of the beginning of the Plan Year plus the HCE's Salary Reduction Contributions during the Plan Year.

(iv) Step 4.

Within twelve (12) months after the close of the Plan Year in which the excess contributions occurred, the Plan must distribute to each HCE the excess contributions apportioned to the HCE under Step 2 and the allocable income determined under Step 3. To avoid the ten percent (10%) excise tax under Section 4979 of the Code, the distributions must be made within two and a half (2 1/2) months after the close of the Plan Year in which the excess contributions occurred. The distribution shall be designated as a corrective distribution of excess contributions.

(v) Special Rule for Catch-up Contributions.

If an HCE who would otherwise receive a corrective distribution is eligible to make Catch-up Contributions for the year in which the excess contributions occurred and if the Catch-up Contributions for such HCE are less than the Catch-up Contribution dollar limit in. Section 3.2(b), some or all of the amount that would otherwise be distributed to the HCE shall be recharacterized as a Catch-up Contribution and retained in. such HCE's Account. The amount to be recharacterized and retained shall be equal to the lesser of (1) the difference between the Catch-up Contribution dollar limit for the Plan Year and the HCE's prior Catch-up Contributions for the Plan Year or (2) the total amount that would otherwise be distributed to the HCE as a corrective distribution.

(vi) Special Rule for Roth Salary Reduction Contributions.

To the extent excess contributions are distributed to an HCE under this Section 3.1(d) for a Plan Year that includes both pre-tax Salary Reduction Contributions and Roth Salary Reduction Contributions, the excess contributions shall be distributed in the following order of priority: (A) first, any pre-tax Salary Reduction Contributions shall be distributed, and (B) second, Roth Salary Reduction Contributions shall be distributed. In accordance with Treasury Regulations, the principal amount of any Roth Salary Reduction Contributions shall not be includible in gross income, but any income allocable to the distribution shall be includible in gross income.

Section 3.2 Maximum Elective Deferrals

(a) Dollar Limit on Salary Reduction Contributions.

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No Participant shall be permitted to make Salary Reduction Contributions during any calendar year in excess of the amount of elective deferrals permitted by Section 402(g)(1) of the Code. The limit is set annually by the IRS and is adjusted for cost-of-living increases.

(i) Designation of Excess Elective Deferrals.

The 402(g) limit applies to the Participant and is based not only on Salary Reduction Contributions to this Plan but also on "elective deferrals" to any other qualified retirement plan, including plans of other employers. "Elective deferrals" are contributions made to employer-sponsored, qualified retirement plans pursuant to salary reduction agreements and include 401(k) contributions, 403(b) annuity contributions, and elective contributions to SIMPLE plans. Since neither the Participating Employers nor the Administrative Committee has knowledge of a Participant's elective deferrals to qualified retirement plans of other employers, it is the Participant's responsibility to monitor this limit with respect to all elective deferrals. If a Participant's elective deferrals for a Plan Year are in excess of the 402(g) limit, the Participant must choose which plan to allocate the excess to. If the Participant chooses to allocate some or all of the excess to this Plan, the Participant must so notify the Administrative Committee no later than March 1 of the year following the year in which the excess occurred. The Participant's notice to the Administrative Committee must (a) be in writing, (b) specify the amount of such excess for the preceding year allocated to the Plan, and (c) be accompanied by the Participant's written statement to the effect that if such amounts are not distributed, such excess (when added to amounts deferred under other qualified retirement plans or arrangements) would exceed the limit imposed on the Participant by Section 402(g) of the Code for the year in which the contribution occurred. A Participant shall be deemed to have provided the foregoing notice to the Administrative Committee if the Participant's elective deferrals have exceeded the 402(g) limit taking into account only Salary Reduction Contributions to this Plan and elective deferrals to other plans sponsored by the Participating Employers or an Associate Company.

(ii) Distribution of Excess Elective Deferrals.

Any excess elective deferrals allocated to the Plan in accordance with the foregoing paragraph, plus any income and minus any loss allocable thereto through the end of the Plan Year, shall be distributed to the Participant no later than April 15 of the year following the year in which the excess elective deferrals were contributed. The income or loss allocable to such excess elective deferrals shall be calculated by multiplying the income or loss allocable to the Participant's Salary Reduction Subaccount for the Plan Year by a fraction, the numerator of which is the Participant's excess elective deferrals for the Plan Year and the denominator of which is the balance of the Participant's Salary Reduction Subaccount as of the beginning of the Plan Year plus the Participant's Salary Reduction Contributions during the Plan Year. There shall be no adjustment for earnings or losses occurring in the gap period between the end of the Plan Year in which the excess elective deferrals were made and the time when the excess elective deferrals are distributed.

(iii) Special Rule for Catch-up Contributions.

If a catch-up eligible Participant has made Regular Salary Reduction Contributions in excess of the 402(g) limit but has not made the full amount of Catch-up Contributions permitted under Section 3.2(b), the amount of Regular Salary Reduction Contributions in excess of the 402(g) limit shall be recharacterized as Catch-up Contributions to the extent permitted under Section 3.2(b).

(iv) Special Rule for Roth Salary Reduction Contributions.

To the extent excess elective deferrals are distributed under Section 3.2(a)(ii) for a Plan Year that includes both pre-tax Salary Reduction Contributions and Roth Salary Reduction Contributions, the excess elective deferrals shall be distributed in the following order of priority: (A) first, any pre-tax Salary Reduction Contributions shall be distributed, and (B) second, Roth Salary Reduction Contributions shall be distributed. In accordance with Treasury Regulations, the principal amount of any Roth Salary Reduction Contributions shall not be includible in gross income, but any income allocable to the distribution shall be includible in gross income.

(b) Dollar Limit on Catch-up Contributions.

No catch-up eligible Participant shall be permitted to make Catch-up Contributions during any calendar year in excess of the amount permitted under Section 414(v)(2)(B)(i) of the Code, as adjusted for cost-of-living increases.

Section 3.3 Section 401(m) Nondiscrimination Rules

(a) ACP Test.

Matching Contributions made on behalf of nonunion Participants are tested for discrimination under the actual contribution percentage ("ACP") test of Section 401(m)(2) of the Code. (Matching Contributions made on behalf of bargaining unit Participants automatically satisfy the Section 401(m) nondiscrimination requirements.)

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(b) Prior-year Testing Method.

The Plan uses the prior-year ACP testing method, under which the ACP in the current year for the group of Eligible Employees who are HCEs is compared to the ACP in the previous year for the group of Eligible Employees who were NHCEs in the previous year. The comparative percentages must satisfy one of the following tests:

(i) 1.25 Test.

The ACP for the current Plan Year for the group of Eligible Employees who are HCEs is not more than the ACP in the previous Plan Year for the group of Eligible Employees who were NHCEs in the previous Plan Year multiplied by 1.25 [HCE ACP ≤ (NHCE ACP x 1.25), or

(ii) 2% Spread Test.

The excess of the ACP for the current Plan Year for the group of Eligible Employees who are HCEs is not more than two percentage points greater than the ACP in the previous Plan Year for the group of Eligible Employees who were NHCEs in the previous Plan Year, and the ACP for the current Plan Year for the group of Eligible Employees who are HCEs is not more than twice the ACP in the previous Plan Year for the group of Eligible Employees who were NHCEs in the previous Plan Year [HCE ACP ≤ (NHCE ACP + 2%)] and [HCE ACP ≤ (NHCE ACP x 2)].

(c) ACP Rules

(i) Groups.

The ACP for a specified group of Eligible Employees for a Plan Year means the average of the ratios (calculated separately for each Eligible Employee in such group) of (A) the amount of Matching Contributions allocated to the Eligible Employee's Account as of a date within such Plan Year to (B) such Eligible Employee's ADP Compensation for such Plan Year.

(ii) Special Rule for the 2011 Plan Year.

For the 2011 Plan Year, which was the first year in which Matching Contributions were made, the ACP for NHCEs was deemed to be three percent (3%).

(iii) Special Rule for HCEs.

The ACP for any Eligible Employees who is an HCE for the Plan Year and who is eligible for matching contributions or employee contributions under more than one plan maintained by a Participating Employer or Associated Company shall be determined as if such contributions were made under a single arrangement.

(iv) Lookback.

The ACP for the eligible NHCEs is determined using the actual contribution ratios for the Eligible Employees who were NHCEs in the previous Plan Year, regardless of whether those NHCEs are Eligible Employees or NHCEs in the Plan Year for which the ACP test is being calculated.

The provisions of Section 401(m)(2) of the Code and Section 1.401(m)-2 of the Treasury Regulations are incorporated in the Plan by this reference.

(d) Correction of Excess Aggregate Contributions.

Excess aggregate contributions are corrected under a four-step process as follows:

(i) Step 1.

If the Plan does not satisfy either of the ACP tests for a Plan Year, the dollar amount, of excess aggregate contributions for each affected HCE shall be calculated in a manner consistent with Section 401(m)(6) of the Code and Section 1.401(m)-2(b)(2) of the Treasury Regulations, which states that the amount of excess aggregate contributions for an HCE is the amount (if any) by which such HCE's contributions must be reduced for the HCE's actual contribution ratio ("ACR") to equal the highest permitted ACR for the year. To calculate the highest permitted ACR, the ACR of the HCE with the highest ACR is reduced by the amount required to cause that HCE's ACR to equal the ACR of the HCE with the next highest ACR. If a lesser reduction would enable the arrangement to satisfy the ACP test, only this lesser reduction would be used. The process described in this Step 1 must be repeated until the arrangement would satisfy the ACP test after reductions. The sum of all reductions for all HCEs is the total amount of excess aggregate contributions for the Plan Year.

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(ii) Step 2.

The total amount of excess aggregate contributions determined in Step 1 shall be apportioned among the HCEs in accordance with this Step 2. The contributions of the HCE with the highest dollar amount of contributions taken into account under the ACP test shall be reduced by the amount required to cause that HCE's contributions to equal the dollar amount of the contributions for the HCE with the next highest dollar amount of contributions taken into account under the ACP test. However, if a lesser apportionment to the HCE would enable the Plan to apportion the total amount of excess aggregate contributions, only the lesser apportionment would apply The procedure in this Step 2 must be repeated until the total amount of excess aggregate contributions has been apportioned.

(iii) Step 3.

The amount of excess aggregate contributions apportioned to an HCE shall be adjusted for any income or loss attributable to such excess aggregate contributions, provided that there shall be no adjustment for earnings or losses occurring in the gap period between the end of the Plan Year in which the excess aggregate contributions were made and the time when the excess aggregate contributions are distributed. The income or loss allocable to the excess aggregate contributions shall be calculated by multiplying the income or loss allocable to the HCE's Matching Contribution Subaccount for the Plan Year in which the excess aggregate contributions occurred by a fraction, the numerator of which is the HCE's excess aggregate contributions for the Plan Year and the denominator of which is the balance of the HCE's Matching Contribution Subaccount as of the beginning of the Plan Year plus the HCE's Matching Contributions for the Plan Year.

(iv) Step 4.

Within twelve (12) months after the close of the Plan Year in which the excess aggregate contributions occurred, the Plan must distribute to each HCE the excess aggregate contributions apportioned to the HCE under Step 2 and the allocable income determined under Step 3. To avoid the ten percent (10%) excise tax under Section 4979 of the Code, the distributions must be made within two and a half (2 1/2) months after the close of the Plan Year in which the excess aggregate contributions occurred. The distribution shall be designated as a corrective distribution of excess aggregate contributions.

Section 3.4 Section 415 Limitations

(a) Annual Additions.

For each Plan Year, "Annual Additions" to the Plan (plus "Annual Additions" to any other defined contribution plan that a Participating Employer maintains) on behalf of each Participant may not exceed the lesser of $40,000 (adjusted for cost-of-living increases under Section 415(d) of the Code) or one hundred percent (100%) of the Participant's 415 Compensation for the Plan Year. "Annual Additions" means the sum credited to a Participant's Account for a Plan Year of:

- All employer contributions (including Salary Reduction Contributions);
- All Employee contributions (none are currently allowed);
- Forfeitures; and
- With respect to "Key Employees" only, as defined in Section 11.1(a), amounts contributed to a 401(h) account in a defined benefit plan or to a qualified asset account in a welfare benefit fund to provide postretirement medical benefits to or on behalf of the Key Employee, except that the one hundred percent (100%)-of-compensation limitation on Annual Additions shall not apply to any amounts treated as Annual Additions under this paragraph.

Catch-up Contributions and assets transferred or rolled over from another qualified plan are not Annual Additions. Furthermore, the reinvestment of dividends on Company Stock, described in Sections 4.3(a) and (e), the allocation of a restorative payment, described in Section 1.415(c)-1(b)(2)(ii)(C) of the Treasury Regulations, and the repayment of a Plan loan are not Annual Additions. However, Annual Additions include excess contributions and excess aggregate contributions for a Plan Year that are subsequently distributed to a Participant pursuant to Section 3.1(d) and 3.3(d), as applicable. Annual Additions also include Salary Reduction Contributions that exceed the limits of Section 402(g) of the Code, except to the extent such excess amounts are refunded to the Participant by April 15 of the following Plan Year.

(b) Section 415 Aggregation Rules.

In applying the limitations of Section 415 of the Code, all defined contribution plans (whether or not terminated) of a Participating Employer (or a predecessor employer, as defined in Section 1.415(f)-1(c) of the Treasury Regulations) under which the Participant has received Annual Additions

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shall be treated as one plan, and the term “Participating Employer” shall include the Company and all corporations that are members of the same controlled group of corporations (as defined in Code Section 414(b) as modified by Code Section 415(h)), all commonly controlled trades or businesses (as defined in Code Section 414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, by Code Section 415(h)), affiliated service groups (as defined in Code Section 414(m)), and any other entity required to be aggregated with the Company under Code Section 414(o).

(c) Correction of Excess Annual Additions.

The correction methods for excess annual additions in Section 1.415-6(b)(6) of the 1981 Treasury Regulations shall not be effective for limitation years beginning on or after July 1, 2007, except as permitted under the Employee Plans Compliance Resolution System.

Section 3.5 Forfeiture of Matching Contributions

Matching Contributions shall be forfeited if the Salary Reduction Contributions to which the Matching Contributions relate are returned to the Participant because the Salary Reduction Contributions are determined to be excess contributions under Section 3.1 or excess elective deferrals under Section 3.2. Matching Contributions that are forfeited shall be adjusted for income or loss in the same way as the Salary Reduction Contributions that are returned to the Participant. To the extent that the Matching Contributions represent excess aggregate contributions that are distributed to the Participant under Section 3.3, the forfeiture shall not occur.

Any Matching Contributions forfeited under this Section 3.5 shall be used to pay administrative expenses of the Plan or to reduce the Participating Employers’ Matching Contributions in accordance with Section 5.2(c).

ARTICLE IV
ACCOUNTING AND INVESTMENTS

Section 4.1 Assets To Be Held by Trustee

All assets of the Plan shall be held and invested by the Trustee pursuant to the Trust Agreement and the rules set forth in this Article IV.

Section 4.2 Accounting and Expenses

The Trustee or an affiliate of the Trustee shall maintain accurate accounting of each Participant’s interest in the Plan in accordance with the Trust Agreement or separate record keeping agreement.

(a) Subaccounts.

Although the total interest of a Participant in the Plan is reflected in or expressed as his or her Account, the Trustee may maintain Subaccounts to reflect different sources of contributions to a Participant’s Account. For example, all Salary Reduction Contributions and any other 401(k) monies must be separately accounted for to ensure that the distribution restrictions under Section 401(k) are complied with. As of January 1, 2022, the Trustee maintains the following Subaccounts with respect to Participant Accounts:

- Salary Reduction
- Rollover
- ER Matching Contribution
- Employer ASB
- IRA
- Employer HEISOP
- After-Tax Rollover
- Non-Elective Contribution
- Participant Voluntary
- HEI Diversified Plan ("HEIDI")
- AmeriMatch
- Employer Supplemental
- Voluntary HEISOP
- Employee Pre-Tax Catch-up
- QNEC

The Subaccounts may be changed at any time by agreement between the Company or the PIC and the Trustee.

(b) Valuation of Accounts.

The Account and Subaccounts of each Participant shall be valued at the end of each day that the New York Stock Exchange is open (each, a “valuation date”). All distributions, withdrawals, and Plan loans shall be based on the value of a Participant’s Account as of the last valuation date.

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(c) Fees and Expenses.

Generally, there are three kinds of expenses associated with investments in the HEIRS Plan: investment expenses associated with the investment options, administrative expenses, and individual expenses. These are generally described as follows:

(i) Investment Expenses.

The investment options have investment fees and expenses associated with them. The fees and expenses associated with the mutual funds offered under the Plan may include, but are not limited to, investment management fees, marketing and distribution fees (12b-1 fees), shareholder servicing fees, recordkeeping fees, and. fees for other operating expenses. The annual percentage of a mutual fund's assets paid out in expenses is expressed as an "expense ratio". Since the mutual funds are buying and selling securities, there are also transaction costs, including, but not limited to, brokerage commissions that are reflected in the price paid or received by the mutual fund for the various securities purchased or sold.

Investment expenses associated with an investment in "Company Stock," as defined in Section 4.3(a), may include, but are not limited to, brokerage commissions when Company Stock is purchased or sold on the open market.

(ii) Administrative Expenses.

Administrative expenses may include, but are not limited to, trustee, legal, accounting, actuarial, recordkeeping, and investment consulting fees. Each Participant may be assessed a recordkeeping fee by the Trustee with respect to his or her Account. Administrative fees specifically associated with an investment in Company Stock may include, but are not limited to, a basic fee for administering Company Stock as an investment under the Plan and fees associated with administering the dividend pass-through program. The mutual funds may pay fees to the Trustee to offset recordkeeping and other administrative expenses. The mutual fund investments may also generate credits which may be used to offset administrative expenses to the extent permitted under ERISA. Credits generated in excess of administrative expenses may be allocated as income to Participant accounts on a pro rata or other reasonable basis.

(iii) Individual Expenses.

Individual expenses are expenses triggered by Participant or Beneficiary action. These fees may include, but are not limited to, loan set-up and quarterly or annual servicing fees, fees connected with distributions and withdrawals, and fees to qualify and administer domestic relations orders. As described in Section 4.3(b) below, certain trading practices may trigger individual redemption fees or penalties. Generally, individual expenses are charged to the individual accounts of the Participants and Beneficiaries who have initiated the action that triggered the expense.

All costs and expenses of the Plan and any taxes assessed against the Plan may be paid from the Plan. The fees and expenses paid from the Plan shall be allocated among Accounts as determined by the Administrative Committee, which shall have the authority, in its discretion, to cause fees and expenses that are properly allocable to particular, individual Accounts to be charged directly to such Accounts and to cause fees and expenses that are not so allocable to be allocated among all Accounts in a reasonable manner determined by the Administrative Committee. The Administrative Committee shall maintain and make available, or ensure that the Trustee maintains and makes available, a current fee schedule for routine fees and expenses that the Administrative Committee has determined to be directly chargeable to the Accounts of particular Participants and Beneficiaries; provided, however, that the Administrative Committee may cause specific expenses to be allocated directly to one or more particular Accounts if the Administrative Committee determines that such allocation is reasonable and appropriate under applicable law and administrative guidance, even if such expenses are not listed on the fee schedule.

The Participating Employers may, but are not required to, pay the general administrative expenses of the Plan. In accordance with applicable prohibited transaction exemptions under ERISA, the Participating Employers may make unsecured, interest-free loans or advances to the Plan to pay the ordinary administrative expenses of the Plan.

Section 4.3 Investment of Accounts

(a) Broad Range of Investments.

The Plan offers a broad range of investment funds, including, but not limited to, mutual funds managed by an affiliate of the Trustee and other companies and common stock of the Company ("Company Stock"). The PIC may change the investment funds offered at any time. A prospectus describing the Plan and the investment risks associated with an investment in the Plan is available to Participants. Appendix A to such prospectus describes the investment funds offered under the Plan. Prospectuses are also available for the mutual fund options.

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(b) Participant Direction.

Each Participant is responsible for investing all of his or her Account. A Participant exercises his or her investment responsibility by choosing from among the investment funds offered. Participants are responsible for educating themselves regarding the investment funds available to them. Initial investment choices and subsequent changes are made directly with the Trustee via the telephone or Internet. The PIC is authorized to establish additional rules to regulate or restrict investment elections. The Trustee and the mutual funds may impose their own rules and restrictions with respect to investments, including imposing redemption fees and penalties to restrict certain trading practices. Investment elections and exchanges under the Plan are subject to all such rules, restrictions, fees, and penalties.

(c) Qualified Default Investment Alternative.

If a Participant does not choose an investment option for any portion of the Participant's Account, the Participant shall be deemed to have chosen the age appropriate target-date Fidelity Freedom Index Fund — Class W ("Target-Date Fund"), or such other investment fund as the PIC may direct, as the investment option applicable to the non-directed portion of the Participant's Account. It is intended that the Target-Date Funds shall meet the requirements to be a "qualified default investment alternative," as defined in U.S. Department of Labor ("DOL") Regulations implementing Section 404(c)(5) of ERISA.

(d) Section 404(c) Plan.

The Plan is intended to constitute a plan described in Section 404(c) of ERISA and the DOL Regulations thereunder. Under Section 404(c) of ERISA, fiduciaries of the Plan are relieved of liability for any losses that are the direct and necessary result of a Participant's or Beneficiary's exercise of control over investments in the Participant's Account. This means that each Participant bears the risks and rewards of the Participant's own investment decisions. Investment losses may occur based on. those decisions. Neither the Participating Employers nor their officers and directors, the PIC, the Investment Committee, the Administrative Committee, the Trustee, nor any of their representatives insure or otherwise guarantee the performance of any investment fund offered under the Plan.

(e) Company Stock

Participants and Beneficiaries may make limited investments in Company Stock as described in this Section 4.3(e) and in an amendment to the Trust Agreement.

(i) ESOP Status.

The portion of the Plan that is invested in Company Stock is an "employee stock ownership plan" ("ESOP"), as defined in Section 4975(e)(7) of the Code.

(ii) Dividend Pass-Through

Dividends paid on Company Stock shall be passed through to Participants and Beneficiaries in accordance with the Trust Agreement. Each Participant and Beneficiary who has an investment in Company Stock through the Plan may elect to have any dividends paid on Company Stock either (A) paid to the Participant or Beneficiary in cash, or (B) reinvested in Company Stock in the Plan. If a Participant or Beneficiary does not affirmatively elect to receive a dividend in cash, the Participant or Beneficiary shall be deemed to have elected reinvestment of such dividend in Company Stock in the Plan. Any payment of cash dividends to a Participant or Beneficiary shall be accounted for as if the Participant or Beneficiary receiving the dividends was a direct owner of the shares of Company Stock, and the payment shall not be treated as a Plan distribution for purposes of Article VI. In accordance with Section 404(k)(7) of the Code, dividends reinvested in Company Stock in the Plan shall be fully vested.

(iii) Real-Time Trading.

Trading in Company Stock through the Plan shall be done in accordance with the Trust Agreement, which generally provides for real-time trading of Participant or Beneficiary initiated exchanges, with batch activity for other transactions (e.g., purchases of Company Stock for Participant contributions allocated to Company Stock and sales of Company Stock to facilitate distributions and loans).

(iv) Voting of Shares.

In accordance with the terms of the Trust Agreement, each Participant shall have the right to direct the Trustee as to the manner in which the Trustee is to vote that number of shares of Company Stock credited to the Participant's or Beneficiary's Account. Participant and Beneficiary ownership of Company Stock and voting by Participants and Beneficiaries with respect to Company Stock shall be kept

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confidential. The Trust Agreement sets forth the responsibilities of the Company and the Trustee with respect to notification to Participants and Beneficiaries of annual or special meetings, the means of communicating directions, and the voting of shares for which no direction is received by the Trustee. The Trust Agreement, as it may be amended, shall be followed by the Trustee in performing its responsibilities with respect to common stock of the Company held by the Plan.

(v) Tender Offers.

In the event of a tender offer or other situation that involves the potential for undue influence, tabulation of Participant votes shall be controlled by the Trustee in accordance with the terms of the Trust Agreement.

(vi) Section 16 Insiders.

With respect to a Participant who is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 (an "Affected Participant"), the provisions of the Plan and all transactions hereunder are intended and shall be construed and applied so as to comply with all applicable requirements and conditions for exemption under Rule 16b-3 or any successor rule. In this regard, an Affected Participant's investment election directing the investment, disposition, or reinvestment of the Participant's Account in the Company Stock shall be structured to meet the requirements for a "discretionary transaction" under Title 17, Section 240.16b-3(f) of the Code of Federal Regulations. Specifically, the Affected Participant shall be allowed to make such investment election with respect to the acquisition or disposition of Company Stock only if such election is made on or after the date that is six (6) months following the date of the most recent investment election for an "opposite way" transaction under any employee benefit plan sponsored by a Participating Employer or Associated Company. For this purpose, an "opposite way" transaction means a previous acquisition if the current transaction is a disposition, and vice versa. However, an acquisition or disposition of Company Stock resulting from an election to receive, or defer the receipt of, Company stock or cash in connection with the death, Disability, Retirement, or termination of service of the Participant falls outside the meaning of a "discretionary transaction" under Rule 16b-3(f), and shall not be subject to, or considered in applying, the above six (6)-month election restriction.

(vii) Change in Shares.

If the outstanding shares of common stock of the Company are decreased or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different shares or other securities are distributed with respect to such shares of Company Stock or other securities through merger, consolidation, sale of all or substantially all the assets of the Company, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other distribution with respect to such shares of Company Stock or other securities, an appropriate and proportionate adjustment may be made to the maximum number and kind of shares or other securities that are subject to an effective registration statement filed with the Securities Exchange Commission pursuant to the Securities Act of 1933, as amended. Any adjustment under this paragraph shall be subject to the requirements of applicable federal and state securities laws and regulations.

(viii) Purchase and Sale of Shares.

All purchases of Company Stock by the Trustee shall be made at a price that does not exceed the fair market value of such Company Stock as of the date of purchase. All sales of Company Stock shall be at a price that is not less than the fair market value of such Company Stock as of the date of sale. In accordance with the Trust Agreement, purchases and sales of Company Stock may be made directly with the Company or on the open market. Any purchase or sale of Company Stock shall be made in conformance with Section 408(e) of ERISA, to the extent applicable.

(ix) Diversification.

Subject to Section 4.3(e)(iv) and applicable trading restrictions imposed by the PIC, the Trustee, or an investment fund, Participants are free to diversify the investments of their Accounts at all times.

(x) Limitations on Investments in the Company Stock.

There are two (2) limitations on the amount a Participant may invest in the Company Stock. First; a Participant may not direct more than twenty percent (20%) of any contribution to the Company Stock. Second, Participants and Beneficiaries are prohibited from making transfers or exchanges from other investment alternatives into the Company Stock if the transfer or exchange would cause the Participant's or Beneficiary's investment in the Company Stock to exceed twenty percent (20%) of the Participant's or Beneficiary's total Account balance. At any time, the PIC may further restrict investments in the Company

Stock or eliminate the Company Stock or any other form of investment in. Company stock as an investment alternative under the Plan.

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The restrictions imposed by this paragraph have not been applied to Participants and Beneficiaries who directed investment exchanges/transfers using the Trustee's auto-rebalance feature. Investment exchanges/transfers made in violation of these restrictions from October 17, 2008 through June 8, 2018 are grandfathered. This means that Participants and Beneficiaries who were able to make exchanges/transfers in excess of what is permitted by these restrictions will not be required to reduce their holdings in the Company Stock Fund. Effective June 8, 2018, the restrictions are re-imposed on all investment exchanges/transfers.

(xi) Satisfaction of Code Section 401(a)(35) Requirements.

Since the Plan holds publicly traded employer securities, it is an "applicable defined contribution plan," as defined in Section 401(a)(35)(E) of the Code, and it is subject to the diversification requirements set forth in Section 401(a)(35) of the Code. Every Participant (including every Beneficiary and alternate payee who has an Account in the Plan with respect to which the Beneficiary or alternate payee is entitled to exercise the rights of a Participant) has the right to divest any investment in the Company Stock attributable to elective deferrals (as described in Section 402(g)(3)(A) of the Code), employee contributions (if any), rollover contributions, and employer nonelective contributions. There is no vesting service requirement with respect to this right to diversification for any type of contribution. Amounts divested from the Company Stock may be invested in any other investment option offered under the Plan, which shall consist of at least three (3) investment options, other than employer securities, each of which is diversified and has materially different risk and return characteristics. Periodic reasonable divestment and reinvestment opportunities shall be provided at least quarterly. Except as provided in Sections 1.401(a)(35)-1(e)(2) and (3) of the Treasury Regulations, restrictions (either direct or indirect) or conditions will not be imposed on the investment of publicly traded securities if such restrictions or conditions are not imposed on the investment of other Plan assets.

Section 4.4 General Investment Powers of the PIC

(a) General.

The PIC may authorize or direct investments in any investment permitted under ERISA and agreed to by the Trustee. The PIC may remove the authority given to Participants to direct the investments in their own Accounts, in which case the PIC or another fiduciary will be responsible for the investments in Participant Accounts.

(b) Investment Managers.

The PIC may contract with one or more investment managers for the management of all or a portion of the Plan's assets in accordance with the requirements of ERISA. An investment manager must be registered as an investment adviser under the Investment Advisers Act of

1940 or otherwise meet the requirements of Section 3(38)(B) of ERISA, and an investment manager must acknowledge in writing that the investment manager is a fiduciary of the Plan. The PIC may remove or replace an investment manager, as the PIC deems appropriate, in accordance with the applicable investment management contract.

(c) Company Stock and Bank Deposits.

Subject to the limitations in Sections 407 and 408 of ERISA and to any limitations or restrictions that the PIC may impose, up to one hundred percent (100%) of the assets of the Plan may be invested in common stock of the Company.

(d) Common and Collective Trust Funds.

A transaction may be made between the Plan (including a trust or insurance contract forming a part thereof) and (i) a common or collective trust fund or pooled investment fund maintained by a party in interest (as such term is defined in ERISA) that is a bank or trust company supervised by a state or federal agency or (ii) a pooled investment fund of an insurance company qualified to do business in a state, if (A) the transaction is a sale or purchase of an interest in such fund, and (B) the bank, trust company, or insurance company receives not more than reasonable compensation.

(e) 81-100 Trusts.

Assets of the Plan may be invested in a group trust qualifying for exemption from tax under Section 501(a) of the Code in accordance with Revenue Ruling 81-100, as modified by Revenue Ruling 2004-67, Revenue Ruling 2011-1, and subsequent Revenue Rulings (an "81-100 Trust"). To the extent any assets of the Plan are invested in an 81-100 Trust, the provisions of the trust agreement governing the 81-100 Trust, as amended from time to time, and the trust thereby created, are hereby adopted as part of this Plan and the trust hereunder with respect to Plan assets invested therein.

Section 4.5 Plan Loans to Active Participants

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A Plan loan program is available to Participants who are actively employed by a Participating Employer. Participants who are no longer actively employed by a Participating Employer may access their Accounts through distributions in accordance with the provisions of Article VI. The loan program is administered by the Trustee in accordance with procedures approved by the Administrative Committee. The loan procedures are incorporated herein by this reference and May be amended at any time without notice and without further amendment to the Plan. If there is any conflict between the loan procedures and this Section 4.5, the loan procedures shall control.

(a) Loan Sources.

Plan loans may be taken only from the following Subaccounts: Salary Reduction, Roth Basic, Employee Pre-Tax Catch-Up, Roth Catch-Up, Rollover, After-Tax Rollover, Roth Rollover, Roth In-Plan Conversion, Dividend – Fully Vested, AmeriMatch, Participant Voluntary, Rollover, and Employer ASB.

(b) Application Procedures.

A Participant wishing to obtain a loan may initiate the process with the Trustee by telephone or Internet. The Participant has thirty (30) days after initiating the loan to complete the loan application process. If the process is not completed within thirty (30) days, the Participant must reinitiate the process. The loan application includes a promissory note and security agreement.

(c) Maximum Loan Amount.

The maximum amount which may be borrowed by a Participant is the lesser of:

(i) Fifty Percent (50%) of the Participant's vested Account balance, or

(ii) $50,000, reduced by the excess (if any) of:

(A) The highest outstanding balance of loans from the Plan during the one (1)-year period ending on the day before the date on which the loan is made, minus

(B) The outstanding balance of loans from the Plan on the date the loan is made.

A Participant's Roth Contribution Subaccounts and Roth In-Plan Conversion Subaccount (defined in Section 6.11.A) will be included in determining a Participant's maximum loan amount and are available sources for loans.

(d) Minimum Loan Amount.

Loans will not be permitted for less than $1,000.

(e) Repayment Terms.

Loans must be repaid within five (5) years, unless the Participant establishes that the loan proceeds are to be used to buy the Participant's principal residence, in which case the Administrative Committee may agree to a repayment period of up to fifteen years. The principal residence exception to the five (5)-year repayment rule does not apply to loans for the improvement of a Participant's principal residence. A Participant seeking a loan must agree to have the loan repaid by payroll deduction. If a Participant has terminated employment, or is on a leave of absence other than for Qualified Military Service and is not receiving sufficient Compensation to cover the loan payments, the Participant must make loan payments directly to the Trustee. Interest shall be paid as it accrues, with level amortization.

(f) Purposes for Which Loans May Be Granted.

A Participant may have up to two loans outstanding without restriction on the use of the loan proceeds, provided the maximum loan amount is not exceeded. Under no circumstances shall the Administrative Committee or the Trustee administer the loan program in a manner that is more favorable to Participants who are HCEs than to other Participants.

(g) Interest Rates.

The interest rate charged for Plan loans during any calendar month shall be two percentage points above the Federal Reserve prime rate of interest as of the last working day of the month preceding the month in which the loan is made. The Administrative Committee has the authority, in its discretion, to revise the interest rate charged on Plan loans, in which event the interest rate so determined by the Administrative Committee shall apply to Plan loans made thereafter in lieu of the interest rate set forth herein.

(h) Collateral.

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The loan shall be secured by fifty percent (50%) of the Participant's vested Account balance at the time the loan is approved.

(i) Repayment Upon Distribution.

If a Participant or Beneficiary applies for or otherwise becomes entitled to an immediate distribution in accordance with Article VI of the Plan upon the Participant's severance from employment, Retirement, Disability, or death (including the automatic distribution of a small Account balance without the Participant's consent), the unpaid balance of any outstanding loan shall be due and payable in full immediately prior to such distribution. If repayment is not made in full prior to the distribution, the Participant's Account shall be reduced or offset by the unpaid balance when the distribution is made. The offset amount will be part of the taxable distribution to the Participant or Beneficiary.

(j) Default.

Default will occur if the Participant fails to make a payment within ninety (90) days of when the payment was due. If there is a default, the following will occur:

- The principal amount of the loan plus interest accrued through the date of default will be a deemed distribution, subject to all applicable taxes. The Trustee will issue Internal Revenue Service Form 1099-R to the Participant, reflecting the deemed distribution.
- Although the default will be a deemed distribution, the Trustee will not reduce the Participant's Account until a distributable event occurs under the terms of the Plan.
- The Participant will not be able to take another Plan loan until the Participant repays the balance of the defaulted loan (with interest).

(k) Leaves of Absence.

Generally, repayments must continue in a timely manner during an authorized leave of absence. However, the repayment of any Plan loan may be suspended while the

Participant is on leave for Qualified Military Service, and, if requested by the Participant, the interest rate on the loan while the Participant is on leave for Qualified Military Service may not exceed six percent (6%). The USERRA. procedures adopted by the Administrative Committee contain rules with respect to suspension of loan payments.

(l) Self-Directed Investment.

As with all other Plan investments, a Plan loan is a self-directed investment. In accordance with Section 4.2(c), the reasonable expenses of a loan may be charged against the Participant's Account. Interest and principal paid on a loan will be credited solely to the Participant's Account, and any loss suffered by reason of default or otherwise will be borne solely by the Participant's Account.

ARTICLE V
VESTING AND FORFEITURES

Section 5.1 Vesting

Vesting determines the portion of the Participant's Account that the Participant is entitled to receive when a distributable event occurs, such as Retirement or other severance from employment. Any portion of a Participant's Account that is not vested upon severance from employment shall be forfeited in accordance with the rules in Section 5.2.

(a) Immediate Vesting in All Subaccounts Other than Matching Contribution Sub accounts

Each Participant is always one hundred percent (100%) vested in all the Participant's Subaccounts other than any Matching Contribution and Non-Elective Contribution Subaccounts.

(b) Vesting in Matching Contribution Subaccounts

(i) Termination of Employment Prior to Attainment of Normal Retirement Age.

Matching Contributions and Non-Elective Contributions, and their respective earnings are not immediately vested when made. Rather, for a Participant who terminates employment with the Participating Employers prior to the attainment of Normal Retirement Age, vesting

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in the Participant's Matching Contribution and Non-Elective Contributions Subaccounts, if any, are determined under the following schedule:

Years of Vesting Service	Vested Percentage
Less than 2 Years	0%
2 Years	20%
3 Years	40%
4 Years	60%
5 Years	80%
6 or more Years	100%

(ii) Attainment of Normal Retirement Age.

If a Participant reaches Normal Retirement Age while employed by a Participating Employer or Associated Company, the Participant shall be one hundred percent (100%) vested in his or her total Account, including any Matching Contribution or Non-Elective Contribution Subaccount, regardless of the Participant's Years of Vesting Service.

(c) Calculation of Years of Vesting. Service.

Years of Vesting Service are calculated using the elapsed time method, which is based on periods of employment.

(i) General Rule.

Vesting service is granted for the period of time beginning on the date a Participant first (1st) performs one (1) Hour of Service for a Participating Employer or Associated Company and ending on the date the Participant severs from service with all Participating Employers and Associated Companies. A Participant "severs from service" on the earlier of (i) the date the Participant quits, Retires, is discharged, or dies, or (ii) the first anniversary of the first (1st) day of absence for any other reason (e.g., Disability, vacation, or leave of absence).

(ii) Reemployment.

If a former Participant is reemployed by a Participating Employer or Associated Company, vesting service shall be granted for the period of time beginning on the date such Participant is reemployed and ending on the date such Participant subsequently severs from service with all the Participating Employers and Associated Companies. If such Participant is reemployed within the twelve (12)-consecutive month period following the date on which the Participant severs from service, vesting service shall also be granted for the interim period.

(iii) Maternity and Paternity Absences.

If a Participant is absent from work for any period (a) by reason of pregnancy, the birth of a child, or the placement of a child in connection with the Participant's adoption of the child or (b) for purposes of caring for such child for a period beginning immediately following such birth or adoption, the Participant shall be credited with additional vesting service equal to the lesser of such period or twelve (12) months. The severance from service date for a Participant who is absent from work beyond the first anniversary of the first (1st) day of maternity or paternity absence shall be the second anniversary of the first (1st) day of such absence. The period between the first (1st) and second (2nd) anniversaries shall not be regarded as a period of service or a period of severance.

(iv) Other Leaves of Absence.

With respect to leaves of absence other than maternity or paternity; vesting service shall be granted for:

(A) Military Leave.

The period of time spent on leave for Qualified Military Service. Generally, if a Participant on leave for Qualified Military Service does not return to covered employment within five (5) years after the completion of the Qualified Military Service, no additional vesting credit shall be granted for the period of the Qualified Military Service, However, if a Participant dies while performing Qualified Military Service, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan had the Participant resumed and then terminated employment on account of death. This means that the deceased Participant's Qualified Military Service will be credited as vesting service.

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(B) Authorized Personal Leave.

Personal leave of absence authorized by a Participating Employer that is not in excess of one (1) year. In determining leaves of absence, a Participating Employer must act in a nondiscriminatory manner.

(C) Curtailment of Work.

A period of absence because of curtailment of work, not to exceed six (6) months, provided the Participant returns to employment within two (2) weeks after notification by a Participating Employer that work is available.

(v) Break-in-Service Rules

(A) One (1)-Year Break-in-Service.

Following a One (1)-Year Break in Service, a Participant's Years of Vesting Service prior to the break will not be taken into account in determining the Participant's vested interest in Matching Contributions and Non-Elective Contributions made after the break until such Participant has again completed one (1) Year of Vesting Service.

(B) Five (5)-Year Break-in-Service.

If a Participant incurs five (5) consecutive One (1)-Year Breaks in Service, vesting service credited subsequent to such One (1)-Year Breaks in Service shall be disregarded for purposes of determining the vesting percentage in Matching Contributions and Non-Elective Contributions made before such One (1)-Year Breaks in Service.

(d) Employment with Associated Companies.

Employment by an Associated Company shall be treated as employment by a Participating Employer for purposes of determining a Participant's vesting service.

Section 5.2 Forfeitures

(a) Forfeiture of Matching Contributions or Non-Elective Contributions.

If a Participant terminates employment with the Participating Employers without being one hundred percent (100%) vested in his or her Matching Contribution or Non-Elective Contribution Subaccounts, the nonvested portion of the Participant's Matching Contribution or Non-Elective Contribution Subaccounts shall be forfeited at the time the vested portion of the Participant's Account is distributed or, if earlier, at the end of the period in which the Participant has incurred five (5) consecutive One (1)-Year Breaks in Service. A Participant with a zero percent (0%) vested interest in Matching Contributions or Non-Elective Contribution and the earnings thereon shall be deemed to have received a distribution of the vested portion of the Participant's Matching Contribution or Non-Elective Contribution Subaccounts upon termination of employment, causing an immediate forfeiture of any Matching Contributions or Non-Elective Contributions and the earnings thereon credited to such Participant's Account.

(b) Restoration of Forfeited Matching Contribution or Non-Elective Contribution Subaccounts.

Any forfeiture from a Matching Contribution or Non-Elective Contribution Subaccounts may be restored if the Participant is reemployed by a Participating Employer before the Participant incurs five (5) consecutive One (1)-Year Breaks in Service and the Participant repays the full amount of any distribution made to the Participant from the Participant's Matching Contribution or Non-Elective Contribution Subaccounts after the Participant terminated employment. The Participant shall have five (5) years from the date of reemployment to make the necessary repayment. If the Participant makes the repayment, the exact amount forfeited shall be restored to the Participant's Matching Contribution or Non-Elective Contribution Subaccounts, without adjustment for interest or any earnings or losses for the interim period. If the forfeiture occurred because the Participant had a zero percent (0%) vested interest in his or her Matching Contribution or Non-Elective Contribution Subaccounts, the restoration shall occur when the Participant has completed one (1) Year of Vesting Service upon return to employment with the Participating Employers. Any forfeited amounts that must be restored shall be restored first (1st) from current forfeitures from Matching Contribution or Non-Elective Contribution Subaccounts or second (2nd) from an additional contribution by the Participant's Participating Employer.

(c) Use of Forfeitures To Pay Plan Expenses and Reduce Employer Contributions.

Forfeited Matching Contribution and Non-Elective Contribution Subaccounts that are not used to restore amounts previously forfeited under Section 5.2(b) shall be used first to pay administrative expenses in accordance with Section 4.2(c) and as Permitted under Section 404(a) of ERISA. To the extent forfeitures exceed the amount required to pay administrative expenses, the forfeitures shall be used to reduce the Participating Employers' Matching Contributions and Non-Elective Contributions for the Plan Year in which the forfeiture occurred. If the forfeitures

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for a Plan Year exceed the Matching Contributions and Non-Elective Contributions for such Plan Year, the excess shall be held in a suspense account and used to reduce Matching Contributions and Non-Elective Contributions in succeeding years.

ARTICLE VI
PAYMENT OF VESTED BENEFITS

Section 6.1 Severance from Employment

A Participant may apply for and receive a distribution of the Participant's vested Account balance (determined as of the most recent valuation date preceding the distribution and reduced for any outstanding Plan loan) as soon as administratively feasible following the Participant's severance from employment.

Section 6.2 Small Account Balances

If a Participant's vested Account balance is $1,000 or less (determined without regard to source), the Participant's vested Account balance shall be distributed to the Participant in a single sum as soon as administratively practicable following the Participant's severance from employment. No consent of the Participant or Participant's spouse is required for this involuntary cashout to be made. If a Participant's vested Account balance is more than $1,000 but less than or equal to $5,000 and if the Participant does not elect to have the Participant's Account balance rolled over in a direct rollover or distributed to the Participant, the Participant's Account balance shall automatically be rolled over into an individual retirement account designated by the Administrative Committee. If a Participant's vested Account balance exceeds $5,000 (disregarding any amounts attributable to Rollover Contributions), no distribution may be made to the Participant before the Participant reaches Normal Retirement Age without the consent of the Participant.

Section 6.3 Statutory Commencement Date

Benefits must commence no later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following occurs:

(a) The Participant reaches Normal Retirement Age;

(b) The Participant reaches the tenth anniversary of the year in which the Participant commenced participation in the Plan; or

(c) The Participant severs employment.

Notwithstanding the foregoing, subject to Section 6.8, a Participant must make a claim for benefits and complete the proper distribution processes before benefits will commence under this Section 6.3.

Section 6.4 Forms of Benefit Following Severance from Employment

The forms of benefit available to Participants following severance from employment are:

(a) A single sum (also known as a lump sum) payable as soon as administratively feasible following completion of all applicable distribution forms;

(b) An installment option with respect to HEISOP Sub accounts only, as described in Section 6.5;

(c) Periodic payments of required minimum distributions only, as described in Section 6.6; and

(d) A partial withdrawal of the Participant's vested Account balance (reduced by any outstanding loan balance) as elected by the Participant. A Participant may elect a partial withdrawal no more than once in any Plan Year.

All distributions shall be in cash, except that a Participant's investment in Company Stock shall be distributed to the Participant in whole shares of Company Stock. However, a Participant may elect to receive cash in lieu of Company Stock (and shall be deemed to have made such an election with respect to any automatic distribution of $5,000 or less, in accordance with Section 6.2, unless the Participant affirmatively elects to receive the distribution in the form of Company Stock before the automatic distribution is made). No fractional shares shall be issued; the value of any fractional share of stock shall be paid in cash.

Materials explaining the available forms of benefit and the benefit election procedures will be provided to Participants upon termination of employment, and a Participant may make a benefit election on the Trustee's website or by contacting the Trustee by telephone. The materials shall describe the Participant's right to defer distribution until the Participant's Normal Retirement Date and the consequences of failing to defer the distribution. Distribution materials shall be provided to the Participant no less than thirty (30) days and no more than one hundred eighty (180) days before the

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distribution commences; provided, however, that the distribution may commence less than thirty (30) days after the distribution materials are provided to the Participant if the materials clearly inform the Participant that the Participant has the right to a period of at least thirty (30) days after receiving the materials to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option) and, after receiving the materials, the Participant affirmatively elects a distribution.

Section 6.5 Installment Option for HEISOP Subaccounts

Unless the Participant elects otherwise, the portion of the Participant's HEISOP Subaccounts, if any, invested in the Company Stock shall be distributed in substantially equal periodic payments (not less frequently than annually) over a period not longer than the greater of:

(a) Five (5) years, or

(b) In the case of a Participant with investments in the Company Stock in excess of $1,230,000, five (5) years plus one (1) additional year (but no more than five (5) additional years) for each $245,000 or fraction thereof by which such balance exceeds $1,230,000. The $1,230,000 and $245,000 amounts are subject to increase with the cost of living after 2022 in accordance with Section 409(o)(2) of the Code.

Section 6.6 Periodic Payments of Minimum Distributions

A Participant may request that his or her vested Account balance be distributed in the form of periodic payments of required minimum distributions only, commencing on. the Participant's required beginning date and continuing until the Participant's Account has been fully distributed to the Participant in accordance with this Section 6.6 or to the Participant's Beneficiary in accordance with Section 6.7, and determined and paid in accordance with Section 6.8. A Participant who has elected to receive periodic payments of required minimum distributions may elect to receive a single-sum distribution of his or her remaining vested Account balance (reduced by any outstanding loan balance) at any time. "Required beginning date" is defined in Section 6.8(h)(v).

Section 6.7 Death Benefits

If a Participant dies prior to distribution of the Participant's total vested Account balance, such Participant's designated Beneficiary shall be entitled to receive the Participant's remaining vested Account balance (reduced by any outstanding loans) as a death benefit. Death benefits may be paid as soon as administratively feasible following the Participant's death and must be made by the end of the year which contains the fifth anniversary of the Participant's death. Death benefits shall be paid in a single sum distribution, except that (a) to the extent, if any, that required minimum distributions are required to be made to the Beneficiary between the date of the Participant's death and the time at which the remaining Account balance is required to be distributed pursuant to the preceding sentence (or, if earlier, the date the Beneficiary elects to receive a single sum distribution), such required minimum distributions shall be made in accordance with Section 6.8; and (b) subject to Section 6.8, the Beneficiary may elect (or, if distributions to the Participant previously commenced, may continue to receive) installment payments with respect to HEISOP Subaccounts only, as described in Section 6.5.

A Participant's Beneficiary shall be the person or legal entity designated by the Participant in accordance with procedures approved by the Administrative Committee, provided that a married Participant's spouse shall automatically be his or her Beneficiary unless the spouse has consented to an alternate Beneficiary. The spouse's signature on the consent form must be notarized or witnessed by an authorized Plan representative. Spousal consent shall not be required if it is established to the satisfaction of the Administrative Committee that such consent may not be obtained because there is no spouse, because the spouse cannot be located, or because of such other circumstances as the Treasury Regulations may prescribe.

Subject to the rights of a married Participant's spouse, a Participant may revoke or change designation of the Participant's Beneficiary at any time in accordance with procedures approved by the Administrative Committee. Whenever a Participant designates a new Beneficiary, all former Beneficiary designations by such Participant shall be revoked automatically. If, upon the death of a Participant, there is no valid Beneficiary designation on file with the Administrative Committee or third-party record keeper or the Beneficiary has predeceased the Participant, the Beneficiary of the Participant's vested Account balance shall be, in order of priority:

(a) The Participant's surviving spouse, if any;

(b) The estate of the deceased Participant.

Facts as shown by the records of the Plan at the time of the Participant's death shall be conclusive as to the identity of the proper Beneficiary. If a Participant and the Participant's spouse divorce, any designation of the spouse as Beneficiary shall automatically become null and void. The former spouse shall be treated as the Beneficiary under this Plan only if after the divorce the Participant expressly redesignates the former spouse as the Participant's Beneficiary.

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Section 6.8 Required Minimum Distributions

The provisions of this Section 6.8 shall apply for purposes of determining required minimum distributions.

(a) Precedence.

The requirements of this Section 6.8 shall take precedence over any inconsistent provisions of the Plan, provided that this Section 6.8 shall not be read to create a form of distribution that is not otherwise available under this Article VI.

(b) Requirements of Treasury Regulations Incorporated.

All distributions required under this Section 6.8 shall be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code, which are incorporated herein by this reference.

(c) Time and Manner of Distribution

(vi) Required Beginning Date.

The Participant's entire interest must be distributed, or begin to be distributed, no later than the Participant's required beginning date.

(vii) Death of Participant Before Distributions Begin.

If the Participant dies before distributions begin, the Participant's entire interest will be distributed to the Participant's Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) Forms of Distribution.

Distributions shall be made in accordance with Sections 6.8(e) and (f).

(e) Required Minimum Distributions During Participant's Lifetime

(i) Amount of Required Minimum Distribution for Each Distribution Calendar Year.

During the Participant's lifetime, the minimum amount distributed for each distribution calendar year shall be the lesser of:

(A) The quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, Q&A-2, of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) If the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9, Q&A-3, of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.

Required minimum distributions shall be determined under this Section 6.8(e) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(f) Required Minimum Distributions After Participant's Death

(i) Death On or After the Date Distributions Begin

(A) Participant Survived by Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that must be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

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(2) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the

spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin

(A) General Rule.

If the Participant dies before the date distributions begin, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 6.8(f)(i).

(B) No Designated Beneficiary.

If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 6.8(c)(ii), this Section 6.8(f)(ii) shall apply as if the surviving spouse were the Participant.

(g) Full Distribution Required by End of Fifth Year After Death.

This Section 6.8 establishes the minimum amount that must be distributed for each distribution calendar year after the year of the Participant's death, but it shall not be read to permit any Beneficiary to retain an Account in the Plan after the date on which distribution is required under Section 6.7.

(h) Definitions.

The following definitions supplement the definitions in other parts of the Plan, in particular Article XII.

(i) Designated Beneficiary.

The "designated Beneficiary" is the individual who is designated as the Beneficiary in accordance with Section 6.7 of the Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the Treasury Regulations. Section 1.401(a)(9)-4, Q&A-5 permits the designation of a trust as Beneficiary provided the requirements of the cited Section are met. Under Section 6.7 of the Plan, spousal consent is required for a married Participant to designate a trust or any other person or entity other than the Participant's surviving spouse as Beneficiary.

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(ii) Distribution Calendar Year.

A “distribution calendar year” is a calendar year for which a minimum distribution is required. For distributions beginning before the Participant’s death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the Participant’s required beginning date. For distributions beginning after the Participant’s death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 6.8(c)(ii). The required minimum distribution for the Participant’s first distribution calendar year shall be made on or before the Participant’s required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant’s required beginning date occurs, shall be made on or before December 31 of that distribution calendar year.

(iii) Life Expectancy.

“Life expectancy” means life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9, Q&A-1, of the Treasury Regulations.

(iv) Participant’s Account Balance.

A “Participant’s Account balance” is the total balance of a Participant’s Account as of the last valuation date in the calendar year immediately preceding the distribution calendar year (the “valuation calendar year”) increased by the amount of any contributions made and allocated or forfeitures allocated to the Participant’s Account as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(v) Required Beginning Date.

“Required beginning date” means the following:

(A) Five Percent (5%) Owners.

The “required beginning date” for a Participant who was a five percent (5%) owner at any time during the Plan Year (calendar year) in which the Participant attains age seventy-two (72) shall be April 1st of the calendar year following the calendar year in which the Participant attains age seventy-two (72). In the case of a Participant who becomes a five percent (5%) owner during any subsequent Plan Year, the required beginning date shall be the April 1st of the calendar year following the calendar year in which such subsequent Plan Year ends. Once distributions begin to a five percent (5%) owner because they are required to begin under this Section 6.8, they must continue even if the Participant ceases to be a five percent (5%) owner in a subsequent calendar year.

(B) Other Participants.

The “required beginning date” for a Participant who is not a five percent (5%) owner shall be April 1st of the calendar year following the later of the calendar year in which the Participant attains age seventy-two (72) or the calendar year in which the Participant Retires. Every Participant other than a five percent (5%) owner who reaches age seventy-two (72) while actively employed by a Participating Employer may elect (1) to commence receiving benefits on April 1st following the calendar year in which the Participant attains age seventy-two (72) or (2) to defer the commencement of benefits to a date no later than April 1st following the calendar year in which the Participant Retires.

(C) Five Percent (5%) Owner.

A “five percent (5%) owner” is any person who owns (or is considered to own. under the attribution rules in Section 318 of the Code) more than five percent (5%) of the outstanding stock of the Company or stock possessing more than five percent (5%) of the total combined voting power of the Company.

(vi) Suspension of Required Minimum Distributions for 2009.

Notwithstanding the foregoing provisions of this Section 6.8, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Section 401(a)(9)(H) of the Code (“2009 RMDs”), and who would have satisfied that requirement by receiving distributions that are (A) equal to the 2009 RMDs or (B) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy)

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of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence. In addition, notwithstanding Section 6.11 of the Plan, and solely for purposes of applying the direct rollover provisions of the Plan, 2009 RMDs and Extended 2009 RMDs will be treated as eligible rollover distributions.

Section 6.9 In-Service Withdrawals

(a) Withdrawals from Participant Voluntary, Voluntary HEISOP, After-Tax Rollover, Roth Rollover, Roth In-Plan Conversion, Dividend – Fully Vested, and IRA Subaccounts.

A Participant may at any time request (in accordance with procedures approved by the Administrative Committee) a withdrawal from the following Subaccounts: Participant Voluntary, Voluntary HEISOP, After-Tax Rollover, Roth Rollover, Roth In-Plan Conversion, Dividend – Fully Vested, and IRA. Any withdrawal will be processed as soon as administratively practicable after the request is made.

(b) Withdrawals for Participants Who Have Reached Age Fifty-Nine and a Half (59 1/2).

A Participant who has attained age fifty-nine and a half (59 1/2) may at any time request (in accordance with procedures approved by the Administrative Committee) a withdrawal of all or any part of the Participant's vested Account balance (reduced by any outstanding loan balance), except that in-service withdrawals are not permitted from Matching Contribution or Non-Elective Contribution Subaccounts. Only one such withdrawal shall be permitted for any Plan Year. Any withdrawal will be processed as soon as administratively practicable after the request is made.

(c) Hardship Withdrawals

(i) Available Sources.

Hardship withdrawals may be made from the Participant's vested interest in the following Subaccounts only: Salary Reduction, Participant Voluntary, AmeriShare, Rollover, After-Tax Rollover, Roth Basic, Employee Pre-Tax Catch-

up, Roth Catch-Up, AmeriMatch, Employer ASB, Employer BIA, HEI Diversified Plan, Voluntary HEISOP, and Employer HEISOP.

(ii) Procedures.

To qualify for a hardship withdrawal, a Participant must demonstrate (in accordance with procedures approved by the Administrative Committee) that the Participant has an "immediate and heavy financial need" and that the distribution is necessary to satisfy the immediate and heavy financial need.

(iii) Immediate and Heavy Financial Need.

A Participant shall be deemed to have an immediate and heavy financial need in connection with:

(A) Burial or funeral expenses for the Participant's deceased parent, spouse, child, dependent (as defined in Section 152 of the Code without regard to subsection 152(d)(1)(B)), or designated Beneficiary.

(B) Expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code, determined without regard to the limitations in Section 213(a) of the Code (relating to the applicable percentage of adjusted gross income and the recipients of the medical care) provided that, if the recipient of the medical care is not listed in Section 213(a) of the Code, the recipient is a primary Beneficiary under the Plan.

(C) Costs directly related to the purchase of the Participant's principal residence (excluding mortgage payments).

(D) Payment of tuition, related educational fees, and room and board expenses for up to the next twelve (12) months of post-secondary education for the Participant or the Participant's spouse, child, dependent (as defined in Code Section 152 without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)), or for a primary Beneficiary under the Plan.

(E) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage of the Participant's principal residence.

(F) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to Section 165(h)(5) and whether the loss exceeds ten percent (10%) of

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adjusted gross income).

(G) Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency ("FEMA") under the Robert T. Stafford Disaster Relief and

Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

A "primary Beneficiary under the Plan" is an individual who is named as a Beneficiary under the Plan and has an unconditional right, upon the death of the Participant, to all or a portion of the Participant's Account balance under the Plan.

(iv) Withdrawal May Not Exceed Amount of Need.

The amount of any hardship withdrawal may not exceed the amount necessary to relieve the immediate and heavy financial need. The withdrawal may include the amount necessary to pay any federal, state, or local taxes or penalties reasonably anticipated to result from the withdrawal.

(v) No Alternative Means Reasonably Available.

A distribution shall not be treated as necessary to satisfy an immediate and heavy financial need of a Participant unless each of the following requirements is satisfied.

(A) The Participant has obtained all other currently available distributions (including distributions of ESOP dividends under Section 404(k) of the Code, but not hardship distributions) under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by a Participating Employer;

(B) The Participant has provided to the Plan Administrator a representation in writing (including by using an electronic medium as defined in Treasury Regulations Section 1.401(a)-21(e)(3)), or in such other form as may be prescribed by the Commissioner of Internal Revenue, that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and

(C) The Plan Administrator does not have actual knowledge that is contrary to the Participant's representation.

Section 6.10 Qualified Domestic Relations Orders

(a) General.

Through a Qualified Domestic Relations Order ("QDRO"), a Participant's spouse, child, or other tax dependent (each, an "alternate payee") may obtain rights to the Participant's benefits. A QDRO is a domestic relations order which assigns to an alternate payee or recognizes an alternate payee's right to receive all or a portion of the benefits payable with respect to a Participant under the Plan. A domestic relations order is not a QDRO and shall not be honored by the Administrative Committee if it requires the Plan to provide any form of benefit or other option of any kind not otherwise available under the Plan or requires the Plan to pay benefits in excess of the Participant's vested Account balance. The one exception to this rule is that, in accordance with a domestic relations order that the Administrative Committee or a court of competent jurisdiction determines to be a QDRO, the Administrative Committee may direct that a single-sum distribution be made to the alternate payee as soon as practicable notwithstanding age, employment status, or any other factor that might prevent the Participant from receiving a distribution from his or her Account at the same time.

(b) DRO Requirements.

To be a QDRO, a domestic relations order must clearly specify (a) the name and last known mailing address of the Participant (unless otherwise known by the Administrative Committee) and the name and mailing address of the alternate payee, (b) the amount or percentage of the Participant's benefits to be paid by the Plan to each alternate payee or the manner in which such amount is to be determined, and (c) the form in which the benefit is to be paid. The domestic relations order must specifically designate the Plan as the Plan from which the benefits are to be paid. Finally, a domestic relations order cannot require the payment of benefits to an. alternate payee that are required to be paid to another alternate payee under a previous QDRO.

(c) Procedures.

The Administrative Committee has established procedures for determining whether a domestic relations order is a QDRO and for notifying the Participant and the alternate payee(s) of the receipt of the domestic relations order and of the steps that will be taken to determine whether the

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order is a QDRO. The procedures are incorporated herein by this reference and may be amended at any time without notice and without further amendment to the Plan.

(d) Separate Accounting.

If the Administrative Committee determines that a domestic relations order is a QDRO, the Administrative Committee will honor the QDRO. If the QDRO does not direct an immediate distribution as permitted by this Section 6.10, the Administrative Committee will direct the Trustee to establish a separate Account in the Plan for the alternate payee, and the alternate payee shall have all rights afforded under the Plan to Beneficiaries. Primarily, this means the alternate payee will be able to direct the investment of his or her Account in accordance with the rules in Article IV, but the alternate payee will not be able to borrow from his or her Account.

Section 6.11 Eligible Rollover Distributions

A "Distributee" who is entitled to a distribution may elect, in accordance with procedures approved by the Administrative Committee, to have any portion of an "Eligible Rollover Distribution" paid directly in a "Direct Rollover" to an "Eligible Retirement Plan".

(a) Definitions.

For purposes of this Section 6.11, the following definitions apply:

(i) "Eligible Rollover Distribution" means any distribution of all or any portion of a Participant's Account, except that an Eligible Rollover Distribution shall not include:

(A) Any distribution that is one of a series of substantially equal periodic payments made no less frequently than annually for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's beneficiary, or for a specified period of ten years or more;

(B) Any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(C) Any hardship withdrawal; and

(D) Any distributions during a calendar year that are reasonably expected to total less than $200.

A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code or to a qualified trust (defined contribution or defined benefit) or 403(b) annuity contract, provided the qualified trust or annuity contract agrees to separately account for amounts so transferred (and the earnings thereon), including separately accounting for the portion of such distribution that is includible in gross income and the portion that is not so includible.

(ii) "Eligible Retirement Plan" means any of the following accounts or plans to the extent it accepts the Distributee's Eligible Rollover Distribution:

(A) A qualified retirement plan described in Code Section 401(a);

(B) An individual retirement account described in Code Section 408(a);

(C) An individual retirement annuity described in Code Section 408(b) (other than an. endowment contract);

(D) An annuity plan described in Code Section 403(a);

(E) An annuity contract described in Code Section 403(b); or

(F) An eligible deferred compensation plan under Code Section 457(b) that is maintained by a state, a political subdivision of a state, or any agency or

instrumentality of a state or political subdivision of a state, and that agrees to separately account for amounts transferred into such plan from this Plan.

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(iii) A “Distributee” includes a Participant, the surviving spouse of a deceased Participant, and the current or former spouse of a Participant who is an alternate payee under a QDRO that has been approved by the Administrative Committee. “Distributee” also includes a non-spouse Beneficiary of a deceased Participant. However, a non-spouse Beneficiary may make a direct rollover only to an individual retirement account described in section 408(a) of the Code or an individual retirement annuity described in section 408(b) of the Code (including a Roth IRA) that is established on behalf of the non-spouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of section 402(c)(11) of the Code.

(iv) A “Direct Rollover” is a direct payment of an Eligible Rollover Distribution by any reasonable means from the Trustee of this Plan to the trustee, custodian, or annuity provider of the Eligible Retirement Plan specified by the Distributee.

(v) A Distributee may do a Direct Rollover to a Roth IRA if the Distributee meets the requirements that apply to rollovers from a traditional IRA to a Roth IRA.

(b) Notice.

Prior to a distribution to a Distributee, the Plan Administrator or third party service provider shall provide the Distributee a notice describing the Distributee’s right to have lump-sum distributions rolled over in a Direct Rollover to an Eligible Retirement Plan and describing certain tax consequences that will follow if a Direct Rollover is not made (the “402(f) Notice”). The Plan Administrator or third party service provider shall issue the 402(f) Notice at least thirty (30) days but no more than one hundred eighty (180) days prior to the date a distribution is made. However, such Eligible Rollover Distribution may commence less than thirty (30) days after the notice is given provided that the 402(f) Notice clearly informs the Distributee that the Distributee has the right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a Direct Rollover and the Distributee, after receiving the notice, affirmatively elects a distribution.

(c) Income Tax Withholding.

Any taxable amount that is an Eligible Rollover Distribution but that the Distributee chooses not to have directly rolled over is subject to twenty percent (20%) income tax withholding. This includes distributions that the Distributee intends to roll over in a traditional sixty (60)-day rollover transaction.

(d) Special Rules for Direct Rollovers from Roth Contribution Subaccounts.

For purposes of applying this Section 6.11 to Roth Contribution Subaccounts, the following special rules shall apply:

(i) The $200 threshold for Eligible Rollover Distributions in Section 6.11(a)(i)(D) shall be applied separately to a Participant's Roth Contribution Subaccounts and to the remainder of a Participant's Account.

(ii) A Direct Rollover from a Roth Contribution Subaccount may be made only to a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in (A) a qualified retirement plan described in Code Section 401(a), (B) an annuity contract described in Code Section 403(b), or (C) an eligible deferred compensation plan under Code Section 457(b) that is maintained by a state, a political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, that will accept the Direct Rollover.

(iii) The Plan Administrator shall provide a 402(f) Notice that describes rollover rights with respect to the Participant's Roth Contribution Subaccount.

Section 6.11.A Roth In-Plan Conversions

After a Participant has had a distributable event (e.g., attainment of age fifty-nine and a half (59 1/2) or severance from employment), the Participant may make a direct rollover of the vested portion of any Subaccount (other than a Roth Contribution Subaccount) to a separate account established by the Trustee (a “Roth In-Plan Conversion Subaccount”). The direct rollover will be subject to income tax at the time of rollover to the same extent as a direct rollover outside of the Plan to a Roth IRA. A Roth in-Plan conversion is permitted only for active and terminated, vested Participants and only with respect to an amount that would be an Eligible Rollover Distribution, as defined in Section 6.11(a)(i) above, if it were distributed or rolled over outside of the Plan. Surviving spouses, other Beneficiaries, and alternate payees may not make Roth in-Plan conversions. If a Participant has an outstanding Plan loan, the loan balance is not eligible for Roth in-Plan conversion. Before a Participant makes a Roth in-Plan conversion, the Plan Administrator shall provide the Participant with a 402(f) Notice that describes the tax effects of a Roth in-Plan conversion. An election to make a Roth in-Plan conversion is irrevocable once the direct rollover has been made. Roth In-Plan Conversion Subaccounts are subject to the same distribution and withdrawal rules and restrictions as Roth Contribution Subaccounts.

Section 6.12 Special Rules for Participants Called to Military Service

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(a) HEART Act Requirement (Effective January 1, 2009).

A Participant who is performing Qualified Military Service while on active duty for a period of more than thirty (30) days shall be treated as having been severed from employment. This permits a Participant to take a distribution from his or her vested Account balance.

(b) Pension Protection Act Requirements as Extended by the HEART Act (Effective January 1, 2010)

(i) Permissible Withdrawals of Salary Reduction Contributions.

If a Participant is (by reason of being a member of a reserve component (as defined in Section 101 of Title 37 of the United States Code) ordered or called to active duty for a period in excess of one hundred and seventy-nine (179) days or for an indefinite period, the Participant may request a withdrawal from the Participant's Salary Reduction and Employee Pre-Tax Catch-up Subaccounts during the period beginning on the date of the order or call to active duty and ending at the close of the active duty period.

(ii) Relief from Early Distribution Penalty Tax.

Any withdrawal under Section 6.12(b)(i) is exempt from the early distribution penalty tax under Section 72(t) of the Code in accordance with Section 72(t)(2)(G). (A distribution under Section 6.12(a) qualifies for this relief only if the distribution meets the requirements of Section 6.12(b)(i).)

(iii) Repayment Possibility.

Any Participant who receives a withdrawal under Section 6.12(b)(i) may, at any time during the two (2)-year period beginning on the day after the end of the active duty period, make one or more contributions to an individual retirement plan of such Participant in an aggregate amount not to exceed the amount of such distribution. The dollar limitations otherwise applicable to contributions to individual retirement plans shall not apply to any contributions made pursuant to the preceding sentence. No deductions shall be allowed for any contributions made to an individual retirement plan pursuant to this paragraph.

ARTICLE VII
ADMIMSTRATION

Section 7.1 PIC, Administrative Committee, and Investment Committee

(a) PIC.

The PIC has plenary authority to oversee the administration of the Plan and the investment options offered under the Plan. At its discretion, the Compensation Committee may appoint, remove, and replace members of the PIC.

(b) Administrative Committee.

The PIC has established the Administrative Committee and authorized it to oversee the day-to-day administration of the Plan. The Administrative Committee is authorized, in its discretion, to: (i) interpret and construe the provisions of the Plan; (ii) resolve any ambiguities and reconcile any inconsistencies in the provisions of the Plan; and (iii) monitor the performance of third-party administrators, including the administrative performance of the Trustee. Subject to the Claims Procedures in Article VIII, the Administrative Committee shall determine, in its discretion, all questions with respect to any individual's rights under the Plan, including, but not limited to, eligibility for participation and eligibility for and the amount of benefits payable from the Plan. The Administrative Committee is specifically authorized to recover the overpayment of any benefits from the Plan and to institute legal proceedings, if necessary, to recover an overpayment.

(c) Investment Committee.

The PIC has established the Investment Committee and authorized it to oversee the day-to-day financial affairs of the Plan. The Investment Committee is authorized to: (i) monitor the investment options offered under the Plan and the investment policy statement for the Plan; (ii) monitor the financial performance and reporting of the Trustee; (iii) maintain or cause to be maintained proper financial records for the Plan; and (iv) file or cause to be filed all reports and other filings required by the United States Securities and Exchange Commission with respect to the Plan.

(d) Rules and Procedures.

The PIC, Administrative Committee, and Investment Committee may promulgate and publish such rules and procedures as each deems appropriate for its own actions and for the operation, administration, and investments of the Plan. A member of the PIC, Administrative Committee,

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or Investment Committee shall not have the right to vote on any matter relating solely to his or her own interests in the Plan, but may vote on matters affecting a class or group of Participants of which the member is a part.

(e) Consents and Elections.

All consents, elections, applications, designations, and other submissions required or permitted under the Plan must be made in accordance with procedures approved by the Administrative Committee, and shall be valid only if properly completed, executed, and returned to the Administrative Committee or a third party service provider appointed by the Company, the PIC, or the Administrative Committee.

(f) Delegation of Authority.

The PIC, Administrative Committee, and Investment Committee may delegate any of their powers and duties to any person or group of persons, for example, to one or more officers or employees of the Company or another Participating Employer.

(g) Professional Assistance.

The PIC, Administrative Committee, and Investment Committee may employ attorneys, actuaries, accountants, investment consultants, and other service providers, as appropriate, to give counsel to or otherwise assist them in performing their duties hereunder. The fees and expenses of such persons may be paid in accordance with Section 4.2(e).

(h) General.

The PIC, Administrative Committee, and Investment Committee shall have all other powers granted to them in other sections of this document or their governing charters. At its discretion, the PIC may remove or replace the members of the Administrative Committee and Investment Committee and may revoke, amend, or enlarge the authority of the Administrative Committee and Investment Committee. The decisions of the PIC, Administrative Committee, and Investment Committee on any matters within their jurisdiction shall be binding and conclusive upon the Participating Employers and upon each Participant, Beneficiary, and other interested party.

Section 7.2 Plan Administrator

The Company shall be the Plan "Administrator," as defined in Section 3(16)(A) of ERISA.

(a) Reporting and Disclosure.

The Company shall be responsible for filing with governmental authorities and disclosing to Participants and their Beneficiaries all returns, reports, and other materials required under ERISA or the Code.

(b) Legal Process.

The Company shall be the Plan's agent for the service of legal process.

Section 7.3 Trust Agreement

The Company has entered into a Trust Agreement with the Trustee for the investment and custody of Plan assets. The Trust Agreement is a master trust agreement for the custody and investment of assets for this Plan and the American Savings Bank 401(k) Plan, with separate accounting for the two plans. The trust established under the Trust Agreement is part of this Plan, and any rights or benefits accruing to any person under this Plan shall be subject to all of the relevant terms of the Trust Agreement. In addition to the powers of the Trustee set forth in the Trust Agreement, the Trustee shall have any powers, express or implied, granted to it under the Plan. In the event of any conflict between the provisions of the Trust Agreement and the provisions of the Plan, the provisions of the Plan shall control, except in matters concerning the duties and responsibilities of the Trustee, in which case the Trust Agreement shall control. The fees and expenses of the Trustee shall be paid in accordance with the Trust Agreement and Section 4.2(c) hereunder.

Section 7.4 Bonding

Subject to the exceptions in Section 412 of ERISA and applicable U.S. Department of Labor guidance, every person who handles funds or other property of the Plan shall be bonded.

Section 7.5 Indemnification

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Except as required by ERISA, the Plan's fiduciaries shall not be liable for any mistake of judgment or other action taken in good faith. No fiduciary shall be personally liable by virtue of any contract, agreement, bond, or other instrument made or executed by himself or herself or any other fiduciary on behalf of the Plan.

The Participating Employers shall indemnify, defend, and hold harmless the members of the PIC, Administrative Committee, and Investment Committee and employees of the Participating Employers acting on their behalf with respect to the Plan from and against any and all claims, losses, damages, expenses, and liabilities arising, directly or indirectly, from their responsibilities in connection with the Plan, except where any such liability is judicially determined to be the result of willful misconduct. The Participating Employers may purchase fiduciary liability insurance against this risk.

ARTICLE VIII
CLAIMS PROCEDURES

Section 8.1 Claims for Benefits

If a Participant or Beneficiary or any other person (each, a "claimant") believes he or she is entitled to a benefit from the Plan or wishes to clarify his or her rights under the Plan, such claimant may file a written claim for benefits with the Administrative Committee. The Administrative Committee shall consider such written claim and respond to the claimant within ninety (90) days after receiving the claim unless special circumstances require an extension of time. The Administrative Committee may extend the response period by up to ninety (90) additional days by notifying the claimant in writing, prior to the end of the initial ninety (90)-day period, that additional time is required. The notice of extension must set forth the special circumstances and the date by which the Administrative Committee expects to render its decision. If the Administrative Committee denies the claim, in whole or in part, the Administrative Committee shall provide the claimant with written notice of the denial and of the claimant's right to an appeal. The notice shall set forth, in a manner calculated to be understood by the claimant:

- The specific reason or reasons for the denial;
- A reference to the specific Plan provisions on which the denial is based;
- A description of additional material or information, if any, which the claimant might provide to perfect the claim and an explanation of why it is needed;
- An explanation of the Plan's appeal procedure in Section 8.2 and the time limits applicable to an appeal; and
- A statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on appeal.

Section 8.2 Appeal

Within ninety (90) days after receiving notice that a claim has been denied, the claimant may file a written appeal with the PIC. The claimant may provide written testimony and written documentation in support of the claimant's appeal. Upon written request from the claimant, the PIC shall provide free of charge to such claimant reasonable access to and copies of all documents, records, and other information relevant (as defined in applicable ERISA regulations) to the particular claim. The PIC shall undertake a full and fair review of the appeal, taking into account all testimony, documents, records, and other information submitted by the claimant, without regard to whether such information was submitted or considered in the initial benefit determination. The PIC may hold a hearing and may require the claimant to provide additional information or testimony as the PIC, in its sole discretion, deems useful or appropriate to its consideration of the claim. The PIC shall render its final decision within sixty (60) days of receipt of the appeal unless special circumstances require an extension of time. The PIC may extend the appeal period by up to sixty (60) additional days by notifying the claimant in writing, prior to the end of the initial sixty (60)-day period, that additional time is required. The notice of extension must set forth the special circumstances and the date by which the PIC expects to render its final decision. If the PIC's final decision is a denial of the claim, the PIC shall provide written notice of the denial, which notice shall set forth, in a manner calculated to be understood by the claimant:

- The specific reason or reasons for the denial;
- A reference to the specific Plan provisions on which the denial is based;
- A statement that the claimant is entitled to receive, upon written request and free of charge, reasonable access to and copies of all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claimant's claim; and
- A statement of the claimant's right to bring a civil action under Section 502(a) of ERISA.

Section 8.3 Other Remedies

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If the Administrative Committee or PIC fails to respond to a claimant within the time limits set forth in this Article VIII, the claimant may consider the claim denied. A claimant must comply with these procedures and exhaust all possibilities contained herein before filing a civil action under Section 502(a) of ERISA or otherwise seeking relief in any other forum. If a claimant seeks relief in another forum, the evidence presented will be strictly limited to the evidence timely presented in the administrative claims process. In addition, the claimant must commence an action in another forum within one hundred and eighty (180) days after the PIC's final decision on appeal under Section 8.2.

ARTICLE IX
AMENDMENT, TERMINATION, AND MERGER

Section 9.1 Amendment

(a) General Rule.

The Company reserves the right to amend the Plan in whole or in part at any time and for any reason and to give such amendment retroactive effect to the extent permitted by applicable law. The PIC may approve any amendment to the Plan necessary to comply with the Code or ERISA or that does not have a substantial impact on the cost or design of the Plan. All other amendments must be approved by the Board of Directors of the Company or a committee of the Board or one or more officers of the Company or a Participating Employer to whom the Board has delegated amendment authority.

(b) Nondiscrimination.

The timing of an amendment must not have the effect of discriminating significantly in favor of HCEs.

(c) Anti-cutback Rule.

No amendment may reduce the accrued benefit of any Participant, except to the extent permitted under Sections 1.411(d)-3 and 1.411(d)-4 of the Treasury Regulations.

(d) Vesting Schedule.

If an amendment is made to the vesting schedule, every Participant who is actively employed and who has at least three (3) Years of Vesting Service must be permitted to elect, within a reasonable period of time after the adoption of the amendment, to have his or her vesting percentage determined under the Plan without regard to the amendment.

Section 9.2 Termination or Discontinuance

The Company reserves the right to terminate the Plan at any time and for any reason, and each Participating Employer reserves the right to terminate its own participation in the Plan or discontinue contributions to the Plan at any time and for any reason. If the Plan is terminated (in full or in part) or if there is a complete discontinuance of contributions under the Plan, the rights of affected Participants (i.e. current employees and terminated employees who have not forfeited the non-vested portion of their Account as of the date of termination) to benefits accrued to the date of such termination or complete discontinuance, to the extent funded as of such date, shall be fully vested and nonforfeitable.

Section 9.3 Merger or Spinoff

The Plan may be merged or consolidated with or its assets and liabilities may be transferred to another qualified plan and trust only if the benefits that would be received by a Participant in the event of a termination of the transferee plan immediately after such transfer, merger, or consolidation are at least equal to the benefits the Participant would have received if the Plan had terminated immediately before the transfer, merger, or consolidation, and only if such transfer, merger, or consolidation does not otherwise result in the elimination of any accrued benefit. The Plan may be split into two or more plans by way of a spinoff if, after the spinoff: (a) the sum of the account balances for each of the participants in the resulting plans equals the Account balance of the Participant in this Plan before the spinoff, and (b) the assets in each of the plans immediately after the spinoff equals the sum of the account balances for all participants in that plan.

ARTICLE X
MISCELLANEOUS

Section 10.1 No Right to Employment

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Nothing contained in the Plan gives any Participant or Employee the right to be retained in the service of a Participating Employer or interferes with the right of a Participating Employer to discharge any Employee at any time.

Section 10.2 Inalienability

No Participant, Beneficiary, alternate payee, or any other person having or claiming to have any right or interest of any kind in the Plan shall have any right to sell, assign, transfer, convey, hypothecate, anticipate, or otherwise dispose of such interest. No interest in the Plan shall be subject to any liabilities or obligations of any Participant or Beneficiary or to any bankruptcy proceedings, claims of creditors, attachment, garnishment, execution, levy, or other legal or equitable process against a Participant, Beneficiary, alternate payee, or any other person having or claiming to have any interest under this Plan, or such person's property. The prior sentence shall not apply to the creation, assignment, or recognition of any benefit payable with respect to a Participant pursuant to a qualified domestic relations order, or to the enforcement of a judgment, settlement, or order described in Section 401(a)(13)(C) of Code, or to any other exception provided under Section 401(a)(13) of the Code or the Treasury Regulations thereunder.

Section 10.3 Facility of Payment

If any Participant, Beneficiary, or Alternate Payee eligible to receive payments under the Plan is, in the opinion of the Administrative Committee, legally, physically, or mentally incapable of personally receiving and receipting for any payment under the Plan, the Administrative Committee may direct that such payments, or any portion thereof, be made to any person(s) or institution who have custody of such payee, or are providing necessities of life (including, without limitation, food, shelter, clothing, and medical or custodial care) to such payee, to the extent deemed appropriate by the Administrative Committee. Such payments shall constitute a full discharge of the liability of the Plan to the extent thereof. The Administrative Committee may withhold all other amounts due to such payee until a claim for such amounts is duly made by a duly appointed guardian or other legal representative of such payee.

Section 10.4 Construction of Plan

(a) Headings.

The headings of Articles and Sections are included herein solely for the convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

(b) Controlling Law.

To the extent not preempted by ERISA or other federal law, the Plan shall be governed and construed according to the laws of the State of Hawaii.

Section 10.5 Benefits Payable From Trust

All benefits payable under the Plan shall be paid solely from the trust, and the Participating Employers assume no liability or responsibility therefore.

ARTICLE XI
TOP-HEAVY RULES

Section 11.1 Determination of Top-Heavy Status

For purposes of this Article XI, the following terms shall have the meanings set forth below:

(a) "Key Employee".

In determining whether the Plan is top-heavy, "Key Employee" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the Determination Date was:

(i) An officer of a Participating Employer having annual 415 Compensation greater than $200,000 (as adjusted after 2022 under Section 416(i)(1) of the Code); provided however, no more than the lesser of (A) fifty (50) Employees or (B) the greater of three Employees or ten percent (10%) of all Employees shall be regarded as officers,

(ii) A five percent (5%) owner of the Company, or

(iii) A one percent (1%) owner of the Company having annual 415 Compensation of more than $150,000.

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The determination of who is a Key Employee shall be made in accordance with Section 416(i)(1) of the Code and the regulations and other guidance of general applicability issued thereunder.

A “non-Key Employee” is any Employee who is not a Key Employee.

(b) “Top-heavy Plan”:

The Plan is top-heavy if any of the following conditions exists:

(i) If the Top-Heavy Ratio for the Plan exceeds sixty percent (60%) and the Plan is not part of any required aggregation group or permissive aggregation group of plans.

(ii) If the Plan is part of a required aggregation group of plans but not part of a permissive aggregation group and the Top-Heavy Ratio for the group of plans exceeds sixty percent (60%).

(iii) If the Plan is part of a required aggregation group and part of a permissive aggregation group of plans and the Top-Heavy Ratio for the permissive aggregation group exceeds sixty percent (60%).

(c) “Top-Heavy Ratio”.

(i) If a Participating Employer maintains one or more defined contribution plans (including any simplified employee pension plan) and the Participating Employer has not maintained any defined benefit plan that during the five (5)-year period ending on the Determination Date has or had accrued benefits, the Top-Heavy Ratio for the Plan alone or for the required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of the account balances of all Key Employees as of the Determination Date (including any part of any account balance distributed in the one (1)-year period ending on the Determination Date) (five (5)-year period ending on the Determination Date in the case of a distribution made for a reason other than severance from employment, death, or disability), and the denominator of which is the sum of all account balances (including any part of any account balance distributed in the 1-year period ending on the Determination Date) (five (5)-year period ending on the Determination Date in the case of a distribution made for a reason other than severance from employment, death, or disability), both computed in accordance with Section 416 of the Code and the regulations thereunder. Both the numerator and denominator of the Top-Heavy Ratio shall be increased to reflect any contribution not actually made as of the Determination Date but which is required to be taken into account on that date under Section 416 of the Code and the regulations thereunder.

(ii) If a Participating Employer maintains one or more defined contribution plans (including any simplified employee pension plan) and the Participating Employer maintains or has maintained one or more defined benefit plans that during the five (5)-year period ending on the Determination Date has or has had any accrued benefits, the Top-Heavy Ratio for any required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with Section 11.1(c)(i) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the Determination Date, and the denominator of which is the sum of account balances under the aggregated defined contribution plans for all Participants, determined in accordance with Section 11.1(c)(i) above, and the present value of accrued benefits under the defined benefit plans for all Participants as of the Determination Date, all as determined in accordance with Section 416 of the Code and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the Top-Heavy Ratio are increased for any distribution of an. accrued benefit made in the one (1)-year period ending on the Determination Date (five (5)-year period ending on the Determination Date in the case of a distribution made for a reason other than severance from employment, death, or disability).

(iii) For purposes of subparagraphs (i) and (ii) above, the value of account balances and the present value of accrued benefits shall be determined as of the most

recent Valuation Date that falls within or ends with the twelve (12)-month period ending on the Determination Date, except as provided in Section 416 of the Code and the regulations thereunder for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a Participant (i) who is not a Key Employee but who was a Key Employee in. a prior year or (ii) who has not been credited with at least one (1) Hour of Service with any employer maintaining the Plan at any time during the one (1)-year period ending on the Determination Date shall be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account shall be made in accordance with Section 416 of the Code and the regulations thereunder. Deductible employee contributions shall not be taken into account for purposes of computing the Top-Heavy

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Ratio. When aggregating plans, the value of account balances and accrued benefits shall be calculated with reference to the Determination Dates that fall within the same calendar year.

(iv) The accrued benefit of a Participant other than a Key Employee shall be determined under (A) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Participating Employer, or (B) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(a) "Permissive aggregation group" means the required aggregation group of plans plus any other plan or plans of the Participating Employer that, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(b) "Required aggregation group" means (i) each qualified plan of the Participating Employer in which at least one Key Employee participates or participated at any time during the Plan Year containing the Determination Date or any of the four preceding Plan Years (regardless of whether the plan has terminated), and (ii) any other qualified plan of the Participating Employer that enables a plan described in (i) to meet the requirements of Sections 401(a)(4) or 410 of the Code. For this purpose, "Participating Employer" shall include all employers aggregated under Section 414(b), (c), or (m) with a Participating Employer.

(c) "Determination Date". For any Plan Year subsequent to the first Plan Year, the Determination Date means the last day of the preceding Plan Year. For the first Plan Year, the Determination Date means the last day of that year.

(d) "Valuation Date" means the Determination Date as of which account balances or accrued benefits are valued for purposes of calculating the Top-Heavy Ratio.

Section 11.2 Special Top-Heavy Rules

(a) If the Plan is or becomes top-heavy in any Plan Year, the provisions of this Article XI shall supersede any conflicting provisions in the Plan.

(i) Except as otherwise provided in subparagraph (iv) below, the Participating Employer contributions and forfeitures allocated on behalf of any Participant who is not a Key Employee shall be not be less than the lesser of (A) three percent (3%) of such Participant's 415 Compensation or (B) in the case where the Participating Employer has no defined benefit plan that designates the Plan to satisfy Section 401 of the Code, the largest percentage of Participating Employer contributions and forfeitures, as a percentage of the first $305,000 (as adjusted after 2022 under Section 401(a)(17) of the Code) of the Key Employee's 415 Compensation, allocated on behalf of any Key Employee for that year. The minimum allocation shall be determined without regard to any Social Security contribution. This minimum allocation shall be made even though, under other Plan provisions, the Participant would not otherwise be entitled to receive an allocation, or would have received a lesser allocation because of the Participant's failure to (A) complete one thousand (1,000) Hours of Service (or any equivalent provided in the Plan), (B) make mandatory employee contributions to the Plan, or (C) earn compensation in excess of a stated amount.

(ii) If a Participant is covered by both this Plan and a defined benefit plan, the minimum benefit required by Section 416 of the Code shall be provided by the defined benefit plan, provided that such benefit shall be offset by the benefits, if any, provided by this Plan.

(iii) The minimum allocation required (to the extent required to be nonforfeitable under Section 416(b)) may not be forfeited under Section 411(a)(3)(B) or 411(a)(3)(D) of the Code.

(iv) The provision in (i) above shall not apply to any Participant who was not employed by a Participating Employer on the last day of the Plan. Year.

(b) The vesting schedule for Matching Contribution and Non-Elective Contribution Subaccounts meets the requirements for top-heavy vesting schedules in Section 416(b) of the Code, and shall apply in all years, whether or not the Plan is top-heavy.

(c) The minimum benefit requirements in this Section 11.2 shall not apply with respect to any Employee included in a unit of employees covered by a collective bargaining agreement if there is evidence the retirement benefits were the subject of good faith bargaining between Employee representatives and the Participating Employer. For this purpose, the term "Employee representatives" does not include any organization more than half of whose members are Employees who are owners, officers, or executives of the Participating Employer.

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ARTICLE XII
DEFINITIONS

Wherever used in this document, the following capitalized terms have the indicated meanings unless the context clearly implies otherwise:

Section 12.1 "Account" means the separate account maintained for each Participant which represents such Participant's total proportionate interest in the Plan and Trust Fund as of any valuation date. A Participant's Account may include one or more Subaccounts, as described in Section 4.2(a). A Participant's Account balance is the Participant's accrued benefit.

Section 12.2 "Administrative Committee" means 2023-1, the Hawaiian Electric Industries, Inc. Retirement Plans Administrative Committee appointed by the PIC to oversee the day-to-day administration of the Plan. *See* Section 7.1(b).

Section 12.3 "Associated Company" means (i) a corporation that is not a Participating Employer, but is a member of the same controlled group of corporations (within the meaning of Section 1563(a) of the Code, determined without regard to Sections 1563(a)(4) and (e)(3)(C) of the Code) as a Participating Employer, (ii) a trade or business, whether or not incorporated, that is not a Participating Employer, but is under common control (within the meaning of Section 414(c) of the Code) with a Participating Employer; or (iii) a member, other than a Participating Employer, of an affiliated service group (within the meaning of Section 414(m) of the Code) that includes a Participating Employer.

Section 12.4 "Beneficiary" means the person or entity to whom all or a portion of a deceased Participant's Account is payable as a death benefit in accordance with Section 6.7 of the Plan.

Section 12.5 "Catch-up Contribution" means a pre-tax or Roth Salary Reduction Contribution made on behalf of a catch-up eligible Participant that is in excess of an otherwise applicable Plan limit. An otherwise applicable Plan limit is a limit in the Plan that applies to Salary Reduction Contributions without regard to Catch-up Contributions, such as the limit on annual additions in Section 415(e) of the Code, the dollar limitation under Section 402(g) of the Code, or the limit imposed by the actual deferral percentage test in Section 401(k)(3) of the Code.

Section 12.6 "Code" means the Internal Revenue Code of 1986, as amended.

Section 12.7 "Company" means Hawaiian Electric Industries, Inc., or any successor thereto.

Section 12.8 "Compensation" has different meanings for different purposes. "Compensation" is used to calculate Salary Reduction Contributions, Non-Elective Contributions, and Matching Contributions. "ADP Compensation" and "415 Compensation" are used for ADP testing and 415 testing, respectively, and other specific purposes under the Plan.

"Compensation" means the Employee's Box 1, W-2 earnings from the Employee's Participating Employer for the Plan Year, modified (i) to exclude discretionary bonuses, fringe benefits, FlexCredits, reimbursements, moving expenses and other expense allowances, and special executive compensation; and (ii) to include elective contributions made by a Participating

Employer to executed this Plan, a cafeteria plan (other than FlexCredits), or a transportation spending plan that are excluded from the taxable income of the Employee under Sections 402(e)(3), 125, or 132(f) of the Code. Special executive compensation is noncash compensation and nonqualified deferred compensation available only to a select group of management Employees. Compensation earned prior to an Eligible Employee becoming a Participant shall not be counted in determining contributions to the Plan.

"ADP Compensation" means the Employee's Box 1, W-2 earnings for the Plan Year, without modification.

"415 Compensation" means the Employee's Box 1, W-2 earnings for the Plan Year, modified to include elective contributions made by a Participating Employer to this Plan, a cafeteria plan, or a transportation spending plan that are excluded from the taxable income of the Employee under Sections 402(e)(3), 125, or 132(f) of the Code.

"Compensation," "ADP Compensation," and "415 Compensation" generally do not include amounts paid after severance from employment. However, "Compensation," "ADP Compensation," and "415 Compensation" shall include amounts paid by the later of two and a half (2 1/2) months after the Participant's severance from employment or the end of the calendar year that includes the date of the Participant's severance from employment, if the amounts would have been included in the applicable definition of compensation if paid prior to severance from employment and if:

(a) The payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or similar payments, and, absent the severance from employment, the payments would have been paid to the Participant while the Participant continued in employment with the Participating Employer; or

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(b) The payment is for unused accrued bona fide sick, vacation, or other leave that the Participant would have been able to use if employment had continued.

"415 Compensation" shall also include amounts paid by the later of two and a half (2 1/2) months after the Participant's severance from employment or the end of the calendar year that includes the date of the Participant's severance from employment, if the payment is received by the Participant pursuant to an unfunded, nonqualified deferred compensation plan and would have been paid at the same time if employment continued, but only to the extent includible in gross income.

Back pay, within the meaning of Section 1.415(c)-2(g)(8) of the Treasury Regulations, shall be treated as 415 Compensation for the limitation year (calendar year) to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included as 415 Compensation under this definition.

"Compensation," "ADP Compensation," and "415 Compensation" shall be limited to $305,000 annually, as automatically adjusted after 2022 for increases in the cost of living in accordance with Sections 401(a)(17)(B) and 415(d) of the Code.

For purposes of this Section 12.8, "elective contributions" under Section 125 of the Code shall include any amount that is not available to an Employee in cash in lieu of group health coverage under a Section 125 arrangement because the Employee is not able to certify in accordance with the Hawaii Prepaid Healthcare Act that he or she has other health coverage. An amount shall be treated as an elective contribution under the foregoing sentence only if the Participating Employer does not request or collect information regarding the Employee's other health coverage as part of the enrollment process for the health plan except as necessary to comply with the Hawaii Prepaid Healthcare Act.

A Participant receiving a differential wage payment (as defined in Section 3401(h)(2) of the Code) shall be treated as an Employee of the Participating Employer making the payment, and the payment will be treated as wages for purposes of Section 3401 of the Code. Furthermore, the differential wage payment shall be treated as ADP Compensation and 415 Compensation for purposes of the Plan. For purposes of this paragraph, "differential wage payment" is defined by reference to Section 3401(h)(2) of the Code and generally means a payment made by a Participating Employer to a Participant who is on active military duty for a period of more than thirty (30) days, which represents all or a portion of the wages the Participant would have received from the Participant's Participating Employer if the Participant were performing services for the Participating Employer.

Section 12.9 "Compensation Committee" means the Compensation Committee of the Board of Directors of the Company.

Section 12.10 "Disability" means a disability as defined in the then existing long-term disability plan maintained by the Participant's Participating Employer, regardless of whether the Participant is covered under that plan.

Section 12.11 "Early Retirement Age" means age fifty-five (55).

Section 12.12 "Eligible Employee" means any Employee, other than a Leased Employee or an Employee employed on a "contract basis". An Employee is employed on a "contract basis" if the Employee is hired under written contract for a specific task or assignment.

Section 12.13 "Employee" means a common law employee of a Participating Employer who is treated as such on the payroll records of a Participating Employer. "Employee" includes Leased Employees, except that a Leased Employee shall not be treated as an Employee if (1) the leasing organization covers the Leased Employee under a money purchase pension plan that provides a nonintegrated employer contribution of at least ten percent (10%) of compensation, full and immediate vesting, and immediate participation for all employees it leases, and (2) Leased Employees do not constitute more than twenty percent (20%) of the Participating Employer's workforce.

A person who performs services for a Participating Employer as an independent contractor is not an Employee and is not eligible to participate in the Plan. An independent contractor is a person who performs services as an independent businessperson, as determined in accordance with the Code and ERISA. A person shall not be treated as an Employee for purposes of the Plan during any period in which such person is classified as an independent contractor by a Participating

Employer, even if the person is later determined to have been a common-law employee during such period.

Section 12.14 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

Section 12.15 "HEI Retirement Plan" means the Retirement Plan for Employees of Hawaiian Electric Industries, Inc. and Participating Subsidiaries, as amended.

Section 12.16 "Highly Compensated Employee" or "HCE" means—

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(a) Any Employee who, during the Plan Year being tested or the immediately preceding year, owns or owned, directly or by attribution, more than five percent (5%) of the outstanding stock of the Company or more than five percent (5%) of the voting control of the Company; or

(b) Any Employee who for the preceding year had 415 Compensation from a Participating Employer in excess of $135,000, as adjusted after 2022 for increases in the cost of living in accordance with Section 415(d) of the Code.

A "non-Highly Compensated Employee" or "NHCE" is any Employee who is not an HCE for the year.

Section 12.17 "Hour of Service" means the following hours as determined from the payroll or other reliable records of a Participating Employer:

(a) Each hour during the Plan Year for which an Employee is paid or entitled to payment by a Participating Employer for the performance of duties. These hours are credited to the Plan Year in which they are performed.

(b) Each hour for which an Employee is paid or entitled to payment by a Participating Employer for periods during which the Employee performs no duties because of vacation, holiday, illness, incapacity (including short-term disability), layoff, jury duty, military duty, or other approved leave of absence, except that Hours of Service shall not be counted where such payment is made or is due under a plan maintained solely for the purpose of complying with applicable worker's compensation, unemployment, or disability insurance laws, or solely to reimburse an Employee for medical or medically related expenses. To which Plan Year these hours are credited depends on the calculation of the payment. If the payment is calculated based on units of time, such as payment for two weeks' vacation, the hours shall be credited to the Plan Year during which the time occurred (the Employee took the vacation). If the payment is based on an event rather than a period of time, such as a single sum payment made because of layoff or disability, the hours shall be credited to the first Plan Year or allocated reasonably and consistently between the first Plan Year and the second Plan. Year during which the event took place.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by a Participating Employer. The same Hours of Service shall not be credited both under subparagraph (a) or (b), as the case may be, and this subparagraph (c). These hours will

be credited to the Plan Year to which the award or agreement pertains and not to the Plan Year in which the award, agreement, or payment is made.

(d) The Hour of Service rules stated in Department of Labor Regulations §2530.200b-2 are incorporated herein by reference, and any questions on the crediting of Hours of Service shall be resolved by reference to such regulations.

Section 12.18 "Investment Committee" means the Hawaiian Electric Industries, Inc. Retirement Plans Investment Committee appointed by the PIC to oversee the day-to-day financial affairs of the Plan. *See* Section 7.1(c).

Section 12.19 "Leased Employee" means a person who is not a common law employee of a Participating Employer or an Associated Company but who performs services for such under an agreement with a third party that treats the person as the third party's employee for payroll and withholding purposes, if (1) such person has performed the services for a Participating Employer or an Associated Company on a substantially full-time basis for a period of one (1) year, and (2) a Participating Employer or an Associated Company exercises primary direction or control over the performance of services by the person.

Section 12.20 "Matching Contributions" means the matching contributions made by the Participating Employers pursuant to Section 2.4.

Section 12.21 "Non-Elective Contributions" means the Non-Elective Contributions made by the Participating Employers pursuant to Section 2.5.

Section 12.22 "Normal Retirement Age" means age sixty-five (65).

Section 12.23 "One (1)-Year Break in Service" means severance from the employment of the Participating Employers and Associated Companies for a twelve (12)-consecutive month period.

Section 12.24 "Participant" means any Eligible Employee who has met the requirements for participation, as applicable, in Article I.

Section 12.25 "Participating Employer" means the Company and any entity affiliated with the Company whose participation in the Plan has been approved by the Company and by such entity's board of directors. As of January 1, 2022, the Participating Employers are: Hawaiian Electric Industries, Inc.; Hawaiian Electric Company, Inc.; Maui Electric Company, Limited; Hawaii Electric Light Company, Inc.; and Pacific Current, LLC.

Section 12.26 "PIC" means the Hawaiian Electric Industries, Inc. Pension Investment Committee.

Section 12.27 "Plan" means the Hawaiian Electric Industries Retirement Savings Plan, as described in this instrument, including all amendments hereto.

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Section 12.28 "Plan Year" means the calendar year.

Section 12.29 "Qualified Military Service" means any service in the Armed Forces (Army, Air Force, Navy, Marine Corps, or Coast Guard), the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or national emergency.

Section 12.30 "Qualified Roth Distribution" means a distribution from a Roth Subaccount that is made after the Participant attains age fifty-nine and a half (59 1/2) (or because of the death or Disability of the Participant) and after the five (5)-taxable-year period (i.e., five (5) consecutive calendar years) beginning January 1st of the first (1st) year in which the Participant made a designated Roth Salary Reduction Contribution or a Roth in-Plan conversion.

Section 12.31 "Regular Salary Reduction Contribution" include both pre-tax and Roth Salary Reduction Contributions

Section 12.32 "Retire" or "Retirement" refers to a Participant's termination of employment after reaching Early Retirement Age.

Section 12.33 "Rollover Contributions" means contributions made by Eligible Employees pursuant to Section 2.7.

Section 12.34 "Salary Reduction Contributions" means a Participant's affirmative elective contributions and default elective contributions described in Sections 2.1, 2.2 and 2.3.

Section 12.35 "Trust Agreement" means the agreement between the Company and the Trustee establishing a trust for the custody and investment of Plan assets.

Section 12.36 "Trust Fund" means all cash and property held by the Trustee pursuant to the Trust Agreement.

Section 12.37 "Trustee" means Fidelity Management Trust Company, a Massachusetts trust company, or any successor appointed by the Company or the PIC.

Section 12.38 "Year of Vesting Service" is determined under Article V.

ARTICLE XIII
EXECUTION

This restatement is executed document effective October 6, 2022.

HAWAIIAN ELECTRIC INDUSTRIES,

By: /s/ Kurt K. Murao
Kurt K. Murao
Executive Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary

HEI Exhibit 4.4(n)

SIXTH AMENDMENT TO MASTER TRUST AGREEMENT AMONG
HAWAIIAN ELECTRIC INDUSTRIES, INC.,

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AMERICAN SAVINGS BANK, F.S.B. AND
FIDELITY MANAGEMENT TRUST COMPANY

THIS SIXTH AMENDMENT TO THE MASTER TRUST AGREEMENT is made and entered into effective January 1, 2023, unless otherwise stated herein, by and among Hawaiian Electric Industries, Inc. and American Savings Bank, F.S.B. (collectively and individually, the "Sponsor") and Fidelity Management Trust Company (the "Trustee");

WITNESSETH:

WHEREAS, the Trustee and the Sponsor heretofore entered into a master trust agreement for the Hawaiian Electric Industries Retirement Savings Plan and the American Savings Bank 401(k) Plan (collectively and individually, the "Plan"), dated as of September 4, 2012, and amended by a First Amendment, effective March 1, 2015, by a Second Amendment, effective January 1, 2018, by a Third Amendment, effective July 1, 2018, by a Fourth Amendment, effective June 26, 2019, by a Fifth Amendment, effective March 1, 2020, and further amended by letters of direction that were executed by the Sponsor and the Trustee and that specifically state that both parties intend and agree that each such letter of direction shall constitute an amendment (the "Master Trust Agreement"); and

WHEREAS, the Trustee and the Sponsor now desire to amend said Master Trust Agreement as provided for in Section 13 thereof;

NOW THEREFORE, in consideration of the above premises, the Trustee and the Sponsor hereby amend the Master Trust Agreement by:

(1) Amending Schedule B, Fee Schedule, to restate the "Annual Administration Fee for Core Services" section in its entirety, as follows:July 30, 2023.

		Fixed Basis Points Fee HAWAIIAN ELECTRIC INDUSTRIES, INC.
Core Fees		
Annual Administration Fee for Core Services	3.3 basis points on total Plan assets determined based upon average quarterly assets, multiplied by one-quarter (1/4), billed and payable quarterly, subject to the offsets listed below.	
By	/s/ Kurt K. Murao Its Executive Vice President, General Counsel, Chief Administrative Officer & Corporate Secretary	

(2) Amending Schedule B, Fee Schedule, to restate the "Real Time Sponsor Stock Trading Administration" section in its entirety, as follows:

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Real Time Sponsor Stock Trading Administration	Fee
Real Time Sponsor Stock Trading Administration	Annual fee is waived
Sponsor Stock Dividend Pass Through	$3 per EFT $6 per Check Reinvest is Included
Full Proxy Services Administration, Mailing, and Tabulation	Pass Through at Cost
Full File on Shareholders for External Proxy Services	Included

IN WITNESS WHEREOF, the Trustee and the Sponsor have caused this Sixth Amendment to be executed by their duly authorized officers effective as of the day and year first above written.By signing below, the undersigned represent that they are authorized to execute this document on behalf of the respective parties. Notwithstanding any contradictory provision of the Master Trust Agreement, each party may rely without duty of inquiry on the foregoing representation. The Sponsor acknowledges that this Sixth Amendment may contain service and/or compensation information intended by the Trustee to satisfy the disclosure requirements of Department of Labor regulation section 2550.408b-2(c)(1).

HAWAIIAN ELECTRIC INDUSTRIES, INC. FIDELITY MANAGEMENT TRUST
AND AMERICAN SAVINGS BANK, F.S.B. COMPANY

BY: HAWAIIAN ELECTRIC INDUSTRIES,
INC. PENSION INVESTMENT COMMITTEE

By: /s/ Kurt K. Murao 11/22/2022 By: /s/ Jayant Kacholiya 11/29/2022
Authorized Signatory Date Authorized Signatory Date

Name: Kurt K. Murao

Title: HEI EVP & General Counsel and PIC Secretary

By: /s/ Paul K. Ito 11/29/2022
Authorized Signatory Date

Name: Paul K. Ito

Title: VP – Tax, Controller & Asst. Treasurer

AMENDMENT 2021-1 TO THE
AMERICAN SAVINGS BANK 401(k) PLAN 2023-2

The following amendments to the American Savings Bank 401(k) Plan (the “Plan” or “ASB 401(k) Plan”) are made to comply with final Treasury Regulations relating to hardship distributions(84 FR 49651 (Sept. 23, 2019)) and the Internal Revenue Service’s 2019 Required Amendments List for Qualified Retirement Plans.

Effective for hardship distributions made on or after January 1, 2020, Section 6.8(c) is amended and restated in its entirety to read as follows:

(c) Hardship Withdrawals

(i) Available Sources. Hardship withdrawals are available from all Subaccounts.

(ii) Procedures. To qualify for a hardship withdrawal, a Participant must demonstrate (in accordance with procedures approved by the Administrative Committee) that the Participant has an “immediate and heavy financial need” and that the distribution is necessary to satisfy the immediate and heavy financial need.

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(iii) Immediate and Heavy Financial Need. A Participant shall be deemed to have an immediate and heavy financial need in connection with:

(A) Burial or funeral expenses for the Participant's deceased parent, spouse, child, dependent (as defined in Section 152 of the Code without regard to subsection 152(d)(1)(B)), or for a deceased primary Beneficiary under the Plan.

(B) Expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code, determined without regard to the limitations in Section 213(a) of the Code (relating to the applicable percentage of adjusted gross income and the recipients of the medical care) provided that, if the recipient of the medical care is not listed in Section 213(a) of the Code, the recipient is a primary Beneficiary under the Plan.

(C) Costs directly related to the purchase of the Participant's principal residence (excluding mortgage payments).

(D) Payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education for the Participant or the Participant's spouse, child, dependent (as defined in Code Section 152 without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)), or for a primary Beneficiary under the Plan.

(E) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage of the Participant's principal residence.

(F) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to Section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income).

(G) Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency ("FEMA") under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

A "primary Beneficiary under the Plan" is an individual who is named as a Beneficiary under the Plan and has an unconditional right, upon the death of the Participant, to all or a portion of the Participant's Account balance under the Plan.

(iv) Withdrawal May Not Exceed Amount of Need. The amount of any hardship withdrawal may not exceed the amount necessary to relieve the immediate and heavy financial need. The withdrawal may include the amount necessary to pay any federal, state, or local taxes or penalties reasonably anticipated to result from the withdrawal.

(v) No Alternative Means Reasonably Available. A distribution shall not be treated as necessary to satisfy an immediate and heavy financial need of a Participant unless each of the following requirements is satisfied.

(A) The Participant has obtained all other currently available distributions (including distributions of ESOP dividends under section 404(k) of the Code, but not hardship distributions) under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by a Participating Employer;

(B) The Participant has provided to the Plan Administrator a representation in writing (including by using an electronic medium as defined in Treasury Regulation § 1.401(a)-21(e)(3)), or in such other form as may be prescribed by the Commissioner of Internal Revenue, that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and

(C) The Plan Administrator does not have actual knowledge that is contrary to the Participant's representation.

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TO RECORD the adoption of this Amendment 2021-1, American Savings Bank, F.S.B. has executed this document October 4, 2021.

AMERICAN SAVINGS BANK, F.S.B.

By /s/ K. Elizabeth Whitehead
Its EVP, Chief Administrative Officer

HEI Exhibit 4.6(e)

AMENDMENT 2022-1 TO THE
AMERICAN SAVINGS BANK 401(k) PLAN

On October 4, 2021, the American Savings Bank 401(k) Plan (the "Plan") was amended, pursuant to Plan Amendment 2021-1, to comply with the final Treasury Regulations relating to hardship distributions (84 FR 49651 (Sept. 23, 2019)) (the "Final Hardship Regs.") and the Internal Revenue Service's 2019 Required Amendments List for Qualified Retirement Plans. That amendment, while fully compliant in substance with the legal requirements of the Final Hardship Regs., erroneously and inadvertently stated an effective date of January 1, 2020, when in fact the Bank timely implemented those regulations effective January 1, 2019.

Pursuant to authority under Section 4.05(2) of IRS Revenue Procedure 2021-30, Plan Amendment 2021-1 is corrected by this Amendment 2022-1 to state an effective date of January 1, 2019, for the Plan's implementation of the Final Hardship Regs. For purposes of clarity and ease of Plan document review, the substance of the Plan's prior amendment for the Final Hardship Regs. is restated below, effective January 1, 2019.

Effective for hardship distributions made on or after January 1, 2019, Section 6.8(c) of the Plan is amended and restated in its entirety to read as follows:

(c) Hardship Withdrawals

(i) Available Sources. Hardship withdrawals are available from all Subaccounts.

(ii) Procedures. To qualify for a hardship withdrawal, a Participant must demonstrate (in accordance with procedures approved by the Administrative Committee) that the Participant has an "immediate and heavy financial need" and that the distribution is necessary to satisfy the immediate and heavy financial need.

(iii) Immediate and Heavy Financial Need. A Participant shall be deemed to have an immediate and heavy financial need in connection with:

(A) Burial or funeral expenses for the Participant's deceased parent, spouse, child, dependent (as defined in Section 152 of the Code without regard to subsection 152(d)(1)(B)), or for a deceased primary Beneficiary under the Plan.

(B) Expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code, determined without regard to the limitations in Section 213(a) of the Code (relating to the applicable percentage of adjusted gross income and the recipients of the medical care) provided that, if the recipient of the medical care is not listed in Section 213(a) of the Code, the recipient is a primary Beneficiary under the Plan.

(C) Costs directly related to the purchase of the Participant's principal residence (excluding mortgage payments).

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(D) Payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education for the Participant or the Participant's spouse, child, dependent (as defined in Code Section 152 without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)), or for a primary Beneficiary under the Plan.

(E) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage of the Participant's principal residence.

(F) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to Section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income).

(G) Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency ("FEMA") under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

A "primary Beneficiary under the Plan" is an individual who is named as a Beneficiary under the Plan and has an unconditional right, upon the death of the Participant, to all or a portion of the Participant's Account balance under the Plan.

(iv) Withdrawal May Not Exceed Amount of Need. The amount of any hardship withdrawal may not exceed the amount necessary to relieve the immediate and heavy financial need. The withdrawal may include the amount necessary to pay any federal, state, or local taxes or penalties reasonably anticipated to result from the withdrawal.

(v) No Alternative Means Reasonably Available. A distribution shall not be treated as necessary to satisfy an immediate and heavy financial need of a Participant unless each of the following requirements is satisfied.

(A) The Participant has obtained all other currently available distributions (including distributions of ESOP dividends under Section 404(k) of the Code, but not hardship distributions) under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by a Participating Employer;

(B) The Participant has provided to the Plan Administrator a representation in writing (including by using an electronic medium as defined in Treasury Regulations Section 1.401(a)-21(e)(3)), or in such other form as may be prescribed by the Commissioner of Internal Revenue, that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and

(C) The Plan Administrator does not have actual knowledge that is contrary to the Participant's representation.

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TO RECORD the adoption of this Amendment 2022-2, American Savings Bank, F.S.B. has executed this document on June 8, 2022.

AMERICAN SAVINGS BANK, F.S.B.

By /s/ Ann K. Teranishi
Its President & Chief Executive Officer

HEI Exhibit 4.6(f)

AMENDMENT 2022-2 TO THE
AMERICAN SAVINGS BANK 401(k) PLAN

The following amendments to the American Savings Bank 40l(k) Plan (the "Plan" or "ASB 40l(k) Plan") are made, effective on and after January 1, 2023, to (i) increase AmeriMatch Contributions from 4% to 5%, and to (ii) eliminate the one-year Company Contribution Eligibility Service requirement for eligibility to receive AmeriMatch Contributions. To that end, the Plan is amended as follows:

1. Effective on and after January 1, 2023, with respect to "Eligibility to Participate" in AmeriMatch Contributions, Section 1.1(b) of the Plan is amended to state in its entirety as follows:

(b) AmeriMatch Contributions. The Participating Employers shall make AmeriMatch Contributions for their Eligible Employees as of the first paycheck following their date of hire.

2. Effective on and after January 1, 2023, with respect to the amount, timing and deposit of AmeriMatch Contributions, Section 2.2 of the Plan is amended in its entirety to state as follows:

Section 2.2 AmeriMatch Contributions

(a) Amount. Each Participating Employer shall match the 401(k) Contributions of its Participants on a dollar-for-dollar basis on the first 5% of Compensation deferred by the Participant for the Plan Year.

(b) Matching by Payroll Periods. AmeriMatch Contributions shall be calculated separately with respect to each payroll period, and the Bank shall true-up the match throughout the Plan Year. On an aggregate basis, the Participating Employers shall contribute the lesser of: (i) 5% of the Compensation paid to the Participant by the Participating Employer year-to-date, or (ii) 100% of the Participant's 401(k) Contributions year-to-date, up to a maximum of 5% of the limit on Compensation in effect for the Plan Year under Section 401(a)(17) of the Code.

Example: Participant A earns $15,000 per payroll period and has an election in place during the first payroll period in 2023 to contribute 20% of Compensation as a 401(k) Contribution. For the first 7 payroll periods in 2023, the Bank contributes to the Plan on behalf of Participant A $3,000 (20% x $15,000 = $3,000) as a 401(k) Contribution and matches the contribution with an AmeriMatch Contribution of $750 (5% x $15,000 = $750). During the 8th payroll period, Participant A reaches the 402(g) limit for 2023 when the Bank contributes $1,500 as a 401(k) Contribution. However, assuming Participant A continues to receive $15,000 per payroll period, the Bank will continue to contribute $750 as an AmeriMatch

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Contribution for the 8th payroll period and continuing payroll periods until Participant A reaches the maximum match for 2023 of $16,500 (5% x $330,000 = $16,500).

(c) Deposit of AmeriMatch Contributions. The Participating Employers expect to deposit the AmeriMatch Contributions with the Trustee at or about the same time they deposit the 401(k) Contributions to which the AmeriMatch Contributions relate. In any event, the Participating Employers will pay the AmeriMatch Contributions to the Trustee no later than the due date, including extensions thereof, for filing the Participating Employers' tax return for the taxable year with respect to which the AmeriMatch Contributions are made.

This document is executed on December 5, 2022

American Savings Bank, F.S.B.

By /s/ K. Elizabeth Whitehead
Its Chief Administrative Officer

HEI Exhibit 4.6(g)

CORRECTIVE AMENDMENT 2023-1
TO THE
AMERICAN SAVINGS BANK 401(k) PLAN
AMERIMATCH CONTRIBUTIONS FLEXIBLE WITHDRAWAL FORMS OF BENEFIT
FOLLOWING SEVERANCE FROM SERVICE

The following amendment This Amendment 2023-2 is made to the American Savings Bank 40l(k) Plan (the "Plan" or "ASB 40l(k) Plan") solely for the purpose of correcting the effective date providing Plan participants with new flexible withdrawal forms of the elimination of the one-year Company Contribution Eligibility Service requirement for eligibility to receive AmeriMatch Contributions, as reflected in Amendment 2022-2. This Amendment 2023-1 is made pursuant to the authority in Internal Revenue Service Revenue Procedure 2021-30, Section 4.05(2)(a), benefit following severance from employment, as follows:

1. Effective on and after August 12, 2022 January 1, 2024, with respect to "Eligibility to Participate" in AmeriMatch Contributions, "Forms of Benefit Following Severance of from Employment," Section 1.1(b) 6.4 of the Plan is amended to state in its entirety as follows:

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(b) Section 6.4 AmeriMatch Contributions Forms of Benefit Following Severance from Employment. The Participating Employers shall make AmeriMatch Contributions for their Eligible Employees as

Notwithstanding any other provision of the first paycheck Plan to the contrary, a Participant may, in a manner prescribed by the Administrator in its sole discretion, elect to withdraw all or a portion of their benefits (reduced by any outstanding loan balance) as either an (i) on-demand distribution of a certain dollar amount or percentage of their benefit or (ii) pre-set periodic distributions of a certain dollar amount or percentage of their benefit. More specifically, the forms of benefits available to Participants and Beneficiaries following severance from employment are:

(a) A single sum (also known as a lump sum) payable as soon as administratively feasible following completion of all applicable distribution forms;

(b) Systematic Scheduled Distributions. A Participant may elect to receive the balance of his or her benefit pursuant to a systematic schedule in monthly, quarterly, or annual installments, or in any other frequency of installments that has been approved by the Administrator, in its sole discretion. A Participant may request systematic scheduled installments in the form of:

(i) a fixed dollar amount over a period elected by the Participant;
(ii) a fixed percent of their date benefit; or
(iii) substantially equal amounts over the life expectancy of hire. the Participant.

(c) Periodic payments of required minimum distributions only, as described in Section 6.5; and

(d) Partial Distributions. A Participant may elect to receive a partial distribution of her or her Plan benefit at any time. Each such distribution

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shall be an amount in cash of not less than one thousand dollars ($1,000) and not subject to any restriction as to frequency.

All distributions shall be in cash, except for HEI common stock which can be paid in the form of shares of stock, or in cash in lieu of stock. A Participant shall be deemed to have made an election to receive HEI common stock in cash with respect any automatic distribution of $7,000 or less, in accordance with Section 6.2, unless the Participant affirmatively elects to receive the distribution in the form of HEI common stock before the automatic distribution is made. No fractional shares shall be issued; the value of any fractional share of stock shall be paid in cash.

Materials explaining the available forms of benefit and the benefit election procedures will be provided to Participants upon termination of employment, and a Participant may make a benefit election on the Trustee's website or by contacting the Trustee by telephone. The materials shall describe the Participant's right to defer distribution until Participant's Normal Retirement Date and the consequences of failing to defer the distribution. Distribution materials shall be provided to the Participant no less thirty (30) days and no more than one hundred eighty (180) days before the distribution commences; provided, however, that the distribution may commence less than thirty (30) days after the distribution material are provided to the Participant if the materials clearly inform the Participant that the Participant has the right to a period of at least thirty (30) days after receiving the materials to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option) and, after receiving the materials, the Participant affirmatively elects a distribution.

This document is executed on December January 12, 21, 2023.

American Savings Bank, F.S.B.

By /s/ K. Elizabeth Whitehead

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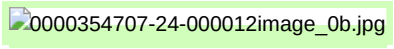
American Savings Bank, F.S.B.

By /s/ Beth Whitehead
Its Chief Administrative Officer



February 22, 2023

VIA E-MAIL (Jeffrey.Walsh@pseg.com)

Mr. Jeffrey Walsh General Manager Kalaeloa Partners, L.P.
91-111 Kalaeloa Boulevard
Kapolei, Hawaii 96707

Subject: Amended and Restated Power Purchase Agreement For FirmDispatchable Capacity And Energy dated October 29, 2021- LetterAgreement regarding Monthly Invoices and Cybersecurity

Dear Jeff:

Hawaiian Electric Company, Inc. ("Company") and Kalaeloa Partners L.P. ("Seller") are parties to that certain Amended and Restated Power Purchase Agreement For Firm Dispatchable Capacity And Energy dated October 29, 2021 (the "ARPPA"). Company and Seller each acknowledge that (1) additional clarification is needed with respect to the content, and timing of payment, of monthly invoices; and (2) an oversight in a cybersecurity provision needs to be addressed. As such, Company and Seller hereby agree that the ARPPA is amended as follows:

1. Monthly Invoice. Section 6.1 (Monthly Invoice) of the ARPPA is hereby deleted and replaced in its entirety with the following:

6.1 Monthly Invoice. As soon as practicable, but not later than the fifth (5th) Business Day of each calendar month, Company shall provide Seller or its designated agent with the appropriate data for Seller to compute the payment due for capacity provided and electric energy delivered to Company in the preceding calendar month as determined in accordance with this Agreement. Seller shall compute (i) the Energy Charge for the preceding month using actual fuel costs; and (ii) an estimated Capacity Charge for the current calendar month adjusted in accordance with Attachment J (Energy Charge and Capacity Charge Payment Formulas), if appropriate, together with a statement of any Capacity Charge credits owed by Seller to Company for any preceding months; and promptly thereafter, but not later than the tenth (l0th) Business Day of each calendar month, submit an invoice ("Monthly Invoice") for the Capacity Charge to be paid to Seller for the current month, and the Energy Charge to be paid to Seller for the preceding calendar month. Each Monthly Invoice shall include Seller's backup data for the computation of the Capacity Charge and the Energy Charge. Unless and until Company designates a different address, the Monthly

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Invoice shall be delivered by email to the address designated by Company or by mail to:

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawai'i 96740-2750
Attention: Energy Contract Manager

2.Date for Payment of Invoice.Section 6.2(A) (Date Payment Due) of the ARPPA is hereby deleted and replaced in its entirety with the following:

(A) Date Payment Due. No later than the twentieth (20th) Business Day of each calendar month (or the last Business Day of that month if there are less than twenty (20) Business Days in that month), Company shall, subject to Company's right to set-off liquidated damages as provided in Article 16 (Set Off) of this Agreement, make payment on such invoice, or provide to Seller an itemized statement of its objections to all or any portion of such invoice and pay undisputed amount. Notwithstanding the foregoing, the Day by which the Company shall make payment to Seller hereunder shall be increased by one (1) Day for each Day that Seller is delinquent in providing to Company the information required under Section 6.1 (Monthly Invoice) of this Agreement. However, if Company is not timely in providing data required in Section 6.1 (Monthly Invoice) and this directly causes Seller to be unable to deliver its invoice in accordance with the time frame set fo1th in Section 6.1 (Monthly Invoice), then Company shall still meet the payment date of the twentieth (20th) Business Day of that month. If Seller is unable to provide a complete invoice for the reasons set forth in the preceding sentence, an estimated payment, subject to reconciliation with the complete invoice, may be made by Company as an interim provision until a complete invoice can be prepared by Seller and received by Company."

3. Network and Application Security. Subsection (c) of Section 1.b.iii(G)(ii) (Network and Application Security) of Attachment B (Facility Owned by Seller) of the ARPPA is hereby deleted and replaced in its entirety with the following:

(c) Harden network devices (i.e., aligned with the intent of NERC CIP-007-6 Rl).

All of the terms and conditions of the ARPPA that are not altered, amended or replaced as set forth above shall remain in full force and effect.

If Seller is in agreement with the above, Company requests that Seller have a duly authorized representative of Seller countersign this letter agreement where indicated below and return a copy to Company at debbie.higashi@hawaiianelectric.com. So long as Seller executes this letter below without any additions and/or revisions, Company's execution of this letter below shall be deemed Company's execution and agreement to the terms of this letter.

Hawaiian Electric PO BOX 2750, HONOLULU, HI 96840-0001

Mr. Jeffrey Walsh
February 22, 2023
Page 3 of 3

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This letter agreement may be executed in counterparts and signatures transmitted via electronic means, such as portable document format (pdf). A Party's signature transmitted by electronic means shall be considered an "original" signature for purposes of this letter agreement.

If you have any questions, please contact Debbie Higashi at (808) 543-4373 or debbie.higashi@hawaiianelectric.com. Thank you for your attention to this matter.

Sincerely,

/s/ Sarie M. Uechi
Sarie M. Uechi
HAWAIIAN ELECTRIC COMPANY, INC.
Manager, Energy Contract Management

ACKNOWLEDGED AND AGREED TO BY:

Kalaeloa Partners L.P.
/s/ Jeff Walsh Date: February 22, 2023
Name: Jeff Walsh
Title: General Manager

"Seller"

Electronic copy: legalnotices@hawaiianelectric.com
John Brady (John.Brady@pseg.com)
Rebecca Dayhuff Matsushima
Greg Shimokawa Eaton O'Neill
Nina Takamori
Debbie Higashi
Hawaiian Electric PO BOX 2750, HONOLULU, HI 96840-0001

HEI Exhibit 10.19(e) 10.19

HAWAIIAN ELECTRIC INDUSTRIES, INC.
EXECUTIVE SEVERANCE PLAN

1. Purpose. Hawaiian Electric Industries, Inc. (together with any successors thereto, the "***Company***") has adopted this Hawaiian Electric Industries, Inc. Executive Severance Plan (the "***Plan***") to provide severance pay to Eligible Employees (as defined below) who experience a Qualifying Termination (as defined below) on or after February 23, 2024 (the "***Effective Date***").

2. Definitions. For purposes of the Plan, the following terms shall have the respective meanings set forth below:

(a) "***Accrued Amounts***" means (i) all accrued and unpaid Base Salary through the Date of Termination and all vacation time (i.e., no floating holidays and sick leave shall be paid out) accrued but unused as of the Date of Termination, which shall be paid within seven business days following the Date of Termination (or earlier if required by applicable law); (ii) reimbursement for all incurred but unreimbursed expenses for which an Eligible Employee is entitled to reimbursement in accordance with the expense reimbursement policies of the Company in effect as of the Date of Termination; and (iii) benefits to which an Eligible Employee may be entitled pursuant to the terms of any plan or policy sponsored by the Company or any of its Affiliates as in effect from time to time.

(b) "***Affiliate***" means with respect to any person, any other person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise.

(c) "***Applicable Severance Multiple***" means (i) with respect to each Tier 1 Employee, 2.0; (ii) with respect to each Tier 2 Employee, 1.5; and (iii) with respect to each Tier 3 Employee, 1.0.

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(d) "***Base Salary***" means the amount an Eligible Employee is entitled to receive as base salary on an annualized basis, calculated as of the Date of Termination, including any amounts that an Eligible Employee could have received in cash had he or she not elected to contribute to an employee benefit plan maintained by a member of the Company Group, but excluding all annual cash incentive awards, bonuses, equity awards, and incentive compensation payable by the Company Group as consideration for an Eligible Employee's services.

(e) "***Board***" means the Board of Directors of the Company.

(f) "***Cause***" shall have the meaning assigned to such term in any individual employment or severance agreement with the Eligible Employee or, if no such agreement exists or the agreement does not define "Cause," Cause means (i) the refusal or neglect of the Eligible Employee to perform substantially his or her employment-related duties, (ii) the Eligible Employee's personal dishonesty, incompetence, willful misconduct or breach of fiduciary duty, (iii) the Eligible Employee's indictment for, conviction of or entering a plea of guilty or *nolo contendere* to a crime constituting a felony or his or her willful violation of any applicable law (other than a traffic violation or other offense or violation outside of the course of employment which in no way adversely affects the Company Group or its reputation or the ability of the Eligible Employee to perform his or her employment-related duties or to represent the Company Group), (iv) the Eligible Employee's failure to reasonably cooperate, following a request to do so by the Company, in any internal or governmental investigation of the Company Group or (v) the Eligible Employee's material breach of any written covenant or agreement with a member of

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the Company Group not to disclose any information pertaining to the Company Group or not to compete or interfere with the Company Group, provided that, if any such item is susceptible of cure, such item will not be considered a breach unless the Company provides the Eligible Employee written notice of the existence of such condition(s) within 30 days after the Company becomes aware of such condition(s) and the condition(s) specified in such notice are not corrected within 15 days following such Eligible Employee's receipt of such written notice.

(g) "***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(h) "***COBRA Continuation Period***" means the period beginning on the first day that the Eligible Employee no longer qualifies for active employee health benefit coverage following such Eligible Employee's Date of Termination and continuing until the earliest to occur of: (i) in the case of a Tier 1 Employee, the end of 104 weeks, in the case of Tier 2 Employees, the end of 78 weeks and, in the case of Tier 3 Employees, the end of 52 weeks; (ii) the time such Eligible Employee becomes eligible to be covered under a group health plan sponsored by another employer (and such Eligible Employee shall promptly notify the Company in the event that such Eligible Employee becomes so eligible); and (iii) the date such Eligible Employee is no longer eligible to receive COBRA continuation coverage.

(i) "***Code***" means the Internal Revenue Code of 1986, as amended.

(j) "***Committee***" means the Compensation & Human Capital Management Committee of the Board or such other person(s) or entity(ies) designated by the Board to administer the Plan or any delegate thereof in whole or in part.

(k) "***Company Group***" means the Company and each of its Affiliates from time to time.

(l) "***Date of Termination***" means the effective date of the termination of an Eligible Employee's employment with the Company Group, such that the Eligible Employee is no longer employed by any member of the Company Group.

(m) "***Eligible Employee***" means each common law employee of the Company who (i) is the Chief Executive Officer of the Company, an Executive Vice President of the Company, a Senior Vice President of the Company or a Vice President of the Company and (ii) acknowledges in writing that he or she is a participant in the Plan and bound by its terms. Each Eligible Employee shall be assigned as a Tier 1, 2, or 3 Employee. For this purpose, the Company's Chief Executive Officer shall be a Tier 1 Employee, each Executive Vice President or Senior Vice President of the Company shall be a Tier 2 Employee and each Vice President of the Company shall be a Tier 3 Employee, with such status being determined as of the Effective Date or, in the case of a subsequently hired or promoted Eligible Employee, as of the date of such or hire or promotion, as the case may be.

(n) "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

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(o) "***Good Reason***" means in respect of any Eligible Employee (1) a reduction in an amount greater than 10% of any of the Eligible Employee's annualized base salary, target annual incentive opportunity, target long-term incentive opportunity, or other element of direct compensation, other than in connection with a general reduction in the applicable compensation that affects all similarly situated employees of the Company in substantially the same proportions, or (2) a material diminution in the Eligible Employee's authority or executive level, provided the mere transfer of an Eligible Employee

from the Company to another entity within the Company Group, in and of itself, will not be deemed a reduction in authority or executive level, and provided further, in either case, that the Eligible Employee shall have notified the Company in writing of the existence of the circumstances giving rise to Good Reason within thirty (30) days following their first occurrence, the Company shall have failed to remedy such circumstances within thirty (30) days following receipt of such notice, and the Eligible Employee terminates his or her employment effective within thirty (30) days thereafter.

(p) "***Pro-Rata Annual Bonus***" means an amount equal to an Eligible Employee's Target Annual Bonus multiplied by a fraction, the numerator of which is the number of days in such applicable fiscal year during which such Eligible Employee was employed by the Company Group and the denominator of which is 365.

(q) "***Qualifying Termination***" means (i) the termination of an Eligible Employee's employment by the Company without Cause or (ii) a termination of employment by an Eligible Employee for Good Reason, in either case, immediately after which the Eligible Employee is employed by no member of the Company Group.

(r) "***Release Consideration Period***" means the period of 21 days or 45 days, as applicable, following the date the Company provides the Eligible Employee with a general release of claims before the Eligible Employee must execute such release of claims to fulfill the Release Requirement.

(s) "***Release Requirement***" means the requirement that an Eligible Employee execute and deliver to the Company a general release of claims, in a customary form, in the case of an employee who is at least 40 years old on the Date of Termination (i) on or prior to the date that is 21 days following the date upon which the Company delivers the release to the Eligible Employee (which shall occur no later than seven days following the Date of Termination) or (ii) in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date. Notwithstanding the foregoing or any other provision in the Plan to the contrary, the Release Requirement shall not be considered satisfied if the release described in the preceding sentence is revoked by the Eligible Employee within any time provided by the Company for such revocation.

(t) "***Section 409A***" means Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretive guidance issued thereunder.

(u) "***Severance Amount***" means, with respect to an Eligible Employee, the sum of (i) an amount equal to the product of (A) the Applicable Severance Multiple and (B) such Eligible Employee's Base Salary and (ii) the Pro-Rata Annual Bonus, provided that for purposes of calculating the Severance Amount, neither the Base Salary nor the Pro-Rata Annual Bonus shall take into account any temporary reduction in such Eligible Employee's annualized base salary in connection with a general reduction in base salaries that affects all similarly situated employees of the Company in substantially the same proportions, as determined by the Committee in its sole discretion.

(v) "***Target Annual Bonus***" means the target amount of an Eligible Employee's annual cash bonus immediately prior to the Date of Termination.

3. Administration of the Plan.

(a) Administration by the Committee. The Committee shall be responsible for the management and control of the operation and the administration of the Plan, including interpretation of

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the Plan, decisions pertaining to eligibility to participate in the Plan, computation of severance payments, granting or denial of severance claims and review of claims denials. The Committee has absolute discretion in the exercise of its powers and responsibilities. For this purpose, the Committee's powers shall include the following authority, in addition to all other powers provided by the Plan:

(i) to make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;

(ii) to interpret the Plan, the Committee's interpretation thereof to be final and conclusive on all persons claiming payments under the Plan;

(iii) to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(iv) to make a determination as to the right of any person to a payment under the Plan (including to determine whether and when there has been a termination of an Eligible Employee's employment and the cause of such termination);

(v) to appoint such agents, counsel, accountants, consultants, claims administrator and other persons as may be required to assist in administering the Plan;

(vi) to allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, any such allocation, delegation or designation to be in writing;

(vii) to sue or cause suit to be brought in the name of the Plan; and

(viii) to obtain from the Company, its Affiliates and from Eligible Employees such information as is necessary for the proper administration of the Plan.

(b) Indemnification of the Committee. The Company shall, without limiting any rights that the Committee may have under the Company's charter or bylaws, applicable law or otherwise, indemnify and hold harmless the Committee and each member thereof (and any other individual acting on behalf of the Committee or any member thereof) against any and all expenses and liabilities arising out of such person's administrative functions or fiduciary responsibilities, excepting only expenses and liabilities arising out of the person's own gross negligence or willful misconduct. Expenses against which such person shall be indemnified hereunder include the amounts of any settlement, judgment, attorneys' fees, costs of court, and any other related charges reasonably incurred in connection with a claim, proceeding, settlement, or other action under the Plan.

(c) Compensation and Expenses. The Committee shall not receive additional compensation with respect to services for the Plan. To the extent required by applicable law, but not otherwise, the Committee shall furnish bond or security for the performance of their duties hereunder. Any expenses properly incurred by the Committee incident to the administration, termination or protection of the Plan, including the cost of furnishing bond, shall be paid by the Company.

4. Eligibility. Only individuals who are Eligible Employees may participate in the Plan. Once an individual becomes an Eligible Employee, he or she shall automatically continue to be an Eligible Employee until he or she ceases to be an employee or is removed as an Eligible Employee by the Committee upon not less than 12 months notice but in any event not before the second anniversary of the

Effective Date. The Plan shall supersede all prior practices, policies, agreements, procedures and plans relating to severance payments from the Company and its Affiliates with respect to the Eligible Employees with a Date of Termination on or after the Effective Date, exclusive of individual agreements providing among other things for a cash severance benefit upon a "change in control" of a member of the Company Group (an "***Individual CIC Agreement***").

5. Plan Benefits.

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(a) Qualifying Termination. Unless an Individual CIC Agreement shall provide for severance benefits in the event of the Qualifying Termination (in which case this Plan shall not apply), if an Eligible Employee's employment ends due to a Qualifying Termination, then such Eligible Employee shall be entitled to receive the Accrued Amounts, and so long as such Eligible Employee satisfies the Release Requirement and abides by the terms of Section 6 below, such Eligible Employee shall also be entitled to receive:

(i) A cash payment equal to the Severance Amount payable in a lump-sum on or prior to the Company's first regularly scheduled pay date that occurs on or after the 14th day following the Release Consideration Period, but in no event later than 75 days following the Date of Termination.

(ii) If such Eligible Employee timely and properly elects to continue coverage for such Eligible Employee and such Eligible Employee's spouse and eligible dependents, if any, under the Company's group health plans pursuant to COBRA, then the Company shall promptly reimburse the Eligible Employee for the amount by which the premiums paid to effectuate such coverage during the COBRA Continuation Period exceeds the amount of the employee contribution that similarly situated active employees of the Company pay for the same or similar coverage under such group health plans during the same period, less applicable taxes and withholdings (the "***COBRA Benefit***"). Evidence of COBRA premium payment must be submitted to the Company within 30 days. A premium reimbursement will be processed within three weeks following the receipt of payment documentation. Notwithstanding anything in the preceding provisions of this Section 5(a)(ii) to the contrary, (A) the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage will remain such Eligible Employee's sole responsibility, and the Company will assume no obligation for payment of any such premiums relating to such COBRA continuation coverage and (B) if the provision of the benefit described in this Section 5(a)(ii) cannot be provided in the manner described above without penalty, tax, or other adverse impact on the Company, then the Company and such Eligible Employee shall negotiate in good faith to determine an alternative manner in which the Company may provide a substantially equivalent benefit to such Eligible Employee without such adverse impact on the Company.

(iii) The Company shall reimburse the Eligible Employee for expenses incurred for outplacement services suitable to the Eligible Employee's position for a period of six months following the Date of Termination (or, if earlier, until the first acceptance by the Eligible Employment of an offer of employment) in an amount not exceeding $10,000, which payment shall be made as soon as practicable but in any event within thirty days following the date of request for reimbursement.

(iv) The Eligible Employee shall vest in any outstanding equity incentive compensation award or other long-term incentive compensation award (i.e., an award with a performance period in excess of one year) on a pro-rata basis such that the award shall vest, to the extent not already vested, in the proportion that the number of days from and following the

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beginning of the vesting period through and including the Date of Termination bears to the total number of days in the vesting period (with any performance vesting requirement deemed to have been met at target), provided that, in the case of any award subject to Section 409A, to the extent required to avoid triggering a tax under Section 409A such acceleration of vesting under the award shall not accelerate the timing of payment under the award.

(b) Other Non-Qualifying Terminations of Employment. If an Eligible Employee's employment with the Company Group terminates other than pursuant to a Qualifying Termination, the Eligible Employee shall be entitled to the Accrued Amounts only.

(c) After-Acquired Evidence. Notwithstanding any provision of the Plan to the contrary, in the event that the Company determines that an Eligible Employee is eligible to receive the payments or benefits other than the Accrued Amounts pursuant to this Section 5 but, after such determination, the Company subsequently acquires evidence or determines that (i) such Eligible Employee has failed to abide by the terms Section 6 below or (ii) a Cause condition existed prior to the Date of Termination that, had the Company been fully aware of such condition, would have given the Company the right to terminate such Eligible Employee's employment for Cause, then the Company shall have no obligation to pay any amount in excess of the Accrued Amounts, and such Eligible Employee shall promptly return to the Company any payment in excess of the Accrued Amounts received by such Eligible Employee prior to the date that the Company determines that the conditions of this Section 5(c) have been satisfied.

6. Certain Covenants. As a condition to participation in the Plan, each Eligible Employee agrees to comply with the provisions of this Section 6. If an Eligible Employee shall violate the provisions of subsections (a) or (b) below, then, in addition to any other remedies provided the Company pursuant to Section 7 below, the Company shall have no obligation to pay any amount in excess of the Accrued Amounts, and such Eligible Employee shall promptly return to the

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Company any payment in excess of the Accrued Amounts received by such Eligible Employee prior to the date that the Company determines that the Eligible Employee has violated the provisions of subsections (a) or (b) below.

(a) Nondisparagement. An Eligible Employee shall not at any time make, publish, or communicate to any person or entity any "Disparaging" remarks, comments, or statements concerning or relating to the Company Group or any of their current or former directors, employees or agents or representatives. For this purpose, "Disparaging" remarks, comments, or statements are those that impugn the character, honesty, integrity, morality, business acumen, or abilities of the individual or entity being disparaged, or portray such entities or individuals in a negative light.

(b) Confidentiality. Because the Company Group has a legitimate and continuing proprietary interest in the protection of its "Confidential Information" (as defined below) and it has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect such Confidential Information, all of which is acknowledged by an Eligible Employee as a condition to participation in the Plan, an Eligible Employee shall not at any time without the written consent of the Company or in connection with carrying out the Eligible Employee's employment duties or responsibilities with the Company Group, furnish or make accessible to anyone or use for the Eligible Employee's own benefit any trade secrets or confidential or proprietary information of the Company Group, including without limitation its business plans, marketing plans, strategies, systems, programs, methods, trade secrets, employee lists, computer programs, insurance profiles and client lists (hereafter referred to as "***Confidential Information***"); provided that such Confidential Information shall not include information which at the time of disclosure or use, was generally available to the public other than by a breach of this obligation or was available to the party to whom disclosed on a non-confidential basis by disclosure or access provided by the Company Group or a third party without breaching any obligations of the Company Group, Eligible Employee or such third party or was otherwise developed or obtained

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legally and independently by the person to whom disclosed without a breach of this obligation. Notwithstanding the foregoing, an Eligible Employee may disclose Confidential Information when required to do so by a court of competent jurisdiction, by any governmental agency having supervisory authority over the business of the Company Group or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Employee to divulge, disclose or make accessible such information, provided that, in the event that the Eligible Employee is ordered by a court or other government agency to disclose any Confidential Information, the Eligible Employee shall (i) promptly notify the Company of such order, (ii) at the written request of the Company, diligently contest such order at the sole expense of the Company as expenses occur, and (iii) at the written request of the Company, seek to obtain, at the sole expense of the Company, such confidential treatment as may be available under applicable laws for any information disclosed under such order.

7. Enforcement. Each Eligible Employee acknowledges that money damages would not be a sufficient remedy for any breach of Section 6 above by the Eligible Employee and that any member of the Company Group shall be entitled to enforce the provisions of Section 6 above by terminating payments or additional benefits then owing to the Eligible Employee and to specific performance, injunctive relief and other equitable relief, without bond, as remedies for such breach or any threatened breach. In addition, in the event of a breach by an Eligible Employee of Section 6 above, the Eligible Employee shall repay to the Company any and all payments received or paid or deemed paid by the Company for the benefit of the Eligible Employee pursuant to the Plan. Such remedies shall not be deemed the exclusive remedies for a breach of Section 6 above but shall be in addition to all remedies available at law or in equity, including the recovery of damages from the Eligible Employee and the Eligible Employee's agents. This Section 7 and Section 6 above are severable and separate, and the unenforceability of any specific Section or provision (or portion thereof) shall not affect the enforceability of any other Section or provision (or portion thereof).

8. Claims Procedure and Review.

(a) Filing a Claim. Any Eligible Employee that the Committee determines is entitled to payment of severance benefits under the Plan is not required to file a claim for such benefit. Any employee (i) who is not paid severance benefits hereunder and who believes that he or she is entitled to severance benefits hereunder or (ii) who has been paid severance benefits hereunder and believes that he or she is entitled to greater benefits hereunder may file a written claim for severance benefits under the Plan with the Committee setting forth the facts and arguments for Committee consideration within 90 days after such employee knew or reasonably should have known of the principal facts upon which his or her claim is based.

(b) Initial Determination of a Claim. Within 90 days of the date the Committee receives a claim, the claimant will receive (i) a decision or (ii) a written notice describing special circumstances requiring a specified amount of additional time (up to 90 additional days) to reach a decision and the date by which it expects to reach a decision. If a claim for severance benefits hereunder is wholly or partially denied, the Committee shall, within a reasonable period of time but no later than 90 days after receipt of the claim (or 180 days after receipt of the claim if special circumstances require an extension of time for processing the claim),

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notify the claimant of the denial. Such notice shall (A) be in writing, (B) be written in a manner calculated to be understood by the claimant, (C) contain the specific reason or reasons for denial of the claim, (D) refer specifically to the pertinent Plan provisions upon which the denial is based, (E) describe any additional material or information necessary for the claimant to perfect the claim (and explain why such material or information is necessary), and (F) describe the Plan's claim review procedures and time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

(c) Appeal of a Denied Claim. Within 60 days of the receipt by the claimant of the notice that the claim was denied, the claimant may file a written appeal with the Committee. In connection with the appeal, the claimant may review Plan documents and may submit written issues and comments. Within 60 days of the date the Committee receives an appeal, the claimant will receive (i) a decision or (ii) a written notice describing special circumstances requiring a specified amount of additional time (up to 60 additional days) to reach a decision and the date by which it expects to reach a decision. The Committee shall deliver to the claimant a written decision on the appeal promptly, but not later than 60 days after the receipt of the claimant's appeal (or 120 days after receipt of the claimant's appeal if there are special circumstances which require an extension of time for processing). Such decision shall (A) be in writing, (B) be written in a manner calculated to be understood by the claimant, (C) include specific reasons for the decision, (D) refer specifically to the Plan provisions upon which the decision is based, (E) state that the claimant is entitled to receive, on request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claimant's claim for benefits, and (F) a statement of the Eligible Employee's right to bring an action under Section 502(a) of ERISA. If special circumstances require an extension of up to 180 days for an initial claim or 120 days for an appeal, whichever applies, the Committee shall send written notice of the extension. This notice shall indicate the special circumstances requiring the extension and state when the Committee expects to render the decision.

(d) Additional Information for a Claim on Review. If the Committee determines it needs further information to complete its review of a claim, the claimant will receive a written notice describing the additional information necessary to make the decision. The claimant will then have 60 days from the date the claimant receives the notice to provide the requested information to the Committee. The time between the date the Committee sends its information request to the claimant and the date the Committee receives the requested information from the claimant does not count against the 60-day period in which the Committee has to decide the claim on review. If the Committee does not receive a response to its request for additional information from the claimant, then the period by which the Committee must reach its decision shall be extended by the 60-day period that was provided to the claimant to submit the additional information. If special circumstances exist, this period may be further extended.

(e) In General. The Committee will make all decisions on claims and review of denied claims. The Committee has the sole discretion, authority and responsibility to decide all factual and legal questions under the Plan, including interpreting and construing the Plan and any ambiguous or unclear terms, and determining whether a claimant is eligible for benefits and the amount of benefits, if any, a claimant is entitled to receive. The Committee may hold hearings and reserves the right to delegate its authority to make decisions. The Committee may rely on any applicable statute of limitations as a basis to deny a claim. The Committee's decisions are conclusive and binding on all Parties. The claimant may, at his or her own expense, have an attorney or representative act on his or her behalf, but the Committee reserves the right to require a written authorization for a person to act on the claimant's behalf.

(f) Time Periods. The time period for the Committee to decide a claim begins to run on the date the Committee receives a claimant's written claim. If a claimant files a timely request for review of a denied claim, the time period for the Committee to decide begins to run on the date the Committee receives the written request. In both cases, the time period begins to run whether or not the claimant submits comments or information that he or she would like considered by the Committee.

(g) Limitations Period. If a claimant files a claim within the required time, completes the entire claims procedure and the Committee denies such claim after the claimant requests a review, the claimant may sue over the claim (unless he or she has executed a release of such claim). The claimant must commence this lawsuit within six months after the claims process is completed. Regardless of when the claimant files the claim, the claimant may not, under any circumstances, commence a lawsuit more than 30 months after he or she knew or should have known the facts supporting

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the claim. Before commencing legal action to recover benefits or to enforce or clarify rights, the claimant must complete all of the Plan's claim procedures. The Company shall reimburse an Eligible Employee for all expenses (including reasonable attorney's fees) incurred by the Eligible Employee in connection with such a legal action to the extent the Eligible Employee prevails in such contest. Such costs shall be paid to such Participant promptly upon presentation of expense statements or other supporting information evidencing the incurrence of such expenses, which reimbursement payment shall be made as soon as practicable but in any event within thirty days following the date of request for reimbursement and not later than the end of the year following the year in which the expenses were incurred, provided further that the amount reimbursable during any year shall not affect the amount reimbursable in any other year.

(h) The benefits claim procedure provided in this Section 8 is intended to comply with the provisions of 29 C.F.R. §2560.503-1. All provisions of this Section 8 shall be interpreted, construed, and limited in accordance with such intent.

9. General Provisions.

(a) Taxes. The Company and its Affiliates are authorized to withhold from all payments made hereunder amounts of withholding and other taxes due or potentially payable in connection therewith, and to take such other action as the Company may deem advisable to enable the Company and its Affiliates and the Eligible Employee to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any payments made under the Plan.

(b) Offset. The Company may set off against any payments due to the Eligible Employee, or to his or her estate, heirs, legal representatives, or successors, any amounts which may be due and owing to the Company or an Affiliate of the Company by the Eligible Employee, whether arising under the Plan or otherwise, provided that any such offset must be compliant with applicable law and no such offset may be made with respect to amounts payable that are subject to the requirements of Section 409A unless the offset would not result in a violation of the requirements of Section 409A.

(c) Amendment and Termination. This Plan may be amended or modified in any respect and may be terminated by the Board, provided that the Plan may not be amended, modified or terminated in any manner that would in any way adversely affect, before the expiration of the 12-month period following notice of such action to the Eligible Employee (or before the second anniversary of the Effective Date if later), the benefits or protections provided hereunder to any individual who is an Eligible Employee under the Plan at the time of such action.

(d) Successors. The Plan will be binding upon any successor to the Company, its assets, its businesses or its interest, in the same manner and to the same extent that the Company would be obligated under the Plan if no succession had taken place. All payments and benefits that become due to an Eligible Employee under the Plan will inure to the benefit of his or her heirs, assigns, designees or legal representatives.

(e) Transfer and Assignment. Neither an Eligible Employee nor any other person shall have any right to sell, assign, transfer, pledge, anticipate or otherwise encumber, transfer, hypothecate or convey any amounts payable under the Plan prior to the date that such amounts are paid.

(f) Unfunded Obligation. All benefits due an Eligible Employee under the Plan are unfunded and unsecured and are payable out of the general assets of the Company. The Company is not required to segregate any monies or other assets from its general funds with respect to these obligations. Eligible Employees shall not have any preference or security interest in any assets of the Company other than as a general unsecured creditor.

(g) Severability. If any provision of the Plan (or portion thereof) is held to be illegal or invalid for any reason, the illegality or invalidity of such provision (or portion thereof) will not affect the remaining provisions (or portions thereof) of the Plan, but such provision (or portion thereof) will be fully severable and the Plan will be construed and enforced as if the illegal or invalid provision (or portion thereof) had never been included herein.

(h) Section 409A. The Plan is intended to comply with Section 409A or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of the Plan, payments provided under the Plan may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under the Plan that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of

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Section 409A, each installment payment provided under the Plan shall be treated as a separate payment. Any payments to be made under the Plan upon the termination of an Eligible Employee's employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding any provision in the Plan to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if an Eligible Employee's receipt of such payment or benefit is not delayed until the earlier of (i) the date of such Eligible Employee's death or (ii) the date that is six months after such Eligible Employee's Date of Termination (such date, the "***Section 409A Payment Date***"), then such payment or benefit shall not be provided to such Eligible Employee (or such Eligible Employee's estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under the Plan are exempt from, or compliant with, Section 409A and in no event shall the Company or any of its Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by any Eligible Employee on account of non-compliance with Section 409A.

(i) Governing Law; Submission to Jurisdiction. All questions arising with respect to the provisions of the Plan and payments due hereunder will be determined by application of the laws of the State of Hawaii, without giving effect to any conflict of law provisions thereof, except to the extent preempted by federal law (including ERISA, which is the federal law that governs the Plan, the administration of the Plan and any claims made under the Plan). Any action to enforce rights under this Plan shall be brought only in the state and federal courts residing in, or with jurisdiction over, Honolulu County, Hawaii.

(j) Third-Party Beneficiaries. Each Affiliate of the Company shall be a third-party beneficiary of the Eligible Employee's obligations under the Plan and shall be entitled to enforce such obligations as if a party hereto.

(k) No Right to Continued Employment. The adoption and maintenance of the Plan shall not be deemed to be a contract of employment between the Company or any of its Affiliates and any person, or to have any impact whatsoever on the at-will employment relationship between the Company or any of its Affiliates and the Eligible Employees. Nothing in the Plan shall be deemed to give any person the right to be retained in the employ of the Company or any of its Affiliates for any period of time or to restrict the right of the Company or any of its Affiliates to terminate the employment of any person at any time.

(l) Title and Headings; Construction. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references to laws, regulations, contracts, documents, agreements and instruments refer to such laws, regulations, contracts, agreements and instruments as they may be amended from time to time, and references to particular provisions of laws or regulations include

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a reference to the corresponding provisions of any succeeding law or regulation. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Plan, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither the Plan nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, the Plan shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the Company.

(m) Overpayment. If, due to mistake or any other reason, a person receives severance payments under the Plan in excess of what the Plan provides, such person shall repay the overpayment to the Company in a lump sum within 30 days of notice of the amount of overpayment. If such person fails to so repay the overpayment, then without limiting any other remedies available to the Company, the Company may deduct the amount of the overpayment from any other amounts which become payable to such person under the Plan or otherwise.

(n) Clawback. Any amounts payable under the Plan are subject to any policy (whether in existence as of the Effective Date or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to the Eligible Employee. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with applicable laws, regulations, and securities exchange listing standards.

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(o) Agent for Service of Legal Process.Legal process may be served on the Compensation & Human Capital Management Committee of the Board, which is the plan administrator for purposes of ERISA, at the following address: 1001 Bishop Street, Suite 2900, Honolulu, Hawaii 96813.

HEI Exhibit 10.20

HAWAIIAN ELECTRIC COMPANY, INC.
EXECUTIVE SEVERANCE PLAN

1. Purpose. Hawaiian Electric Company, Inc. (together with any successors thereto, the "***Company***") has adopted this Hawaiian Electric Company, Inc. Executive Severance Plan (the "***Plan***") to provide severance pay to Eligible Employees (as defined below) who experience a Qualifying Termination (as defined below) on or after February 23, 2024 (the "***Effective Date***").

2. Definitions. For purposes of the Plan, the following terms shall have the respective meanings set forth below:

(a) "***Accrued Amounts***" means (i) all accrued and unpaid Base Salary through the Date of Termination and all vacation time (i.e., no floating holidays or sick leave shall be paid out) accrued but unused as of the Date of Termination, which shall be paid within seven business days following the Date of Termination (or earlier if required by applicable law); (ii) reimbursement for all incurred but unreimbursed expenses for which an Eligible Employee is entitled to reimbursement in accordance with the expense reimbursement policies of the Company in effect as of the Date of Termination; and (iii) benefits to which an Eligible Employee may be entitled pursuant to the terms of any plan or policy sponsored by the Company or any of its Affiliates as in effect from time to time.

(b) "***Affiliate***" means with respect to any person, any other person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise.

(c) "***Applicable Severance Multiple***" means (i) with respect to each Tier 1 Employee, 2.0; (ii) with respect to each Tier 2 Employee, 1.5; and (iii) with respect to each Tier 3 Employee, 1.0.

(d) "***Base Salary***" means the amount an Eligible Employee is entitled to receive as base salary on an annualized basis, calculated as of the Date of Termination, including any amounts that an Eligible Employee could have received in cash had he or she not elected to contribute to an employee benefit plan maintained by a member of the Company Group, but excluding all annual cash incentive awards, bonuses, equity awards, and incentive compensation payable by the Company Group as consideration for an Eligible Employee's services.

(e) "***Board***" means the Board of Directors of the Company.

(f) "***Cause***" shall have the meaning assigned to such term in any individual employment or severance agreement with the Eligible Employee or, if no such agreement exists or the agreement does not define "Cause," Cause means (i) the refusal or neglect of the Eligible Employee to perform substantially his or her employment-related duties, (ii) the Eligible Employee's personal dishonesty, incompetence, willful misconduct or breach of fiduciary duty, (iii) the Eligible Employee's indictment for, conviction of or entering a plea of guilty or *nolo contendere* to a crime constituting a felony or his or her willful violation of any applicable law (other than a traffic violation or other offense or violation outside of the course of employment which in no way adversely affects the Company Group or its reputation or the ability of the Eligible Employee to perform his or her employment-related duties or to represent the Company Group), (iv) the Eligible Employee's failure to reasonably cooperate, following a request to do so by the Company, in any internal or governmental investigation of the Company Group or (v) the Eligible Employee's material breach of any written covenant or agreement with a member of

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the Company Group not to disclose any information pertaining to the Company Group or not to compete or interfere with the Company Group, provided that, if any such item is susceptible of cure, such item will not be considered a breach unless the Company provides the Eligible Employee written notice of the existence of such condition(s) within 30 days after the Company becomes aware of such condition(s) and the condition(s) specified in such notice are not corrected within 15 days following such Eligible Employee's receipt of such written notice.

(g) "***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(h) "***COBRA Continuation Period***" means the period beginning on the first day that the Eligible Employee no longer qualifies for active employee health benefit coverage following such Eligible Employee's Date of Termination and continuing until the earliest to occur of: (i) in the case of a Tier 1 Employee, the end of 104 weeks, in the case of Tier 2 Employees, the end of 78 weeks and, in the case of Tier 3 Employees, the end of 52 weeks; (ii) the time such Eligible Employee becomes eligible to be covered under a group health plan sponsored by another employer (and such Eligible Employee shall promptly notify the Company in the event that such Eligible Employee becomes so eligible); and (iii) the date such Eligible Employee is no longer eligible to receive COBRA continuation coverage.

(i) "***Code***" means the Internal Revenue Code of 1986, as amended.

(j) "***Committee***" means the Board or such other person(s) or entity(ies) designated by the Board to administer the Plan or any delegate thereof in whole or in part.

(k) "***Company Group***" means the Company and each of its Affiliates from time to time.

(l) "***Date of Termination***" means the effective date of the termination of an Eligible Employee's employment with the Company Group, such that the Eligible Employee is no longer employed by any member of the Company Group.

(m) "***Eligible Employee***" means each common law employee of the Company who (i) is the Chief Executive Officer of the Company, a Senior Vice President of the Company or a Vice President of the Company, (ii) is not employed pursuant to a collective bargaining agreement to which any member of the Company Group is a party and (iii) acknowledges in writing that he or she is a participant in the Plan and bound by its terms. Each Eligible Employee shall be assigned as a Tier 1, 2 or 3 Employee. For this purpose, the Company's Chief Executive Officer shall be a Tier 1 Employee, each Senior Vice President of the Company shall be a Tier 2 Employee and each Vice President of the Company shall be a Tier 3 Employee, with such status being determined as of the Effective Date or, in the case of a subsequently hired or promoted Eligible Employee, as of the date of such or hire or promotion, as the case may be.

(n) "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

(o) "***Good Reason***" means in respect of any Eligible Employee (1) a reduction in an amount greater than 10% of any of the Eligible Employee's annualized base salary, target annual incentive opportunity, target long-term incentive opportunity, or other element of direct compensation, other than in connection with a general reduction in the applicable compensation that affects all similarly situated employees of the Company in substantially the same proportions, or (2) a material diminution in the Eligible Employee's authority or executive level, provided the mere transfer of an Eligible Employee from the Company to another entity within the Company Group, in and of itself, will not be deemed a

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reduction in authority or executive level, and provided further, in either case, that the Eligible Employee shall have notified the Company in writing of the existence of the circumstances giving rise to Good Reason within thirty (30) days following their first occurrence, the Company shall have failed to remedy such circumstances within thirty (30) days following receipt of such notice, and the Eligible Employee terminates his or her employment effective within thirty (30) days thereafter.

(p) "***Pro-Rata Annual Bonus***" means an amount equal to an Eligible Employee's Target Annual Bonus multiplied by a fraction, the numerator of which is the number of days in such applicable fiscal year during which such Eligible Employee was employed by the Company Group and the denominator of which is 365.

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(q) "***Qualifying Termination***" means (i) the termination of an Eligible Employee's employment by the Company without Cause or (ii) a termination of employment by an Eligible Employee for Good Reason, in either case, immediately after which the Eligible Employee is employed by no member of the Company Group.

(r) "***Release Consideration Period***" means the period of 21 days or 45 days, as applicable, following the date the Company provides the Eligible Employee with a general release of claims before the Eligible Employee must execute such release of claims to fulfill the Release Requirement.

(s) "***Release Requirement***" means the requirement that an Eligible Employee execute and deliver to the Company a general release of claims, in a customary form, in the case of an employee who is at least 40 years old on the Date of Termination (i) on or prior to the date that is 21 days following the date upon which the Company delivers the release to the Eligible Employee (which shall occur no later than seven days following the Date of Termination) or (ii) in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date. Notwithstanding the foregoing or any other provision in the Plan to the contrary, the Release Requirement shall not be considered satisfied if the release described in the preceding sentence is revoked by the Eligible Employee within any time provided by the Company for such revocation.

(t) "***Section 409A***" means Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretive guidance issued thereunder.

(u) "***Severance Amount***" means, with respect to an Eligible Employee, the sum of (i) an amount equal to the product of (A) the Applicable Severance Multiple and (B) such Eligible Employee's Base Salary and (ii) the Pro-Rata Annual Bonus, provided that for purposes of calculating the Severance Amount, neither the Base Salary nor the Pro-Rata Annual Bonus shall take into account any temporary reduction in such Eligible Employee's annualized base salary in connection with a general reduction in base salaries that affects all similarly situated employees of the Company in substantially the same proportions, as determined by the Committee in its sole discretion.

(v) "***Target Annual Bonus***" means the target amount of an Eligible Employee's annual cash bonus immediately prior to the Date of Termination.

3. Administration of the Plan.

(a) Administration by the Committee. The Committee shall be responsible for the management and control of the operation and the administration of the Plan, including interpretation of the Plan, decisions pertaining to eligibility to participate in the Plan, computation of severance payments,

granting or denial of severance claims and review of claims denials. The Committee has absolute discretion in the exercise of its powers and responsibilities. For this purpose, the Committee's powers shall include the following authority, in addition to all other powers provided by the Plan:

(i) to make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;

(ii) to interpret the Plan, the Committee's interpretation thereof to be final and conclusive on all persons claiming payments under the Plan;

(iii) to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(iv) to make a determination as to the right of any person to a payment under the Plan (including to determine whether and when there has been a termination of an Eligible Employee's employment and the cause of such termination);

(v) to appoint such agents, counsel, accountants, consultants, claims administrator and other persons as may be required to assist in administering the Plan;

(vi) to allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, any such allocation, delegation or designation to be in writing;

(vii) to sue or cause suit to be brought in the name of the Plan; and

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(viii) to obtain from the Company, its Affiliates and from Eligible Employees such information as is necessary for the proper administration of the Plan.

(b) Indemnification of the Committee. The Company shall, without limiting any rights that the Committee may have under the Company's charter or bylaws, applicable law or otherwise, indemnify and hold harmless the Committee and each member thereof (and any other individual acting on behalf of the Committee or any member thereof) against any and all expenses and liabilities arising out of such person's administrative functions or fiduciary responsibilities, excepting only expenses and liabilities arising out of the person's own gross negligence or willful misconduct. Expenses against which such person shall be indemnified hereunder include the amounts of any settlement, judgment, attorneys' fees, costs of court, and any other related charges reasonably incurred in connection with a claim, proceeding, settlement, or other action under the Plan.

(c) Compensation and Expenses. The Committee shall not receive additional compensation with respect to services for the Plan. To the extent required by applicable law, but not otherwise, the Committee shall furnish bond or security for the performance of their duties hereunder. Any expenses properly incurred by the Committee incident to the administration, termination or protection of the Plan, including the cost of furnishing bond, shall be paid by the Company.

4. Eligibility. Only individuals who are Eligible Employees may participate in the Plan. Once an individual becomes an Eligible Employee, he or she shall automatically continue to be an Eligible Employee until he or she ceases to be an employee or is removed as an Eligible Employee by the Committee upon not less than 12 months notice but in any event not before the second anniversary of the Effective Date. The Plan shall supersede all prior practices, policies, agreements, procedures and plans

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relating to severance payments from the Company and its Affiliates with respect to the Eligible Employees with a Date of Termination on or after the Effective Date, exclusive of individual agreements providing among other things for a cash severance benefit upon a "change in control" of a member of the Company Group (an "***Individual CIC Agreement***").

5. Plan Benefits.

(a) Qualifying Termination. Unless an Individual CIC Agreement shall provide for severance benefits in the event of the Qualifying Termination (in which case this Plan shall not apply), if an Eligible Employee's employment ends due to a Qualifying Termination, then such Eligible Employee shall be entitled to receive the Accrued Amounts, and so long as such Eligible Employee satisfies the Release Requirement and abides by the terms of Section 6 below, such Eligible Employee shall also be entitled to receive:

(i) A cash payment equal to the Severance Amount payable in a lump-sum on or prior to the Company's first regularly scheduled pay date that occurs on or after the 14th day following the Release Consideration Period, but in no event later than 75 days following the Date of Termination.

(ii) If such Eligible Employee timely and properly elects to continue coverage for such Eligible Employee and such Eligible Employee's spouse and eligible dependents, if any, under the Company's group health plans pursuant to COBRA, then the Company shall promptly reimburse the Eligible Employee for the amount by which the premiums paid to effectuate such coverage during the COBRA Continuation Period exceeds the amount of the employee contribution that similarly situated active employees of the Company pay for the same or similar coverage under such group health plans during the same period, less applicable taxes and withholdings (the "***COBRA Benefit***"). Evidence of COBRA premium payment must be submitted to the Company within 30 days. A premium reimbursement will be processed within three weeks following the receipt of payment documentation. Notwithstanding anything in the preceding provisions of this Section 5(a)(ii) to the contrary, (A) the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage will remain such Eligible Employee's sole responsibility, and the Company will assume no obligation for payment of any such premiums relating to such COBRA continuation coverage and (B) if the provision of the benefit described in this Section 5(a)(ii) cannot be provided in the manner described above without penalty, tax, or other adverse impact on the Company, then the Company and such Eligible Employee shall negotiate in good faith to determine an alternative manner in which the Company may provide a substantially equivalent benefit to such Eligible Employee without such adverse impact on the Company.

(iii) The Company shall reimburse the Eligible Employee for expenses incurred for outplacement services suitable to the Eligible Employee's position for a period of six months following the Date of Termination (or, if earlier, until the first acceptance by the Eligible Employment of an offer of

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employment) in an amount not exceeding $10,000, which payment shall be made as soon as practicable but in any event within thirty days following the date of request for reimbursement.

(iv) The Eligible Employee shall vest in any outstanding equity incentive compensation award or other long-term incentive compensation award (i.e., an award with a performance period in excess of one year) on a pro-rata basis such that the award shall vest, to the extent not already vested, in the proportion that the number of days from and following the beginning of the vesting period through and including the Date of Termination bears to the total

number of days in the vesting period (with any performance vesting requirement deemed to have been met at target), provided that, in the case of any award subject to Section 409A, to the extent required to avoid triggering a tax under Section 409A such acceleration of vesting under the award shall not accelerate the timing of payment under the award.

(b) Other Non-Qualifying Terminations of Employment. If an Eligible Employee's employment with the Company Group terminates other than pursuant to a Qualifying Termination, the Eligible Employee shall be entitled to the Accrued Amounts only.

(c) After-Acquired Evidence. Notwithstanding any provision of the Plan to the contrary, in the event that the Company determines that an Eligible Employee is eligible to receive the payments or benefits other than the Accrued =Amounts pursuant to this Section 5 but, after such determination, the Company subsequently acquires evidence or determines that (i) such Eligible Employee has failed to abide by the terms Section 6 below or (ii) a Cause condition existed prior to the Date of Termination that, had the Company been fully aware of such condition, would have given the Company the right to terminate such Eligible Employee's employment for Cause, then the Company shall have no obligation to pay any amount in excess of the Accrued Amounts, and such Eligible Employee shall promptly return to the Company any payment in excess of the Accrued Amounts received by such Eligible Employee prior to the date that the Company determines that the conditions of this Section 5(c) have been satisfied.

6. Certain Covenants. As a condition to participation in the Plan, each Eligible Employee agrees to comply with the provisions of this Section 6. If an Eligible Employee shall violate the provisions of subsections (a) or (b) below, then, in addition to any other remedies provided the Company pursuant to Section 7 below, the Company shall have no obligation to pay any amount in excess of the Accrued Amounts, and such Eligible Employee shall promptly return to the Company any payment in excess of the Accrued Amounts received by such Eligible Employee prior to the date that the Company determines that the Eligible Employee has violated the provisions of subsections (a) or (b) below.

(a) Nondisparagement. An Eligible Employee shall not at any time make, publish, or communicate to any person or entity any "Disparaging" remarks, comments, or statements concerning or relating to the Company Group or any of their current or former directors, employees or agents or representatives. For this purpose, "Disparaging" remarks, comments, or statements are those that impugn the character, honesty, integrity, morality, business acumen, or abilities of the individual or entity being disparaged, or portray such entities or individuals in a negative light.

(b) Confidentiality. Because the Company Group has a legitimate and continuing proprietary interest in the protection of its "Confidential Information" (as defined below) and it has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect such Confidential Information, all of which is acknowledged by an Eligible Employee as a condition to participation in the Plan, an Eligible Employee shall not at any time without the written consent of the Company or in connection with carrying out the Eligible Employee's employment duties or responsibilities with the Company Group, furnish or make accessible to anyone or use for the Eligible Employee's own benefit any trade secrets or confidential or proprietary information of the Company Group, including without limitation its business plans, marketing plans, strategies, systems, programs, methods, trade secrets, employee lists, computer programs, insurance profiles and client lists (hereafter referred to as "***Confidential Information***"); provided that such Confidential Information shall not include information which at the time of disclosure or use, was generally available to the public other than by a breach of this obligation or was available to the party to whom disclosed on a non-confidential basis by disclosure or access provided by the Company Group or a third party without breaching any obligations of the Company Group, Eligible Employee or such third party or was otherwise developed or obtained legally and independently by the person to whom disclosed without a breach of this obligation. Notwithstanding the foregoing, an Eligible Employee may disclose Confidential Information when

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required to do so by a court of competent jurisdiction, by any governmental agency having supervisory authority over the business of the Company Group or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Employee to divulge, disclose or make accessible such information, provided that, in the event that the Eligible Employee is ordered by a court or other government agency to disclose any Confidential Information, the Eligible Employee shall (i) promptly notify the Company of such order, (ii) at the written request of the Company, diligently contest such order at the sole expense of the Company as expenses occur, and (iii) at the written request of the Company, seek to obtain, at the sole expense of the Company, such confidential treatment as may be available under applicable laws for any information disclosed under such order.

7. Enforcement. Each Eligible Employee acknowledges that money damages would not be a sufficient remedy for any breach of Section 6 above by the Eligible Employee and that any member of the Company Group shall be entitled to enforce the provisions of Section 6 above by terminating payments or additional benefits then owing to the Eligible Employee and to specific performance, injunctive relief and other equitable relief, without bond, as remedies for such breach or any threatened breach. In addition, in the event of a breach by an Eligible Employee of Section 6 above, the Eligible Employee shall repay to the Company any and all payments received or paid or deemed paid by the Company for the benefit of the Eligible Employee pursuant to the Plan. Such remedies shall not be deemed the exclusive remedies for a breach of Section 6 above but shall be in addition to all remedies available at law or in equity, including the recovery of damages from the Eligible Employee and the Eligible Employee's agents. This Section 7 and Section 6 above are severable and separate, and the unenforceability of any specific Section or provision (or portion thereof) shall not affect the enforceability of any other Section or provision (or portion thereof).

8. Claims Procedure and Review.

(a) Filing a Claim. Any Eligible Employee that the Committee determines is entitled to payment of severance benefits under the Plan is not required to file a claim for such benefit. Any employee (i) who is not paid severance benefits hereunder and who believes that he or she is entitled to severance benefits hereunder or (ii) who has been paid severance benefits hereunder and believes that he or she is entitled to greater benefits hereunder may file a written claim for severance benefits under the Plan with the Committee setting forth the facts and arguments for Committee consideration within 90 days after such employee knew or reasonably should have known of the principal facts upon which his or her claim is based.

(b) Initial Determination of a Claim. Within 90 days of the date the Committee receives a claim, the claimant will receive (i) a decision or (ii) a written notice describing special circumstances requiring a specified amount of additional time (up to 90 additional days) to reach a decision and the date by which it expects to reach a decision. If a claim for severance benefits hereunder is wholly or partially denied, the Committee shall, within a reasonable period of time but no later than 90 days after receipt of the claim (or 180 days after receipt of the claim if special circumstances require an extension of time for processing the claim), notify the claimant of the denial. Such notice shall (A) be in writing, (B) be written in a manner calculated to be understood by the claimant, (C) contain the specific reason or reasons for denial of the claim, (D) refer specifically to the pertinent Plan provisions upon which the denial is based, (E) describe any additional material or information necessary for the claimant to perfect the claim (and explain why such material or information is necessary), and (F) describe the Plan's claim review procedures and time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

(c) Appeal of a Denied Claim. Within 60 days of the receipt by the claimant of the notice that the claim was denied, the claimant may file a written appeal with the Committee. In

connection with the appeal, the claimant may review Plan documents and may submit written issues and comments. Within 60 days of the date the Committee receives an appeal, the claimant will receive (i) a decision or (ii) a written notice describing special circumstances requiring a specified amount of additional time (up to 60 additional days) to reach a decision and the date by which it expects to reach a decision. The Committee shall deliver to the claimant a written decision on the appeal promptly, but not later than 60 days after the receipt of the claimant's appeal (or 120 days after

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receipt of the claimant's appeal if there are special circumstances which require an extension of time for processing). Such decision shall (A) be in writing, (B) be written in a manner calculated to be understood by the claimant, (C) include specific reasons for the decision, (D) refer specifically to the Plan provisions upon which the decision is based, (E) state that the claimant is entitled to receive, on request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claimant's claim for benefits, and (F) a statement of the Eligible Employee's right to bring an action under Section 502(a) of ERISA. If special circumstances require an extension of up to 180 days for an initial claim or 120 days for an appeal, whichever applies, the Committee shall send written notice of the extension. This notice shall indicate the special circumstances requiring the extension and state when the Committee expects to render the decision.

(d) Additional Information for a Claim on Review. If the Committee determines it needs further information to complete its review of a claim, the claimant will receive a written notice describing the additional information necessary to make the decision. The claimant will then have 60 days from the date the claimant receives the notice to provide the requested information to the Committee. The time between the date the Committee sends its information request to the claimant and the date the Committee receives the requested information from the claimant does not count against the 60-day period in which the Committee has to decide the claim on review. If the Committee does not receive a response to its request for additional information from the claimant, then the period by which the Committee must reach its decision shall be extended by the 60-day period that was provided to the claimant to submit the additional information. If special circumstances exist, this period may be further extended.

(e) In General. The Committee will make all decisions on claims and review of denied claims. The Committee has the sole discretion, authority and responsibility to decide all factual and legal questions under the Plan, including interpreting and construing the Plan and any ambiguous or unclear terms, and determining whether a claimant is eligible for benefits and the amount of benefits, if any, a claimant is entitled to receive. The Committee may hold hearings and reserves the right to delegate its authority to make decisions. The Committee may rely on any applicable statute of limitations as a basis to deny a claim. The Committee's decisions are conclusive and binding on all Parties. The claimant may, at his or her own expense, have an attorney or representative act on his or her behalf, but the Committee reserves the right to require a written authorization for a person to act on the claimant's behalf.

(f) Time Periods. The time period for the Committee to decide a claim begins to run on the date the Committee receives a claimant's written claim. If a claimant files a timely request for review of a denied claim, the time period for the Committee to decide begins to run on the date the Committee receives the written request. In both cases, the time period begins to run whether or not the claimant submits comments or information that he or she would like considered by the Committee.

(g) Limitations Period. If a claimant files a claim within the required time, completes the entire claims procedure and the Committee denies such claim after the claimant requests a review, the claimant may sue over the claim (unless he or she has executed a release of such claim). The claimant must commence this lawsuit within six months after the claims process is completed. Regardless of when the claimant files the claim, the claimant may not, under any circumstances, commence a lawsuit more than 30 months after he or she knew or should have known the facts supporting the claim. Before commencing legal action to recover benefits or to enforce or clarify rights, the claimant must complete all of the Plan's claim procedures. The Company shall reimburse an Eligible Employee for all expenses (including reasonable attorney's fees) incurred by the Eligible Employee in connection

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with such a legal action to the extent the Eligible Employee prevails in such contest. Such costs shall be paid to such Participant promptly upon presentation of expense statements or other supporting information evidencing the incurrence of such expenses, which reimbursement payment shall be made as soon as practicable but in any event within thirty days following the date of request for reimbursement and not later than the end of the year following the year in which the expenses were incurred, provided further that the amount reimbursable during any year shall not affect the amount reimbursable in any other year.

(h) The benefits claim procedure provided in this Section 8 is intended to comply with the provisions of 29 C.F.R. §2560.503-1. All provisions of this Section 8 shall be interpreted, construed, and limited in accordance with such intent.

9. General Provisions.

(a) Taxes. The Company and its Affiliates are authorized to withhold from all payments made hereunder amounts of withholding and other taxes due or potentially payable in connection therewith, and to take such other action as the Company may deem advisable to enable the Company and its Affiliates and the Eligible Employee to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any payments made under the Plan.

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(b) Offset. The Company may set off against any payments due to the Eligible Employee, or to his or her estate, heirs, legal representatives, or successors, any amounts which may be due and owing to the Company or an Affiliate of the Company by the Eligible Employee, whether arising under the Plan or otherwise, provided that any such offset must be compliant with applicable law and no such offset may be made with respect to amounts payable that are subject to the requirements of Section 409A unless the offset would not result in a violation of the requirements of Section 409A.

(c) Amendment and Termination. This Plan may be amended or modified in any respect and may be terminated by the Board, provided that the Plan may not be amended, modified or terminated in any manner that would in any way adversely affect, before the expiration of the 12-month period following notice of such action to the Eligible Employee (or before the second anniversary of the Effective Date if later), the benefits or protections provided hereunder to any individual who is an Eligible Employee under the Plan at the time of such action.

(d) Successors. The Plan will be binding upon any successor to the Company, its assets, its businesses or its interest, in the same manner and to the same extent that the Company would be obligated under the Plan if no succession had taken place. All payments and benefits that become due to an Eligible Employee under the Plan will inure to the benefit of his or her heirs, assigns, designees or legal representatives.

(e) Transfer and Assignment. Neither an Eligible Employee nor any other person shall have any right to sell, assign, transfer, pledge, anticipate or otherwise encumber, transfer, hypothecate or convey any amounts payable under the Plan prior to the date that such amounts are paid.

(f) Unfunded Obligation. All benefits due an Eligible Employee under the Plan are unfunded and unsecured and are payable out of the general assets of the Company. The Company is not required to segregate any monies or other assets from its general funds with respect to these obligations. Eligible Employees shall not have any preference or security interest in any assets of the Company other than as a general unsecured creditor.

(g) Severability. If any provision of the Plan (or portion thereof) is held to be illegal or invalid for any reason, the illegality or invalidity of such provision (or portion thereof) will not affect the remaining provisions (or portions thereof) of the Plan, but such provision (or portion thereof) will be fully severable and the Plan will be construed and enforced as if the illegal or invalid provision (or portion thereof) had never been included herein.

(h) Section 409A. The Plan is intended to comply with Section 409A or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of the Plan, payments provided under the Plan may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under the Plan that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under the Plan shall be treated as a separate payment. Any payments to be made under the Plan upon the termination of an Eligible Employee's employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding any provision in the Plan to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if an Eligible Employee's receipt of such payment or benefit is not delayed until the earlier of (i) the date of such Eligible Employee's death or (ii) the date that is six months after such Eligible Employee's Date of Termination (such date, the "***Section 409A Payment Date***"), then such payment or benefit shall not be provided to such Eligible Employee (or such Eligible Employee's estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under the Plan are exempt from, or compliant with, Section 409A and in no event shall the Company or any of its Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by any Eligible Employee on account of non-compliance with Section 409A.

(i) Governing Law; Submission to Jurisdiction. All questions arising with respect to the provisions of the Plan and payments due hereunder will be determined by application of the laws of the State of Hawaii, without giving effect to any conflict of law provisions thereof, except to the extent preempted by federal law (including ERISA, which is the federal law that governs the Plan, the administration of the Plan and any claims made under the Plan). Any action to enforce rights under this Plan shall be brought only in the state and federal courts residing in, or with jurisdiction over, Honolulu County, Hawaii.

(j) Third-Party Beneficiaries. Each Affiliate of the Company shall be a third-party beneficiary of the Eligible Employee's obligations under the Plan and shall be entitled to enforce such obligations as if a party hereto.

(k) No Right to Continued Employment. The adoption and maintenance of the Plan shall not be deemed to be a contract of employment between the Company or any of its Affiliates and any person, or to have any impact whatsoever on the at-will employment relationship between the Company or any of its

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Affiliates and the Eligible Employees. Nothing in the Plan shall be deemed to give any person the right to be retained in the employ of the Company or any of its Affiliates for any period of time or to restrict the right of the Company or any of its Affiliates to terminate the employment of any person at any time.

(l) Title and Headings; Construction. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references to laws, regulations, contracts, documents, agreements and instruments refer to such laws, regulations, contracts, agreements and instruments as they may be amended from time to time, and references to particular provisions of laws or regulations include a reference to the corresponding provisions of any succeeding law or regulation. The word “or” as used herein is not exclusive and is deemed to have the meaning “and/or.” The words “herein”, “hereof”,

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“hereunder” and other compounds of the word “here” shall refer to the entire Plan, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, “but not limited to”, or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither the Plan nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, the Plan shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the Company.

(m) Overpayment. If, due to mistake or any other reason, a person receives severance payments under the Plan in excess of what the Plan provides, such person shall repay the overpayment to the Company in a lump sum within 30 days of notice of the amount of overpayment. If such person fails to so repay the overpayment, then without limiting any other remedies available to the Company, the Company may deduct the amount of the overpayment from any other amounts which become payable to such person under the Plan or otherwise.

(n) Clawback. Any amounts payable under the Plan are subject to any policy (whether in existence as of the Effective Date or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to the Eligible Employee. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with applicable laws, regulations, and securities exchange listing standards.

(o) Agent for Service of Legal Process. Legal process may be served on the Board, which is the plan administrator for purposes of ERISA, at the following address: 1099 Alakea Street, Suite 2200, Honolulu, Hawaii 96813.

HEI Exhibit 10.21

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Effective Date:	February 23, 2024
Next Approval Date:	February 2025

EXECUTIVE SEVERANCE BOARD POLICY

General Provisions:

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This Executive Severance Board Policy ("Policy") is established to provide guidelines for the payment of benefits to Executives identified in Exhibit A ("Executive") of American Savings Bank, F.S.B. ("Company") in the event that their employment is involuntarily terminated without Cause or a resignation for Good Reason.

1. **Severance For Involuntary Termination:** If an Executive's employment is terminated without Cause, the Executive shall be entitled to the following benefits:

    a. In lieu of any further salary payments to the Executive for periods subsequent to the date of termination, the Executive shall receive a lump sum severance payment, less applicable withholdings and deductions, based on the highest annual base salary paid during the three years preceding the Executive's date of termination multiplied by the factor in Exhibit A; and

    b. Continuation of Benefits: Continued participation in the Company's group health, dental, and vision insurance plans for a period of time as set forth in Exhibit A, at the same level and cost to the employee as if the termination had not occurred.

2. **Change in Control:** In the event of a Change in Control, coupled with a subsequent involuntary termination of employment without Cause or a resignation for Good Reason within two years after the date of the Change in Control, the Executive shall be entitled to all of the benefits identified in Sections 1(a) and 1(b). In addition, the Executive shall be entitled to the immediate acceleration of vesting for outstanding restricted stock and restricted cash awards.

3. Nothing in this Policy should be interpreted to change the at-will employment relationship between the Company and its employees.

4. In the event that Executive has a separate agreement with the Company related to severance payments or change-in-control payments, the terms of said agreement will govern said Executive's benefits.

Responsibilities:

Policy development, dissemination, implementation, and administration	Director, Human Resources & Organizational Development
Policy approval	American Savings Bank (ASB) Board
Procedure development, dissemination, implementation, and administration	Director, Human Resources & Organizational Development
Procedure approval	EVP, Chief Administrative Officer
Reporting to Management Committee on compliance, status, or other issues relating to this Policy	Director, Human Resources & Organizational Development

Definitions:

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Change in Control-	The occurrence of any of the following events: - The acquisition of the Company or ASB Hawaii, Inc. by another entity by means of any transaction or series of transactions, unless the Company's or ASB Hawaii, Inc.'s shareholders of record as constituted immediately prior to such transaction or series of transactions continue to hold at least a majority of the outstanding voting securities of the surviving entity immediately after the transaction or series of transactions. - The sale of all or substantially all of the Company's or ASB Hawaii, Inc.'s assets. - A merger or consolidation in which the Company or ASB Hawaii, Inc. is not the surviving entity, except for a transaction in which the shareholders of the Company or ASB Hawaii, Inc. immediately before the merger or consolidation continue to hold at least a majority of the outstanding voting securities of the surviving entity immediately after the merger or consolidation.
Executive -	Any individual that (i) is directly employed by American Savings Bank, F.S.B. (ii) at the time that their employment is terminated is holding a position identified in Exhibit A, as approved by the Board Nominating and Corporate Governance Committee.
Good Reason -	The occurrence of any of the following events, which continue for at least 21 days after the employee provides written notice of such occurrence to the Company's Human Resources Department: - A material reduction in the employee's annual base salary, as compared to the employee's annual base salary immediately prior to the Change in Control, provided, however, that such reduction may not be deemed "Good Reason" if it is in connection with similar percentage reductions imposed on all similarly-situated employees. - A material reduction in an employee's bonus or variable compensation opportunities, as compared to the average bonus, and

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	variable compensation opportunities the employee was earning immediately prior to the Change in Control, provided, however, that such reduction may not be deemed "Good Reason" if it is in connection with similar percentage reductions imposed on all similarly-situated employees. - A material reduction in an employee's Company-provided benefits (including retirement, insurance, and paid time off), as compared to the benefits the employee was receiving immediately prior to the Change in Control, provided, however, that such reduction may not be deemed "Good Reason" if it is in connection with similar percentage reductions imposed on all similarly-situated employees. - The Company requiring the employee to be based in an office, branch, or location other than Oahu island, Hawaii.
Termination Without Cause -	A termination of employment based on a reason unrelated to the employee's skill, performance, conduct, or actions.

This policy was approved by the ASB Board of Directors by Unanimous Written Consent effective February 23, 2024.

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Exhibit A

Severance pay and continuation of benefits are based on the following:

	Severance Pay Multiplier	Continuation of Benefits
President & Chief Executive Officer	1.5x	18 months
Chief Administrative Officer	1x	12 months
Chief Financial Officer	1x	12 months
Chief Risk Officer	1x	12 months
Chief Information Officer	1x	12 months
Chief Marketing and Product Officer	0.75x	9 months
Chief Credit Officer	0.75x	9 months
EVP, Consumer Banking	0.75x	9 months
EVP, Commercial Markets	0.75x	9 months

HEI Exhibit 10.22

RETENTION BONUS AGREEMENT

THIS AGREEMENT, dated as of February 23, 2024(the "Effective Date"), is made by and between American Savings Bank, F.S.B., a federal savings association (the "Company"), and Ann Teranishi (the "Executive").

WHEREAS, the Company considers it in the best interests of the Bank and its stockholder to foster the continued employment of key management personnel, including the Executive; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:

1. Company's Covenants Summarized. In order to ensure that the Executive will remain in the employ of the Company and in consideration of the Executive's continued employment, the Company agrees, under the conditions described herein, to pay the Executive the Retention Bonus payments described herein.

2. Retention Bonus. The Executive shall receive retention bonus payments totaling **1.5x** the Executive's base salary as of January 1, 2024, prior to any merit-based adjustment ("Retention Bonus"), paid in five installments by the Payment Dates detailed in Schedule A, provided that, the Executive remains employed with the Company and in good standing on each such date. All Retention Bonus payments will be subject to taxes, deductions, and withholdings.

3. At-Will Employment. Nothing in this Agreement changes the at-will employment relationship between the Executive and the Company. This means that, at any time, either the Executive or the Company may unilaterally decide to terminate their employment for any or no reason at all, with or without advance notice.

4. Termination of Employment. If the Executive's employment shall be terminated (1) by the Company for any reason other than for Cause; or (2) following a Change in Control, other than (A) by the Company for Cause, (B) by reason of death or Disability, or (C) by the Executive without Good Reason, the Payment Dates shall accelerate and restrictions shall lapse on all outstanding Retention Bonus payments and all such

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Retention Bonus payments shall be paid as soon as practicable following the Executive's date of termination, but not later than 2 ½ months after the end of the year in which the restrictions lapse. In addition, in the event that their employment is involuntarily terminated without Cause or a resignation for Good Reason, the Executive shall be awarded benefits that they are eligible for under the Executive Severance Board Policy.

5. Successors; Binding Agreement.

5.1 The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business, stock, and/or assets of the Company to be obligated to perform this Agreement (whether by reason of express assumption by the successor or by operation of law) in the same manner and

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to the same extent that the Company would be required to perform it if no such succession had taken place.

5.2 Executive may not sell or assign their right to receive any Retention Bonus.

6. Severability. Should any provision of this Agreement be declared or determined by any Court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected and any illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

7. Entire Agreement. This Agreement is the entire agreement between Executive and the Company pertaining to a retention bonuses. This Agreement supersedes any and all prior and contemporaneous agreements, understandings, statements, representations, and promises between the Executive and the Company pertaining to a retention bonus.

8. No Reliance. In executing this Agreement, the Executive acknowledges that the Executive has not and does not rely upon any representation or statement made by the Company's employees, agents, representatives, or attorneys regarding this Agreement, except to the extent such representations or statements are expressly set forth in this Agreement.

9. Advice of Counsel. By executing this Agreement, the Executive acknowledges that the Executive had the opportunity to seek advice as from legal counsel and that the Executive has read and understood all terms and provisions of this Agreement.

10. No Party Deemed Drafter. All parts of this Agreement shall not be construed against the Executive or the Company and shall be deemed to be jointly prepared.

11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument and each signatory may transmit their approval of this Agreement by electronic or facsimile transmission.

12. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

12.1 "Change in Control" shall mean the occurrence of any of the following events: (A) the acquisition of the Company or ASB Hawaii, Inc. by another entity by means of any transaction or series of transactions, unless the Company's or ASB Hawaii, Inc.'s shareholders of record as constituted immediately prior to such transaction or series of transactions continue to hold at least a majority of the outstanding voting securities of the surviving entity immediately after the transaction or series of transactions; (B) the sale of all or substantially all of the Company's or ASB Hawaii, Inc.'s assets; or (C) a merger or consolidation in which the Company is not the surviving entity, except for a transaction in which the shareholders of the Company or ASB Hawaii, Inc. immediately before the merger or consolidation continue to hold at least a majority of the outstanding voting securities of

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the surviving entity immediately after the merger or consolidation.

12.2 “Good Reason” shall mean the occurrence of any of the following events, which continue for at least 21 days after the employee provides written notice of such occurrence to the Company’s Human Resources Department within 21 days of the occurrence of such event: (A) a material reduction in the employee’s annual base salary, as compared to the employee’s annual base salary immediately prior to the Change in Control, provided, however, that such reduction may not be deemed “Good Reason” if it is in connection with similar percentage reductions imposed on all similarly-situated employees; (B) a material reduction in an employee’s bonus or variable compensation opportunities, as compared to the average bonus, and variable compensation opportunities the employee was earning immediately prior to the Change in Control, provided, however, that such reduction may not be deemed “Good Reason” if it is in connection with similar percentage reductions imposed on all similarly-situated employees; (C) a material reduction in an employee’s Company-provided benefits (including retirement, insurance, and paid time off), as compared to the benefits the employee was receiving immediately prior to the Change in Control, provided, however, that such reduction may not be deemed “Good Reason” if it is in connection with similar percentage reductions imposed on all similarly-situated employees; or (D) the Company requiring the employee to be based in a location other than Oahu island, Hawaii.

12.3 “Cause” shall mean a termination of employment based on a reason related to the employee’s skill, performance, conduct, or actions.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective as of the Effective Date.

EXECUTIVE

Ann Teranishi

AMERICAN SAVINGS BANK, F.S.B.

by Richard J. Dahl
Chair, Board of Directors of American
Savings Bank, F.S.B.

Schedule A
Retention Bonus

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Payment	Payment Date	% of Total Retention Bonus
1	March 15, 2024	20%
2	September 15, 2024	20%
3	March 15, 2025	20%
4	September 15, 2025	20%
5	March 15, 2026	20%

HEI Exhibit 10.23

AMERICAN SAVINGS BANK
SELECT DEFERRED COMPENSATION PLAN

Restatement Effective January 1, 2024

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AMERICAN SAVINGS BANK SELECT DEFERRED COMPENSATION PLAN

Amendment No. 6 to January 1, 2009 (Restatement Effective January 1, 2024)

The ARTICLE 1. INTRODUCTION

1.1. Restatement of Plan. AMERICAN SAVINGS BANK, F.S.B. (the "Bank"), hereby restates the American Savings Bank Select Deferred Compensation Plan ("SDCP" (the "Plan"). Except as otherwise noted, this restatement ("Restatement") is hereby amended effective as of the Plan Year commencing January 1, 2024, for all amounts deferred after December 31, 2023. This Restatement is intended to comply with the provisions of Section 409A of the Internal Revenue Code ("Code") and the regulations promulgated thereunder. For the period between December 31, 2004, and January 1, 2009, this Plan was operated in good faith compliance with Section 409A and such regulations.

1.2. Continuing Effectiveness of 2004 Restatement. The Plan was originally effective May 1, 2000, and restated on September 22, 2004 (the "2004 Restatement"). The 2004 Restatement, as set forth in Exhibit A to this Plan, shall be maintained as a separate and distinct portion of the Plan and shall remain effective for all amounts deferred prior to January 1, 2005, together with net earnings thereon. Such amounts shall include Bonus that was payable in 2005 with respect to services performed in 2004 and that was credited to Participants' Deferral Contribution Accounts in 2005 pursuant to deferral elections validly made in 2004 under the 2004 Restatement.

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1.3. Relationship between this Restatement and 2004 Restatement. The intention of maintaining the 2004 Restatement as a separate portion of the Plan is to "grandfather" deferrals made prior to January 1, 2005, as permitted by this Amendment No. 6 Section 409A of the Code and the Treasury Regulations promulgated thereunder. Accordingly, deferrals subject to the January 1, 2009 provisions of this Restatement and deferrals subject to the provisions of the 2004 Restatement shall be accounted for separately and shall be treated as follows:

benefits arising under separate portions of the Plan. In furtherance of such treatment, the term, "Plan," shall hereinafter be reserved to refer only to the portion of the Plan as it exists under this Restatement, and the term, "2004 Plan," shall refer only to the portion of the Plan as it continues to exist under the 2004 Restatement. In no event shall an amendment to the Plan materially enhance benefits or rights existing as of October 3, 2004, under the 2004 Restatement or add a new material benefit or right affecting amounts earned and vested before January 1, 2005, except as may be permitted under Section 1.409A-6(a)(4) of the Treasury Regulations or its successor.

1. 1.4. Purpose of Plan. The purpose of the Plan is to provide Participants an opportunity to defer compensation that would otherwise be currently payable to them. The Plan is intended to be an unfunded plan for a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3), and Explanation. 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

ARTICLE 2. DEFINITIONS

2.1 This Amendment For purposes of this Plan, the following phrases or terms shall have the meanings indicated:

(a) "Account Balance" shall mean, as of any given date called for under the Plan, the sum of the balances of the Participant's Account, SelectMatch Account, and SelectShare Account as such accounts have been adjusted to reflect all applicable Investment Adjustments and all prior withdrawals and distributions in accordance with Article 4 of the Plan.

(b) "Accounts" means and includes a Participant's Account, SelectMatch Account, and SelectShare Account.

(c) "Administrator" means the person(s), individual(s) or committee appointed by the Bank from time to time with authority and responsibility to administer the Plan as provided in Article 9 of the Plan. If the Bank does not appoint an Administrator, the Bank shall be the Administrator.

(d) "Affiliate" shall mean any corporation or other entity or business that is adopted required to remove be treated as a single employer with the Bank under Section 414 of the Code.

(e) "Asset Purchase Termination" shall mean a Termination of Employment with the Employer owing to a transfer of employment incident to the sale or other transfer of substantial assets by the Employer, such as a plant or division or substantially all the assets of a trade or business, to an unrelated buyer in a bona fide, arm's length transaction, provided that all employees whose employment is transferred from the Employer to the unrelated buyer are consistently treated for purposes of any applicable nonqualified deferred compensation plan and the treatment of such transfer of employment as a Termination of Employment is specified in writing by the parties to the asset purchase transaction no later than the closing date of that transaction.

(f) "Bank" shall mean American Savings Bank, F.S.B., and any successor.

(g) "Beneficiary" shall mean one year waiting period and change or more persons, trusts, estates or other entities designated by the contribution percentage Participant in accordance with Article 7 to receive the Participant's undistributed Account Balance in the event of the Participant's death.

(h) "Beneficiary Designation Form" shall mean the document which shall be used by the Participant to designate the Participant's Beneficiary for the SelectMatch. Plan.

(i) "Benefit Distribution Date" shall mean the date on which distribution of the Participant's Account Balance is triggered due to Termination of Employment, Retirement, death, or Disability.

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(j) "Board of Directors" shall mean the board of directors of the Bank.

(k) "Bonus" shall mean performance based compensation payable under any plan or arrangement sponsored by the Employer or an Affiliate that is eligible for deferral under this Plan. "Performance based compensation" is any compensation, the amount of which or the entitlement to which, is contingent on the satisfaction of organizational or individual performance criteria relating to a performance period of at least twelve (12) consecutive months. Performance based compensation is "eligible for deferral under this Plan" if the relevant organizational or individual performance criteria are pre-established, and the compensation has been so designated by the Bank. Organizational or individual performance criteria are considered pre-established if established in writing by not later than ninety (90) days after the commencement of the period of service to which the criteria relate, provided that the outcome of the application of the criteria is substantially uncertain at the time that the criteria are established. Bonus does not include any amount or portion of any amount that will be paid either regardless of performance, or based upon a level of performance that is substantially certain to be met at the time the criteria are established. Bonus shall not include Salary, Commissions, stock-related awards and other non-monetary incentives, and such other incentive items as may be excluded from the definition of "Bonus" by the Bank in its sole discretion. As of the date of this Restatement, and subject to the decisions of the Bank from time-time-time, Bonus includes, but is not limited to, compensation payable under the Executive Incentive Compensation Plan ("EICP") and the Performance Bonus Plan ("PBP"), provided that such compensation otherwise meets the requirements of this definition, and further provided that Special Recognition Awards or awards paid on multi-year performance periods under the PBP are excluded. Without limiting the programs and types of other performance based compensation excluded from Bonus, "Bonus" excludes compensation payable under the Hawaiian Electric Industries, Inc. Long Term Incentive Plan.

(l) "Change in Control" shall mean the earliest to occur of the following dates:

(1) a change in ownership, defined as the acquisition by any one person (or more than one person acting as a group) of stock of the Bank that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Bank;

(2) a change in effective control, defined as the acquisition during any 12- month period by any one person (or more than one person acting as a group) of stock of the Bank comprising thirty percent (30%) or more of the total voting power of the stock of the Bank, or the replacement, during any 12-month period, of a majority of the members of the Board of Directors with directors whose appointment or election is not endorsed by the majority of the members of the Board of Directors before the date of such appointment or election; and

(3) a change in ownership of a substantial portion of the Bank's assets, defined as the acquisition by any one person (or more than one person

acting as a group) during the 12 month period ending on the date of the most recent acquisition by such person or persons, of assets of the Bank that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Bank immediately before such acquisition or acquisitions (determined without regard to any liabilities associated with such assets).

Whether a Change in Control has occurred for purposes of this Plan shall be determined in accordance with the provisions of Section 409A-3(i)(5) of the Treasury Regulations or its successor. A Change in Control with respect to the Bank shall be deemed to occur if the

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majority shareholder of the Bank experiences a Change in Control as defined in (1), (2) or (3), above.

(m) "Claimant" shall mean the person or persons described in Section 10.1 who apply for benefits or amounts that may be payable under the Plan.

(n) "Code" shall mean the Internal Revenue Code of 1986, as amended. References to the Code shall include references to any successor section or provision of the Code.

(o) "Commissions" shall mean compensation or portions of compensation earned by an employee that is based upon the direct sale of a product or a service to a customer unrelated to either the Employer or the employee, that consists of either (i) a portion of the purchase price for the product or service or (ii) an amount, substantially all of which is calculated by reference to the volume of sales, and for which payment is contingent upon the employee's (or Employer's or other unrelated third party's) receiving payment from the customer for the product or service. For purposes of this Plan, an employee earning Commissions is treated as providing the services to which such Commissions relate in the year in which the customer remits payment for such product or service.

(p) Reserved.

(q) "Contributions" shall refer, collectively, to any and all Deferral Contributions.

(r) "Death Benefit" shall mean the benefit set forth in Section 6.6.

(s) "Deferral Agreement" shall mean a form prescribed by the Bank pursuant to which a Participant may elect to defer, with respect to a Performance Period, receipt of a certain percentage of Salary, Bonus or Commissions to be earned in the Performance Period and to contribute such percentage of such items of compensation to the Plan as Deferral Contributions. At the same time as the Deferral Agreement is made, and as part of making such agreement, the Participant shall specify the form in which such Deferral Contributions shall be distributed in the event of Retirement. The Participant shall also have the option in the Deferral Agreement of specifying that a percentage of such Deferral Contributions shall be distributed in a lump sum upon an Interim Distribution Date selected by the Participant, rather than upon the Benefit Distribution Date. A Deferral Agreement shall be made and become irrevocable in accordance with

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Section 3.3 and is effective only if timely made. As of the date of this Restatement, the Plan recognizes Salary Deferral Agreements, Commissions Deferral Agreements and Bonus Deferral Agreements. Any SelectMatch Contributions or SelectShare Contributions made to the Plan for the Participant's benefit with respect to a Plan Year, together with any Investment Adjustments thereon, shall be subject to the same Salary Deferral Agreement for such Plan Year as the Participant's Deferral Contributions.

(t) "Participant Account" shall mean an account to record a Participant's aggregate Deferral Contributions, as adjusted for Investment Adjustments and any distributions. The Participant Account shall be utilized solely as a device for the measurement of amounts to be paid to the Participant under the Plan. The Participant Account shall not constitute or be treated as an escrow, trust fund, or any other type of funded account for purposes of the Code or ERISA, and contingent amounts credited thereto shall not be considered "plan assets" for ERISA purposes. The Participant Account merely provides a record of the bookkeeping entries relating to the contingent benefits that the Employer promises to pay to a Participant and shall thus constitute merely an unsecured promise to pay such amounts in the future.

(u) "Deferral Contributions" shall mean the amounts of Salary, Commissions and Bonus deferred by a Participant with respect to a Plan Year and "credited" to the Participant's Account and shall include Investment Adjustments thereon. Deferral Contributions shall be deemed to be made to the Plan by the Participant on the dates on which the Participant would have received such compensation had it not been deferred pursuant to the Plan and shall be allocated to Hypothetical Investments pursuant to the Participant's then effective Investment Allocation and/or Reallocation Election as soon as administratively feasible.

(v) "Deferral Election" shall mean a Participant's act of timely completing and filing a Deferral Agreement with the Bank. Except as otherwise provided in Article 5, a Deferral Election with respect to a Performance Period is irrevocable, and, except in the case of Special Bonus

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Deferral Elections, a Deferral Election must be made before the first day of the Performance Period.

(w) "Disability" shall mean the Participant is determined to be totally disabled by the Social Security Administration or the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer.

(x) "Disability Benefit" shall mean the benefit set forth in Section 6.7.

(y) "Early Retirement " shall mean retirement on the date on which a Participant attains age 55 or on any date after such date and prior to the Participant's attainment of Normal Retirement Age.

(z) "Elective Contributions" shall mean reductions of a Participant's Salary, Commissions or Bonus for amounts voluntarily deferred by the Participant pursuant to any qualified or nonqualified deferred compensation or welfare or fringe benefit plan, including, without limitation, amounts deferred pursuant to Code Sections 125, 132(f), 402(e)(3) and 402(h), provided, however, that all such amounts would have been payable to the Participant in cash had there been no such deferral. Elective Contributions shall be deemed to include any amounts not available to a participant in cash under a 125 plan in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage, provided that the Employer does not request or collect information regarding Participants' other health coverage as part of the enrollment process for group health coverage except to the extent required to satisfy legal requirements imposed by the State of Hawaii pursuant to the Prepaid Health Care Act.

(aa) "Employer" shall mean the Bank and any Affiliate that has been selected by the Board of Directors to participate in the Plan and has adopted the Plan.

(bb) "Enrollment Forms" shall mean the Participation Agreement, the Deferral Agreement(s), the Beneficiary Designation Form, the Investment Allocation and/or Reallocation Election and any other forms or documents which may be required of a Participant by the Administrator, in its sole discretion, as a condition of participating in the Plan.

(cc) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended. References herein to any section of ERISA shall include references to any successor section or provision of ERISA.

(dd) "Hypothetical Investment" shall mean an investment fund or benchmark made available to Participants by the Bank for the purpose of valuing Accounts.

(ee) "Interim Distribution Date" shall mean a date selected by the Participant on which a designated portion of Deferral Contributions attributable to a Plan Year shall be distributed to the Participant in a lump sum payment or annual installments of up to five years, provided that an Interim Distribution Date shall be the first day of a Plan Year and may not occur sooner than the second anniversary of the first day of the Plan Year with respect to which the Deferral Election is made for Plan Years beginning after January 1, 2023. For Plan Years beginning on or after January 1, 2015, but prior to January 1, 2024, the Interim Distribution Date shall be the first day of a Plan Year and may not occur sooner than the fourth anniversary of the first day of the Plan Year with respect to which the Deferral Election is made and the Interim Distribution may only be made in a lump sum. For Plan Years beginning on or after January 1, 2005 and prior to January 1, 2015, the Interim Distribution Date shall be the first day of a Plan Year and may not occur sooner than the fifth anniversary of the first day of the Plan Year with respect to which the Deferral Election is made and the Interim Distribution may only be made in a lump sum. An Interim Distribution Date may be selected only at the time that the Participant makes a Deferral Election with respect to a Plan

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Year and becomes irrevocable when the Deferral Election becomes irrevocable.

a. (ff) "Investment Adjustment(s)" shall mean any appreciation credited to a Participant's Account as income or gains, or depreciation deducted from such Account as losses, in accordance with such Participant's selection of Hypothetical Investments pursuant to the Participant's currently effective Investment Allocation and/or Reallocation Election. Investment Adjustments shall be determined with respect to a period on the basis of the total rate of return (including increases or decreases in fair market value) that would apply if the Participant's Account had actually been invested in the Hypothetical Investments selected by the Participant. An Investment Adjustment may be made in relation to a Hypothetical Investment only with respect to the period after the Hypothetical Investment was selected by the Participant. Investment Adjustments shall be made at least once annually and shall be treated as being included in a Participant's Deferral Contributions, SelectMatch Eligibility. Contributions, or SelectShare Contributions, as the case may require, and subject to the same Deferral Agreement applicable to such Deferral Contributions, SelectMatch Contributions, and SelectShare Contributions.

(gg) "Investment Allocation and/or Reallocation Election shall mean a form prescribed by the Administrator pursuant to which a Participant shall allocate or reallocate Deferral Contributions to Hypothetical Investments. An Investment Allocation and/or Reallocation Election shall apply with respect to all new Deferral Contributions made to the Plan after the effective date of the Election but prior to the timely filing of a subsequent Election. A new Investment Allocation and/or Reallocation Election may be filed by the Participant electronically, telephonically, in a writing on paper or by such other means as may be prescribed by the Administrator, on a monthly or such other basis as the Administrator may determine. Provided that such filing is timely and otherwise proper, it shall be given effect as soon as administratively feasible. An Investment Allocation and/or Reallocation Election shall be deemed timely if submitted to the Administrator in accordance with the procedures and deadlines established by the Administrator.

(hh) "Mid-Year Deferral Election" shall mean a Deferral Election made on or after the first day of the Plan Year.

(ii) "Normal Retirement Age" shall mean age 65.

(jj) "Participant" shall mean any employee who is selected to participate in the Plan in accordance with Section 3.1, who elects to participate in the Plan, and who makes a timely Deferral Election. "Participant" shall include a current employee who has an Account in the Plan but is not entitled to, or has elected not to, make new deferrals to the Plan and a former employee entitled to receive benefits under the Plan.

(kk) "Participation Agreement" shall mean the separate written agreement entered into by the Bank and the Participant, which shall indicate the Participant's intent to

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defer compensation subject to the terms of the Plan and the Participation Agreement.

(ll) "Performance Period" shall mean the Plan Year or portion thereof in which rights to compensation earned by the Participant are subject to a Deferral Election under this Plan. Such Plan Year is the Plan Year next following a Regular Deferral Election, the Plan Year in which a Special Bonus Deferral Election is made, or so much of the Plan Year as remains after the effective date of a Mid-Year Deferral Election. The determination of the Performance Period is subject to the following distinctions:

(i) for Salary, the Performance Period is the Plan Year in which compensable services are performed and in which payment for such services is made, provided, however, that Salary earned in the final payroll period of a Plan Year but not paid until the first payday of the next Plan Year, is deemed to be earned in the next Plan Year;

(ii) for Commissions, the Performance Period is deemed to be the Plan Year in which the Commissions are paid;

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(iii) for Bonus, the Performance Period is the Plan Year in which compensable services are performed, even though the Bonus is awarded and is payable in a later year.

(mm) "Plan" shall mean the American Savings Bank Select Deferred Compensation Plan, as described herein, subject to amendment from time to time.

(nn) "Plan Year" shall mean the period beginning on January 1st of each year and ending December 31st.

(oo) "Regular Deferral Election" shall mean any Deferral Election that is not a Mid- Year Deferral Election or a Special Bonus Deferral Election. A Regular Deferral Election occurs in an enrollment period designated by the Bank and ending prior to the start of the Performance Period.

(pp) "Retirement" shall mean, with respect to an employee, Separation from Service on any Early Retirement date or on or after the attainment of Normal Retirement Age for any reason other than death and shall not include an authorized leave of absence. For purposes of benefit payments, an employee who separates from service on account of Disability after attaining Normal Retirement Age or fulfilling the requirements for Early Retirement shall be deemed to have retired. To "retire" (uncapitalized) shall refer to the act of making a Retirement.

(qq) "Retirement Benefit" shall mean the benefit set forth in Section 6.5.

(rr) "Salary" shall mean the annual compensation payable to an employee by the Bank for services rendered during a Plan Year and required to be set forth in Box 1 of the employee's W-2 for the Plan Year before reduction for any Elective Contributions, provided, however, that Salary shall not include:

(i) Bonus,

(ii) Commissions,
(iii) contributions to any employee benefit plan (other than Elective Contributions),
(iv) the value of stock options or other equity compensation,
(v) amounts paid under the Hawaiian Electric Industries, Inc. Long-Term Incentive Plan,
(vi) amounts paid to or on behalf of the employee for fringe benefits such as (but not limited to) group life and health insurance, automobile allowance, club memberships and dues, or expense reimbursements, regardless of whether such benefits are taxable to the employee,
(vii) separation pay or benefits payable through a window program,
(viii) parachute payments,
(ix) distributions to or income required to be recognized by the employee during a Plan Year under this Plan or any qualified or other nonqualified deferred compensation plan of the Employer, including, without limitation, distributions from this Plan made on an Interim Distribution Date, and
(x) "imputed income," including, but not limited to, employee income arising from relief from indebtedness or employer payment of taxes or other obligations of the employee.

(ss) "SelectMatch Account" shall mean an account to record a Participant's aggregate SelectMatch Contributions, as adjusted for Investment Adjustments and any distributions. The SelectMatch Account shall be utilized solely as a device for the measurement of amounts to be paid to the Participant under the Plan which are sourced in employer matching contributions, as defined under Article 4A. The SelectMatch Account shall not constitute or be treated as an escrow, trust fund, or any other type of funded account for purposes of the Code or ERISA, and contingent amounts credited thereto shall not be considered "plan assets" for ERISA purposes. The SelectMatch Account merely provides a record of the bookkeeping entries relating to the contingent benefits that the Employer promises to pay to a Participant and shall thus constitute merely an unsecured promise to pay such amounts in the future.

(tt) "SelectShare Account" shall mean an account to record a Participant's aggregate SelectShare Contributions, as adjusted for Investment Adjustments and any distributions. The SelectShare Account shall be utilized solely as a device for the measurement of amounts to be paid to the Participant under the Plan which are sourced in employer SelectShare contributions, as defined under Article 4A. The

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SelectShare Account shall not constitute or be treated as an escrow, trust fund, or any other type of funded account for purposes of the Code or ERISA, and contingent amounts credited thereto shall not be considered "plan assets" for ERISA purposes. The SelectShare Account merely provides a record of the bookkeeping entries relating to the contingent benefits that the Employer promises to pay to a Participant and shall thus constitute merely an unsecured promise to pay such amounts in the future.

(uu) "Separation from Service" shall mean a termination of the employment

relationship with the Employer on account of death, Disability, Retirement or other Termination of Employment. The employment relationship is treated as continuing and the employee will not be deemed to have separated from service while the employee is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months or, if longer, so long as the employee retains a right to reemployment with the Employer under an applicable statute or by contract. For purposes of this rule, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the employee will return to perform services for the Employer. If the period of leave exceeds six months and the employee does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period.

(vv) "Specified Employee" shall mean an employee who meets the requirements of the Default Specified Employee Rule, unless the Bank and its Affiliates have adopted a Controlled Group Specified Employee Rule. In the latter event, "Specified Employee" shall mean an employee who meets the requirements of the Controlled Group Specified Employee Rule.

(i) Default Specified Employee Rule. An employee meets the requirements of the Default Specified Employee Rule if, as of the date of the employee's Separation from Service, the employee is a key employee of Hawaiian Electric Industries, Inc., or, if stock of Hawaiian Electric Industries, Inc. is not then publicly traded, of the Bank or any Affiliate, if the stock of Such person is then publicly traded. An employee is a "key employee" for purposes of this definition if the employee meets the requirements of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code (applied in accordance with the regulations thereunder and disregarding Section 416(i)(5)) at any time during the 12-month period ending on a specified employee identification date. An employee described by the preceding sentence shall be treated as a Specified Employee for the entire 12-month period beginning on the specified employee effective date.

(A) Definition of Compensation. For purposes of the Default Specified Employee Rule the definition of compensation under Section 1.415(c)-2(a) of the Treasury Regulations shall be used, applied as if the Employer were not using any safe harbor provided in Section 1.415(c)-2(d), any of the special timing rules provided in Section 1.415(c)-2(e), and any of the special rules provided in Section 1.415(c)-2(g).

(B) Specified Employee Identification Date. The specified employee identification date is December 31st.

(C) Specified Employee Effective Date. The specified employee effective date is the first day of the fourth month following the specified employee identification date.

(D) Corporate Transactions.

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(I) Mergers and Acquisitions of Public Companies. If the Employer merges with another company, stock of which is publicly traded, or acquires or is acquired by such a company, the next specified employee identification date and next specified employee effective date shall be those of the survivor or acquirer. For the period preceding such dates, Specified Employees shall be the top 50 employees (including any 1% or 5% owners described in Section 416(i)(1)(ii) or (iii) of the Code) of the combined Specified Employee lists of the merged and surviving or acquired and acquiring companies, ranked in terms of compensation or otherwise reasonably determined.

(II) Mergers and Acquisitions Involving Non-PublicCompanies. In a merger or acquisition involving the Employer and a company that is not publicly traded or, if neither the Employer nor an Affiliate is then publicly traded, the Employer and a publicly traded company, the next specified employee identification date and next specified employee effective date shall be those that the publicly traded company involved in the transaction would have been required to use absent the transaction. For the period preceding such dates, "Specified Employees" shall continue to be the Specified Employees of the company that was publicly traded prior to the transaction.

(III) Spinoffs. If the Employer spins off a subsidiary or business operations that become publicly traded and the Employer or any Affiliate remains publicly traded, then the next specified employee identification date and next specified employee effective date of each of the Employer and the spun off entity shall be those that would have applied to the Employer absent the spinoff. For the period preceding such dates, "Specified Employees" shall continue to be the employees who were the pre-spinoff Specified Employees of the Employer.

(IV) Definitions of Terms. For purposes of terms used in this Subsection (D), the definitions under Section 1.409A-1(i) of the Treasury Regulations, or its successor, shall apply.

(E) Nonresident alien employees. For purposes of determining whether an employee is a key employee, Section 1.415(c)-2(g)(5) applies. Therefore, compensation for purposes of such determination shall include compensation excludible from an

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employee's gross income due to the location of the services or the identity of the employer.

(ii) Controlled Group Specified Employee Rule. Employers are permitted to make certain elections under Sections 1.409A-1(i)(2)-(7) of the Treasury Regulations with respect to the determination of Specified Employees. Such elections made by the Employer or any Affiliate, including Hawaiian Electric Industries, Inc., with respect to the determination of Specified Employees shall be effective for the determination of Specified Employees under this Plan, and the Default Specified Employee Rule shall not apply, as of the date that all necessary corporate actions have been taken by the Bank and all Affiliates of the Bank to make such elections binding upon this Plan and all nonqualified deferred compensation plans of the Bank and any Affiliate which include, as participants, employees who would become Specified Employees owing to the application of such elections. Otherwise, the Default Specified Employee Rule shall apply.

(ww) "Termination of Employment Benefit" shall mean the benefit set forth in Section 6.4.

(xx) "Termination of Employment" shall mean a voluntary or involuntary Separation from Service for any reason other than Retirement, Disability or death. Terminations of Employment include Asset Purchase Terminations.

(yy) "Trust" shall mean a grantor trust which meets the requirements of Revenue Procedure 92-64, 1992-2 C.B. 422, or successor authority and is commonly referred to as a "rabbi trust."

(zz) "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse or beneficiary, or the Participant's dependent (as defined in Section 152 of the Code, without regard to Sections 152(b)(1), (b)(2) or (d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the

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imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the costs of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse, a beneficiary, or a dependent (as defined in Section 152, without regard to Section 152(b)(1), (b)(2), or (d)(1)(B)) may also constitute an unforeseeable emergency. Except as otherwise provided in this Section, the purchase of a home and the payment of college tuition are not unforeseeable emergencies.

ARTICLE 3. ELIGIBILITY, PARTICIPATION AND DEFERRAL ELECTIONS

3.1 Eligibility.

(a) General. Employees who are determined by the Bank to be includable in a select group of management or highly compensated employees of the Bank within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA, and are specifically approved for participation by the Bank, in its sole discretion, shall be eligible to make Deferral Elections under this Plan. Continued eligibility to make Deferral Elections, year-by-year, shall be conditioned upon a Participant's continuing to meet the requirements of the Plan, including, but not limited to, continuing to be includable in a select group of management or highly compensated employees of the Bank.

(b) Effective Date of Eligibility for Newly Eligible Employees. The effective date of eligibility for newly eligible employees shall be either the SelectMatch date on which the employee is given notice of eligibility to participate by the Bank or, in the discretion of the Bank, the date of commencement of the enrollment period for Regular Deferral Elections for the Plan Year next following the date on which the employee is given notice of eligibility to participate.

(c) Newly Eligible Employees. An employee who first becomes eligible to participate in the Plan with respect to a Plan Year that either has already commenced or will commence in 30 days or less shall be entitled to make a Mid- Year Deferral Election. All other newly eligible employees shall participate in the Plan through Regular Deferral Elections. For purposes of this rule, an employee who, prior to the effective date of the employee's eligibility to participate in this Plan, is eligible to participate in a nonqualified deferred compensation plan of the Employer or any Affiliate that is an elective account plan shall not be deemed to be a newly eligible employee and shall not be entitled to make a Mid-Year Deferral Election.

(d) Breaks in Eligibility. If a Participant ceases to be eligible to participate in the Plan (other than through accrual of earnings) and subsequently becomes eligible to participate again, the employee shall be treated as being a newly eligible employee if the employee had not been eligible to participate in the Plan (other than through accrual of earnings) at any time during the 24-month period ending on the effective date of the employee's eligibility to participate.

(e) Continuing Eligibility. An employee is deemed to be eligible to participate in the Plan with respect to any Performance Period for which the employee is or was eligible to make a Deferral Election, regardless of whether the employee makes such a Deferral Election.

3.2 Participation. To initiate participation in this Plan or to continue participation with respect to a new Plan Year, a newly eligible employee or a continuing Participant shall make a Deferral Election in accordance with the requirements of this Plan.

3.3 Deferral Elections.

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(a) General. A Deferral Election shall be made within the period established by the Bank, provided that, except in the case of Special Bonus Deferral Elections, a Deferral Election must be made, and shall become irrevocable, no longer require later than the end of the day before the first day of the Performance Period with respect to which the Deferral Election is made. For example, Regular Deferral Elections with respect to a one year waiting period. Specifically, eligibility new Plan Year must be made and become irrevocable no later than December 31st of the preceding Plan Year.

(b) Elements of Deferral Elections. A Participant shall begin set forth in a Deferral Election elections as to:

(i) the percentage to be deferred of the Salary, Commissions or Bonus to be earned by the Participant in the Performance Period and to be contributed to the Plan as Deferral Contributions; and

(ii) the form of payment for the distribution of such Deferral Contributions in the event of Retirement.

In addition, a Participant may select an Interim Distribution Date and, in that event, shall specify the date of such Interim Distribution and the portion of the Deferral Contributions to be distributed on such date.

(c) How made. A Deferral Election shall be made by timely completing and returning a Deferral Agreement to the Administrator. Failure to complete and file other Enrollment Forms shall not render the timely filing of a Deferral Agreement ineffective.

(d) Types of Deferral Elections, When Made and When Effective. The Plan recognizes Mid-Year Deferral Elections, Regular Deferral Elections and Special Bonus Deferral Elections. Deferral Elections shall be made and shall become irrevocable within the time periods designated by the Bank, which shall be no later than the dates specified below:

(i) Mid-Year Deferral Elections. A Mid-Year Deferral Election must be made within 30 days of the date on which an employee becomes eligible to participate and shall become irrevocable no later than the end of such 30th day. The employee shall commence participation in the Plan and the Deferral Election shall become effective on the first day of the quarter coinciding with or month next following the date on which the Deferral Election is made. Examples:

(A) An employee becomes eligible Participant's to participate on June 16, 2008, and makes a Deferral Election on June 20, 2008. The employee's Deferral Election is effective and the employee becomes an active Participant on July 1, 2008.

(B) Same facts, except that the employee makes a Deferral Election on July 1, 2008. The employee's Deferral Election is effective

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and the employee becomes an active Participant on August 1, 2008.

(C) Same facts, except that the employee fails to make a Deferral Election prior to July 17, 2008. The employee may not make a Deferral Election with respect to the 2008 Plan Year, and any attempt by the employee to make such an election is ineffective and invalid.

(ii) Regular Deferral Elections. A Regular Deferral Election shall be made within the time established by the Bank but, in any event, must be made prior to the first day of the next Plan Year. A Regular Deferral Election shall be effective as of the first day of the next Plan Year. Examples:

(A) A Participant makes a Deferral Election within the time period established by the Bank (which, in all events, shall end before the first day of the next Plan Year). The Participant's Deferral Election is effective on the first day of the next Plan Year.

(B) The Bank requires Deferral Elections to be made by December 31st with respect to the next Plan Year. A Participant seeks to make a Deferral Election on January 1st of the next Plan Year. The Deferral Election is invalid and ineffective, and the Participant may not participate in the Plan for that Plan Year.

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(iii) Special Bonus Deferral Elections. Notwithstanding anything in this Plan to the contrary, the Bank shall have the discretion to authorize Special Bonus Deferral Elections. For such purpose, the Bank shall establish a Special Election Period for Bonus which shall end not later than the last day of the sixth month after the start of the Plan Year to which the Special Election Period relates, provided that Bonus is not ascertainable at any time during the Special Election Period and provided, further, that Participants making such Special Bonus Deferral Elections have performed services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date that the Special Bonus Deferral Elections are made. An employee who makes a Mid-Year Deferral Election may not make a Special Bonus Deferral Election.

(e) Types of Compensation to which Deferral Elections are Applicable and HowApplied. A Participant may elect to defer a percentage of one or more of Salary, Commissions and Bonus.

(i) Salary Deferral Elections

(A) Regular Salary Deferral Election. A Regular Salary Deferral Election that is timely made shall apply on a payroll basis to all Salary paid for services performed in the Plan Year.

(B) Mid-Year Salary Deferral Election. A Mid-Year Salary Deferral Election that is timely made shall apply on a payroll basis to all Salary paid with respect to services performed on and after the effective date of hire with American Savings Bank.

b. SelectMatch Contributions. The quarterly SelectMatch Contribution percentage shall increase from 4% to 5% the Mid-Year Salary Deferral Election through the end of the Participant's Plan Year.

(ii) Commissions Deferral Contributions Elections

(A) Regular Deferral Election. A Regular Commissions Deferral Election that is timely made shall apply on a payroll basis to all Commissions paid in the Plan Year.

(B) Mid-Year Deferral Election. A Mid-Year Commissions Deferral Election that is timely made shall apply on a payroll basis to all Commissions paid on and after the effective date of the Mid-Year Commissions Deferral Election date though the end of the Plan Year.

(iii) Bonus Deferral Elections

(A) Regular Bonus Deferral Election. A Regular Bonus Deferral Election that is timely made shall apply to Bonus awarded for that quarter. services performed in the Plan Year, though such Bonus is not payable until after the Performance Period ends.

(B) Mid-Year Bonus Deferral Election. A Mid-Year Bonus Deferral Election shall apply to the portion of the Bonus allocable to services performed on and after the effective date of the Mid-Year Bonus Deferral Election. Such portion of a Participant's Bonus shall be equal to a fraction, the numerator of which is the days in the Performance Period on and after the effective date of the Mid- Year Bonus Deferral Election and the denominator of which is the total number of days of the Plan Year, as applicable to the Participant. Examples:

(I) An employee is hired on June 16, 2008, and begins to perform services and becomes eligible to participate in the Plan on that date. The employee makes a Mid-Year Bonus Deferral Election prior to July 1, 2008. The Mid-Year Bonus Deferral Election is effective as of July 1, 2008, with respect to that portion of the 2008 Bonus allocable to services performed on and after July 1, 2008. Such portion is determined by multiplying the total Bonus payable to the Participant for 2008 by a fraction, the numerator of which is the number of days remaining in the 2008 Performance Period as of July 1, 2008 (184) and the denominator of

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which is the number of days in the 2008 Plan Year, as applicable to the Participant (i.e., on and after June 16, 2008, or 199).

(II) Same facts except the individual makes a Mid-Year Bonus Deferral Election on or after July 1, 2008, but within 30 days of June 16, 2008. The Mid-Year Bonus Deferral Election is effective with respect to that portion of the 2008 Bonus allocable to services performed on and after August 1, 2008.

(III) An employee performs services from January 1, 2008, onwards and becomes eligible to participate in the Plan on June 16, 2008. The employee makes a Mid-Year Bonus Deferral Election prior to July 1, 2008. The employee's Mid-Year Bonus Deferral Election is effective as of July 1, 2008, with respect to that portion of the 2008 Bonus allocable to services performed on and after July 1, 2008. Such portion is determined by multiplying the total Bonus payable to the Participant for 2008 by a fraction, the numerator of which is the number of days remaining in the 2008 Performance Period as of July 1, 2008 (184) and the denominator of which is the number of days in the 2008 Plan Year, as applicable to the Participant (366).

(C) Special Bonus Deferral Election. A year-end SelectMatch Contribution Special Bonus Deferral Election shall be effective as of the first day of a Participant's participation in the Plan with respect to the Plan Year may be made and shall apply to the portion of the Bonus awarded for Participants whose compensation exceeds services performed on and after such date. Example: A Participant performs services continuously from the 401(a)(17) limit for the year. The intent first day of year-end SelectMatch Contribution is for these Participants to receive a total SelectMatch for the Plan Year that and makes a timely Special Bonus Deferral Election in June 2008. All of the Participant's 2008 Bonus is equal subject to the lesser of 5% of their Compensation in excess of the 401(a)(17) limit or their total Special Bonus Deferral Contributions for the Plan Year. Election.

ARTICLE 4. CONTRIBUTIONS, INVESTMENT ADJUSTMENTS AND TAXES

2. 4.1 Supersession. Deferral Contributions.

(a) This Amendment No. 6 General. Pursuant to timely and otherwise valid Deferral Elections, a Participant may elect to defer amounts of Salary, Commissions or Bonus that would otherwise be payable to the Participant. Such Deferral Contributions shall supersede be credited to an Account established in the provisions name of the SDCP Participant.

(b) Determination of Deferral Contributions. The amount of Deferral Contributions shall be determined on the basis of the percentages of Salary, Commissions or Bonus elected to be deferred by a Participant. Such amounts shall be deemed deferred to the Plan after all Elective Deferrals and shall be withheld from each payment of Salary, Commissions and Bonus.

(c) Minimum and Maximum Deferrals. A Participant may elect to defer Salary, Commissions and Bonus in whole numbers, in the following minimum and maximum percentages:

Compensation Type	Minimum Percentage	Maximum Percentage
Salary	1%	100%

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Commissions	1%	100%
Bonus	1%	100%

4.2 Selection of Hypothetical Investments. The Bank shall make a range of Hypothetical Investment options available for purposes of the Plan and may revise such options, from-to-time, in its sole discretion. A Participant's Deferral Contributions with respect to a Plan Year shall be deemed invested in accordance with the Hypothetical Investments selected by the Participant pursuant to the Participant's currently effective Investment Allocation and/or Reallocation Election. All Hypothetical Investment selections must be denominated in whole percentages unless otherwise permitted by the Bank. A Participant may make changes in selected Hypothetical Investments from time-to-time on such basis and by means of such procedures as may be authorized by the Bank.

4.3 Adjustment of Participant Accounts. A Participant's Account shall be adjusted in accordance with the Hypothetical Investment(s) chosen by the Participant, subject to the conditions and procedures set forth herein or established by the Bank, from time to time. The overriding intent of such adjustments is that they shall reflect rates of return on predetermined actual investments within the meaning of Section 31.3121(v)(2)-1(d)(2)(B) of the Treasury Regulations. Any earnings generated under a Hypothetical Investment shall, at the Bank's' sole discretion, either be deemed to be reinvested in that Hypothetical Investment or reinvested in one or more other Hypothetical Investments designated by the Bank, provided that such designation by the Bank must be made within a reasonable period of time after the date on which the earnings under a Hypothetical Investment are declared and provided, further, that earnings on investments made in accordance with such designations may be taken into account only on and

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after the date of such designations. A Participant's Hypothetical Investments shall bear the reasonable and customary investment expenses and charges that are borne by investments of a like character. All notional acquisitions and dispositions of Hypothetical Investments which occur within a Participant's Account, pursuant to the terms of the Plan, shall be deemed to occur at such times as the Administrator shall determine to be administratively feasible in its sole discretion, and the Participant's Account shall be adjusted accordingly, provided that such adjustment shall occur no less frequently than once per year. If a distribution or re-allocation must occur pursuant to the terms of the Plan and all or some portion of the Account Balance must be valued in connection with such distribution or re-allocation (to reflect Investment Adjustments), the Administrator may in its sole discretion, unless otherwise provided for in the Plan, select a date or dates as closely proximate to such event as feasible for valuation purposes. Notwithstanding anything in this Plan to the contrary, any Investment Adjustments made to any Participants' Accounts following a Change in Control shall be made in a manner no less favorable to Participants than the practices and procedures employed under the Plan, or as otherwise in effect, as of the date of the Change in Control.

4.4 Taxes.

(a) Annual Withholding from Compensation. For any Plan Year in which Deferral Contributions are made to the Plan, the Employer shall withhold the Participant's share of FICA and other employment taxes from the portion of the Participant's compensation that is not deferred.

(b) Payment of Taxes from Account. Notwithstanding Section 4.4(a), the Administrator (or the trustee of the Trust, as applicable) shall cause a Participant's Account to be decreased by the amount of any taxes imposed under Sections 3101, 3121(a), and Section 3121(v)(2) of the Code (collectively, "employment taxes") on compensation deferred under this Plan, to the extent that those such taxes have not been paid or are not available from the portion of the Participant's compensation that is not deferred. Additionally, payment may be made from a Participant's Account for the income tax withholding imposed under Section 3401 of the Code and any corresponding provisions are inconsistent of applicable State tax law on the payment of such employment taxes, as well as to pay the additional employment taxes and income tax withholdings attributable to the pyramiding wages and taxes. However, the total payment under this Section 4.4(b) may not exceed the aggregate employment taxes and income tax withholdings.

(c) Withholding from Benefit Distributions. The Administrator (or the trustee of the Trust, as applicable) shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer (or the trustee of the Trust, as applicable) in connection with this Amendment. such payments, in amounts and in a manner to be determined in the sole discretion of the Employer (or the trustee of the Trust, as applicable).

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(d) Payment upon Income Inclusion under Section 409A. The Administrator (or the trustee of the Trust, as applicable) shall cause a Participant's Account to be decreased by the amount required to be included in income as a result of the

failure of the Plan to comply with the requirements of Section 409A and the regulations thereunder.

4.5 Vesting. The Participant shall at all times be one hundred percent (100%) vested in all Deferral Contributions.

ARTICLE 4A. EMPLOYER MATCHING AND NON-ELECTIVE CONTRIBUTIONS

3. 4A.1 Effective Date. This Amendment No. 6 is effective for Plan Years beginning on or after January 1, 2023. SelectMatch Contributions.

4. (a) Section 4A.1. General. Section 4A.1 is amended in its entirety as follows:

a. General. Each Participant who elects to make Deferral Contributions to the Plan for a Plan Year and who is employed by the Bank in that Plan Year shall be entitled to receive employer-matching contributions which shall be known as "SelectMatch Contributions". Contributions." SelectMatch Contributions shall be made to the Participant's SelectMatch Account as soon as administratively feasible after the end of each calendar quarter in a Plan Year.

b. (b) Definition of "SelectMatch Compensation" Compensation.". "SelectMatch Compensation" for a Plan Year shall mean "Compensation" as defined under the American Savings Bank 401(k) Plan, modified by the inclusion of Deferral Contributions under this Plan and not limited by the annual limit imposed by Section 401(a)(17) of the Code on compensation which may be taken into account by qualified plans ("401(a)(l 7) (17) Limit"). The SelectMatch Compensation taken into account for a Plan Year shall include only compensation earned on or after the date that participation in the SelectMatch Contributions has commenced. Where such date is the first day of the second, third, or fourth quarter of the Plan Year, the 401(a) 40I(a)(17) Limit shall be prorated. prorated.

c. (c) Eligibility and Participation Participation. Participants who are employed by the Bank in a Plan Year are eligible to participate in SelectMatch Contributions with respect to any Deferral

Contributions for that Plan Year on the first day of the quarter coinciding with or next following the eligible Participant's date of hire.

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d. (d) Amount of SelectMatch Contribution. Contribution.

i. (i) Quarterly SelectMatch Contributions Contributions. A SelectMatch Contribution shall be made for each calendar quarter in which an eligible Participant makes Deferral Contributions to the Plan. The amount of a quarterly SelectMatch Contribution shall be equal to 5% of the Participant's Deferral Contributions for that calendar quarter.

ii. (ii) Annual SelectMatch Contribution. An additional SelectMatch Contribution at year-end may be necessary for Participants whose SelectMatch Compensation exceeds the annual 40 I (a)(l 7) 401(a)(17) limit. The calculation will first determine the lesser of

1). (A) 5% of the Participant's SelectMatch Compensation that exceeds the annual 401(a)(17) limit or

2). (B) the total of the Participant's Deferral Contributions for the Plan Year

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From this number, the total SelectMatch Contribution already received in the Plan Year will be subtracted. subtracted. Any positive result will be the additional SelectMatch Contribution.

Example: *Mary defers $1,000 each quarter. Her quarterly match is 5% of*

$1,000, $1,000, or $50. Mary's compensation for the year is $450,000. The 2023 401(a)(17) (17) limit is $330,000. Mary's compensation exceeds the limit by
$120,000. $120,000. Thus, a year-end SelectMatch Contribution may be necessary

necessary.

The calculation of Mary's year-end contribution is as follows:

- *First step: Determine the lesser of deferrals or 5% of excess compensation.*

  Mary has deferred $4,000 for the year. 5% of the excess compensation of $120,000 is $6,000. The lesser of $4,000 and $6,000 is $4.000.

  $4,000.
- *Second step: Subtract any contribution already received.*

  Mary has received a $50 match each quarter/or quarter for a total matching contribution of $200 for the year. The difference between $4,000 and $200 is $3,800. $3,800. The additional SelectMatch Contribution due at year-end is $3,800.

e. (e) Investment Adjustments. SelectMatch Contributions shall be deemed to include Investment Adjustments thereon, which shall be credited to a Participant's SelectMatch Account.

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f. (f) Salar Salary Deferral Agreement to Control.y Deferral Agreement to Control. Any SelectMatch Contributions made to the Plan for the Participant's benefit with respect to a Plan Year, together with any Investment Adjustments thereon, shall be subject to the terms of the Participant's Salary Deferral Agreement for such Plan Year.

4A.2 SelectShare Contributions.

(a) General. For each Plan Year with respect to which the Employer makes an AmeriShare Contribution to the 401(k) Plan, the Employer shall make a non-elective contribution to this Plan which shall be known as the SelectShare Contribution. Each Participant eligible to make Deferral Elections with respect to a Plan Year shall be entitled to have a SelectShare Contribution made to the Participant's SelectShare Account for such Plan Year. The intent of the SelectShare Contribution is to provide a non-elective contribution under the Plan with respect to compensation which is ineligible to be taken into account for AmeriShare purposes under the 401(k) Plan on account of such compensation's exceeding the 401(a)(17) Limit or of representing a Deferral Contribution to this Plan.

(b) Amount of SelectShare Contribution. The SelectShare Contribution allocable to a Participant is equal to the excess of (i) over (ii), where

(i) is the product of the Participant's SelectShare Compensation and the percentage of Compensation used to determine the Participant's AmeriShare Contribution under the 401(k) Plan for the Plan Year, and

(ii) is the amount of the AmeriShare Contribution made to the 401(k) Plan for the benefit of the Participant for the Plan Year.

(c) SelectShare Compensation. For purposes of this Section 4A.2, "SelectShare Compensation" means "AmeriShare Compensation" as defined under the 401(k) Plan, modified by the inclusion of Deferral Contributions under this Plan and not limited by the 401(a)(17) Limit.

(d) Investment Adjustments. SelectShare Contributions shall be deemed to include Investment Adjustments thereon, which shall be credited to a Participant's SelectShare Account.

(e) AmeriShare Requirements Apply. To be eligible to participate in SelectShare allocations, a Participant must be eligible to participate in AmeriShare allocations, as such eligibility is defined under the 401(k) Plan.

(f) Deferral Agreements to Control. Any SelectShare Contributions made to the Plan for the Participant's benefit with respect to a Plan Year, together with any Investment Adjustments thereon, shall be subject to the Participant's Salary Deferral Agreement for such Plan Year. If the Participant has not made a Salary Deferral Agreement for such Plan Year, then such SelectShare Contributions, together with any Investment Adjustments thereon, shall be subject to the terms of the first to exist of the following Agreements: the Participant's Bonus Deferral Agreement for such Plan Year; the Participant's Commissions Deferral Agreement for such Plan Year; the Participant's most recently executed Salary Deferral Agreement; the Participant's most recently executed Bonus Deferral Agreement; and the Participant's most recently executed Commissions Deferral Agreement.

4A.3 Vesting. The Participant shall at all times be one hundred percent (100%) vested in all SelectMatch and SelectShare Contributions.

ARTICLE 5. CANCELLATION OF DEFERRAL ELECTIONS

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5.1 General. Except as specifically provided in this Article 5, Deferral Elections may not be cancelled and are irrevocable.

5.2 Unforeseeable Emergencies and Hardship Distributions. If a Participant receives a distribution from this Plan due to an Unforeseeable Emergency or a Hardship Distribution pursuant to Section 1.401(k)-1(d)(3) of the Treasury Regulations from any plan maintained by the Employer or any Affiliate, the Participant's Deferral Election(s) with respect to the current Performance Period shall be cancelled as soon as administratively feasible following such events.

5.3 Disability. If a Participant incurs a Disability, the Participant's Deferral Election(s) with respect to the current Performance Period shall be cancelled, provided that the cancellation occurs no later than the later of the end of the Plan Year or the 15th day of the third month following the date the Participant incurs the Disability. For purposes of this Section 5.3, "Disability" refers to any medically determinable physical or mental impairment resulting in the Participant's inability to perform the duties of his or her position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than six months.

ARTICLE 6. DISTRIBUTIONS

6.1 Interim Distributions. At the time, and as part of a Deferral Election, a Participant may elect to have a percentage of the Deferral Contributions deferred under the Deferral Election paid at an Interim Distribution Date designated by the Participant instead of at the Participant's Benefit Distribution Date.

(a) Time and Form of Payment. The amount of an Interim Distribution shall be measured as of the Interim Distribution Date (or, if information from securities markets is required to measure the Interim Distribution and such markets are closed on the Interim Distribution Date, as of the earliest date thereafter as practicable) and shall be paid in a lump sum within thirty (30) days of such Interim Distribution Date or as soon thereafter as is administratively feasible but no later than December 31st of the year in which the Interim Distribution Date occurs.

(b) Earlier Occurrence of Benefit Distribution Date. Notwithstanding a Participant's election to designate an Interim Distribution Date, the portion of a Participant's Account which would otherwise be subject to such Interim Distribution Date shall be distributable upon the Participant's Benefit Distribution Date, if such date occurs prior to the Interim Distribution Date.

(c) Annual Installments. The entitlement to a series of annual installments as an Interim Distribution, if elected, shall at all times be treated as an entitlement to a right to a series of separate payments for purposes of the Treasury regulations promulgated under Code section 409A and specifically for elections to change the time of benefit.

(d) Election Changes. The Participant may specify a later date for commencement of payment of his or her Interim Distribution and/or change his or her election of the payout period for any or all Interim Distributions by submitting a new Election form to the Administrator, provided that (1) the subsequent election does not take effect for at least twelve (12) months after it is made, (2) the first payment with respect to the subsequent election is deferred for a period of not less than five (5) years, and (3) any subsequent election with respect to the timing of payment is made not less than twelve (12) months before payments are to commence pursuant to the prior election.

6.2 Distributions due to Unforeseeable Emergencies.

(a) General. A Participant may make a request in writing to the Administrator for a distribution of that portion of the Participant's Account necessary to satisfy an Unforeseeable Emergency. Whether a Participant is faced with an Unforeseeable Emergency permitting a distribution under this Plan is to be determined based on the relevant facts and circumstances. A distribution on account of an Unforeseeable Emergency, however, may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under the

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Plan. The Administrator shall determine, in its sole discretion, whether an Unforeseeable Emergency has occurred and the amount that is reasonably necessary to satisfy the Unforeseeable Emergency. If a request for distribution due to an Unforeseeable Emergency is approved by the Administrator, the distribution shall be made as soon as administratively feasible following the date of such approval.

(b) Amount of Distribution. Distributions on account of an Unforeseeable Emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any Federal, State, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution). Determinations of amounts reasonably necessary to satisfy the emergency need must take into account the additional compensation available to a Participant pursuant to the cancellation of any currently effective Deferral Elections pursuant to Section 5.2 of this Plan. The determination of amounts reasonably necessary to satisfy the emergency need is not required to take into account any additional compensation that due to the Unforeseeable Emergency is available under another nonqualified deferred compensation plan.

(c) Time and Form of Payment. A distribution on account of an Unforeseeable Emergency shall be made within thirty (30) days after the Administrator's determination that the Participant has experienced an Unforeseeable Emergency or as soon thereafter as is administratively feasible, provided that in no event may the distribution occur more than ninety (90) days after such date or may the Participant be given an election as to the taxable year in which the distribution is made.

6.3 Benefit Distribution Date. The distribution of the portion of a Participant's Account not previously distributed on an Interim Distribution Date or on account of an Unforeseeable Emergency shall be made (or commence upon) the Participant's Benefit Distribution Date, which shall be the earliest to occur of the date of a Participant's Termination of Employment, Retirement, death, or Disability.

6.4 Distributions on Termination of Employment. If the Participant's Benefit Distribution Date is the date of the Participant's Termination of Employment, the Participant's Account Balance shall be paid to the Participant as a Termination Benefit, as follows.

(a) Time and Form of Payment. The portion of the Participant's Account Balance arising from Deferral Elections made in relation to plan years commencing prior to January 1, 2011 shall be distributed to the Participant in a lump sum payment equal to such portion within thirty (30) days after the Participant's Benefit Distribution Date or as soon thereafter as is administratively feasible but no later than December 31st of the year in which the Termination of Employment occurs unless Termination of Employment occurs on or after the date on which the Participant reaches age 55 and prior to the Participant's attainment of Normal Retirement Age which shall be a Distribution on Early Retirement. Any portion of the Participant's Account Balance arising from a Deferral Election made in relation to a plan year commencing on or after January 1, 2011, shall be distributed pursuant to the terms of such Deferral Election. For this purpose, a Participant's Deferral Election may specify that the

portion of the Participant's Account Balance arising from such Deferral Election shall be distributed in a lump sum as described above or in substantially equal annual payments over a period not to exceed fifteen (15) years. In the case of Specified Employees, any distribution made under this Section 6.4(a) is subject to the restrictions of Section 6.9.

(b) Annual Installments. The entitlement to a series of annual installments, if elected, shall at all times be treated as an entitlement to a right to a series of separate payments for purposes of the Treasury regulations promulgated under Code section 409A and specifically for elections to change the time of benefit.

(c) Election Changes. The Participant may specify a later date for commencement of payment of his or her Account Balance and/or change his or her election of the payout period for all amounts credited to his Account on account of Termination of Employment by submitting a new Election form to the Administrator, provided that (1) the subsequent election does not take effect for at least twelve (12) months after

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it is made, (2) the first payment with respect to the subsequent election is deferred for a period of not less than five (5) years, and (3) any subsequent election with respect to the timing of payment is made not less than twelve (12) months before payments are to commence pursuant to the prior election.

(d) Death Prior to Payment of Termination Benefit. If a Participant dies after his or her Termination of Employment but before the Termination Benefit is fully paid, the Participant's unpaid Termination Benefit shall be paid to the Participant's Beneficiary pursuant to Section 6.4(a) as though the Beneficiary were the Participant.

6.5 Distributions on Retirement. If the Participant's Benefit Distribution Date is the date of his or her Retirement, the Participant shall receive a Retirement Benefit.

(a) Time and Form of Payment of Retirement Benefit. At the time of, and as part of a Participant's Deferral Election with respect to a Plan Year, the Participant shall make an election as to the form in which Deferral Contributions made under such election shall be distributed in the event that the Participant's Benefit Distribution Date is the date of his or her Retirement. The Participant may elect to receive the Retirement Benefit in a lump sum or in substantially equal annual payments over a period not to exceed fifteen (15) years. The Retirement Benefit shall be payable in the form elected by the Participant under the Participant's applicable Deferral Election and, subject to Section 6.9(a), shall commence (or be fully paid, in the event a lump sum form of distribution was elected) within thirty (30) days after the Participant's Benefit Distribution Date or as soon thereafter as is administratively feasible but no later than December 31st of the year in which the Retirement occurs.

(b) Annual Installments. The entitlement to a series of annual installments, if elected, shall at all times be treated as an entitlement to a right to a series of separate payments for purposes of the Treasury regulations promulgated under Code section 409A and specifically for elections to change the time of benefit.

(c) Election Changes. The Participant may specify a later date for commencement of payment of his or her Account Balance and/or change his or her election of the payout period for all amounts credited to his Account on account of Retirement by submitting a new Election form to the Administrator, provided that (1) the subsequent election does not take effect for at least twelve (12) months after it is made, (2) the first payment with respect to the subsequent election is deferred for a period of not less than five (5) years, and (3) any subsequent election with respect to the timing of payment is made not less than twelve (12) months before payments are to commence pursuant to the prior election.

(d) Death Prior to Completion of Retirement Benefit. If a Participant dies after Retirement but before the Retirement Benefit has been completed, the Participant's unpaid Retirement Benefit payments shall be paid to the Participant's Beneficiary in the same manner as they would have been paid to the Participant.

6.6 Distributions on Death; Time and Form of Payment. If the Participant's Benefit Distribution Date is the date of the Participant's death, the Participant's Account Balance shall be paid to the Participant's Beneficiary as a Death Benefit, as follows. The portion of the Participant's Account Balance arising from Deferral Elections made in relation to plan years commencing prior to January 1, 2011 shall be distributed to the Participant's Beneficiary in a lump sum payment equal to such portion within thirty (30) days after the Participant's Death or as soon thereafter as is administratively feasible but no later than December 31st of the year in which the Participant's death occurs. Any portion of the Participant's Account Balance arising from a Deferral Election made in relation to a plan year commencing on or after January 1,2011, shall be distributed to the Participant's Beneficiary pursuant to the terms of such Deferral Election. For this purpose, a Participant's Deferral Election may specify that the portion of the Participant's Account Balance arising from such Deferral Election shall be distributed in a lump sum as described above or in substantially equal annual payments over a period not to exceed fifteen (15) years.

6.7 Distributions on Disability. If a Participant is determined by the Administrator to have been determined to have a Disability, the Participant's Benefit Distribution Date shall be the date of such determination, and the Participant's Account Balance shall be paid to the Participant as a Disability Benefit, as follows.

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(a) Time and Form of Payment. The portion of the Participant's Account Balance arising from Deferral Elections made in relation to plan years commencing prior to January 1, 2011 shall be distributed to the Participant in a lump sum payment equal to such portion within thirty (30) days after the Participant's Benefit Distribution Date or as soon thereafter as is administratively feasible but no later than December 31st of the year in which the determination of Disability is made unless the determination occurs on or after the date on which the Participant reaches age 55 and prior to the Participant's attainment of Normal Retirement Age which shall be a Distribution on Early Retirement. Any portion of the Participant's Account Balance arising from a Deferral Election made in relation to a plan year commencing on or after January 1, 2011, shall be distributed pursuant to the terms of such Deferral Election. For this purpose, a Participant's Deferral Election may specify that the portion of the Participant's Account Balance arising from such Deferral Election

shall be distributed in a lump sum as described above or in substantially equal annual payments over a period not to exceed fifteen (15) years.

(b) Death Prior to Payment of Termination Benefit. If a Participant dies after the date on which he or she is determined to have a Disability but before the Disability Benefit is fully paid, the Participant's unpaid Disability Benefit shall be paid to the Participant's Beneficiary pursuant to Section 6.7(a) as though the Beneficiary were the Participant.

6.8 Payment by March 15th Deemed Timely. Where a payment under this Article 6 is required to be made by December 31st of the year in which the event giving rise to the payment occurs, the payment will be deemed timely if made by March 15th of the following year, provided that the employee is not permitted, directly or indirectly, to designate the taxable year of the payment.

6.9 Distributions to Specified Employees on Retirement or Termination of Employment.

(a) Distributions to a Specified Employee on account of a Separation from Service that is Retirement or Termination of Employment may not be made (or commence, as applicable) earlier than the date which is six months after the Specified Employee's Benefit Distribution Date (or, if earlier, the date of death of the employee). Example: A Specified Employee retires on January 1, 2009. Distributions on account of the Specified Employee's Retirement may not be made prior to July 1, 2009. If the Specified Employee dies on March 1, 2009, distribution may be made on or after March 1, 2009.

(b) The rule stated in 6.9(a) shall apply only to distributions to a Specified Employee that would otherwise have been made within the first six months after such employee's Retirement or Termination of Employment and shall not operate to delay payments after such six month period. For example, annual payments scheduled to be made on the anniversary of the Specified Employee's Retirement date pursuant to Section 6.5(a) shall continue to be made on such anniversary, and only the initial payment shall be delayed by six months pursuant to Section 6.9(a).

6.10 Rules for Installment Payments.

(a) Time and Method for Determining Amount of Installment. If a Participant has elected installment payments for all or a portion of his or her Account Balance, the initial installment shall be based on the value of such portion, measured as of his or her Benefit Distribution Date, and shall be equal to 1/n, where "n" is equal to the total number of annual benefit payments not yet distributed. Subsequent installment payments shall be computed in a consistent fashion, with the measurement date being the anniversary of the original measurement date. In all cases in which payments are made in installments, such payments shall commence within thirty (30) days after the Participant's Benefit Distribution Date or as soon thereafter as is administratively feasible but no later than December 31st of the year in which the Participant's Benefit Distribution Date occurs.

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(b) Installment Option Not Available for De Minimis Account Balances. Notwithstanding anything in this Plan to the contrary, an installment option is not available with respect to any distribution under this Plan unless a Participant's total Account Balance on the last day of the month following or coincident with the Participant's date of Termination of Employment, death, Retirement, or determination of Disability exceeds $10,000 (or, if more, the applicable dollar amount under Section 402(g)(1)(B) of the Code for the year in which the Participant's Benefit Distribution Date occurs ($22,500 for 2023)). For purposes of the preceding sentence, a Participant's total Account Balance shall be deemed to include benefits payable to the Participant under any account balance plan that must be aggregated with this Plan pursuant to Section 1.409A-1(c)(2)(i)(A) of the Treasury Regulations.

ARTICLE 7. BENEFICIARY DESIGNATION

7.1 Beneficiary. Each Participant shall have the right, at any time, to designate a Beneficiary or Beneficiaries to receive, in the event of the Participant's death, those benefits payable under the Plan. The Beneficiary or Beneficiaries designated under this Plan may be the same as or different from the Beneficiary designation made under any other plan of the Employer.

7.2 Beneficiary Designation; Change. A Participant shall designate his or her Beneficiary by completing and signing a Beneficiary Designation Form, and returning it to the Administrator or its designated agent. A Participant shall have the right to change his or her Beneficiary by completing, signing and submitting to the Administrator a revised Beneficiary Designation Form in accordance with the Administrator's rules and procedures, as in effect from time to time. The submission of a new Beneficiary Designation Form shall constitute a revocation of all previously submitted Beneficiary Designation Forms. Facts as shown by the records of the Administrator on the date of death shall be conclusive.

7.3 Acknowledgment. No designation or change in designation of a Beneficiary shall be effective until received, accepted and acknowledged in writing by the Administrator or its designated agent.

7.4 No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided above or if all designated Beneficiaries on the currently effective Beneficiary Designation Form predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be the Participant's surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan shall be payable to the executor or personal representative of the Participant's estate.

7.5 Discharge of Obligations. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge the Administrator and the Bank from all further obligations under this Plan with respect to the Participant, and the Participant's Participation Agreement shall terminate upon such full payment of benefits.

ARTICLE 8. TERMINATION, AMENDMENT OR MODIFICATION

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8.1 Termination. Although the Bank anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that it will continue the Plan or will not terminate the Plan at some time in the future. Accordingly, the Bank reserves the right to terminate the Plan, in its sole discretion, at any time, with or without notice, by action of its Board of Directors; provided, however, that such termination shall not affect the Employer's payment obligations with respect to Deferral Contributions then existing, and the Employer shall not accelerate payment of such Deferral Contributions (or cause the trustee of the Trust to accelerate payment of such obligations) but, instead, shall make payment in due course, except under any of the following conditions:

(a) The Bank terminates and liquidates the Plan within 12 months of a corporate dissolution taxed under Section 331 of the Code (pertaining to corporate liquidations) or with the approval of a Bankruptcy Court pursuant to Section 503(b)(1)(A) of the Bankruptcy Code, provided that the amounts deferred under the Plan are included in the Participants' gross incomes in the latest of the following years (or, if earlier, the taxable year in which the amount is actually or constructively received):

(1) The calendar year in which the termination and liquidation of the Plan occurs.

(2) The first calendar year in which the amount is no longer subject to a substantial risk of forfeiture.

(3) The first calendar year in which the payment is administratively practicable.

(b) The Bank terminates and liquidates the Plan pursuant to an irrevocable action taken by the Bank within the 30 days preceding or the 12 months following a Change in Control, provided that all nonqualified deferred compensation plans of the Bank or any Affiliate that are required to be aggregated with this Plan under Section 1.409A-1(c)(2) of the Treasury Regulations with respect to Participants in the Plan are also terminated and liquidated with respect to each Participant that experienced the Change in Control event so that, under the terms of the termination and liquidation, all such Participants are required to receive all amounts of deferred compensation under this Plan and all such other plans within 12 months of the date all actions necessary to terminate and liquidate this Plan and all such other plans are taken by the Bank and its Affiliates.

(c) The Bank terminates and liquidates the Plan, provided that:

(1) The termination and liquidation does not occur proximate to a downturn in the financial health of the Bank or an Affiliate;

(2) The Bank and its Affiliates terminate and liquidate all nonqualified

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deferred compensation plans that are subject to aggregation with this Plan under Section 1.409A-1(c) of the Treasury Regulations;

(3) No payments in liquidation of the Plan are made within 12 months of the date that the Bank takes all necessary action to irrevocably terminate and liquidate the Plan, other than payments that would be payable under the terms of the Plan if the action to terminate and liquidate the Plan had not occurred;

(4) All payments are made within 24 months of the date the Bank takes all necessary action to irrevocably terminate and liquidate the plan; and

(5) Neither the Bank nor any Affiliate adopts a new plan that would be aggregated with any terminated and liquidated plan under Section 1.409A- 1(c) if the same employee participated in both plans, at any time within three years following the date the Bank takes all necessary action to irrevocably terminate and liquidate the Plan.

(d) Such other events and conditions as the Commissioner of the Internal Revenue Service may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

8.2 Amendment. The Bank may amend the Plan at any time by action of its Board of Directors in whatever respects it may deem necessary, appropriate or desirable, with or without notice, subject to the following limitations:

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(a) No amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification, or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, calculated as if the Participant had Retired as of the effective date of the amendment or modification.

(b) Except as modified herein, all specifically provided in Section 8.1, no amendment or modification shall be made after a Change in Control which adversely affects the vesting, calculation or payment of benefits hereunder or diminishes any other rights or protections any Participant or Beneficiary would have had, but for such amendment or modification, unless each affected Participant or Beneficiary consents in writing to such amendment.

(c) No amendment shall have the effect of accelerating the distribution of Deferral Contributions accrued prior to such amendment, including through the addition or deletion of a payment option.

(d) Any amendment of the terms and provisions Plan which has the effect of further delaying or changing the form of payments to any Participant on Termination of Employment shall be subject to the subsequent deferral rules of Section 1.409A-2(b) of the SDCP, Treasury

Regulations. Such amendment shall not take effect until at least 12 months after the date of the amendment, and payments with respect to such amendment shall be deferred for a period of not less than five years from the date such payment would otherwise have been made or have commenced.

(e) In no event shall an amendment to the Plan materially enhance benefits or rights existing as amended, shall continue in full force of October 3, 2004, under the 2004 Plan, or add a new material benefit or right affecting amounts earned and effect. vested before January 1, 2005, except as may be permitted under Section 1.409A-6(a)(4) of the Treasury Regulations or its successor.

*8.3 * Effect of Payment.* The full payment of the applicable benefit under the provisions of the Plan shall completely discharge all obligations under this Plan to a Participant and the Participant's designated Beneficiaries, and the Participation Agreement of such a Participant shall terminate.

ARTICLE 9. ADMINISTRATION

9.1 Administrator. This Plan shall be administered by the Administrator. The Administrator shall have all rights, powers, discretions, and authority necessary or desirable to administering the Plan, including, without limitation, the discretion and authority to make, interpret, and enforce all appropriate rules and regulations for the administration of this Plan, to rule on claims and decide all questions regarding eligibility and benefits, and to decide or resolve any and all questions or ambiguities that may arise in connection with the interpretation of the Plan. Any individual serving as the Administrator who is a Participant shall not vote or act on any matter relating solely to himself or herself. If no other individuals are serving as Administrator such vote or act shall be conducted by the Board. When making a determination or calculation, the Administrator shall be entitled to rely on information furnished by a Participant or the Bank.

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9.2 Agents. In the administration of this Plan, the Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.

9.3 Binding Effect of Decisions. The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

9.4 Indemnity of Administrator. The Bank shall indemnify and hold harmless the members of the Administrator, and any employee to whom duties of the Administrator may be delegated, against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in case of willful misconduct by such committee or any of its members or any such employee.

9.5 Employer Information. To enable the Administrator to perform its functions, the Employer shall supply full and timely information to the Administrator on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, death or Termination of Employment of its Participants, and such other pertinent information as the Administrator may reasonably require.

ARTICLE 10. CLAIMS PROCEDURES

10.1 Presentation of Claim. Any Participant and any Beneficiary, Personal Representative or Executor of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Administrator a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within sixty (60) days after such notice was received by the Claimant. All other claims must be made within one hundred eighty (180) days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

10.2 Decision on Claim. Within ninety (90) days after receipt of a claim, the Administrator shall send to the Claimant written notice of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may an extension exceed ninety (90) days from the end of the initial period. If such extension is necessary, the Claimant shall be given written notice to this effect prior to the expiration of the initial ninety (90) day period which shall specify the special circumstances requiring extension. If notice of the denial of a claim is not furnished in accordance with this Section, then the claim shall be deemed denied, and the Claimant shall be permitted to exercise the Claimant’s right to seek review pursuant to Sections 10.4 and 10.5.

10.3 Notification of Decision. The Administrator shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:

(a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or

(b) that the Administrator has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

(i) the specific reason(s) for the denial of the claim, or any part of it;

(ii) specific reference(s) to pertinent provisions of the Plan upon which such denial is based;

(iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the claim review procedure set forth in Section 10.4 below.

10.4 Review of a Denied Claim. Within sixty (60) days after receiving a notice from the Administrator that a claim has been denied, in whole or in part, a Claimant (or the Claimant’s duly authorized representative) may file with the Administrator a written request for a review of the denial of

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the claim. Thereafter, but not later than thirty (30) days after the review procedure began, the Claimant (or the Claimant's duly authorized representative):

(a) may review pertinent documents;

(b) may submit written comments or other documents; and/or

(c) may request a hearing, which the Administrator, in its sole discretion, may grant.

10.5 Decision on Review. The Administrator shall render its decision on review not later than sixty (60) days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Administrator's decision must be rendered within one hundred twenty (120) days after such date. If such extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial sixty (60) day period. If notice of the decision on the review is not furnished in accordance with this Section, then the claim shall be deemed denied. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

(a) the specific reasons for the decision;

(b) specific reference(s) to pertinent Plan provisions upon which the decision was based; and

(c) such other matters as the Administrator deems relevant.

10.6 Preservation of Other Remedies. After exhaustion of the claims procedures provided under this Plan, nothing shall prevent any person from pursuing any other legal or equitable remedy otherwise available, provided that no action shall be commenced or maintained more than ninety (90) days after the final decision of the Plan Administrator on review.

10.7 Administrative Exhaustion. Each and every claim arising under this Plan shall be subject to the claims review procedures set forth in this Article 10. No person claiming the benefit of this Plan may seek judicial or other resolution of any claim, issue or controversy without first exhausting administrative remedies.

ARTICLE 11. TRUST

11.1 Establishment of the Trust. The Bank may establish one or more Trusts to which it may transfer such assets as it determines in its sole discretion to assist in meeting its obligations under the Plan.

11.2 Relationship of the Plan and the Trust. The provisions of the Plan and Enrollment Forms shall govern the rights of a Participant to make deferrals to and receive distributions from the Plan. The provisions of the Trust shall govern the rights of the Bank, Participants and the creditors of the Bank to the assets transferred to the Trust.

11.3 Distributions from the Trust. The Bank's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Bank's obligations under this Agreement.

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11.4 No Offshore Trust. Any Trust established pursuant for purposes of this Plan must be located within the United States.

ARTICLE 12. MISCELLANEOUS

12.1 Status of the Plan. The Plan is intended to be a nonqualified deferred compensation plan within the meaning of Section 409A and other applicable Sections of the Code and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA. The Plan shall be administered and interpreted in a manner consistent with that intent. All Participant accounts and all credits and other adjustments to such Participant accounts shall be bookkeeping entries only and shall be utilized solely as a device for the measurement and determination of amounts to be paid under the Plan. No Participant accounts, credits or other adjustments under the Plan shall be interpreted as an indication that any benefits under the Plan are in any way funded.

12.2 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Bank. For purposes of the payment of benefits under this Plan, any and all of the Bank's assets, shall be, and remain, the general, unpledged, unrestricted assets of the Bank. The Bank's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay benefits in the future.

12.3 Employer's Liability. The Bank's liability for the payment of benefits shall be defined only by the Plan and the Participation Agreement, as entered into between the Bank and a Participant. The Bank shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and Participation Agreement.

12.4 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in actual receipt, the amount, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, non-assignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

12.5 Not a Contract of Employment. Under the terms and conditions of this Plan and the Participation Agreement, this Plan shall not be deemed to constitute a contract of employment between the Bank and the Participant. Nothing in this Plan or any Participation Agreement shall be deemed to give a Participant the right to be retained in the service of the Bank as an Employee or to interfere with the right of the Bank to discipline or discharge the Participant at any time.

12.6 Furnishing Information. A Participant or his or her Beneficiary will cooperate with the Administrator by furnishing any and all information requested by the Administrator and shall take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including, but not limited to, taking such physical examinations as the Administrator may deem necessary.

12.7 Terms. Except when otherwise indicated by the context, any masculine or feminine terminology used herein shall also include the neuter and other gender, and the use of any term in the singular or plural shall also include the opposite number.

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12.8 Captions. The captions of the articles, sections or paragraphs of this Plan are for convenience only and shall not control or affect the meaning of construction of any of its provisions.

12.9 Governing Law. The provisions of this Plan shall be construed and interpreted according to the laws of the State of Hawaii without regard to its conflicts of laws principles.

12.10 Notice. Any notice or filing required or permitted to be given to the Administrator under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

(via hand-delivery)	(via registered or certified mail)
General Counsel	American Savings Bank
American Savings Bank	P.O. Box 2300
300 N. Beretania St.	Honolulu, HI 96804
Honolulu, HI 96817	Attn: General Counsel

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

12.11 Successors. The provisions of this Plan shall bind and inure to the benefit of the Bank and its successors and the Participant and the Participant's designated Beneficiaries.

12.12 Validity. In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

12.13 Incompetent. If the Administrator determines in its sole discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Administrator may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Administrator may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

12.14 Insurance. The Bank, on its own behalf or on behalf of the trustee of the Trust, and in its sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Bank or the trustee of the Trust, as

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the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Bank shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company to whom the Bank has applied for insurance.

* * *

IN WITNESS WHEREOF, the Bank has signed this restated Plan document on Dec 14, 2023.

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AMERICAN SAVINGS BANK, F.S.B.

By /s/ Beth Whitehead
Its: EVP, Chief Administrative Officer

Exhibit A

AMERICAN SAVINGS BANK
SELECT DEFERRED COMPENSATION PLAN

(Restatement Effective January 1, 2005)

ARTICLE 1. INTRODUCTION

1.1. Establishment and Purpose of the Plan. AMERICAN SAVINGS BANK, F.S.B. (the "Bank"), hereby restates the American Savings Bank Executive Security Plan as.the American Savings Bank Select Deferred Compensation Plan (the "Plan"). Except as otherwise noted, this restatement is effective as of the Plan Year commencing January 1, 2005. The Plan was originally effective May 1, 2000.

1.2. Purpose of Plan. The purpose of the Plan is to provide Participants an opportunity to defer compensation that would otherwise be currently payable to them. The Plan is intended to be an unfunded plan for a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

ARTICLE 2. DEFINITIONS

2.1. For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the meanings indicated:

(a) "Account Balance" shall mean, as of any given date called for under the Plan, the balance of the Participant's Deferral Contribution Account as such account has caused this Amendment No. 6 been adjusted to reflect all applicable Investment Adjustments and all prior withdrawals and distributions, in accordance with Article 4 of the Plan.

(b) "Bank" shall mean American Savings Bank, F.S.B., and any successor.

(c) "Base Annual Compensation" shall mean the base annual compensation payable to an employee by the Bank for services rendered during a Plan Year and required to be set forth in Box 1 of the employee's W-2 for the Plan Year before reduction for any Elective Deductions and including commissions, provided, however, that Base Annual Compensation shall not include any Bonus paid during or with respect to a Plan Year, contributions to any employee benefit plan (other than Elective Deductions), stock options, amounts paid under the Hawaiian Electric Industries, Inc. Long-Term

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Incentive Plan, amounts paid to or on behalf of the employee for "fringe benefits" such as (but not limited to) group life and health insurance, automobile allowance, club memberships and dues, or expense reimbursements, regardless of whether such benefits may or may not be taxable to the January 1, 2009 Restatement employee, or "imputed income," including, but not limited to, employee income arising from relief from indebtedness or employer payment of taxes or other obligations of the employee.

(d) "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated by the Participant in accordance with Article 11, to receive the Participant's undistributed Account Balance, in the event of the Participant's death.

(e) "Beneficiary Designation Form" shall mean the document which shall be used by the Participant to designate the Participant's Beneficiary for the Plan.

(f) "Benefit Distribution Date" shall mean the date distribution of the Participant's Account Balance is triggered and shall be the date on which the Participant's employment terminates for any reason whatsoever, including, but not limited, to death, Retirement, Disability or any other reason. In the event the Benefit Distribution Date is triggered due to: (i) Termination of Employment, as such term is defined in Section 2.1(am), the Participant's Account Balance shall be payable pursuant to Article 7; (ii) Retirement, as such term is defined in Section 2.1(ai), the Participant's Account Balance shall be payable pursuant to Article 8; (iii) pre-retirement death, the Participant's Account Balance shall be payable pursuant to Article 9; and (iv) Disability, as such term is defined in Section 2.1(p), the Participant's Account Balance shall be payable pursuant to Article 10.

(g) "Board of Directors" shall mean the board of directors of the Bank.

(h) "Bonus" shall mean amounts payable to a Participant during a Plan Year under any bonus or incentive plan or arrangement sponsored by the Employer, before reduction for any Elective Deductions, but excluding commissions, stock-related awards and other non-monetary incentives, and such other incentive items as may be excluded from the definition of "Bonus" by the Committee in its sole discretion.

(i) "Change in Control" shall mean the earliest to occur of the following events:

(1) The consummation of any transaction or series of transactions as a result of which any "Person" (as the term, "person," is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other than an "Excluded

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Person" (as hereinafter defined), has or obtains ownership or control, directly or indirectly, of fifty percent (50%) or more of the combined voting power of all securities of the Bank or any successor or surviving corporation of any merger, consolidation or reorganization involving the Bank (the "Voting Securities"). The term "Excluded Person" means any one or more of the following: (i) the Bank or any majority-owned subsidiary of the Bank, (ii) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Bank or (B) any majority-owned subsidiary of the Bank, (iii) any Person who as of the initial effective date of this Plan owned or controlled, directly or indirectly, ten percent (10%) or more of the then outstanding Voting Securities, or any individual, entity or group that was part of such a Person;

(2) A merger, consolidation or reorganization involving the Bank as a result of which the holders of Voting Securities immediately before such merger, consolidation or reorganization do not immediately following such merger, consolidation or reorganization own or control, directly or indirectly, at least fifty percent (50%) of the Voting Securities in substantially the same proportion as their ownership or control of the Voting Securities immediately before such merger, consolidation or reorganization; or

(3) The sale or other disposition of all or substantially all of the assets of the Bank to any Person (other than to a majority-owned subsidiary of the Bank).

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(j) "Claimant" shall mean the person or persons described in Section 15.1 who apply for benefits or amounts that may be payable under the Plan.

(k) "Code" shall mean the Internal Revenue Code of 1986, as amended. References to the Code shall include references to any successor section or provision of the Code.

(l) "Committee" shall mean the committee described in Article 13, which shall administer the Plan.

(m) "Contributions" shall collectively refer to any and all Deferral Contributions as such term has been defined herein.

(n) "Deferral Contribution" shall mean the aggregate amount of Base Annual Compensation and Bonus deferred by a Participant with respect to a Plan Year in accordance with the terms of the Plan and the Participant's Election Form and "credited" to the Participant's Deferral Contribution Account. Deferral Contributions shall be deemed to be made to the Plan by the

Participant on the date the Participant would have received such compensation had it not been deferred pursuant to the Plan and shall be allocated to Hypothetical Investments pursuant to the Participant's then effective Investment Allocation or Investment Re-Allocation Form as soon as administratively feasible.

(o) "Deferral Contribution Account" shall mean an account to record a Participant's aggregate Deferral Contributions, as well as any appreciation (or depreciation) specifically attributable to such Deferral Contributions due to Investment Adjustments, reduced to reflect all prior distributions and withdrawals. The Deferral Contribution Account shall be utilized solely as a device for the measurement of amounts to be paid to the Participant under the Plan. The Deferral Contribution Account shall not constitute or be treated as an escrow, trust fund, or any other type of funded account for Code or ERISA purposes and, moreover, contingent amounts credited thereto shall not be considered "plan assets" for ERISA purposes. The Deferral Contribution Account merely provides a record of the bookkeeping entries relating to the contingent benefits that the Employer promises to pay to a Participant and shall thus constitute merely an unsecured promise to pay such amounts in the future.

(p) "Disability" shall mean a period of disability during which a Participant qualifies for total permanent disability benefits under the Bank's long-term disability plan, or, if a Participant does not participate in such a plan, a period of disability during which the Participant would have qualified for total permanent disability benefits had the Participant been a participant in ,1 such a plan, as determined by the Committee in its sole discretion. If the Bank does not sponsor such a plan, or discontinues to sponsor such a plan, Disability shall be determined by the Committee in its sole discretion, provided that a medical opinion that the Participant is totally and permanently disabled shall be deemed rebuttably correct.

(q) "Disability Benefit" shall mean the benefit set forth in Article 10.

(r) "Early Retirement" shall mean retirement upon the attainment of age 55 and before normal retirement age.

(s) "Election Form" shall mean the document required by the Committee to be submitted by a Participant, on a timely basis, which specifies (i) the amount of Base Annual Compensation and/or Bonus the Participant has elected to defer with respect to a Plan Year, (ii) the portion (if any) of such Deferral Contributions which shall be distributable upon an Interim Distribution Date rather than the Benefit Distribution Date, and (iii) the manner in which the Participant elects to have such Deferral Contributions distributed in the event

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such distribution is triggered by the Participant's Retirement from the Bank. The Participant may elect to receive the Retirement Benefit in a lump sum or in substantially equal annual payments over a period not to exceed fifteen (15) years. An Election Form shall only be effective with respect to (i) Base Annual Salary earned after the effective date of the Election Form and (ii) Bonus not yet ascertainable and declared by the Employer as of the effective date of the Election Form. In the event a Participant fails to submit an Election Form with respect to a Plan Year or fails to submit such form on a timely basis, the Participant shall not have Deferral Contributions during the Plan Year. A Participant may not make or change an Election Form after the commencement of the Plan Year to which it applies (or, in the case of the Plan's first year or a Participant's first becoming eligible, the portion of the Plan Year to which it applies), except as may be permitted pursuant to Articles 5 and 6.

(t) "Elective Deductions" shall mean those deductions from a Participant's Base Annual Salary or Bonus for amounts voluntarily deferred by the Participant pursuant to any qualified or non-qualified deferred compensation or welfare or fringe benefit plan, including, without limitation, amounts deferred pursuant to Code Section 125, 132(f), 402(e)(3) and 402(h), provided, however, that all such amounts would have been payable to the Participant in cash had there been no such deferral and provided, further, that such amounts shall not include ASB Dollars, HEI FlexCredits or similar items of value.

(u) "Employer" shall mean the Bank and any subsidiary that has been selected by the Board of Directors to participate in the Plan and has adopted the Plan.

(v) "Enrollment Forms" shall mean the Participation Agreement, the Election Form, the Investment Allocation and Re-Allocation Forms, the Retirement Benefit Distribution Form and any other forms or documents which may be required of a Participant by the Committee, in its sole discretion, prior to and as a condition of participating in the Plan.

(w) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended. References herein to any section of ERISA shall include references to any successor section or provision of ERISA.

(x) "Highly Compensated Employee" with respect to a Plan Year (the "Eligibility Year") shall mean an employee whose W-2 compensation for the preceding Plan Year is equal to at least 120% of the taxable wage base for that year and whose compensation is not expected to decline below 120% of the taxable wage base in the Eligibility Year. If the "preceding Plan Year" for purposes of the preceding sentence has not yet been completed, then W-2 compensation for the preceding Plan Year shall be projected, if necessary, on the basis of

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any reasonable method. For example, in the case of elections required to be made by continuing Participants prior to the first day of the Plan Year pursuant to Section 3.3(3), "Highly Compensated Employees" shall mean employees who, as of the date of elections made pursuant to Section 3.3(3), either have earned or are reasonably projected to earn W-2 compensation that is equal to at least 120% of the taxable wage base for the year in which the elections are made and whose compensation is not expected to decline below 120% of the taxable wage base in the Eligibility Year. In the case of an employee who was or will have been employed for less than twelve months in the Plan Year preceding the Eligibility Year, the employee's W-2 compensation shall be annualized by multiplying the employee's actual or projected compensation for such year times a fraction, the denominator of which is the employee's months of employment in the preceding Plan Year (including fractional months) and the numerator of which is twelve. In the case of an employee who was not employed by the Employer in the preceding Plan Year, the employee's projected W-2 compensation from the Employer for the Eligibility Year and the taxable wage base for such year shall be employed for purposes of the rule stated in the first sentence of this section. An employee who is not otherwise a Highly Compensated Employee under this Section may nevertheless qualify as a Highly Compensated Employee with respect to a Plan Year if such employee's average W-2 compensation over any period of prior Plan Years, not to exceed five, that includes the preceding Plan Year was at least 120% of the average taxable wage bases for such period. For purposes of this section, the following definitions shall apply:

(1) "W-2 compensation" shall mean the total compensation required to be set forth in Box 1 on the employee's Form W-2 for a particular Plan Year, including, but not limited to, salary, commissions, and bonus, plus all elective contributions to arrangements qualifying

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under Section 125, 132(f), or 401(k) of the Code and all elective contributions to nonqualified deferred compensation arrangements within the meaning of Section 201(a) of ERISA, including contributions to this Plan.

(2) "Taxable wage base" shall mean the Old Age Survivors and Disability Insurance contribution and benefit base with respect to a year, as determined under section 230 of the Social Security Act.

Notwithstanding anything to the contrary in this Section, eligibility to participate in the Plan is not established merely by meeting the definition of "Highly Compensated Employee" but is subject to all provisions of Section 3.1, including Section 3.1(ii), which requires specific approval for participation by the Bank, in its sole discretion. The Committee may prescribe rules different from those stated in this Section 2.1(x) for the determination of "Highly Compensated Employee," provided, however, that, in the reasonable opinion

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of the Committee, such rules satisfy the requirements of Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA.

(y) "Hypothetical Investment" shall mean an investment fund or benchmark made available to Participants by the Committee for the purpose of valuing Deferral Contribution Accounts.

(z) Interim Distribution Date" shall mean the first day of a calendar year, selected by the Participant upon which the designated portion of Deferral Contributions attributable to a Plan Year (as well as any appreciation or depreciation of such amounts due to Investment Adjustments) shall be distributed in a lump sum payment. Notwithstanding the preceding sentence, in no event shall a Participant be permitted to select a date which is less than four (4) Plan Years from the effective date of the Election Form to which the Interim Distribution Date relates.

(aa) "Investment Adjustment(s)" shall mean any appreciation credited to (as income or gains) or depreciation deducted from (as losses) a Participant's Deferral Contribution Account in accordance with such Participant's selection of Hypothetical Investments pursuant to the Participant's currently effective Investment Allocation Form or Investment Re-Allocation Form.

(ab) "Investment Allocation Form" shall mean a form prescribed by the Committee pursuant to which a Participant shall allocate new Deferral Contributions to Hypothetical Investments. Timely and proper completion and filing of an Investment Allocation Form is a condition for participating in the Plan. An Investment Allocation Form shall apply with respect to all new Deferral Contributions made to the Plan after the effective date of the Investment Allocation Form but prior to the timely filing of a subsequent Investment Allocation Form or Investment Re-Allocation Form. A new Investment Allocation Form may be filed by the Participant electronically, telephonically, in a writing on paper or by such other means as may be prescribed by the Committee, on a monthly or such other basis as the Committee may determine. Provided that such filing is timely and otherwise proper, it shall be given effect as soon as administratively feasible. An Investment Allocation Form shall be deemed timely if submitted to the Committee in accordance with the procedures and deadlines established by the Committee.

(ac) "Investment Re-Allocation Form" shall mean a form prescribed by the Committee pursuant to which a Participant may change the allocation to Hypothetical Investments both of the existing aggregate Deferral Contributions (including hypothetical appreciation or depreciation thereon) and of all new Deferral Contributions. An Investment Re-Allocation Form may be submitted by the Participant electronically, telephonically, or in a writing on paper or by such other means as may be prescribed by the Committee, on a monthly or such other basis as the Committee may determine. Provided that such filing is timely and otherwise proper, it shall be given effect as soon as

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administratively feasible. An Investment Re-Allocation Form shall be deemed timely if submitted to the Committee in accordance with the procedures and deadlines established by the Committee.

(ad) "Management Employee" with respect to a Plan Year shall mean an employee, who, in the reasonable opinion of the Committee, possesses duties and responsibilities at management level and above. An employee at the level of Vice President and above shall be presumed to be a Management Employee for purposes of this definition so long as the employee possesses duties and responsibilities consistent with his or her title. Notwithstanding anything to the contrary in this Section, eligibility to participate in the Plan is not established merely by meeting the definition of "Management Employee" but is subject to all provisions of Section 3.1, including Section 3.1(ii), which requires specific approval for participation by the Bank, in its sole discretion. The Committee may prescribe rules different from those stated in this Section 2.1(ad) for the determination of "Management Employee," provided, however, that, in the reasonable opinion of the Committee, such rules satisfy the requirements of Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA.

(ae) "Participant" shall mean any employee (i) who is selected to participate in the Plan in accordance with Section 3.1, (ii) who elects to participate in the Plan, (iii) who signs and files the applicable Enrollment Forms (and other forms required by the Committee) on a timely basis, and (iv) whose signed Enrollment Forms (and other required forms) are accepted by the Committee. "Participant" shall also include a former employee entitled to receive benefits under the Plan.

(af) "Participation Agreement" shall mean the separate written agreement entered into by and between the Bank and the Participant, which shall indicate the Participant's intent to defer compensation subject to the terms of the Plan and the Participation Agreement.

(ag) "Plan" shall mean the American Savings Bank Select Deferred Compensation Plan, as described herein, subject to be amendment from time to time.

executed by its duly (ah) "Plan Year" shall mean the period beginning on January 1st of each year and ending December 31st.

(ai) "Retirement," "Retires" or "Retired" shall mean, with respect to an Employee, Early Retirement or severance from employment on or after the attainment of age sixty-five (65) for any reason other than an authorized officer on December 5 ,2022. leave of absence, Disability, or death.

(aj) "Retirement Benefit" shall mean the benefit set forth in Article 8.

(ak) "Select Group" for purposes of the phrase, "Select Group of Management or Highly Compensated Employees," means a group of employees each of whom is a Management Employee or Highly Compensated Employee, who have been designated as eligible to participate in this Plan by the Committee pursuant to Section 3.1 hereof, and whose total number does not exceed twelve per cent (12%) of the Bank's total workforce, considering all of such eligible employees and not only those who elect to participate in this Plan. Upon good cause and to the extent permissible under applicable law, including ERISA, the Committee may grant exceptions to the foregoing limitation on the total number of employees who may be designated as members of the Select Group, provided that the total number of employees so designated shall in no event exceed fifteen percent (15%) of the Bank's total workforce or such other upper limit on participation as may be required by ERISA, U.S. Department of Labor or Treasury regulations, or judicial determination. The Committee, in its sole discretion, shall adopt whatever rules it may deem necessary, appropriate, or desirable to maintain the Select Group within the applicable size limitation,

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including, but not limited to, giving preference for eligibility to continuing Participants, Management Employees, or Highly Compensated Employees, or ranking employees within subgroups or within the Select Group by compensation, title, longevity, or any other variable deemed relevant by the Committee. For purposes of this section, "Bank's total workforce" shall be broadly construed, including all common law, casual, contract, and leased employees. The Committee may prescribe rules different from those stated in this Section 2.1(ak) for the determination of "Select Group," including in the event that this Plan is adopted by subsidiaries of the Bank, provided, however, that, in the reasonable opinion of the Committee, such rules satisfy the requirements of Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA. Notwithstanding anything to the contrary in this Section, eligibility to participate in the Plan is not established merely by being includable in a "Select Group of Management or Highly Compensated Employees" but is subject to all provisions of Section 3.1, including Section 3.1(ii), which requires specific approval for participation by the Bank, in its sole discretion.

(al) "Termination Benefit" shall mean the benefit set forth in Article 7.

(am) "Termination of Employment" shall mean the voluntary or involuntary severing of employment for any reason other than Retirement, Disability, or death.

(an) "Trust" shall mean a granter trust which meets the requirements of Revenue Procedure 92-64, 1992-2 C.B. 422, or successor authority and is commonly referred to as a "rabbi trust."

(ao) "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or a spouse or dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but an Unforeseeable Emergency shall not be deemed to exist to the extent that such hardship is or may be relieved

(1) through reimbursement or compensation by insurance or otherwise,

(2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or

(3) by cessation of Deferral Contributions under the Plan.

Examples of matters that are not Unforeseeable Emergencies include the need to send a Participant's child to college or the desire to purchase a home. Withdrawals of amounts from a Participant's Deferral Contribution Account because of an Unforeseeable Emergency may be permitted only to the extent reasonably needed to satisfy the emergency need. The circumstances that will constitute an Unforeseeable Emergency shall be determined by the Committee in its sole discretion in a manner consistent with Section 1.457-2(h)(4) and (5) of the Treasury Regulations.

ARTICLE 3. ELIGIBILITY. SELECTION, AND ENROLLMENT

3.1 Eligibility upon Selection by Committee. Employees who (i) are determined by the Bank to be includable in a Select Group of Management or Highly Compensated Employees of the Bank and (ii) are specifically approved for participation by the Bank, in its sole discretion, shall be eligible to participate in the Plan. Continued eligibility to participate in the Plan shall be conditioned upon a Participant's continuing to meet the requirements of the Plan, including, but not limited to, continuing to be includable in a Select Group of Management or Highly Compensated Employees of the Bank.

3.2 Enrollment Requirements. Each Participant deemed eligible to participate in the Plan pursuant to Section 3.1, shall, as a condition to participating in the Plan, complete and return to the Committee all of the required Enrollment Forms, on a timely basis. In addition, the Committee shall, in its sole discretion, establish such other enrollment requirements necessary for continued participation in the Plan.

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3.3 Commencement of Participation. A Participant who has completed and filed Enrollment Forms within the time periods shown below, including, without limitation, an Election Form and Participation Agreement, shall participate in the Plan as of the following dates:

(1) With respect to the first year of the Plan: An eligible individual must complete and file Enrollment Forms within 30 days of the date on which the Plan is first effective and shall participate as of the first day of the month following the date on which the Participant files Enrollment Forms. Examples: (A) The Plan becomes effective May 1, 2000, and an eligible individual files Enrollment Forms prior to May 1, 2000. The individual participates as of May 1, 2000. (B) Same facts except that the individual files Enrollment Forms on or after May 1, 2000, but within 30 days of May 1, 2000. The individual participates as of June 1, 2000. (C) Same facts except that the individual fails to file Enrollment Forms within 30 days of May 1, 2000. The individual may not participate until the 2001 Plan Year.

(2) For New Participants: In the first year in which a Participant becomes eligible to participate in the Plan, the Participant must complete and file Enrollment Forms within 30 days of the date on which the Participant is first eligible and shall participate as of the first day of the month following the date on which the Participant files Enrollment Forms. Examples: (A) An individual becomes eligible to participate as of July 1, 2000, and files Enrollment Forms prior to July 1, 2000. The individual participates as of July 1, 2000. (B) Same facts except the individual files Enrollment Forms on or after July 1, 2000, but within 30 days of July 1, 2000. The individual participates as of August 1, 2000. (C) Same facts except the individual fails to file Enrollment Forms within 30 days of July 1, 2000. The individual may not participate until the 2001 Plan Year.

(3) For Continuing Participants: Continuing Participants must complete and file Enrollment Forms with respect to the next Plan Year within the time established by the Committee in its sole discretion, but in any event Prior to the first day of the next Plan Year. Such Participants shall continue their participation in the Plan as of the first day of the next Plan Year. Examples: (A) A Participant files Enrollment Forms within the time period established by the Committee (which, in all events, shall be before the first day of the next Plan Year). The Participant participates as of the first day of the next Plan Year. (B) The Committee requires Enrollment Forms to be filed by December 31st of a Plan Year. A Participant files Enrollment Forms on January 1st of the next Plan Year. The Participant may not participate in the Plan in the next Plan Year.

ARTICLE 4. DEFERRAL CONTRIBUTIONS, INVESTMENT ADJUSTMENTS, AND TAXES

4.1 Deferral Contributions.

(a) Election to Defer. A Participant may elect to defer amounts otherwise payable to the Participant with respect to a Plan Year as Base Annual Compensation or Bonus by completing and filing a Participation Agreement, annual Election Form, and any other Enrollment Forms that may be required by the Committee within the time periods shown in Section 3.3, above. Amounts deferred by a Participant with respect to a Plan Year shall be referred to collectively as a Deferral Contribution and shall be credited to a Deferral Contribution Account established in the name of the Participant. In no case shall an Election Form be given any retroactive effect whatsoever or shall a Participant be permitted to defer income with respect to services already performed and for which compensation is due and ascertainable.

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(b) Components of Deferral Contributions.

(1) Base Annual Compensation. A Participant may designate a fixed dollar amount or a percentage to be deducted from his or her Base Annual Compensation. Such amount shall be deemed deducted after all Elective Deductions and shall be withheld, in substantially equal installments, from each regularly scheduled payment of Base Annual Compensation.

(2) Bonus. A Participant may designate a fixed dollar amount or a percentage to be deducted from the Participant's Bonus. If a fixed dollar amount is designated by the Participant to be deducted from any Bonus payment and such fixed dollar amount exceeds the Bonus actually payable to the Participant (after taking into account Elective Deductions), the entire amount of the Bonus shall be withheld.

(c) Minimum Deferral.

(1) Minimum. During any Plan Year, the Committee may permit a Participant to defer, pursuant to an Election Form, one or more of the following forms of compensation in the following minimum amounts:

Deferral	Minimum Amount
Base Annual Compensation	1%
Bonus	1%

If an Election Form is submitted which would yield less than the stated minimum amounts, the amount deferred shall be zero.

(2) Short Plan Year. If an individual first becomes a Participant after the first day of any Plan Year, the minimum deferral with respect to each of the items listed above shall be an amount equal to the product of the percentage set forth above and the amount payable with respect to an item over the remaining complete months of the Plan Year.

(d) Maximum Deferral. For any given Plan Year the Committee may permit a Participant to defer, pursuant to an Election Form, one or more of the following forms of compensation up to the following maximum percentages:

Deferral	Maximum Amount
Base Annual Compensation	100%
Bonus	100%

4.2 Selection of Hypothetical Investments. At the beginning of each Plan Year, the Committee shall provide each Participant with a list of Hypothetical Investments available. From time to time, in the sole discretion of the Committee, the Hypothetical Investments available within the Plan may be revised. A Participant's Deferral Contributions with respect to a Plan Year shall be deemed invested in accordance with the Hypothetical Investments selected by the Participant pursuant to the Participant's currently effective Investment Allocation or Re-Allocation Form. All Hypothetical Investment selections must be denominated in whole percentages unless otherwise permitted by the Committee. A Participant may make changes in selected Hypothetical Investments from time-to-time on a monthly or such other basis permitted by the Committee by means of completing and filing a new Investment Allocation Form or a new Investment Re-Allocation Form, in accordance with the policies and procedures of the Committee.

4.3 Adjustment of Participant Accounts. Although a Participant Deferral Contribution Account does not represent the Participant's ownership of, or any ownership interest in, any particular assets, the Participant's account shall be adjusted in accordance with the Hypothetical Investment(s) chosen by the Participant on his or her (i) Investment Allocation Form or (ii) Investment Re-Allocation Form, subject to the conditions and procedures set forth herein or established by the Committee from time to time. Any earnings generated under a Hypothetical Investment (such as interest and

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cash dividends and distributions) shall, at the Committee's sole discretion, either be deemed to be reinvested in that Hypothetical Investment or reinvested in one or more other Hypothetical Investments designated by the Committee. A Participant's Hypothetical Investments shall bear the reasonable and customary investment expenses and charges that are born by investments of a like character. All notional acquisitions and dispositions of Hypothetical Investments which occur within a Participant Deferral Contribution Account, pursuant to the terms of the Plan, shall be deemed to occur at such times as the Committee shall determine to be administratively feasible in its sole discretion and the Participant's Deferral Contribution Account shall be adjusted accordingly. Accordingly, if a distribution or re-allocation must occur pursuant to the terms of the Plan and all or some portion of the Account Balance must be valued in connection with such distribution or re-allocation (to reflect Investment Adjustments), the Committee may in its sole discretion, unless otherwise provided for in the Plan, select a date or dates which shall be used for valuation purposes. Notwithstanding anything in this Plan to the contrary, any Investment Adjustments made to any Participants' Deferral Contribution Accounts following a Change in Control shall be made in a manner no less favorable to Participants than the practices and procedures employed under the Plan, or as otherwise in effect, as of the date of the Change in Control.

4.4 Withholding of Taxes.

(a) Annual Withholding from Compensation. For any Plan Year in which Deferral Contributions are made to the Plan, the Employer shall withhold the Participant's share of FICA and other employment taxes from the portion of the Participant's Base Annual Compensation and/or Bonus not deferred. If deemed appropriate by the Committee, the Participant's Election Form may be reduced in certain instances where necessary to facilitate compliance with applicable withholding requirements.

(b) Withholding from Benefit Distributions. The Bank (or the trustee of the Trust, as applicable) shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer (or the trustee of the Trust, as applicable) in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer (or the trustee of the Trust, as applicable).

4.5 Vesting. The Participant shall at all times be one hundred percent (100%) vested in all Deferral Contributions as well as in any appreciation (or depreciation) specifically attributable to such contributions due to Investment Adjustments.

ARTICLE 5. SUSPENSION OF DEFERRALS

5.1 Unforeseeable Emergencies. If a Participant experiences an Unforeseeable Emergency, the Participant may petition the Committee to suspend any deferrals required to be made by the Participant pursuant to his or her current Election Form. The Committee shall determine, in its sole discretion, whether to approve the Participant's petition. If the petition for a suspension is approved, suspension shall commence upon the date of approval and shall continue until the earlier of (i) the end of the Plan Year or (ii) the date the Unforeseeable Emergency ceases to exist, as determined by the Committee in its sole discretion.

5.2 Disability. From and after the date that a Participant is deemed to have suffered a Disability, any current Election Form of the Participant shall automatically be suspended and no further deferrals shall be required to be made by the Participant pursuant to his or her current Election Form.

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5.3 Leave of Absence. If a Participant is authorized by the Bank for any reason to take an unpaid leave of absence from the employment of the Employer, the Participant's deferrals shall be suspended until the earlier of the date the leave of absence expires or the Participant returns to a paid employment status. Upon such expiration or return, deferrals shall resume for the remaining portion of the Plan Year in which the expiration or return occurs, based on the Election Form, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld. If a Participant is authorized by the Bank for any reason to take a paid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the appropriate amounts shall continue to be withheld from the Participant's compensation pursuant to the Participant's then current Election Form.

ARTICLE 6. INTERIM AND HARDSHIP DISTRIBUTIONS

6.1 Interim Distributions. A Participant may make an advance election, at the time an Election Form is filed for a Plan Year, to have certain amounts paid from the Deferral Contribution Account at an Interim Distribution Date designated by the Participant, instead of paid at the Participant's Benefit Distribution Date. Such amount(s) shall be measured on the applicable Interim Distribution Date and shall be payable within thirty (30) days of such Interim Distribution Date. The Participant's selection of an Interim Distribution Date must comply with Section 2.1(y). Notwithstanding a Participant's advance election to designate an Interim Distribution Date, the amounts which would otherwise be subject to such Interim Distribution Date shall be distributable upon the Participant's Benefit Distribution Date (pursuant to Article 7, 8, 9 or 10, as applicable), if such date occurs prior to the Interim Distribution Date.

6.2 Withdrawal in the Event of an Unforeseeable Emergency. A Participant who believes he has experienced an Unforeseeable Emergency may request in writing

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a withdrawal of that portion of the Participant's Deferral Contribution Account necessary to satisfy the emergency. The Committee shall determine, in its sole discretion, (i) whether an Unforeseeable Emergency has occurred and (ii) the amount reasonably required to satisfy the Unforeseeable Emergency, provided, however, that the withdrawal shall not exceed the Participant's Account Balance. In making any determinations under this Section 6.2, the Committee shall be guided by the prevailing authorities under the Code, including, but not limited to, Section 1.457-2(h)(4) and (5) of the Treasury Regulations. If, subject to the sole discretion of the Committee, the petition for a withdrawal is approved, the distribution shall be made as soon as administratively feasible after approval by the Committee.

ARTICLE 7. TERMINATION BENEFIT

7.1 Termination Benefit. In the event the Participant's Benefit Distribution Date is triggered due to his or her Termination of Employment (as such term is defined in Section 2.1(aj)), the Participant shall receive a Termination Benefit and no other benefits shall be payable under the Plan.

7.2 Payment of Termination Benefit. The Termination Benefit shall be a lump sum payment equal to the Participant's Account Balance and shall be made no later than thirty (30) days after the occurrence of the Participant's Benefit Distribution Date.

7.3 Death Prior to Payment of Termination Benefit. If a Participant dies after his or her Termination of Employment but before the Termination Benefit is paid, the Participant's unpaid Termination Benefit shall be paid to the Participant's Beneficiary in a lump sum.

ARTICLE 8. RETIREMENT BENEFIT

8.1 Retirement Benefit. In the event the Participant's Benefit Distribution Date is triggered due to his or her Retirement or Early Retirement (as such terms are defined in Sections 2.1(r) and 2.1(ag)), the Participant shall receive the Retirement Benefit and no other benefit shall be payable under the Plan.

8.2 Payment of Retirement Benefit. The Retirement Benefit shall be payable in the form previously selected by the Participant, pursuant to his or her Retirement Benefit Distribution Form, and shall commence (or be fully paid, in the event a lump sum form of distribution was selected) no later than thirty (30) days after the occurrence of the Participant's Benefit Distribution Date. The initial installment shall be based on the value of the Participant's Account Balance, measured on his or her Benefit Distribution Date and shall be equal to 1/n (where 'n' is equal to the total number of annual benefit payments not yet distributed). Subsequent installment payments shall be computed in a consistent fashion, with the measurement date being the anniversary of the original measurement date.

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8.3 Death Prior to Completion of Retirement Benefit. If a Participant dies after Retirement but before the Retirement Benefit has commenced or been paid in full, the Participant's unpaid Retirement Benefit payments shall be paid to the Participant's beneficiary as elected by the Participant on the Benefit Distribution Election form.

ARTICLE 9. PRE-RETIREMENT DEATH BENEFIT

9.1 Pre-Retirement Death Benefit. In the event the Participant's Benefit Distribution Date is triggered due to his or her death during employment, the Participant's Beneficiary shall receive the pre-retirement death benefit described below and no other benefit shall be payable under the Plan.

9.2 Payment of Pre-Retirement Death Benefit. The pre-retirement death benefit shall be a payment equal to the Participant's Account Balance payable as elected by the Participant on the Benefit Distribution Election form.

ARTICLE 10. DISABILITY BENEFIT

10.1 Disability Benefit. A Participant suffering a Disability shall receive a Disability Benefit equal to his or her Account Balance. Subject to Article 6, the Disability Benefit shall be paid in a lump sum within thirty (30) days of the Committee's exercise of such right, provided, however, that should the Participant otherwise have been eligible to Retire, he or she shall be paid a Retirement Benefit in accordance with Article 8.

ARTICLE 11. BENEFICIARY DESIGNATION

11.1 Beneficiary. Each Participant shall have the right, at any time, to designate a Beneficiary or Beneficiaries to receive, in the event of the Participant's death, those benefits payable under the Plan. The Beneficiary or Beneficiaries designated under this Plan may be the same as or different from the Beneficiary designation made under any other plan of the Employer.

11.2 Beneficiary Designation: Change. A Participant shall designate his or her Beneficiary by completing and signing a Beneficiary Designation Form, and returning it to the Committee or its designated agent. A Participant shall have the right to change his or her Beneficiary by completing, signing and submitting to the Committee a revised Beneficiary Designation Form in accordance with the Committee's rules and procedures, as in effect from time to time. The submission of a new Beneficiary Designation Form shall constitute a revocation of all previously submitted Beneficiary Designation Forms. Facts as shown by the records of the Committee on the date of death shall be conclusive.

11.3 Acknowledgment. No designation or change in designation of a Beneficiary shall be effective until received, accepted and acknowledged in writing by the Committee or its designated agent.

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11.4 No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided above or if all designated Beneficiaries on the currently effective Beneficiary Designation Form predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be the Participant's surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan shall be payable to the executor or personal representative of the Participant's estate.

11.5 Discharge of Obligations. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge the Bank and the Committee from all further obligations under this Plan with respect to the Participant, and the Participant's Participation Agreement shall terminate upon such full payment of benefits.

ARTICLE 12. TERMINATION, AMENDMENT OR MODIFICATION

12.1 Termination. Although the Bank anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that it will continue the Plan or will not terminate the Plan at some time in the future. Accordingly, the bank reserves the right to discontinue its sponsorship of the Plan and to terminate the Plan, in its sole discretion, at any time, with or without notice, by action of its Board of Directors; similarly, each Employer other than the Bank adopting this Plan reserves the right to discontinue it, with or without notice, in its sole discretion, as to its own Employees. Upon the termination of the Plan (or the participation in the Plan by an Employer other than the Bank), all amounts credited to the Deferral Contribution Account of each affected Participant shall be 100% vested and taxable and shall be paid to the Participant or, in the case of a Participant's death, to the Participant's Beneficiary, in a lump sum notwithstanding any elections made by the Participant, and the Participation Agreements relating to the Participant's Deferral Contribution Account shall terminate upon full payment of such Account Balance.

12.2 Amendment. The Bank may, at anytime, with or without notice, amend or modify the Plan in whole or in part, in whatever respects it may deem necessary, appropriate or desirable, including, without limitation, by suspending acceptance of further deferrals under the Plan; provided, however, that (i) no amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification, or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, calculated as if the Participant had Retired as of the effective date of the amendment or modification, and (ii) except as

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specifically provided in Section 12.1, no amendment or modification shall be made after a Change in Control which adversely affects the vesting, calculation or payment of benefits hereunder or diminishes any other rights or protections any Participant or Beneficiary would have had, but for such amendment or modification, unless each affected Participant or Beneficiary consents in writing to such amendment. The Bank hereby delegates the authority to amend this Plan to the Committee.

12.3 Effect of Payment. The full payment of the applicable benefit under the provisions of the Plan shall completely discharge all obligations under this Plan to a Participant and the Participant's designated Beneficiaries, and the Participation Agreement of such a Participant shall terminate.

ARTICLE 13. ADMINISTRATION

13.1 Committee Duties. This Plan shall be administered by a Committee which shall consist of the Board of Directors, or such committee as the Board of Directors shall appoint. Members of the Committee may be Participants under this Plan. The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and (ii) decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant or the Bank. This Section 13.1 shall not be interpreted to limit the authority of the Board of Directors to allocate specific responsibilities regarding the administration of the Plan to particular individuals, persons, committees, or other bodies.

13.2 Agents. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.

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13.3 Binding Effect of Decisions. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

13.4 Indemnity of Committee. The Bank shall indemnify and hold harmless the members of the Committee, and any Employee to whom duties of the Committee may be delegated, against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in case of willful misconduct by the Committee or any of its members or any such Employee.

13.5 Employer Information. To enable the Committee to perform its functions, the Bank shall supply full and timely information to the Committee on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, death or Termination of Employment of its Participants, and such other pertinent information as the Committee may reasonably require.

ARTICLE 14. OTHER BENEFITS AND AGREEMENTS

14.1 The benefits provided for a Participant and the Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Bank. The Plan shall supplement and shall not supersede, modify or amend any other such plan or programs except as may otherwise be expressly provided.

ARTICLE 15. CLAIMS PROCEDURES

15.1 Presentation of Claim. Any Participant and any Beneficiary, Personal Representative or Executor of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within sixty (60) days after such notice was received by the Claimant. All other claims must be made within one hundred eighty (180) days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

15.2 Decision on Claim. Within ninety (90) days after receipt of a claim, the Committee shall send to the Claimant written notice of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may an extension exceed ninety (90) days from the end of the initial period. If such extension is necessary, the Claimant shall be given written notice to this effect prior to the expiration of the initial ninety (90) day period which shall specify the special circumstances requiring extension. If notice of the denial of a claim is not furnished in accordance with this Section, then the claim shall be deemed denied, and the Claimant shall be permitted to exercise the Claimant's right to seek review pursuant to Sections 15.4 and 15.5.

15.3 Notification of Decision. The Committee shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:

(a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or

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(b) that the Committee has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

(i) the specific reason(s) for the denial of the claim, or any part of it;

(ii) specific reference(s) to pertinent provisions of the Plan upon which such denial is based;

(iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the claim review procedure set forth in Section 15.4 below.

15.4 Review of a Denied Claim. Within sixty (60) days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. Thereafter, but not later than thirty (30) days after the review procedure began, the Claimant (or the Claimant's duly authorized representative)

(a) may review pertinent documents;

(b) may submit written comments or other documents; and/or

(c) may request a hearing, which the Committee, in its sole discretion, may grant.

15.5 Decision on Review. The Committee shall render its decision on review not later than sixty (60) days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Committee's decision must be rendered within one hundred twenty (120) days after such date. If such extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial sixty (60) day period. If notice of the decision on the review is not furnished in accordance with this Section, then the claim shall be deemed denied. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

(a) the specific reasons for the decision;

(b) specific reference(s) to pertinent Plan provisions upon which the decision was based; and

(c) such other matters as the Committee deems relevant.

15.6 Preservation of Other Remedies. After exhaustion of the claims procedures provided under this Plan, nothing shall prevent any person from pursuing any other legal or equitable remedy otherwise available, provided that no action shall be commenced or maintained more than ninety (90) days after the final decision of the Plan Administrator on review.

ARTICLE 16. TRUST

16.1 Establishment of the Trust. The Bank may establish one or more Trusts to which it may transfer such assets as it determines in its sole discretion to assist in meeting its obligations under the Plan.

16.2 Interrelationship of the Plan and the Trust. The provisions of the Plan and the Participation Agreement shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Bank, Participants and the creditors of the Bank to the assets transferred to the Trust.

16.3 Distributions from the Trust. The Bank's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Bank's obligations under this Agreement.

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ARTICLE 17. MISCELLANEOUS

17.1 Status of the Plan. The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA. The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent. All Participant accounts and all credits and other adjustments to such Participant accounts shall be bookkeeping entries only and shall be utilized solely as a device for the measurement and determination of amounts to be paid under the Plan. No Participant accounts, credits or other adjustments under the Plan shall be interpreted as an indication that any benefits under the Plan are in any way funded.

17.2 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Bank. For purposes of the payment of benefits under this Plan, any and all of the Bank's assets, shall be, and remain, the general, unpledged, unrestricted assets of the Bank. The Bank's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay benefits in the future.

17.3 Employer's Liability. The Bank's liability for the payment of benefits shall be defined only by the Plan and the Participation Agreement, as entered into between the Bank and a Participant. The Bank shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Participation Agreement.

17.4 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in actual receipt, the amount, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

17.5 Not a Contract of Employment. Under the terms and conditions of this Plan and the Participation Agreement, this Plan shall not be deemed to constitute a contract of employment between the Bank and the Participant. Nothing in this Plan or any Participation Agreement shall be deemed to give a Participant the right to be retained in the service of the Bank as an Employee or to interfere with the right of the Bank to discipline or discharge the Participant at any time.

17.6 Furnishing Information. A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including, but not limited to, taking such physical examinations as the Committee may deem necessary.

17.7 Terms. Except when otherwise indicated by the context, any masculine or feminine terminology used herein shall also include the neuter and other gender, and the use of any term in the singular or plural shall also include the opposite number

17.8 Captions. The captions of the articles, sections or paragraphs of this Plan are for convenience only and shall not control or affect the meaning of construction of any of its provisions.

17.9 Governing Law. Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of Hawaii without regard to its conflicts of laws principles.

17.10 Notice. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

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American Savings Bank
915 Fort Street Mall
Honolulu, HI 96813
Attn: General Counsel

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

17.11 Successors. The provisions of this Plan shall bind and inure to the benefit of the Bank and its successors and the Participant and the Participant's designated Beneficiaries.

17.12 Validity. In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

17.13 Incompetent. If the Committee determines in its sole discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

17.14 Distribution in the Event of Taxation. If, for any reason, all or any portion of a Participant's benefit under this Plan becomes taxable to the Participant prior to distribution, a Participant may petition the Committee or the trustee of the Trust, as applicable, for a distribution of that portion of his or her benefit that has become taxable. Upon the grant of such a petition, which grant shall not be unreasonably withheld, the Bank shall distribute to the Participant as soon as administratively feasible, funds in an amount equal to the taxable portion of his benefit (which amount shall not exceed a Participant's unpaid Vested Account Balance under the Plan). If the petition is granted, the tax liability distribution shall be made within ninety (90) days of the date when the Participant's petition is granted. Such a distribution shall affect and reduce the benefits to be paid under this Plan.

17.15 Insurance. The Bank, on its own behalf or on behalf of the trustee of the Trust, and in its sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Bank or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Bank shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company to whom the Bank has applied for insurance.

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IN WITNESS WHEREOF, the Bank has signed this restated Plan document on September 22, 2004.

AMERICAN SAVINGS BANK, F.S.B.

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By /s/Constance H. Lau

Its President & CEO

By /s/Sherri A. Aoyama

Its Executive Vice President

By: /s/ K. Elizabeth Whitehead

Its EVP, Chief Administrative Officer

2/2/2024

* Mr. Ito was an HEI employee and not a Hawaiian Electric executive when his 2021-23 LTIP award was determined. Accordingly, HEI's metrics and goals were applied to Mr. Ito for the 2021-23 LTIP. The 339 share amount represents the pro-rated portion of Mr. Ito's 2021-23 LTIP payout for his service to Hawaiian Electric in 2023. See the "2021-23 Long-Term Incentive Plan" section in HEI's 2024 Proxy Statement for a full discussion of applicable metrics and payouts.

Non-GAAP Net Income Metrics - 2020-22 2021-23 LTIP. The HEI Compensation & Human Capital Management Committee makes adjustments to performance results with caution and only in circumstances that are unforeseen and/or unique or extraordinary. The Committee recognizes that Hawaiian Electric is heavily regulated and external forces can impact incentive plans significantly. The Committee is mindful of only considering adjustments that are warranted and will also serve the long-term interests of the Company's stakeholders. The HEI Compensation & Human Capital Management Committee did not make any adjustments to performance results during the 2020-22 2021-23 LTIP performance period.

2021-23 2022-24 long-term incentive plan. Hawaiian Electric's 2021-23 2022-24 long-term incentive plan is described on pages 17-18 18-19 of Exhibit 99.1 to its Annual Report on Form 10-K for the fiscal year ended December 31, 2021 December 31, 2022.

Restricted Stock Units (RSUs)

Hawaiian Electric named executive officers are eligible to receive annual equity-based grants in the form of RSUs that vest over a period of three years. Beginning with grants made in 2021, RSUs vest over a three-year period, with RSUs granted prior to 2021 vesting over a four-year period. RSUs offer executives the opportunity to receive shares of HEI Common Stock when the restrictions lapse, generally subject to continued employment with the Company through vesting. The value of the annual RSU grant is a percentage of the executive's base salary as shown in the table above. These awards are designed to focus executives on creating long-term value for shareholders and other stakeholders. Since they take three or four years as applicable, to fully vest, the RSUs are also designed to promote retention. The RSUs vest and convert to shares of HEI Common Stock in three or four (as applicable) equal annual installments beginning one year from the date of grant (plus compounded dividend equivalent shares on the installment that vested in such year). The 2022 2023 RSU grants are set forth below in the 2022 2023 Grants of Plan-Based Awards table.

Benefits

Retirement. Hawaiian Electric provides retirement benefits to named executive officers to promote financial security in recognition of years of service and to attract and retain high-quality leaders.

Hawaiian Electric employees, including named executive officers, are eligible to participate in the HEI Retirement Plan, which is a tax-qualified defined benefit pension plan, and to save for retirement on a tax-deferred (or Roth) basis through HEI's Retirement Savings Plan, a tax-qualified defined contribution 401(k) plan, which does not provide non-elective employer contributions for any participants and does not provide matching contributions for participants who joined the Company before May 1, 2011. In 2011, HEI amended the HEI Retirement Plan and HEI Retirement Savings Plan to create a new revised benefit structure for employees hired on or after May 1, 2011. Employees covered by the new revised benefit structure receive a reduced pension benefit under the HEI Retirement Plan, but are eligible for limited matching contributions under the HEI Retirement Savings Plan. These changes were intended to lower the cost of pension benefits over the long term. Mr. Messrs. Ito and Alberts joined the Company after May 1, 2011 and is are eligible to receive matching contributions under the amended HEI Retirement Savings Plan. The other named executive officers are not eligible for and did not receive matching contributions under that plan, since they joined the Company prior to May 1, 2011. The HEI Retirement Plan was and HEI Retirement Savings Plan were further amended effective in January 2022 with amendments affecting to restructure retirement benefits for employees hired on or after January 1, 2022. These amendments included eliminating benefits under the HEI Retirement Plan and adding automatic enrollment in the HEI Retirement Savings Plan 401(k), along with non-elective Company 401(k) contributions on behalf of such employees. None of the named executive officers was impacted by the 2022 amendments.

Additional retirement benefits that cannot be paid from the HEI Retirement Plan due to Internal Revenue Code limits are provided to Hawaiian Electric named executive officers and other executives through the nonqualified HEI Excess Pay Plan.

Benefits under the HEI Excess Pay Plan are determined using the same formula as the HEI Retirement Plan, but are not subject to the Internal Revenue Code limits on the amount of annual compensation that can be used for calculating benefits under qualified retirement plans and on the amount of annual benefits that can be paid from qualified retirement plans. This allows those participating in the HEI Excess Pay Plan a total retirement benefit at the same general percentage of final average pay afforded to other employees under the HEI Retirement Plan. In 2022, 2023, all Hawaiian Electric named executive officers participated in the HEI Excess Pay Plan. Retirement benefits are discussed in further detail below in the 2022 2023 Pension Benefits table and related notes.

Deferred compensation plans. Hawaiian Electric provides named executive officers and other executives the opportunity to participate in plans that allow them to defer compensation and the resulting tax liability. Hawaiian Electric named executive officers and directors may participate in the HEI Deferred Compensation Plan, a nonqualified deferred compensation plan implemented in 2011 and amended and restated effective January 1, 2019, that allows the deferral of portions of the participants' cash compensation, with certain limitations, and provides investment opportunities that are substantially similar to those available under the HEI Retirement Savings Plan. In 2022, 2023, there were no matching or other employer contributions under the HEI Deferred Compensation Plan for employees of Hawaiian Electric. Hawaiian Electric named executive officers are also eligible to defer payment of annual and long-term incentive awards and the resulting tax liability under a prior HEI nonqualified deferred compensation plan, although no named executive officer deferred compensation under that plan in 2022. 2023. Deferred compensation benefits are discussed in further detail below in the 2022 2023 Nonqualified Deferred Compensation table and related notes.

HEI Exhibit 21.1

Hawaiian Electric Industries, Inc.

SUBSIDIARIES OF THE REGISTRANT

The following is a list of all direct and indirect subsidiaries of the registrant as of February 27, 2023 February 29, 2024. The state/place of incorporation or organization is noted in parentheses and subsidiaries of intermediate parent companies are designated by indentations.

Hawaiian Electric Company, Inc. (Hawaii)
Maui Electric Company, Limited (Hawaii)
Hawaii Electric Light Company, Inc. (Hawaii)
Renewable Hawaii, Inc. (Hawaii)
ASB Hawaii, Inc. (Hawaii)
Ameresco Ivanpah, LLC (Delaware)
American Savings Bank, F.S.B. (federally chartered)
Pacific Current, LLC (Hawaii)
Hamakua Holdings, LLC (Hawaii)
Hamakua Energy, LLC (Hawaii)
Mauo, LLC (Hawaii)
Upena, LLC (Hawaii)
Aleamanana Developments, LLC (Hawaii)
Ka'ulakahi Power, LLC (Hawaii)
Na Ke Awakea Company, LLC (Hawaii)
Kaʻupua a, LLC (Hawaii)
Camohan PBD Holding, Mahipapa, LLC (Hawaii) (75% membership interest)
Mahipapa, LLC (Delaware)
EverCharge Hawaii, LLC (Delaware) (51% membership interest)

Hawaiian Electric Exhibit 21.2

Hawaiian Electric Company, Inc.

SUBSIDIARIES OF THE REGISTRANT

The following is a list of all subsidiaries of the registrant as of February 27, 2023 February 29, 2024. The state/place of incorporation or organization is noted in parentheses.

Maui Electric Company, Limited (Hawaii)
Hawaii Electric Light Company, Inc. (Hawaii)
Renewable Hawaii, Inc. (Hawaii)

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Executive Death Benefit Plan (frozen since 2009). In September 2009, HEI froze the Executive Death Benefit Plan of HEI and Participating Subsidiaries, which provides death benefits to an executive's beneficiaries following the executive's death while employed or after retirement. As part of the freeze, HEI closed the plan to new participants and ceased all benefit accruals for current participants (i.e., there will be no increase in death benefits due to salary increases after September 9, 2009). Under contracts with Executive Death Benefit Plan participants in effect before September 2009, the death benefits were grossed up for tax purposes. This treatment was considered appropriate because the executive death benefit is a form of life insurance, and historically life insurance proceeds have been excluded from income for federal tax purposes. Mr. Ching and Ms. Sekimura and Mr. Ching are covered under the Executive Death Benefit Plan. Ms. Kimura and Messrs. Ito, Alberts and Benn are not covered under the plan because they joined the Company or were not executive officers until after the plan was frozen. Death benefits are discussed in further detail below in the 2022 2023 Pension Benefits table and related notes.

Double-trigger change-in-control agreements. The HEI Compensation & Human Capital Management Committee and Hawaiian Electric Board consider change-in-control agreements to be an appropriate tool to recruit executives as an expected part of their compensation package to encourage the continued attention of key executives to the performance of their duties without distraction in the event of a potential change in control and to assist in retaining key executives. Change-in-control agreements can protect against executive flight during a transaction when key executives might, in the absence of the agreement, leave the Company and accept employment elsewhere. As of December 31, 2022 December 31, 2023, only Ms. Kimura and Mr. Ito had a change-in-control agreement. agreements.

Change-in-control agreements are double trigger, which means that they provide for cash severance and other benefits only upon a qualifying termination of the executives' employment following a change in control. In determining the amount an executive is eligible to receive in such an event, the HEI Compensation & Human Capital Management Committee takes into account the executive's expected role in a potential change-in-control transaction, value to the organization and internal equity. The agreement agreements approved by the HEI Compensation & Human Capital Management Committee for Ms. Kimura provides and Mr. Ito provide for a cash lump sum payment of two times her base salary plus annual incentive. The annual incentive pay used in calculating the severance payment is the greater of the current annual incentive target or the largest actual annual incentive payout during the preceding three fiscal years. Aggregate payments under change-in-control agreements are limited to the maximum amount deductible under Section 280G of the Internal Revenue Code and there are no tax gross ups with respect to payments under these agreements. Payment of the severance benefits is conditioned on the Company receiving a release of claims by the applicable executive.

Change-in-control agreements have initial terms of two years and automatically renew for an additional year on each anniversary unless 90 days' notice of nonrenewal is provided by either party, so that the protected period is at least one year upon nonrenewal. The agreements remain in effect for two years following a change in control. The agreements define a change in control generally as a change in ownership of HEI, a substantial change in the voting power of HEI's securities or a change in the majority of the composition of the Board following consummation of a merger, tender offer or similar transaction. Change-in-control benefits are discussed in further detail in the Potential Payments Upon Termination or Change in Control section and related notes.

Minimal perquisites. Hawaiian Electric provides minimal other compensation to the named executive officers in the form of perquisites because such items are generally not provided to business executives in Hawaii, such as club memberships primarily for the purpose of business entertainment, or are necessary to recruit executives, such as relocation expenses or extra weeks of vacation. Hawaiian Electric may, from time to time, reimburse for reasonable business-related expenses. In 2022, 2023, the Company paid club membership dues for all named executive officers except Mr. Ito for the primary purpose of business entertainment expected of executives in their positions. In 2022, 2023, Mr. Alberts received one more week of vacation annually than other employees with similar length of service typically receive. For further description of perquisites, see footnote 5 to the 2022 2023 Summary Compensation Table below.

Elimination of most tax gross-ups. Hawaiian Electric has eliminated nearly all tax gross-ups. There are no tax gross-ups on club membership initiation fees or membership dues, or in the change-in-control agreements for the named executive officer who has such an agreement. As discussed under "Executive Death Benefit Plan" above, tax gross ups of death benefits only apply to executives who participated in the Executive Death Benefit Plan before it was frozen in 2009.

Additional policies and information

Prohibition on hedging and pledging

HEI's Insider Trading Policy, among other prohibitions, prohibits all directors, officers and employees of HEI and its subsidiaries (as well as the spouses, minor children, adult family members sharing the same household and any other person for whom the director, officer or employee exercises substantial control over such person's securities trading decisions) from holding such HEI's securities in margin accounts or pledging such securities or engaging directly or indirectly in transactions that hedge or offset, or are designed to hedge or offset any decrease in the market value of HEI's securities. Hedging transactions include (but are not limited to) collars, equity swaps, exchange funds and prepaid variable forward sale contracts.

Executive Compensation Clawback Policy

HEI has an executive compensation clawback policy that applies to any performance-based compensation awarded to an executive officer, including Hawaiian Electric executive officers. Under that policy, in the event the financial statements of HEI or Hawaiian Electric are significantly restated, the Hawaiian Electric and HEI Boards and the HEI Compensation & Human Capital Management Committee will review the circumstances that caused the need for the restatement and determine whether fraud, gross negligence or intentional misconduct were involved. If so, the Hawaiian Electric and HEI Boards may direct the Company to recover all or a portion of any performance-based award from the executive officer(s) found personally responsible. On October 26, 2022, the SEC adopted final rules implementing the clawback provisions of the Dodd-Frank Act that direct the stock exchanges to establish listing standards requiring listed companies to develop and implement a policy providing for the recovery of erroneously awarded incentive-based compensation received by current or former executive officers and to satisfy related disclosure obligations. The Company's stock is not listed on any of the national securities exchanges and, thus, is not subject to the clawback requirements such exchanges have adopted. However, Ms. Kimura, as an executive officer of HEI will amend its clawback policy is subject to ensure it complies with HEI's Policy Regarding the final rules adopted by the NYSE, as and when required. Recovery of Erroneously Awarded Incentive-Based Compensation. See Exhibit 97 to this Form 10-K.

Tax and accounting impacts on compensation design

In designing compensation programs, the HEI Compensation & Human Capital Management Committee considers the tax and accounting implications of its decisions, along with other factors described in this Compensation Discussion and Analysis.

Tax matters. Section 162(m) of the Internal Revenue Code generally limits to $1 million per applicable executive, the annual federal income tax deduction that a publicly-held corporation may claim for total taxable compensation payable to certain covered executive officers, including both current and former executives.

HEI Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-268339 on Form S-3 and Registration Statement Nos. 333-02103, 333-266000, 333-[illegible], 333-166737, 333-[illegible] and 333-232359 on Form S-8 of our report dated February 27, 2023February 29, 2024, relating to the financial statements of Hawaiian Electric Industries, Inc. and the effectiveness of Hawaiian Electric Industries, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

/s/ Deloitte & Touche LLP

Honolulu, Hawaii

February 27, 2023 29, 2024

HEI Exhibit 31.1

CERTIFICATION

I, Scott W. H. Seu, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of Hawaiian Electric Industries, Inc. ("registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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In determining compensation for our executive officers, the HEI Compensation & Human Capital Management Committee primarily considers factors that provide incentives for the achievement of business objectives, but also considers the extent to which the compensation is deductible. The HEI Compensation & Human Capital Management Committee recognizes the impact of Section 162(m) and its significance to the Company's compensation programs but retains the flexibility and discretion to structure compensation appropriately, whether or not deductible.

Another tax consideration factored into the design of the Company's compensation programs is compliance with the requirements of Section 409A of the Internal Revenue Code, for which noncompliance can result in additional taxes on participants in deferred compensation arrangements.

Accounting matters. In establishing performance goals for equity compensation, the HEI Compensation & Human Capital Management Committee may consider the impact of accounting rules. Accounting rules prescribe the way in which compensation is expensed. For example, under GAAP, compensation is generally expensed when earned. Financial Accounting Standards Board Accounting Standards Codification Topic 718 generally requires that equity compensation awards be accounted for based on their grant date fair value, which is recognized over the relevant service periods. The Hawaiian Electric Board and HEI Compensation & Human Capital Management Committee also have discretion in determining the level of achievement for the award and may determine that there should not be any incentive payout that would result solely from the adoption of a new accounting principle that affects a financial measure.

Hawaiian Electric Board and HEI Compensation & Human Capital Management Committee Report

Hawaiian Electric does not have a separate compensation committee. Rather, the entire Hawaiian Electric Board serves as Hawaiian Electric's compensation committee with the assistance of the HEI Compensation & Human Capital Management Committee. Accordingly, the Hawaiian Electric Board and the HEI Compensation & Human Capital Management Committee have reviewed and discussed with management the foregoing Compensation Discussion and Analysis. Based on such review and discussion, the HEI Compensation & Human Capital Management Committee recommended to the Hawaiian Electric Board, and taking into account such recommendation the Hawaiian Electric Board approved, inclusion of the Compensation Discussion and Analysis in this Exhibit 99.1 and its incorporation by reference in the Hawaiian Electric 2022 2023 Annual Report on Form 10-K with which this Exhibit 99.1 is filed.

Hawaiian Electric Board of Directors

Timothy E. Johns, Chair

James A. Ajello

Kevin M. Burke

Shelee M. T. Kimura

Mary E. Kipp

Alan M. Oshima

Kelvin H. Taketa

Toby B. Taniguchi

Compensation & Human Capital Management Committee of the HEI Board of Directors

Richard J. Dahl, Peggy Y. Fowler, Chair

Thomas B. Fargo

Peggy Y. Fowler Elisia K. Flores

Micah A. Kāne

Compensation & Human Capital Management Committee Interlocks and Insider Participation

The Hawaiian Electric Board does not have a separate compensation committee. Rather, the entire Hawaiian Electric Board serves as Hawaiian Electric's compensation committee and oversees the design and implementation of Hawaiian Electric executive compensation programs. In addition, as part of its responsibility to oversee compensation programs at HEI and its subsidiaries, the HEI Compensation & Human Capital Management Committee assists the Hawaiian Electric Board by approving performance- and equity-based compensation for ratification by the Hawaiian Electric Board and making recommendations to the Hawaiian Electric Board regarding other executive compensation matters.

During the last fiscal year, the Company's CEO, who also was a Hawaiian Electric director in 2022, 2023, was responsible for evaluating the performance of the other Hawaiian Electric named executive officers and other Hawaiian Electric senior officers, and for proposing compensation for those officers to the HEI Compensation & Human Capital Management Committee for recommendation to the Hawaiian Electric Board. The CEO did not participate in the deliberations of the HEI Compensation & Human Capital Management Committee to recommend, or of the Hawaiian Electric Board to determine, the CEO's own compensation, but did participate in deliberations of the Hawaiian Electric Board to determine the compensation of the other Hawaiian Electric named executive officers.

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The table below shows total compensation: (i) for 2020-2022 2021-2023 for Ms. Mss. Kimura and Sekimura and Messrs. Alberts and Ching, (ii) for 2021 2022 and 2022 for Ms. Kimura (who was not a named executive officer in 2020) and (iii) for 2022 2023 for Mr. Benn (who was not a named executive officer in 2020 2021) and 2021) (iii) for 2023 for Mr. Ito (who was not a named executive officer in 2021 and 2022).

2022 2023 SUMMARY COMPENSATION TABLE

Date: February 27, 2023 February 29, 2024

/s/ Scott W. H. Seu

Scott W. H. Seu

President and Chief Executive Officer

HEI Exhibit 31.2

CERTIFICATION

I, Paul K. Ito, Scott T. DeGhetto, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of Hawaiian Electric Industries, Inc. ("Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2023 February 29, 2024

/s/ Paul K. Ito Scott T. DeGhetto

Paul K. Ito Scott T. DeGhetto

Executive Vice President, Chief Financial Officer and Treasurer

Hawaiian Electric Exhibit 31.3

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Name and Principal Positions	Year	Salary ($) (1)	Stock Awards ($) (2)	Nonequity Incentive Plan Compen-sation ($) (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (4)	All Other Compen-sation ($) (5)	Total Without Change in Pension Value ($) (6)	Total ($)
Shelee M. T. Kimura President and Chief Executive Officer	2023	450,000	814,867	249,909	—	—	1,514,176	1,514,176
	2022	450,000	814,267	249,909	—	—	1,514,176	1,514,176
	2021	292,000	287,818	215,919	148,665	—	795,737	944,402
Tayne S. Y. Sekimura Former Senior Vice President, Chief Financial Officer and Treasurer	2022	397,500	351,002	161,923	—	—	910,425	910,425
	2021	385,000	403,546	313,333	317,692	—	1,101,879	1,419,571
	2020	383,133	326,050	240,031	857,936	—	949,214	1,807,150
Jimmy D. Alberts Senior Vice President and Chief Operations Officer	2022	350,000	290,387	129,571	—	22,973	792,931	792,931
	2021	307,600	303,169	227,455	82,048	20,544	858,768	940,816
	2020	294,167	235,620	165,911	120,364	16,403	712,101	832,465
Jason E. Benn Senior Vice President and Chief Information Officer	2022	307,500	255,137	113,837	—	—	676,474	676,474
Colton K. Ching Senior Vice President, Planning & Technology	2022	315,000	261,356	116,613	—	—	692,969	692,969
	2021	290,683	286,498	214,945	198,299	—	792,126	990,425
	2020	282,717	226,416	159,452	584,621	—	668,585	1,253,206

Name and Principal Positions	Year	Salary ($) (1)	Stock Awards ($) (2)	Nonequity Incentive Plan Compen-sation ($) (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (4)	All Other Compen-sation ($) (5)	Total Without Change in Pension Value ($) (6)	Total ($)
Shelee M. T. Kimura President and Chief Executive Officer	2023	575,000	895,602	—	606,930	—	1,470,602	2,077,532
	2022	450,000	814,267	249,909	—	—	1,514,176	1,514,176
	2021	292,000	287,818	215,919	148,665	—	795,737	944,402
Paul K. Ito* Senior Vice President, Chief Financial Officer and Treasurer	2023	118,750	672,667	—	87,000	2,566	793,983	880,983
Jimmy D. Alberts Senior Vice President and Chief Operations Officer	2023	364,589	321,561	—	148,644	24,209	710,353	863,397
	2022	350,000	290,387	129,571	—	22,973	792,931	792,931
	2021	307,600	303,169	227,455	82,048	20,544	858,768	940,816
Jason E. Benn Senior Vice President and Chief Information Officer	2023	322,333	267,135	—	320,416	—	589,468	909,884
	2022	307,500	255,137	113,837	—	—	676,474	676,474
Colton K. Ching Senior Vice President, Planning & Technology	2023	331,667	274,870	—	410,407	—	606,537	1,016,944
	2022	315,000	261,356	116,613	—	—	692,969	692,969
	2021	290,683	286,498	214,945	198,299	—	792,126	990,425
Tayne S. Y. Sekimura Former Senior Vice President, Chief Financial Officer and Treasurer	2023	311,667	367,491	—	798,666	—	679,158	1,477,824
	2022	397,500	351,002	161,923	—	—	910,425	910,425
	2021	385,000	403,546	313,333	317,692	—	1,101,879	1,419,571

* Effective October 1, 2023, Mr. Ito was appointed Hawaiian Electric Senior Vice President, Chief Financial Officer and Treasurer. Prior to that, Mr. Ito served as HEI Executive Vice President, Chief Financial Officer & Treasurer from January 1, 2023 through September 30, 2023. Mr. Ito's 2023 compensation for Hawaiian Electric shown above includes only compensation attributable to his time working for Hawaiian Electric in 2023. For Mr. Ito's total 2023 compensation, which includes his compensation for Hawaiian Electric (disclosed here) and HEI, please see Mr. Ito's compensation as an HEI named executive officer in Item 11 of Part III to the Form 10-K, which includes the HEI "2023 Summary Compensation Table."

1. Salary. This column reports the base salary received for the year.

2. Stock Awards. This column reports the grant date fair value of stock awards granted in the year computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718). For 2020, 2021, 2022 and 2022, 2023, these amounts are composed of: (i) the opportunity (based on probable outcome of performance conditions (in this case, target) as of the grant date) to earn shares of HEI Common Stock in the future pursuant to the 2020-22, 2021-23, 2022-24 and 2022-24 2023-25 LTIPs, respectively, if pre-established performance goals are achieved and (ii) RSUs vesting in installments over a three-year period (for grants made in 2021 period. Mr. Ito was an HEI employee and 2022) or four-year period (for grants made in 2020). not a Hawaiian Electric executive when his 2023-25 LTIP award was granted and the 2023 RSUs were awarded. Shares for Mr. Ito represents the pro-rated portion of the awards related to Hawaiian Electric service. See the 2022 2023 Grants of Plan-Based Awards table below for the portion of the amount in the Stock Awards column the registrant's other 2022 2023 grants of RSUs and performance-based restricted stock units under the 2022-24 2023-25 LTIP. Assumptions (as defined in Exhibit 31.4 Rules 13a-15(b) and 15d-15(b)) and other material terms applicable to these awards are described in Ex. 2022-24 2023-25 LTIP and RSU awards are described in Exhibit 31.4 Rules 13a-15(b) and 15d-15(b)) and other material terms applicable to these awards are described in Ex. 2025 2026 under

$302,211. $443,344. For discussion of the assumptions underlying these amounts see the notes to the 2022-24 2023-25 LTIP table found on page 11 12 of the Consolidated Financial Statements in the Annual Report on Form 10-K to which this Exhibit 99.1 is attached.

3. *Nonequity Incentive Plan Compensation*. These amounts represent cash payouts to named executive officers under the annual incentive plan, the Executive Incentive Compensation Plan (EICP), paid in February of the following year. The incentive plan payout to Mr. Ito represents the pro-rated portion of the award related to Hawaiian Electric service.

4. *Change in Pension Value and Nonqualified Deferred Compensation Earnings*. These amounts represent the change in present value of the accrued pension and executive death benefits from beginning of year to end of year for 2020, 2021, 2022 and 2022. 2023. These amounts are not current payments; pension and executive death benefits are only paid after retirement or death, as applicable. The amounts in this column depend heavily on changes in actuarial assumptions, such as discount rates, and also are impacted by years of service and age. For 2023, the increase in value was due in part to increased average base salary during the trailing three-year period (payments under the excess pay plan and pension are calculated as a percentage of the average monthly base salary for the highest thirty-six consecutive months out of the last ten years) resulting from promotions and related base salary increases and in part to a decrease in discount rates, which results in an increase in the present value of the accrued benefit. For 2022 the decrease in value was primarily due to an increase in discount rates, which results in a decrease in the present value of the accrued benefit. In accordance with SEC rules, the negative change in value in 2022 for all named executive officers is shown as no change in the table above. For a further discussion of the applicable plans, see the 2022 2023 Pension Benefits table and related narrative below. The change in pension value for Mr. Ito is attributable to his combined service to HEI and Hawaiian Electric and is the same as the amount disclosed for Mr. Ito in the HEI "2023 Summary Compensation Table" in Item 11 of Part III to the Form 10-K. No Hawaiian Electric named executive officer had above-market or preferential earnings on nonqualified deferred compensation for the periods covered in the table above.

5. *All Other Compensation*. The following table summarizes the components of "All Other Compensation" with respect to 2022: 2023:

Name	Contributions to Defined Contribution Plans ($)[a]	Other ($)[b]	Total All Other Compensation ($)
Shelee M. T. Kimura*	—	—	—
Tayne S. Y. Sekimura*	—	—	—
Paul K. Ito			
Jimmy D. Alberts	9,150	13,823	22,973
Jason E. Benn*	—	—	—
Colton K. Ching*	—	—	—
Tayne S. Y. Sekimura*			

Name	Contributions to Defined Contribution Plans ($)[a]	Other ($)[b]	Total All Other Compensation ($)
Shelee M. T. Kimura*	—	—	—
Tayne S. Y. Sekimura*	—	—	—
Paul K. Ito	2,566	—	2,566
Jimmy D. Alberts	10,304	13,905	24,209
Jason E. Benn*	—	—	—
Colton K. Ching*	—	—	—
Tayne S. Y. Sekimura*	—	—	—

a Mr. Messrs. Ito and Alberts received matching contributions to his their account in the HEI 401(k) Plan up to the amount permitted based on eligible compensation ($305,000 330,000 in 2022) 2023). The amount for Mr. Ito is attributed to his service at Hawaiian Electric.

b Mr. Alberts received club membership dues. Mr. Alberts also had one more week of vacation than employees with similar length of service would usually receive.

* The total value of perquisites and other personal benefits for each of Ms. Kimura, Ms. Sekimura, Mr. Benn, and Mr. Ching and Ms. Sekimura was less than $10,000 for 2022 2023 and is therefore not included in the table above.

6. *Total Without Change in Pension Value*. Total Without Change in Pension Value represents total compensation as determined under SEC rules, minus the change in pension value and executive death benefits amount reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column. We include this column because the magnitude of the change in pension value and death benefits in a given year is largely determined by actuarial assumptions, such as discount rates and mortality assumptions set by the Society of Actuaries, and does not reflect decisions made by the HEI Compensation & Human Capital Management Committee or Hawaiian Electric Board for that year or the actual benefit necessarily to be received by the recipient. The amounts reported in the Total Without Change in Pension Value column may differ substantially from the amounts reported in the Total column and are not a substitute for the Total column.

Additional narrative disclosure about salary, stock awards, nonequity incentive plan compensation, change in pension value and nonqualified deferred compensation earnings and all other compensation can be found in the Compensation Discussion and Analysis above.

Grants of Plan-Based Awards

The table below shows cash performance award opportunities under the 2022 2023 EICP, equity-based performance award opportunities granted under the LTIP for performance over the 2022-24 2023-25 period and payable in 2025 2026 and RSUs granted in 2022 2023 and vesting in installments over three years.

2022 2023 GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Future Payouts Under Nonequity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (#) (3)	Grant Date Fair Value of Stock Awards ($) (4)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Shelee M. T. Kimura	2/11/22								
	EICP	168,750	337,500	675,000	—	—	—	—	—
	2/11/22								
	LTIP	—	—	—	4,904	9,809	19,617	—	431,756
	2/11/22								
	RSU	—	—	—	—	—	—	9,264	382,511

Name	Grant Date	Estimated Future Payouts Under Nonequity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (#) (3)	Grant Date Fair Value of Stock Awards ($) (4)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Shelee M. T. Kimura	2/10/23								
	EICP	215,625	431,250	862,500	—	—	—	—	—
	2/10/23								
	LTIP	—	—	—	6,101	12,202	24,4		
	2/10/23								
	RSU	—	—	—	—	—	—	—	—

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Tayne S. Y. Sekimura	2/11/22 EICP	109,313	218,625	437,250	—	—	—	—	—
Paul K. Ito*	2/11/22 EICP	41,563	83,125	166,250	—	—	—	—	—
	2/11/22 LTIP	—	—	—	2,407	4,814	9,627	—	211,896
	2/11/22 RSU	—	—	—	—	—	—	3,369	139,106
Jimmy D. Alberts	2/11/22 EICP	87,500	175,000	350,000	—	—	—	—	—
	2/11/22 LTIP	—	—	—	1,907	3,814	7,629	—	167,890
	2/11/22 RSU	—	—	—	—	—	—	2,967	122,507
Jason E. Benn	2/11/22 EICP	78,750	157,500	315,000	—	—	—	—	—
	2/11/22 LTIP	—	—	—	1,676	3,351	6,702	—	147,494
	2/11/22 RSU	—	—	—	—	—	—	2,607	107,643
Colton K. Ching	2/11/22 EICP	78,750	157,500	315,000	—	—	—	—	—
	2/11/22 LTIP	—	—	—	1,717	3,433	6,866	—	151,112
	2/11/22 RSU	—	—	—	—	—	—	2,670	110,244

Paul K. Ito*	2/10/23 EICP	41,563	83,125	166,250	—	—	—	—	—
	2/10/23 LTIP	—	—	—	—	3,360	6,720	13,4	
	2/10/23 RSU	—	—	—	—	—	—	—	
Jimmy D. Alberts	2/10/23 EICP	100,260	200,521	401,041	—	—	—	—	—
	2/10/23 LTIP	—	—	—	—	2,149	4,298	8,5	
	2/10/23 RSU	—	—	—	—	—	—	—	
Jason E. Benn	2/10/23 EICP	80,583	161,167	322,333	—	—	—	—	—
	2/10/23 LTIP	—	—	—	—	1,710	3,420	6,8	
	2/10/23 RSU	—	—	—	—	—	—	—	
Colton K. Ching	2/10/23 EICP	82,917	165,834	331,667	—	—	—	—	—
	2/10/23 LTIP	—	—	—	—	1,760	3,519	7,0	
	2/10/23 RSU	—	—	—	—	—	—	—	
Tayne S. Y. Sekimura	2/10/23 EICP	114,583	229,167	458,334	—	—	—	—	—
	2/10/23 LTIP	—	—	—	—	2,456	4,912	9,8	
	2/10/23 RSU	—	—	—	—	—	—	—	

Hawaiian Electric Exhibit 32.2

Hawaiian Electric Company, Inc.

Certification Pursuant to 18 U.S.C. Section 1350

In connection with the Quarterly Annual Report of Hawaiian Electric Company, Inc. (Hawaiian Electric) on Form 10-K for the year ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission (the Hawaiian Electric Report), each of Shelee M. T. Kimura and Tayne S. Y. Sekimura, Paul K. Ito, Chief Executive Officer and Chief Financial Officer, respectively, of Hawaiian Electric, certify, pursuant to 18 U.S.C. Section 1350, that, to the best of his or our knowledge:

(1) The Hawaiian Electric Report complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The Hawaiian Electric information contained in the Hawaiian Electric Report fairly presents, in all material respects, the financial condition and results of operations of Hawaiian Electric and its subsidiaries as of, and for, the periods presented in this report.

Date: February 27, 2023 February 29, 2024

/s/ Shelee M. T. Kimura

Shelee M. T. Kimura

President and Chief Executive Officer

/s/ Tayne S. Y. Sekimura Paul K. Ito

Tayne S. Y. Sekimura Paul K. Ito

Senior Vice President, Chief Financial Officer and Treasurer

A signed original of this written statement has been provided to Hawaiian Electric and will be retained by Hawaiian Electric and furnished to the Securities and Exchange Commission or its staff upon request.

HEI Exhibit 97

POLICY REGARDING THE RECOVERY OF ERRONEOUSLY AWARDED INCENTIVE-BASED COMPENSATION

To comply with Section 303A.14 of the NYSE Listed Company Manual, Hawaiian Electric Industries, Inc. (the "***Company***") is required to prepare an accounting restatement (i.e., a "***Restatement***" as defined below) due to the Company's material noncompliance with any financial reporting requirement under the applicable securities laws, the Company will seek to recover from each of the Company's current or former Executive Officers Incentive-Based Compensation that was Received during the three-year period preceding the date the Company is required to prepare the Restatement, based on the erroneous data, in excess of what would have been paid to the Executive Officer under the Restatement, as further described below.

General Provisions:

(1) **Recovery of Erroneously Awarded Incentive-Based Compensation**. In the event of a Restatement, any Erroneously Awarded Compensation Received during the Lookback Period prior to the Restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the Company and its subsidiaries.

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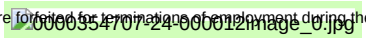
Recovery Policy requires that, in the event that Hawaiian Electric



HEI employee and not a Hawaiian Electric executive when the 2023 RSUs were awarded. Shares for Mr. Ito represent the pro-rated portion of the award related to Hawaiian Electric service.

4. *Grant Date Fair Value of Stock Awards*. Grant date fair value for shares under the 2022-24 2023-25 LTIP is estimated in accordance with the fair value based measurement of accounting as described in FASB ASC Topic 718 based upon the probable (in this case, target) outcome of the performance conditions as of the grant date. For a discussion of the assumptions and methodologies used to calculate the amounts reported, see the discussion of performance awards contained in Note 11 12 (Share-based compensation) to the Consolidated Financial Statements in the 2022 2023 Annual Report on Form 10-K. Grant date fair value for RSUs is based on the closing price of HEI Common Stock on the NYSE on the date of the grant of the award.

Outstanding Equity Awards at 2022 2023 Fiscal Year-End

OUTSTANDING EQUITY AWARDS AT 2022 2023 FISCAL YEAR-END

	Stock Awards				Stock Awards			
			Equity Incentive Plan Awards				Equity Incentive Plan Awards	
	Number of Shares or Units of Stock That Have Not Vested (1)	Market Value of Shares or Units of Stock That Have Not Vested (2)	Number of Unearned Shares, Units or Other	Market or Payout Value of Unearned Shares, Units or	Number of Shares or Units of Stock That Have Not Vested (1)	Market Value of Shares or Units of Stock That Have Not Vested (2)	Number of Unearned Shares, Units or Other	Market or Payout Value of Unearned Shares, Units or

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(if the person is an employee of a subsidiary of the Company), as applicable (collectively, the "***Company Group***") in accordance with paragraph (2) of this Recovery Policy, except as provided below.

(i) The Company's Recovery Policy applies to all Covered Compensation. "***Covered Compensation***" means any Incentive-Based Compensation Received by a person on or after the effective date of the NYSE listing standard:

(A) After beginning service as an Executive Officer;

(B) Who served as an Executive Officer at any time during the performance period for that Incentive-Based Compensation;

(C) While the Company has a class of securities listed on a national securities exchange or a national securities association; and

(D) During the three completed fiscal years immediately preceding the date that the Company is required to prepare a Restatement as described in paragraph (1) hereof (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) (the "***Lookback Period***"). The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the restated financial statements are filed.

(ii) For purposes of determining the Lookback Period, the date the Company is required to prepare a Restatement as described in paragraph (1) hereof is the earlier to occur of:

(A) The date the Company's board of directors (the "***Board***"), a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement as described in paragraph (1) hereof; or

(B) The date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement as described in paragraph (1) hereof.

(iii) The amount of Incentive-Based Compensation that is subject to this Recovery Policy ("***Erroneously Awarded Compensation***") is the amount of Covered Compensation granted, vested or paid to a person that exceeds the amount of Covered Compensation that otherwise would have been granted, vested or paid to the person had the Covered Compensation been determined on the basis of the Restatement without regard to any taxes paid. For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement:

(A) The amount of Erroneously Awarded Compensation shall be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was Received; and

(B) The Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange (the "***NYSE***").

(iv) The Company shall recover Erroneously Awarded Compensation in compliance with this Recovery Policy except to the extent that the conditions of paragraphs (1)(iv)(A) or (B) hereof are met, and the Committee, if the Committee is comprised solely of independent directors responsible for executive compensation decisions, or if the Committee is not comprised solely of such directors, a majority of the independent directors serving on the Board, has made a determination that recovery would be impracticable.

(A) The direct expense paid to a third party to assist in enforcing this Recovery Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the NYSE.

(B) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

Shares or Units of Stock That Have Not Vested. The remaining installment of the 2019-2020 RSUs vested on February 14, 2023 February 11, 2024. The remaining installment of the 2021 RSUs vested on February 9, 2024. Of the remaining installments of the 2020-2022 RSUs, one installment vested on February 11, 2023 February 11, 2024 and the remainder will vest on February 11, 2024 February 11, 2025. Of For the remaining installments of the 2021-2023 RSUs, one installment vested on February 9, 2023 and the remainder will vest on February 9, 2024. For the 2022 RSUs, one installment vested on February 11, 2023 February 10, 2024 and the remainder will vest in equal annual installments on February 11, 2024 February 10, 2025 and 2025, 2026.

2. *Market Value.* Market value is based upon the closing per-share trading price of HEI Common Stock on the NYSE of $41.85 $14.19 as of December 30, 2022 December 29, 2023.

3. *Number of Unearned Shares, Units or Other Rights That Have Not Vested.* Represents the number of shares of HEI Common Stock that would be issued under the 2021-23 2022-24 and 2022-24 2023-25 LTIPs if performance goals are met at the target level at the end of the respective three-year performance periods.

2022 2023 Option Exercises and Stock Vested

2022 2023 OPTION EXERCISES AND STOCK VESTED

Name	Stock Awards: Number of Shares Acquired on Vesting (#)		Stock Awards: Value Realized on Vesting ($)	
Shelee M. T. Kimura	2,690	(1)	109,294	
	2,773	(2)	110,050	(3)
Tayne S. Y. Sekimura	4,119	(1)	167,355	
	4,263	(2)	178,407	(3)
Jimmy D. Alberts	3,208	(1)	130,341	
	2,946	(2)	123,290	(3)
Paul K. Ito	2,690	(1)	109,294	
	2,773	(2)	110,050	(3)
Jason E. Benn	1,685	(1)	70,517	
	1,738	(2)	72,662	(3)
Colton K. Ching	1,996	(1)	83,533	
	2,670	(2)	111,740	(3)

Name	Stock Awards: Number of Shares Acquired on Vesting (#)		Stock Awards: Value Realized on Vesting ($)	
Shelee M. T. Kimura	5,527	(1)	233,792	
	3,590	(2)	90,375	(3)
Tayne S. Y. Sekimura	—	(1)	—	
	339	(2)	4,810	(3)
Jimmy D. Alberts	3,495	(1)	147,839	
	3,740	(2)	53,071	(3)
Paul K. Ito	—	(1)	—	
	339	(2)	4,810	(3)
Jason E. Benn	1,738	(1)	72,662	
	1,780	(2)	75,258	(3)
Colton K. Ching	2,737	(1)	38,838	
	2,660	(2)	37,745	(3)

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Name	Name	Number of Shares Acquired on Vesting		Compounded Dividend Equivalents	Total Shares Acquired on Vesting	Name	Number of Shares Acquired on Vesting		Compounded Dividend Eqdivalents	Total Shares Acquired on Vesting
Jason E. Benn	Jason E. Benn	1,000	(1)	40,631		Jason E. Benn	2,142	(1)	90,607	
		1,212	(2)	50,722	(3)		2,362	(2)	33,517	(3)
Colton K. Ching	Colton K. Ching	2,732	(1)	111,001		Colton K. Ching	3,277	(1)	138,617	
		2,831	(2)	118,477	(3)		3,532	(2)	50,119	(3)
Tayne S. Y. Sekimura						Tayne S. Y. Sekimura	7,464	(1)	219,737	
							4,712	(2)	66,863	(3)

(v) The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of compensation by such person in accordance with this Recovery Policy. No person will be advanced expenses for disputes related to any loss of compensation by such person in accordance with this Recovery Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering

per 2018, February 11, 2020, February 9, 2021, August 16, 2021, February 11, 2022 and August 16, 2021 February 10, 2023. For this purpose, "indemnification" includes any

equivalents. Mr. Ito joined Hawaiian Electric in October 2023 and had no RSUs vesting in 2023. See HEI's 2024 Proxy for Mr. Ito's February 2023 vesting.

ification (for example, providing the person a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any person an additional payment if any Restatement would result in a higher incentive compensation payment.

Name	Name	Number of Shares Acquired on Vesting	Compounded Dividend Equivalents	Total Shares Acquired on Vesting	Name	Number of Shares Acquired on Vesting	Compounded Dividend Eqdivalents	Total Shares Acquired on Vesting
Shelee M. T. Kimura	Shelee M. T. Kimura	2,503	187	2,690	Shelee M. T. Kimura	5,215	312	5,527
Tayne S. Y. Sekimura	Tayne S. Y. Sekimura	3,807	312	4,119				
Jimmy D. Alberts	Jimmy D. Alberts	2,668	243	2,911	Jimmy D. Alberts	3,142	358	3,495
Jason E. Benn	Jason E. Benn	947	53	1,000	Jason E. Benn	2,002	139	2,141
Colton K. Ching	Colton K. Ching	2,539	193	2,732	Colton K. Ching	3,038	239	3,277
Tayne S. Y. Sekimura					Tayne S. Y. Sekimura	6,864	600	7,464

(2) **Means of Repayment**. In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the Company Group, to require the forfeiture of any award granted by the Company Group to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code and the regulations and guidance thereunder. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company Group by wire, cash or cashier's check no later than thirty (30) days after receipt of such notice.

2. Represents the number of shares acquired (and dividend equivalents paid in stock based on earned shares) upon vesting of performance share awards under the 2020-22 2021-23 LTIP, which were payable in stock at the end of the performance period. Value realized on vesting includes dividend equivalents. Mr. Ito served as an HEI employee when the 2021-23 LTIP opportunity was established and participated in the 2021-23 plan based on criteria established for him at that time with respect to that position. The shares acquired on vesting for Mr. Ito represent the shares, dividend equivalents and value related to his service at Hawaiian Electric. For Mr. Ito's total vested performance shares in 2023, which includes the shares vested for his service for Hawaiian Electric (disclosed here) and HEI, see Mr. Ito's vested performance shares as an HEI named executive officer in Item 11 of Part III to the Form 10-K, which includes the HEI "2023 Option Exercises and Stock Vested" table. The achievement of the applicable performance measures was certified on February 10, 2023 February 9, 2024.

(3) **Securities Filings**. The Company shall file all disclosures with respect to this Recovery Policy in accordance with the requirements of the applicable securities laws and the U.S. Securities and Exchange Commission ("**SEC**").

(4) **Miscellaneous**.

Name	Name	Number of Shares Acquired on Vesting	Compounded Dividend Equivalents	Total Shares Acquired on Vesting	Name	Number of Shares Acquired on Vesting	Compounded Dividend Equivalents	Total Shares Acquired on Vesting
Shelee M. T. Kimura	Shelee M. T. Kimura	2507	266	2,773	Shelee M. T. Kimura	3,167	383	3,550
Tayne S. Y. Sekimura	Tayne S. Y. Sekimura	3654	606	4,260	Tayne S. Y. Sekimura	4,203	509	4,712
Jimmy D. Alberts	Jimmy D. Alberts	2,664	282	2,946	Jimmy D. Alberts	3,336	404	3,740
Jason E. Benn	Jason E. Benn	1,096	116	1,212	Jason E. Benn	2,121	241	2,362
Colton K. Ching	Colton K. Ching	2,564	271	2,835	Colton K. Ching	3,151	381	3,532
Tayne S. Y. Sekimura	Tayne S. Y. Sekimura	3654	606	4,260	Tayne S. Y. Sekimura	4,203	509	4,712

(i) This Recovery Policy generally will be administered and interpreted by the Compensation & Human Capital Management Committee of the Board (the "***Committee***"), provided that the Board may from time to time exercise discretion to administer and interpret this Recovery Policy, in which case, all references herein to "Committee" shall be deemed to refer to the Board. Any determination by the Committee with respect to this Recovery Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Committee under this Recovery Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

(ii) This Recovery Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the NYSE, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Recovery Policy to the extent necessary to comply with such additional or new requirements.

3. Represents vested 2020-22 2021-23 LTIP shares at 2022 2023 year-end closing price of HEI Common Stock of $41.85 $14.19 per share on December 30, 2022 December 29, 2023. Actual settlement of the performance share awards under the 2020-22 2021-23 LTIP occurred on February 17, 2023 February 16, 2024 (after the February 10, 2023 February 9, 2024 certification of the applicable performance results) based on the closing price of HEI Common Stock on the NYSE of $42.30 $13.10 per share. The actual settlement amounts were: Ms. Kimura $117,298; $46,505; Mr. Ito $4,441 (pro-rated for Hawaiian Electric service); Mr. Alberts $48,994; Mr. Benn $30,942; Mr. Ching $46,269; and Ms. Sekimura $180,325; Mr. Alberts $124,616; Mr. Benn $51,268; and Mr. Ching $119,751; $61,727.

Pension Benefits

The table below shows the present value as of December 31, 2022 December 31, 2023 of accumulated benefits for each of the Hawaiian Electric named executive officers and the number of years of service credited to each executive under the applicable pension plan and executive death benefit plan, determined using the interest rate, mortality table and other assumptions described below, which are consistent with those used in Note 10 11 of the Consolidated Financial Statements in the 2022 2023 Annual Report on Form 10-K to which this Exhibit 99.1 is attached.

2022 2023 PENSION BENEFITS

Name	Name	Plan Name	Years of Credited Service (#)	Present Value of Accumulated Benefit ($) (1)	Payments During the Last Fiscal Year ($)	Name	Plan Name	Years of Credited Service (#)	Present Value of Accumulated Benefit ($) (4)	Payments During the Last Fiscal Year ($)
Shelee M. T. Kimura	Shelee M. T. Kimura	HEI Retirement Plan (1)	16.5	370,416	—	Shelee M. T. Kimura	HEI Retirement Plan (1)	16.9	1,229,482	—
		HEI Excess Pay Plan (2)	18.3	165,741	—		HEI Excess Pay Plan (2)	19.3	520,625	—

(iii) The provisions in this Recovery Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Recovery Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Recovery Policy shall not affect the validity or enforceability of any other provision of this Recovery Policy.

Recoupment of Erroneously Awarded Compensation under this Recovery Policy is not dependent upon the Company Group satisfying any conditions in this Recovery Policy, including any requirements to provide applicable documentation to the NYSE.

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Tayne S. Y. Sekimura	HEI Retirement Plan (1)	31.6	916,000	—	Paul K. Ito*	HEI Retirement Plan (1)	5.9	198,422	—
	HEI Excess Pay Plan (2)	31.6	827,287	—		HEI Excess Pay Plan (2)	5.9	35,398	—
Paul K. Ito*	HEI Executive Death Benefit (3)	—	131,433	—	Jimmy D. Alberts	HEI Retirement Plan (1)	11.3	587,626	—
Jimmy D. Alberts	HEI Retirement Plan (1)	10.3	468,246	—		HEI Excess Pay Plan (2)	11.3	61,869	—
	HEI Excess Pay Plan (2)	10.3	38,205	—	Jason E. Bento	HEI Retirement Plan (1)	26.3	1,706,320	—
Jason E. Bento	HEI Retirement Plan (1)	25.3	1,387,678	—		HEI Excess Pay Plan (2)	26.3	12,542	—
	HEI Excess Pay Plan (2)	25.3	10,768	—	Colton K. Ching	HEI Retirement Plan (1)	32.9	2,600,614	—
Colton K. Ching	HEI Retirement Plan (1)	31.9	2,210,665	—		HEI Excess Pay Plan (2)	32.9	44,579	—
	HEI Excess Pay Plan (2)	31.9	29,371	—		HEI Executive Death Benefit (3)	—	48,930	—
	HEI Executive Death Benefit (3)	—	43,680	—	Tayne S. Y. Sekimura	HEI Retirement Plan (1)	32.3	3,147,370	47,203
						HEI Excess Pay Plan (2)	32.3	967,380	—
						HEI Executive Death Benefit (3)	—	143,886	—

* The present values of accumulated benefits for Mr. Ito are attributable to his combined service to HEI and Hawaiian Electric and are the same as the amounts disclosed for Mr. Ito in the HEI "2023 Pension Benefits" table in Item 11 of Part III to the Form 10-K.

1. The HEI Retirement Plan is the standard retirement plan for HEI and Hawaiian Electric employees. Normal retirement benefits under the HEI Retirement Plan for management employees hired before May 1, 2011, including all of the named executive officers other than Mr. Messrs. Ito and Alberts, are calculated based on a formula of 2.04% × Credited Service (maximum 67%) × Final Average Compensation (average monthly base salary for highest thirty-six consecutive months out of the last ten years). Credited service is generally the same as the years of service with HEI and other participating companies (Hawaiian Electric, Hawaii Electric Light and Maui Electric). Credited service is also provided for limited unused sick leave and for the period a vested participant is on long-term disability. The normal form of benefit is a joint and 50% survivor annuity for married participants and a single life annuity for unmarried participants. Actuarially equivalent optional forms of benefit are also available. Participants who qualify to receive retirement benefits immediately upon termination of employment may also elect a single sum distribution of up to $100,000 with the remaining benefit payable as an annuity. Single sum distributions are not eligible for early retirement subsidies, and so may not be as valuable as an annuity at early retirement. Retirement benefits are increased by an amount equal to approximately 1.4% of the initial benefit every twelve months following retirement. The plan provides benefits at early retirement (prior to age 65), normal retirement (age 65), deferred retirement (over age 65) and death. Subsidized early retirement benefits are available for participants who meet certain age and service requirements at ages 50-64. The accrued normal retirement benefit is reduced by an applicable percentage, which ranges from 30% for early retirement at age 50 with at least 15 years of service to 1% at age 59. Accrued benefits are not reduced for eligible employees who retire at age 60 and above. The early retirement subsidies are not available to employees who terminate employment with vested benefits but prior to satisfying the age and service requirements for the early retirement subsidies.

   HEI and Hawaiian Electric management employees who commenced employment on or after May 1, 2011, such as Mr. Messrs. Ito and Alberts, receive reduced benefits under the HEI Retirement Plan (e.g., reduced benefit formula, more stringent requirements for subsidized early retirement benefits, reduced early retirement subsidies and no post-retirement cost-of-living adjustment). Normal retirement benefits for these employees are calculated based on a formula of 1.5% × Credited Service × Final Average Compensation (average monthly base salary for highest thirty-six consecutive months out of the last ten years). These employees are eligible for a limited match under the HEI Retirement Savings Plan (50% match on the first 6% of compensation deferred).

   As of December 31, 2022 December 31, 2023, all of the named executive officers were eligible for retirement benefits under the HEI Retirement Plan.

2. As of December 31, 2022 December 31, 2023, all of the named executive officers were participants in the HEI Excess Pay Plan. Benefits under the HEI Excess Pay Plan are determined using the same formula as the HEI Retirement Plan, but are not subject to the Internal Revenue Code limits on the amount of annual compensation that can be used for calculating benefits under qualified retirement plans ($305,000 330,000 in 2022 2023 as indexed for inflation) and on the amount of annual benefits that can be paid from qualified retirement plans (the lesser of $245,000 $265,000 in 2022

(v) The rights of the Company Group under this Recovery Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than recoupment, that may be available to the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

(5) **Amendment and Termination**. To the extent permitted by, and in a manner consistent with applicable law, including SEC and NYSE rules, the Committee may terminate, suspend or amend this Recovery Policy at any time in its discretion.

(6) **Successors**. This Recovery Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation granted, vested or paid to or administered by such persons or entities.

(7) **Definitions**.

Board	Board is defined in Section 1(ii)(A).
Committee	Committee is defined in Section 4(i).
Company Group	Company Group is defined in Section 1.
Covered Compensation	Covered Compensation is defined in Section 1(i).
Effective Date	Effective Date means --, 2023.
Erroneously Awarded	Erroneously Awarded Compensation is defined in Section 1(iii).

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Compensation	2023 as indexed for inflation, or the participant's highest average compensation over three consecutive calendar years). Benefits payable under the HEI Excess Pay Plan are reduced by the benefit payable from the HEI Retirement Plan. Early retirement, death benefits and vesting provisions are similar to the HEI Retirement Plan.
Exchange Act	Exchange Act means the U.S. Securities Exchange Act of 1934.
Executive Officer	An Executive Officer means each "officer" of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act, which shall be deemed to include any individuals identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act. Both current and former Executive Officers are subject to this Recovery Policy in accordance with its terms.
Financial Reporting Measures	Financial Reporting Measure means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures and may consist of GAAP or non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company's financial statements, such as in Management's Discussion and Analysis of Financial Conditions or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.
Incentive-Based Compensation	Incentive-Based Compensation is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
Lookback Period	Lookback Period is defined in Section 1(h)(D).
Received	Incentive-Based Compensation is deemed received in the Company's fiscal period during which the financial reporting measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.
Recovery Policy	Recovery Policy means this Policy Regarding the Recovery of Erroneously Awarded Incentive-Based Compensation.
Restatement	Restatement means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). Changes to the Company's financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under this Recovery Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.
SEC	SEC is defined in Section 3.

3 Mr. Ching and Ms. Sekimura and Mr. Ching are covered by the Executive Death Benefit Plan of HEI and Participating Subsidiaries. The plan was amended effective September 9, 2009 to close participation to new participants and freeze the benefit for existing participants. Under the amendment, death benefits will be paid based on salaries as of September 9, 2009. The plan provides death benefits equal to two times the executive's base salary as of September 9, 2009 if the executive dies while actively employed or, if disabled, dies prior to age 65. Executive Officers are subject to this Under the Executive Death Benefit Plan, current executive officers are entitled to a benefit of two times base salary at retirement. The amounts shown in the table above assume death following retirement. Death benefits are grossed up by the amount necessary to pay income taxes on the grossed up benefit amount as an equivalent to the tax exclusion for death benefits paid from a life insurance policy. Ms. Kimura, Mr. Ito, Mr. Alberts and Mr. Benn were not employed by Hawaiian Electric or were not eligible at the time of plan closure and therefore are not entitled to any benefits under the plan.

4 The present value of accumulated benefits for the Hawaiian Electric named executive officers included in the 2022 2023 Pension Benefits table was determined based on the following:

Methodology – The present values are calculated as of December 31, 2022 December 31, 2023 based on the credited service and pay of the Hawaiian Electric named executive officer as of such date (or the date of benefit freeze, if earlier).

Assumptions

a. Discount Rate – The discount rate is the interest rate that is used to discount future benefit payments in order to reflect the time value of money. The discount rates used in the present value calculations are 5.67% 5.35% for retirement benefits and 5.66% 5.39% for termination benefits.

b. Mortality Table – The PRI-2012 Mortality Table (separate male and female rates) with generational projection using scale MP-2021 from base year 2012 is used to discount future pension benefit payments in order to reflect the probability of survival to applicable future date. For the calculation of the executive death benefit present values, the mortality table rates are multiplied by the death benefit to capture the death benefit payments assumed to occur at all future dates. Mortality is applied post-retirement only.

c. Retirement Age – A Hawaiian Electric named executive officer included in the table is assumed to remain in active employment until, and assumed to retire at, the later of (a) the earliest age when unreduced pension benefits would be payable or (b) attained age as of December 31, 2022 December 31, 2023.

d. Pre-Retirement Decrements – Pre-retirement decrements refer to events that could occur between the measurement date and the retirement age (such as withdrawal, early retirement and death) that would impact the present value of benefits. No pre-retirement decrements are assumed in the calculation of pension benefit table present values. Pre-retirement decrements are assumed for financial statement purposes.

e. Unused Sick Leave – Each Hawaiian Electric named executive officer who participates in the HEI Retirement Plan is assumed to have accumulated 1,160 unused sick leave hours at retirement age.

2022 2023 Nonqualified Deferred Compensation

Although all Hawaiian Electric named executive officers are eligible to participate in the HEI deferred compensation plans, which are described in the Compensation Discussion and Analysis above, only Mr. Ito and Ms. Sekimura deferred any amount or had an account balance under those plans in 2022. 2023.

5

Name	Executive Contributions in Last FY ($)[1]	Registrant Contributions in Last FY ($)	Aggregate Earnings/(Losses) in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)[2]
Paul K. Ito	—	—	36,721	—	
Tayne S. Y. Sekimura	—	—	(36,615)	—	184,273

Name	Executive Contributions in Last FY ($)[1]	Registrant Contributions in Last FY ($)	Aggregate Earnings/(Losses) in Last FY ($)[2]	Aggregate Withdrawals/ Distributions ($)
Paul K. Ito	—	—	36,721	—
Tayne S. Y. Sekimura	—	—	25,698	—

1. Represents salary and incentive compensation deferrals under the HEI Deferred Compensation Plan, a contributory nonqualified deferred compensation plan implemented in 2011. The plan allows certain HEI and Hawaiian Electric executives to defer up to 100% of annual base salary in excess of the compensation limit set forth in Internal Revenue Code Section 401(a)(17) ($305,000 330,000 in 2022, 2023, as indexed for inflation) and up to 100% of any incentive compensation paid in cash. In 2022, 2023, there were no matching or other employer contributions under the plan. The deferred amounts are credited with gains/losses of deemed investments chosen by the participant from a designated list of publicly traded mutual funds and other investment offerings. Earnings are not above-market or preferential and therefore are not included in the 2022 2023 Summary Compensation Table above. The distribution of accounts from the plan is triggered by disability, death or separation from service (including retirement) and will be delayed for a 6-month period to the extent necessary to comply with Internal Revenue Code Section 409A. A participant may elect to receive such distributions triggered by separation from service in a lump sum or annual installments over a period not to exceed 15 years. Lump sum benefits are payable in the event of disability or death.

2. Mr. Ito's 2023 aggregate earnings includes only earnings attributable to his time working for Hawaiian Electric in 2023.

3. Amounts in this column include contributions reported in the Summary Compensation Table for each year in which each executive listed above was a named executive officer.

Potential Payments Upon Termination or Change in Control

The table below shows the potential payments to each Hawaiian Electric named executive officer in the event of retirement, death or disability, voluntary termination, termination for cause, termination without cause and termination after a change in control, assuming termination occurred on December 31, 2022 December 31, 2023. The amounts listed below are estimates; actual amounts to be paid would depend on the actual date of termination and circumstances existing at that time.

2022 2023 TERMINATION/CHANGE-IN-CONTROL PAYMENT TABLE

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Name/ Benefit Plan or Program	Name/ Benefit Plan or Program	Retirement on 12/31/22 ($) (1)	Termination due to death or disability on 12/31/22 ($) (2)	Voluntary termination, termination for and without cause on 12/31/22 ($) (3)	Termination after change in control on 12/31/22 ($) (4)	Name/ Benefit Plan or Program	Retirement on 12/31/23 ($) (1)	Termination due to death or disability on 12/31/23 ($) (2)	Voluntary termination, termination for and without cause on 12/31/23 ($) (3)	Termination after change in control on 12/31/23 ($) (4)
Shelee M. T. Kimura	**Shelee M. T. Kimura**					**Shelee M. T. Kimura**				
Executive Incentive Compensation Plan (5)	Executive Incentive Compensation Plan (5)	—	—	—	—	Executive Incentive Compensation Plan (5)	—	—	—	—
Long-Term Incentive Plan (6)	Long-Term Incentive Plan (6)	—	297,805	—	—	Long-Term Incentive Plan (6)	161,070	161,070	—	—
Restricted Stock Units (7)	Restricted Stock Units (7)	—	212,288	—	—	Restricted Stock Units (7)	102,740	102,740	—	—
Change-In-Control Agreement (4)	Change-In-Control Agreement (4)	—	—	—	1,818,886	Change-In-Control Agreement (4)	—	—	—	1,718,625
TOTAL	TOTAL	—	510,093	—	1,818,886	TOTAL	263,810	263,810	—	1,718,625
Tayne S. Y. Sekimura										
Paul K. Ito						**Paul K. Ito**				
Executive Incentive Compensation Plan (5)	Executive Incentive Compensation Plan (5)	—	—	—	—	Executive Incentive Compensation Plan (5)	—	—	—	—
Long-Term Incentive Plan (6)	Long-Term Incentive Plan (6)	295,880	295,880	—	547,919	Long-Term Incentive Plan (6)	—	79,436	—	—
Restricted Stock Units (7)	Restricted Stock Units (7)	166,121	166,121	—	369,786	Restricted Stock Units (7)	—	81,561	—	—
Change-In-Control Agreement (4)						Change-In-Control Agreement (4)	—	—	—	1,476,314
TOTAL	TOTAL	462,001	462,001	—	917,705	TOTAL	—	160,997	—	1,476,314
Jimmy D. Alberts	**Jimmy D. Alberts**					**Jimmy D. Alberts**				
Executive Incentive Compensation Plan (5)	Executive Incentive Compensation Plan (5)	—	—	—	—	Executive Incentive Compensation Plan (5)	—	—	—	—
Long-Term Incentive Plan (6)	Long-Term Incentive Plan (6)	219,713	219,713	—	412,084	Long-Term Incentive Plan (6)	60,435	60,435	—	122,583
Restricted Stock Units (7)	Restricted Stock Units (7)	134,238	134,238	—	303,999	Restricted Stock Units (7)	51,113	51,113	—	100,777
TOTAL	TOTAL	353,951	353,951	—	716,083	TOTAL	111,548	111,548	—	223,360
Jason E. Benn	**Jason E. Benn**					**Jason E. Benn**				
Executive Incentive Compensation Plan (5)	Executive Incentive Compensation Plan (5)	—	—	—	—	Executive Incentive Compensation Plan (5)	—	—	—	—
Long-Term Incentive Plan (6)	Long-Term Incentive Plan (6)	146,433	146,433	—	300,977	Long-Term Incentive Plan (6)	51,325	51,325	—	102,404
Restricted Stock Units (7)	Restricted Stock Units (7)	82,049	82,049	—	208,497	Restricted Stock Units (7)	38,638	38,638	—	81,877
TOTAL	TOTAL	228,482	228,482	—	509,474	TOTAL	89,963	89,963	—	184,281
Colton K. Ching	**Colton K. Ching**					**Colton K. Ching**				
Executive Incentive Compensation Plan (5)	Executive Incentive Compensation Plan (5)	—	—	—	—	Executive Incentive Compensation Plan (5)	—	—	—	—

HAWAIIAN ELECTRIC INDUSTRIES, INC.

POLICY REGARDING THE RECOVERY OF ERRONEOUSLY AWARDED INCENTIVE-BASED COMPENSATION

ACKNOWLEDGMENT, CONSENT AND AGREEMENT

I acknowledge that I have received and reviewed a copy of the Hawaiian Electric Industries, Inc. Policy Regarding the Recovery of Erroneously Awarded Incentive-Based Compensation (as may be amended from time to time, the "***Recovery Policy***") and I have been given an opportunity to ask questions about the Recovery Policy and review it with my counsel. I knowingly, voluntarily and irrevocably consent to and agree to be bound by and subject to the Recovery Policy's terms and conditions, including that I will return any Erroneously Awarded Compensation that is required to be repaid in accordance with the Recovery Policy. I further acknowledge, understand and agree that (i) the compensation that I receive, have received or may become entitled to receive from the Company Group is subject to the Recovery Policy, and the Recovery Policy may affect such compensation and (ii) I have no right to indemnification, insurance payments or other reimbursement by or from the Company Group for any compensation that is subject to recoupment and/or forfeiture under the Recovery Policy. Capitalized terms not defined herein have the meanings set forth in the Recovery Policy.

Signed: _____

Print Name: _____

Date _____

Hawaiian Electric Exhibit 99.1

Terms that are not defined in this Exhibit 99.1 have the definitions of such terms as set forth in the 2022 2023 Annual Report on Form 10-K to which this Exhibit is attached and of which this Exhibit is incorporated by reference.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Executive Officers of Hawaiian Electric

The executive officers of Hawaiian Electric are listed below. Hawaiian Electric executive officers serve from the date of their initial appointment until the next annual appointment of officers by the Hawaiian Electric Board, and thereafter are appointed for one-year terms or until their successors have been duly appointed and qualified or until their earlier resignation or removal.

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Long-Term Incentive Plan (6)	Long-Term Incentive Plan (6)	205,148	—	381,997	Long-Term Incentive Plan (6)	52,645	52,645	—	105,138
Restricted Stock Units (7)	Restricted Stock Units (7)	125,896	—	282,781	Restricted Stock Units (7)	47,312	47,312	—	92,420
TOTAL	TOTAL	331,044	—	664,778	TOTAL	99,957	99,957	—	197,558

Note: All stock-based award amounts were valued using the HEI 2022 2023 year-end closing price per share of $41.85 $14.19 on December 30, 2022 December 29, 2023. Other benefits that are available to all salaried employees are not shown in the table.

1. *Retirement payments & benefits.* In addition to the amounts shown in this column, retired executives are entitled to receive their vested retirement plan and deferred compensation benefits under all termination scenarios. See the 2022 2023 Pension Benefits and 2022 2023 Nonqualified Deferred Compensation tables above. Ms. Kimura Mr. Ito has not met the requirements for retirement eligibility under the 2010 Equity and Incentive Plan, as amended (EIP), which includes the Long-Term Incentive Plan and Restricted Stock Units. Accordingly, no amounts are shown in this column for Ms. Kimura. Mr. Ito.

2. *Termination due to death or disability payments & benefits.* All named executive officers were eligible for death or disability payments & benefits as of December 31, 2022 December 31, 2023.

3. *Voluntary termination payments & benefits.* If a Hawaiian Electric named executive officer voluntarily terminates employment he or she could lose any annual or long-term incentives based upon the HEI Compensation & Human Capital Management Committee's right to amend, suspend or terminate any incentive award or any portion of it at any time. Voluntary termination results in the forfeiture of unvested RSUs and participation in incentive plans. Ms. Kimura's The executive's entitlement to rights under his or her change-in-control agreement would also end.

Termination for cause payments & benefits. If the executive is terminated for cause, he or she could lose any annual or long-term incentives based upon the HEI Compensation & Human Capital Management Committee's right to amend, suspend or terminate any incentive award or any portion of it at any time. "Cause" generally means a violation of the HEI Corporate Code of Conduct or, for purposes of awards under the EIP, has the meaning set forth in such plan. Termination for cause results in the forfeiture of all unvested RSUs and participation in incentive plans. Ms. Kimura's The executive's entitlement to rights under his or her change-in-control agreement would also end.

Termination without cause payments & benefits. If the executive's employment is terminated by the executive for "good reason" or by Hawaiian Electric without cause, he or she could lose any annual or long-term incentives based upon the HEI Compensation & Human Capital Management Committee's right to amend, suspend or terminate any incentive award or any portion of it at any time. Termination without cause results in the forfeiture of unvested RSUs. As discussed in footnote 4 below, different benefits would be payable to Ms. Kimura the named executive officers if his or her termination without cause were to follow a change in control under the terms of his or her change-in-control agreement. agreements.

4. *Termination after change-in-control payments & benefits.* As Of the named executive officers, only Ms. Kimura (and Mr. Ito had a change-in-control agreement agreements as of December 31, 2022 December 31, 2023.

"Change in control" generally means a change in ownership of HEI, a substantial change in the voting power of HEI's securities or a change in the majority of the composition of the Board following the consummation of a merger, tender offer or similar transaction. The change-in-control agreement is agreements are double trigger, which means that it provides they provide for cash severance and other benefits only upon a qualifying termination of the executive's employment following a change in control. Ms. Kimura has and Mr. Ito have a lump sum severance multiplier of two times, in each case applied to the sum of her the executive's base salary and annual incentive compensation (determined to be the greater of the current target or the largest actual annual incentive compensation during the preceding three years).

In addition, under the change-in-control agreement Ms. Kimura agreements executives would receive continued life, disability, dental, accident and health insurance benefits for the severance period (i.e., the number of years equal to the applicable severance multiplier). Ms. Kimura Executives would receive a lump sum payment equal to the present value of the additional benefit she the executives would have earned under her their respective retirement and savings plans during the severance period. Ms. Kimura Executives would also receive the greater of current target or actual projected EICP and cash-based LTIP compensation, pro-rated if termination occurs during the first half of the applicable performance period and the full value if termination occurs in the second half of the applicable performance period. For RSUs not granted under the LTIP, in the event of a change in control as defined by the EIP, either (i) the surviving or acquiring entity will assume all outstanding RSUs not granted under LTIP or will substitute similar awards and such awards would vest in full upon a termination within 24 months following the change in control without cause or by the participant with good reason, as each term is defined by the EIP or (ii) to the extent the surviving entity refuses to assume or substitute such awards, such awards shall become fully vested. Additional age and service credit is received for the severance period for purposes of determining retiree welfare benefit eligibility. Ms. Kimura Executives would receive outplacement services, capped at 15% of annual base salary. Payment would generally be delayed for six months following termination of employment to the extent required to avoid an additional tax under Section 409A of the Internal Revenue Code. Interest would accrue during any six-month delay period at the prevailing six-month certificate of deposit rate and payments would be set aside during that period in a grantor (rabbi) trust. There are no tax gross ups provided for in the agreement agreements and, as provided in the change-in-control agreement, agreements, the total severance amount shown is limited to the maximum amount deductible under Section 280G of the Internal Revenue Code for Ms. Kimura. with respect to each named executive officer. Payment of the foregoing benefits is subject to a release of claims by Ms. Kimura. the applicable named executive officer.

For executives who do not have a change-in-control agreement, the EIP and respective plan agreements provide for accelerated vesting or payments to be made to executives upon a change in control. control, as defined in the EIP. The effects of a change in control on EICP and LTIP awards and RSUs for executives without a change-in-control agreement are described in notes 5, 6 and 7 below.

5. *Executive Incentive Compensation Plan (EICP).* Excludes amounts payable under the 2022 2023 EICP because those amounts would have vested without regard to termination because the applicable performance period ended on December 31, 2022 December 31, 2023. Upon death, disability or retirement, executives continue to participate in the EICP on a pro-rata basis if the executive has met applicable minimum service requirements, with a lump sum payment to be made by Hawaiian Electric if the applicable performance goals are achieved. The plan documents provide that in the event of a change in control as defined by the EIP, the EICP award would be immediately paid out in cash at target level, pro-rated for completed months of service in the performance period. For the remaining unvested portion of the award, the EIP provides that: (i) the surviving entity or acquiring entity will assume all awards outstanding under the EICP or will substitute similar awards and such awards would vest in full upon a termination within 24 months following the change in control without cause or by the participant with good reason, as each term is defined by the EIP or (ii) to the extent the surviving entity refuses to assume or substitute such awards, such awards shall become fully vested (with all performance goals deemed achieved at 100% or target levels). Annual incentive compensation payments for NEOs named executive officers in the event of a change in control are further described in footnote 4 above.

6. *2022-2024 LTIP.* Includes Hawaiian Electric executive officers' 2022-24 LTIP awards. The 2022-24 LTIP awards are payable in cash at the end of the applicable performance period ended on December 31, 2022 December 31, 2023. Upon death, disability or retirement, executives continue to participate in each ongoing LTIP cycle on a pro-rata basis if the

Name Age

Tayne S. Y. Sekimura Paul K. Ito 60 53 Hawaiian Electric Senior Vice President, Chief Financial Officer and Treasurer, since 8/21

- Hawaiian Electric HEI Executive Vice President, Chief Financial Officer and Treasurer, 1/23 to 9/23
- HEI Vice President - Tax, Controller and Treasurer and Interim Chief Financial Officer, 7/22 to 12/22
- HEI Vice President - Tax, Controller and Treasurer, 11/19 to 7/22
- HEI Vice President - Tax and Controller, 2/18 to 11/19
- Prior to joining the HEI in 2018: Alexander & Baldwin, Senior Vice President, and Chief Financial Officer 9/09 to 8/21
- Hawaiian Electric Senior Vice President, Finance and Administration 2/08 to 9/09
- Hawaiian Electric Financial Vice President, 10/04 to 2/08
- Hawaiian Electric Assistant Financial Vice President, 8/04 to 10/04
- Hawaiian Electric Director, Corporate & Property Accounting, 2/01 to 8/04
- Hawaiian Electric Director, Internal Audit, 7/97 to 2/01
- Hawaiian Electric Capital Budgets Administrator, 9/93 to 7/97
- Hawaiian Electric Capital Budgets Supervisor, 10/92 to 5/93
- Hawaiian Electric Auditor (internal), 5/91 to 10/92 Treasurer 2012 - 2018

Joseph P. Viviani 56 57 Hawaiian Electric Senior Vice President, Customer, Legal and Regulatory Affairs since 1/22

- Hawaiian Electric Vice President, Regulatory and Business Strategies, 3/21 to 12/21
- Hawaiian Electric Vice President, Regulatory Affairs, 2/14 to 2/21
- Hawaiian Electric Manager, Legal Department, 2/09 to 1/14
- Hawaiian Electric Lead Associate General Counsel, 11/07 to 2/09
- Hawaiian Electric Associate General Counsel, 8/00 to 11/07

Name Age

Shelee M. T. Kimura 49 50 Hawaiian Electric President and Chief Executive Officer since 1/22

- Hawaiian Electric Senior Vice President, Customer Service and Public Affairs, 3/21 to 12/21
- Hawaiian Electric Senior Vice President, Customer Service, 2/19 to 3/21
- HEI Director, Investor Relations, Strategic Planning & Budget, 11/09 to 5/14
- HEI Manager, Corporate Finance and Investments, 8/04 to 11/09

Jimmy D. Alberts 62 63 Hawaiian Electric Senior Vice President and Chief Operations Officer since 1/22

- Hawaiian Electric Senior Vice President, Operations, 3/21 to 12/21
- Hawaiian Electric Senior Vice President, Business Development & Strategic Planning, 2/19 to 3/21
- Hawaiian Electric Senior Vice President, Customer Service, 8/12 to 2/19
- Prior to joining the Company: Kansas City Power & Light, Vice President – Customer Service, 2007-12

Jason E. Bonin 51 52 Hawaiian Electric Senior Vice President and Chief Information Officer since 3/21

- Hawaiian Electric Vice President Information Technology Services and Chief Information Officer, 8/17 to 8/21
- Hawaiian Electric Vice President and Acting Chief Information Officer, 5/17 to 7/17
- Hawaiian Electric Manager, Information Technology Services, 8/10 to 5/17
- Hawaiian Electric Director, Information Assurance, 10/07 to 8/10
- Hawaiian Electric IT Program Manager, 4/06 to 9/07
- Hawaiian Electric Senior IT Infrastructure Analyst, 12/01 to 4/06
- Hawaiian Electric Supervisor, Network & Technical Support, 8/01 to 12/01
- Hawaiian Electric Supervisor, Desktop Services, 7/00 to 8/01
- Hawaiian Electric Infrastructure Analyst, 9/97 to 7/00

Colton K. Ching 55 56 Hawaiian Electric Senior Vice President, Planning & Technology since 1/17

- Hawaiian Electric Vice President, Energy Delivery, 1/13 to 1/17
- Hawaiian Electric Vice President, Systems Operation & Planning, 3/10 to 12/12
- Hawaiian Electric Manager, Corporate Planning Department, 8/09 to 8/10
- Hawaiian Electric [illegible] 12/07 to 7/09
- Hawaiian Electric Director, Transmission Planning Division, 2/05 to 12/06
- Hawaiian Electric Senior Planning Engineer, 4/00 to 2/05
- Hawaiian Electric Planning Engineer, 9/96 to 4/00
- Hawaiian Electric Designer II, 1/94 to 9/96
- Hawaiian Electric Designer I, 1/91 to 1/94

Hawaiian Electric executive officers may also hold offices with Hawaiian Electric subsidiaries.

Business experience for last 5 years and prior positions with Hawaiian Electric and its affiliates

- Hawaiian Electric Senior Vice President, Business Development & Strategic Planning, 1/17 to 12/17
- Hawaiian Electric Vice President, Corporate Planning & Business Development, 9/14 to 1/17

Hawaiian Electric Board of Directors

The directors of Hawaiian Electric are listed below. Hawaiian Electric directors are elected annually by HEI, the sole common shareholder of Hawaiian Electric, after considering recommendations made by the HEI Nominating and Corporate Governance Committee. Below is information regarding the business experience and certain other directorships for each Hawaiian Electric director, together with a description of the experience, qualifications, attributes and skills that led to the Hawaiian Electric Board's conclusion at the time of the 2022-2023 Form 10-K/A (filing) that it should serve on the Hawaiian Electric Board in light of Hawaiian Electric's current business and

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James A. Ajello, age 69, Hawaiian Electric director since 2020

Hawaiian Electric Audit & Risk Committee Member since May 2020

Business experience since 2018

- Director, Dimensional Renewable Energy, since February 28, 2022
- Senior Vice President Finance, Chief Financial Officer and Treasurer, Portland General Electric (NYSE: POR), since January 1, 2021 - August 31, 2023
- Senior Advisor, Portland General Electric (NYSE: POR), November 1, 2020 - December 31, 2020 and July 1, 2023 - August 31, 2023
- Executive Vice President and Chief Financial Officer, Hawaiian Electric Industries, Inc. (HEI), August 2013 - April 2017
- Executive Vice President, Chief Financial Officer and Treasurer, HEI, June 2011 - July 2013
- Senior Vice President, Chief Financial Officer and Treasurer, HEI, January 2009 - June 2011
- Director, American Savings Bank (subsidiary of HEI), 2017-2020
- Director, Crius Energy Trust (TSX: KWH), 2012-2019

Skills and qualifications for Hawaiian Electric Board service

- 18 years of executive leadership, financial oversight, risk management, investor relations, tax, accounting, financial and SEC reporting and strategic planning experience from serving as EVP and CFO of HEI, serving as President of Reliant Energy Solutions LLC and Senior Vice President and General Manager of Commercial & Industrial Marketing and Senior Vice President - Business Development of Reliant Energy, Inc.
- 14 years of banking industry experience from serving as Managing Director and Head of UBS Chicago and its corporate banking unit, as well as head of UBS's North American project finance team. Duties focused on corporate finance, capital markets and M & A.
- In-depth knowledge of issues facing American Savings Bank gained from 9 years as EVP and CFO of American Savings Bank's parent company, HEI, and 3 years serving on American Savings Bank board of directors.

CEO Pay Ratio

As required by SEC rules, we are disclosing the ratio of Hawaiian Electric's median employee's annual total compensation to the annual total compensation of Hawaiian Electric's CEO.

Pursuant to Item 402(u) of Regulation S-K, we may use the same median employee we used to calculate our 2020 CEO pay ratio because there have been no changes in our employee population or employee compensation arrangements that we believe would significantly impact our pay ratio disclosure. However, because the median employee identified in 2020 as the median employee was no longer employed by the Company at the end of 2022, in accordance with Item 402(u) of Regulation S-K, we used another employee whose compensation is substantially similar to the original median employee based on the same compensation measures. In accordance with Item 402(u) of Regulation S-K, we We identified our median employee by evaluating 2019 2022 Form W-2s for all individuals, excluding our CEO, who were employed by us on October 1, 2020 October 1, 2023. We included all employees, whether employed on a full-time, part-time, or seasonal basis and assumed no compensation earned in 2019 2022 for employees hired in 2020. 2023. We believe that the consistently applied compensation measure for all employees is an appropriate compensation measure for this purpose because it reasonably reflects annual compensation for our employees.

After identifying the median employee based on W-2 compensation, we calculated annual total compensation for such employee using the same methodology we use for our CEO as set forth in the Summary Compensation Table above. The SEC rules allow for varying methodologies for companies to identify their median employee. Other companies may have different employment and compensation practices and may utilize different methodologies, estimates and assumptions in calculating their own pay ratios. Therefore, the ratio reported by other companies may not be relevant for purposes of comparison to our pay ratio.

CEO to Median Employee Pay Ratio	President & CEO	Median Employee
Base Salary	$ 450,000	$ 104,749
Overtime Pay	—	13,727
Stock Awards	814,267	—
Nonequity Incentive Plan Compensation	249,999	—
Change in Pension Value (1)	—	—
All Other Compensation	—	3,743
TOTAL	$ 1,514,176	$ 122,269
CEO Pay to Median Employee Pay Ratio	12:1	

CEO to Median Employee Pay Ratio	President & CEO	Median Employee
Base Salary	$ 575,000	$ 417,583
Overtime Pay	—	—
Stock Awards	895,602	—
Nonequity Incentive Plan Compensation	—	—
Change in Pension Value (1)	606,930	19,055
All Other Compensation	—	3,523
TOTAL	$ 2,077,532	$ 140,161
CEO Pay to Median Employee Pay Ratio	15:1	

(1) These amounts are attributable to a change in the value of each individual's defined benefit pension account balance and do not represent earned or paid compensation. Despite the fact that these officers have not received or are entitled to receive additional compensation for SEC reporting purposes. Pension values fluctuate over time, can rise or fall year-to-year and are dependent on many variables including market conditions, years of service, earnings, and actuarial assumptions such as discount rates.

Timothy E. Johns, age 66, Hawaiian Electric director since 2005; Chairman since January 1, 2020

Hawaiian Electric Audit & Risk Committee Member since 2006, Chair since 2010

HEI Nominating and Corporate Governance Committee, Non-Voting Representative since 2019

HEI Executive Committee, Non-Voting Representative since 2020

HEI Compensation & Human Capital Management Committee, Non-Voting Representative since 2020

Business experience since 2018

- President and Chief Executive Officer, Zephyr Insurance Company, Inc. (hurricane insurance provider in Hawaii), since 2018
- Chief Consumer Officer, Hawaii Medical Service Association (leading health insurer in Hawaii), 2011 - 2017

Skills and qualifications for Hawaiian Electric Board service

- Executive management, leadership and strategic planning skills developed over three decades as a businessperson and lawyer, and currently as President and Chief Executive Officer of Zephyr Insurance Company.
- Business, regulatory, financial stewardship and legal experience from his prior roles as Chief Consumer Officer of HMSA, President and Chief Executive Officer of the Bishop Museum, Chief Operating Officer for the Estate of Samuel Mills Damon (former private trust with assets valued at over $900 million prior to its dissolution),

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security ownership of certain beneficial owners

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Hawaiian Electric Common Stock

HEI owns all of Hawaiian Electric's outstanding Common Stock, which is Hawaiian Electric's only class of securities generally entitled to vote on matters requiring shareholder approval.

Hawaiian Electric Preferred Stock

Various series of Hawaiian Electric Preferred Stock have been issued and are outstanding. Shares of Hawaiian Electric Preferred Stock are not considered voting securities but upon certain defaults in dividend payments holders of Hawaiian Electric Preferred Stock may have the right to elect a majority of the directors of Hawaiian Electric. HEI owns 100,000 shares of Hawaiian Electric Preferred Stock, or approximately 9% of the 1,114,657 shares of Hawaiian Electric Preferred Stock outstanding. No Hawaiian Electric directors, executive officers or named executive officers (as listed in the Compensation Discussion and Analysis above) own Hawaiian Electric Preferred Stock.

HEI Common Stock

The table below shows the number of shares of HEI Common Stock beneficially owned by each person who is a current Hawaiian Electric director, each Hawaiian Electric named executive officer listed in the Compensation Discussion and Analysis above, and all directors and executive officers as a group as of February 9, 2023 February 9, 2024.

	Amount and Nature of Beneficial Ownership of HEI Common Stock				
Name of Individual or Group	Sole Voting or Investment Power (1)	Shared Voting or Investment Power (2)	Other Beneficial Ownership (3)	Restricted Stock Units (4)	Total (5)
Nonemployee directors					
James A. Ajello	51,539				51,539
Kevin M. Burke	8,810				8,810
Timothy E. Johns	49,486				49,486
Mary E. Kipp	535				535
Alana K. Pakkala	4,438				4,438
Kelvin H. Taketa	30,551				30,551
Toby B. Taniguchi	2,913				2,913
Employee director and Named Executive Officer					
Shelee M. T. Kimura	11,532	1,295		5,527	18,354
Other Named Executive Officers					
Jimmy D. Alberts	34,432			4,126	38,558
Jason E. Benn	3,089			2,620	5,709
Colton K. Ching	12,297	83		3,861	16,241
Tayne S. Y. Sekimura	17,555	54,149		5,081	76,785
All directors and executive officers as a group (13 persons)	178,868	106,983	83	23,017	308,951

	Amount and Nature of Beneficial Ou		
Name of Individual or Group	Sole Voting or Investment Power (1)	Shared Voting or Investment Power (2)	Be Ow
Nonemployee directors			
James A. Ajello			40,485
Timothy E. Johns			51,409
Mary E. Kipp	2,358		
Alana K. Pakkala	6,261		
Toby B. Taniguchi	4,736		
Employee director and Named Executive Officer			
Shelee M. T. Kimura	19,460	1,358	
Other Named Executive Officers			
Jimmy D. Alberts	44,022		
Jason E. Benn	7,781		
Colton K. Ching	20,238		
Paul K. Ito	14,423		
Tayne S. Y. Sekimura*	26,882	55,020	
All directors and executive officers as a group (11 persons)	125,568	93,252	

* Tayne Sekimura retired effective October 2023, and is thus a named executive officer for 2023 but is not a current executive officer.

(1) Includes the following shares held as of February 9, 2023 February 9, 2024 in the Company Stock Fund in the HEI Retirement Savings Plan: approximately 1,304 810 shares for Ms. Sekimura; and shares 1,998 for all directors and executive officers as a group. The value of all units measured by the closing price of HEI Common Stock on the

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measurement date.

(2) Includes (i) shares registered in name of the individual and spouse and/or (ii) shares registered in trust with the individual and spouse serving as co-trustees.

(3) Shares owned by spouse, children or other relatives sharing the home of the director or officer in which the director or officer disclaims beneficial interest.

(4) Includes shares that the individual has the right to acquire within 60 days after February 9, 2023 February 9, 2024 pursuant to restricted stock units and related dividend equivalent rights thereon, including shares which retirement eligible individuals have a right to acquire upon retirement. These shares are included for purposes of calculating the percentage ownership of each individual named above and all directors and executive officers as a group as described in footnote (5) below, but are not deemed to be outstanding as to any other person.

(5) As of February 9, 2023 February 9, 2024, the directors and executive officers as a group and each individual named above beneficially owned less than one percent of the record number of outstanding shares of HEI Common Stock as of that date and no shares were pledged as security.

Kelvin H. Taketa, age 68, Hawaiian Electric director since 2004

Business experience and other public company and Hawaiian Electric affiliate directorships since 2018

- Senior Fellow, Hawaii Community Foundation (statewide charitable foundation), July 2017 - December 2018
- CEO, Hawaii Community Foundation, Jan 2016 - June 2017
- President and CEO, Hawaii Community Foundation, 1998 - 2015
- Director 1993-2019 and Nominating and Corporate Governance Committee Chair (2004-2019), HEI (parent company of Hawaiian Electric)

Skills and qualifications for Hawaiian Electric Board service

- Executive management experience with responsibility for overseeing more than $500 million in charitable assets through his leadership of the Hawaii Community Foundation.
- Proficiency in assessing strategic planning, organization and leadership issues as well as marketing and public relations from his prior position at the Hawaii Community Foundation and his experience as Vice President and Executive Director of the Asia/Pacific Region for The Nature Conservancy and as Founder, Managing Partner and Director of Sunrise Capital Inc.
- Knowledge of corporate and nonprofit governance issues gained from his prior service as a director for Grove Farm Company, Inc. and the Independent Sector, his current service on the boards of Pacific American Foundation, the Hawaii Leadership Forum, Elemental Excellence and the Center for Effective Philanthropy and his publishing articles and lecturing on governance of tax-exempt organizations.
- Extensive experience in conservation/environmental matters in Hawaii and Asia Pacific Region.

Toby B. Taniguchi, age 81, Hawaiian Electric director since 2022

Hawaiian Electric Audit & Risk Committee Member since April 2022

Business experience since 2018

- President & Chief Operating Officer, KTA Super Stores, 2014-present
- Vice President, KTA Super Stores, 2006-2014
- President, K. Taniguchi, Limited, 2010-present
- Vice President, K. Taniguchi Limited, 1999-2010

Skills and qualifications for Hawaiian Electric Board service

- Executive leadership experience as President and Chief Operating Officer of KTA Super Stores where he is responsible for the daily operations of the largest network of retail grocery stores on the island of Hawaii. KTA Super Stores has invested in environmental and social innovations including electric vehicle infrastructure investments, PV system installation, sourcing from locally owned and operating businesses, supporting breast cancer awareness month and minimizing the organization's carbon footprint.
- Current knowledge of and experience with the business community on the island of Hawaii, which is serviced by Hawaiian Electric Company's subsidiary, Hawaii Electric Light Company, from serving in leadership positions for 17 years at KTA Super Stores which has seven retail stores all over the island and is one of the oldest grocers on island, established 105 years ago.
- Extensive corporate and non-profit board leadership experience from his service on private and non-profit boards in the state which include areas of impact such as community development, health and human services, education, business, industry, insurance, and economic development.
- Recognized business and community leader, including recognitions by the Hawaii Business Magazine for his leadership with the "40 Under Forty" distinction and the "20 for the Next 20" award.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related person transactions

The HEI Board has adopted a related person transaction policy that is specifically incorporated in HEI's Corporate Code of Conduct, which is available for review at *www.hei.com/govdocs* (documents referenced as being available on the Company's website are not incorporated herein). The Corporate Code of Conduct, including the related person transaction policy, also applies to Hawaiian Electric and its subsidiaries. The related person transaction policy is specific to transactions between the Company and related persons such as executive officers and directors, their immediate family members or entities with which publishing articles and lecturing on governance of tax-exempt organizations.

they are affiliated in which the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest. Under the policy, the HEI Board acting through the HEI Nominating and Corporate Governance Committee, will approve a related person transaction involving a director or an officer if the HEI Board determines in advance that the transaction is not inconsistent with the best interests of HEI and its shareholders and is not in violation of HEI's Corporate Code of Conduct.

There have been no transactions since January 1, 2022 January 1, 2023, and there are no currently proposed transactions in which, Hawaiian Electric or any of its subsidiaries was a participant, the amount involved exceeds $120,000, and any related person (as defined in Item 404 of Regulation S-K) had or will have a direct or indirect material interest.

Director independence

Because HEI has Common Stock listed on NYSE and Hawaiian Electric is a wholly-owned subsidiary of HEI, HEI is subject to the corporate governance listing standards in Section 303A of the NYSE Listed Company Manual but Hawaiian Electric is not subject to NYSE listing standards, including Sections 303A.01 and 303A.02 regarding director independence.

Although Hawaiian Electric is not subject to NYSE listing standards 303A.01 and 303A.02, Hawaiian Electric voluntarily endeavors to comply with these standards for director independence. The HEI Nominating and Corporate Governance Committee assists the Hawaiian Electric Board with its independence determinations.

For a director to be considered independent under NYSE listing standards 303A.01 and 303A.02, the Hawaiian Electric Board must determine that the director does not have any direct or indirect material relationship with Hawaiian Electric or its parent or subsidiaries apart from his or her service as a director. The NYSE listing standards also specify circumstances under which a director may not be considered independent, such as when the director has been an employee of the Company within the last three fiscal years, if the director has had certain relationships with the Company's external or internal auditor within the last three fiscal years or when the Company has made or received payments for goods or services to or from entities with which the director or an immediate family member of the director has specified affiliations and the aggregate amount of such payments in any year within the last three fiscal years exceeds the greater of $1 million or 2% of such entity's consolidated gross revenues for the last fiscal year.

The HEI Nominating and Corporate Governance Committee and the Hawaiian Electric Board considered the information below, which was provided by Hawaiian Electric directors and/or by HEI and its subsidiaries, concerning relationships between (i) Hawaiian Electric or its affiliates and (ii) the director, the director's immediate family members or entities with which such directors or immediate family members have certain affiliations. Based on its consideration of the relationships described below and the recommendations of the HEI Nominating and Corporate Governance Committee, the Hawaiian Electric Board determined that all of the nonemployee directors of Hawaiian Electric (Messrs. Ajello, Burke, Johns, Taketa and Taniguchi and Mss. Kipp and Pakkala) are independent. The remaining director of Hawaiian Electric, Ms. Kimura, is an employee director and hence is not independent.

Audit & Risk Committee of the Hawaiian Electric Board of Directors

With respect to Ms. Pakkala, the Hawaiian Electric Board determined that ordinary course of business and market term loans between ASB and certain entities in which Ms. Pakkala or her family members have an ownership interest, did not impair Ms. Pakkala's independence as a Hawaiian Electric director.

Because HEI has common stock listed on the New York Stock Exchange (NYSE) and Hawaiian Electric is a wholly-owned subsidiary of HEI, HEI is subject to the corporate governance listing standards in Section 303A of the NYSE Listed Company Manual, but Hawaiian Electric is not subject to NYSE listing standards, including Sections 303A.04, 303A.05 and 303A.06, which require listed companies to have nominating/corporate governance, compensation and audit committees, respectively.

With respect to Mr. Taniguchi, the Hawaiian Electric Board considered amounts paid during the last three fiscal years to purchase electricity from Hawaii Electric Light Company, a subsidiary of Hawaiian Electric (the sole public utility providing electricity to the island of Hawaii) by the entity which the director was employed or a family member of the director was an executive officer. None of the amounts paid by this entity for electricity (excluding pass-through charges for fuel, purchased power and Hawaii state revenue taxes) within the last three fiscal years exceeded the NYSE threshold that would automatically result in a director not being independent. The Hawaiian Electric Board also considered that Hawaiian Electric is the sole source of electric power on the island of Hawaii and that the rates Hawaii Electric Light charges for electricity are fixed by state regulatory authority. Since nonemployee directors Timothy E. Johns (chair), James A. Ajello, Kevin M. Burke, Mary E. Kipp, Alana K. Pakkala and Toby B. Taniguchi, all committee members are independent purchasers of electricity from Hawaiian Electric, Light have no choice as to supplier and no ability to negotiate rates or other terms, the Hawaiian Electric Board determined that these relationships do not impair the independence of Mr. Taniguchi.

Although not required by NYSE rules to do so, Hawaiian Electric has established one standing committee, the Hawaiian Electric Audit & Risk Committee, and voluntarily endeavors to comply with NYSE and SEC requirements regarding audit committee composition. The current members of the Hawaiian Electric Audit & Risk Committee are nonemployee directors Timothy E. Johns (chair), James A. Ajello, Kevin M. Burke, Mary E. Kipp, Alana K. Pakkala and Toby B. Taniguchi. All committee members are independent and qualified to serve on the committee pursuant to NYSE and SEC requirements. Each of Timothy E. Johns, James A. Ajello, Mary E. Kipp and Toby B. Taniguchi has been determined by the Hawaiian Electric Board to be an "audit committee financial expert" on the Hawaiian Electric Audit & Risk Committee.

The Hawaiian Electric Audit & Risk Committee operates and acts under a written charter approved by the Hawaiian Electric Board which is available on HEI's website at *www.hei.com/govdocs* (documents referenced as being available on the Company's website are not incorporated herein). The Hawaiian Electric Audit & Risk Committee is responsible for overseeing (1) Hawaiian Electric's financial reporting processes and internal controls, (2) the performance of Hawaiian Electric's internal auditor, (3) risk assessment

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

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Principal accountant fees

The following table sets forth the fees paid or payable to Deloitte & Touche LLP (Deloitte), Hawaiian Electric's independent registered public accounting firm for 2022 2023 and 2021: 2022:

	2022	2021	2023	2022
Audit fees (primarily consisted of fees associated with the audit of the consolidated financial statements and quarterly reviews)	$ 1,590,000	$ 1,502,000		
Audit fees (primarily consisted of fees associated with the audit of the consolidated financial statements, quarterly reviews and additional work performed related to Maui Windstorm and Wildfire)			$ 2,128,000	$ 1,590,000
Audit-related fees (primarily consisted of agreed upon procedures)	75,000	75,000	82,000	75,000
Tax fees (consisted of tax return review)	—	40,800		
Tax fees			—	—
All other fees	—	—	—	—
	$ 1,665,000	$ 1,617,800	$ 2,210,000	$ 1,665,000

Pre-approval policies

Pursuant to its charter, the Hawaiian Electric Audit & Risk Committee provides input to the HEI Audit & Risk Committee regarding pre-approval of all audit and permitted non-audit services of the independent registered public accounting firm engaged to audit the Consolidated Financial Statements with respect to Hawaiian Electric. The Hawaiian Electric Audit & Risk Committee may delegate this responsibility to one or more of its members, provided that such member or members report to the full committee at its next regularly scheduled meeting any such input provided to the HEI Audit & Risk Committee. The Hawaiian Electric Audit & Risk Committee has delegated such responsibility to its chairperson. With such input, the HEI Audit & Risk Committee pre-approved all of the audit, audit-related and tax fees reflected in the table above.

ITEM 11. EXECUTIVE COMPENSATION

Director compensation

The Hawaiian Electric Board believes that a competitive compen**Relative Total Shareholder Return Metric**etain individuals with the experience, skills and qualifications needed to serve as a director on the board of a regulated electric public utility. Nonemployee director compensation is composed of a mix of cash and HEI Common Stock. Only The EEI is an association of U.S. shareholder-owned electric companies that are representative of comparable investment alternatives to HEI. The EEI's members serve virtually all of the ultimate customers in the shareholder-owned segment of the industry.ber of the Hawaiian Electric Board, neither she nor any other executive officer participated in the determination of nonemployee director compensation.

Nonemployee directors of Hawaiian Electric receive compensation in the form of a cash retainer and an HEI stock grant. James A. Ajello, Kevin M. Burke, Timothy E. Johns, Mary E. Kipp, Alana K. Pakkala Kelvin H. Taketa and Toby B. Taniguchi are nonemployee directors of Hawaiian Electric. No Hawaiian Electric director is also an HEI director.

The HEI Compensation & Human Capital Management Committee reviews the compensation of Hawaiian Electric nonemployee directors at least once every three years and recommends changes to the Hawaiian Electric Board. In 2021, 2022, the HEI Compensation & Human Capital Management Committee asked its independent compensation consultant, Frederic W. Cook & Co., Inc. (FW Cook), to conduct an evaluation of HEI's nonemployee director compensation practices. FW Cook assessed the structure of HEI's nonemployee director compensation program and its value compared to competitive market practices of utility peer companies, similar to the assessments used in its executive compensation review. The HEI Compensation & Human Capital Management Committee reviewed the analysis in determining its recommendations concerning the appropriate nonemployee director compensation, including cash retainers, stock awards and meeting fees for HEI directors. As part of this analysis, the HEI Compensation & Human Capital Management Committee reviewed the cash retainers, stock awards and meeting fees for Hawaiian Electric directors and determined that it would wouldn't recommend any changes to the Hawaiian Electric Board an increase to the Hawaiian Electric director compensation to generally align with increases for HEI directors.

In 2021, the HEI Compensation & Human Capital Management Committee recommended, and the Hawaiian Electric Board approved, for Hawaiian Electric directors: (i) an increase of $6,000 (from $45,000 to $51,000) to the annual cash retainer; (ii) an increase of $11,000 (from $55,000 to $66,000) to the value of the annual stock award; and (iii) an increase to the annual cash retainer for the Hawaiian Electric Audit & Risk Committee Chair of $3,750 (from $15,000 to $18,750). The foregoing increases became effective January 1, 2022. 2023.

Appendix A

2022 Edison Electric Institute (EEI) Index Peers for HEI Long-Term Incentive Plan

Relative Total Shareholder Return Metric

The EEI is an association of U.S. shareholder-owned electric companies that are representative of comparable investment alternatives to HEI. The EEI's members serve virtually all of the ultimate customers in the shareholder-owned segment of the industry.

Principal accountant fees

The following table sets forth the fees paid or payable to Deloitte & Touche LLP (Deloitte), Hawaiian Electric's independent registered public accounting firm for 2023 and 2022:

	2023	2022
Audit fees (primarily consisted of fees associated with the audit of the consolidated financial statements, quarterly reviews and additional work performed related to Maui Windstorm and Wildfire)	$ 2,128,000	$ 1,590,000
Audit-related fees (primarily consisted of agreed upon procedures)	82,000	75,000
Tax fees	—	—
All other fees	—	—
	$ 2,210,000	$ 1,665,000

Pre-approval policies

Pursuant to its charter, the Hawaiian Electric Audit & Risk Committee provides input to the HEI Audit & Risk Committee regarding pre-approval of all audit and permitted non-audit services of the independent registered public accounting firm engaged to audit the Consolidated Financial Statements with respect to Hawaiian Electric. The Hawaiian Electric Audit & Risk Committee may delegate this responsibility to one or more of its members, provided that such member or members report to the full committee at its next regularly scheduled meeting any such input provided to the HEI Audit & Risk Committee. The Hawaiian Electric Audit & Risk Committee has delegated such responsibility to its chairperson. With such input, the HEI Audit & Risk Committee pre-approved all of the audit, audit-related and tax fees reflected in the table above.

Director compensation

The Hawaiian Electric Board believes that a competitive compensation program is necessary to retain individuals with the experience, skills and qualifications needed to serve as a director on the board of a regulated electric public utility. Nonemployee director compensation is composed of a mix of cash and HEI Common Stock. Only the Hawaiian Electric Board member of the Hawaiian Electric Board, neither she nor any other executive officer participated in the determination of nonemployee director compensation.

Nonemployee directors of Hawaiian Electric receive compensation in the form of a cash retainer and an HEI stock grant. James A. Ajello, Kevin M. Burke, Timothy E. Johns, Mary E. Kipp, Alana K. Pakkala, Kelvin H. Taketa and Toby B. Taniguchi are nonemployee directors of Hawaiian Electric. No Hawaiian Electric director is also an HEI director.

The HEI Compensation & Human Capital Management Committee reviews the compensation of Hawaiian Electric nonemployee directors at least once every three years and recommends changes to the Hawaiian Electric Board. In 2022, the HEI Compensation & Human Capital Management Committee asked its independent compensation consultant, Frederic W. Cook & Co., Inc. (FW Cook), to conduct an evaluation of HEI's nonemployee director compensation practices. FW Cook assessed the structure of HEI's nonemployee director compensation program and its value compared to competitive market practices of utility peer companies, similar to the assessments used in its executive compensation review. The HEI Compensation & Human Capital Management Committee reviewed the analysis in determining its recommendations concerning the appropriate nonemployee director compensation, including cash retainers, stock awards and meeting fees for HEI directors. As part of this analysis, the HEI Compensation & Human Capital Management Committee reviewed the cash retainers, stock awards and meeting fees for Hawaiian Electric directors and determined that it wouldn't recommend any changes to the Hawaiian Electric Board an increase to the Hawaiian Electric director compensation to generally align with increases for HEI directors.

In 2021, the HEI Compensation & Human Capital Management Committee recommended, and the Hawaiian Electric Board approved, for Hawaiian Electric directors: (i) an increase of $6,000 (from $45,000 to $51,000) to the annual cash retainer; (ii) an increase of $11,000 (from $55,000 to $66,000) to the value of the annual stock award; and (iii) an increase to the annual cash retainer for the Hawaiian Electric Audit & Risk Committee Chair of $3,750 (from $15,000 to $18,750). The foregoing increases became effective January 1, 2022.

Attendance at Hawaiian Electric Board and Audit & Risk Committee meetings

In 2022, 2023, there were seven regular and 18 special meetings of the Hawaiian Electric Board. All incumbent Hawaiian Electric directors attended at least 93% 80% of the combined total number of meetings of the Hawaiian Electric Board and the Hawaiian Electric Audit & Risk Committee (for those who served on such committee) held during the period for which he or she was a director.

Family relationships; executive officer and director arrangements

There are no family relationships between any executive officer or director of Hawaiian Electric and any other executive officer or director of Hawaiian Electric. There are no arrangements or understandings between any executive officer or director of Hawaiian Electric and any other person pursuant to which such executive officer or director was selected.

Code of Conduct

The HEI Board has adopted a Corporate Code of Conduct that applies to all of HEI's subsidiaries, including Hawaiian Electric, and which includes a code of ethics applicable to, among others, Hawaiian Electric's principal executive officer, principal financial officer and principal accounting officer. The Corporate Code of Conduct is available on HEI's website at *www.hei.com/govdocs* (documents referenced as being available on the Company's website are not incorporated herein). Hawaiian Electric elects to disclose the information required by Form 8-K Item 5.05, "Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics," through this website and such information will remain available on this website for at least a 12-month period.

Delinquent Section 16(a) Reports

Section 16(a) of the 1934 Exchange Act requires Hawaiian Electric's executive officers, controller, directors and persons who own more than ten percent of a registered class of Hawaiian Electric's equity securities to file reports of ownership and changes in ownership with the SEC. Such reporting persons are also required by SEC regulations to furnish Hawaiian Electric with copies of all Section 16(a) forms they file. Based solely on its review of such forms provided to it during 2022, 2023, or written representations from some of those persons that no Forms 5 were required from such persons, Hawaiian Electric believes that, except for a Form 3 that was filed late following the promotion of Joseph Viola, the executive officers required to comply with Section 16(a) of the 1934 Exchange Act with respect to Hawaiian Electric, including its executive officers, directors and persons who own more than ten percent of a registered class of Hawaiian Electric's equity securities, complied with the reporting requirements of Section 16(a) of the 1934 Exchange Act for 2022. 2023.

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ALLETE, Inc.ards of Hawaiian Electric subsidiaries Hawaii Electric Light and Mau IDACORP, Inc.e comprised entirely of officers of Hawaiian Electric and/or its subsidiaries who receive no
Alliant Energy Corp.ensation for such service.
MDU Resources Group Inc.
Ameren Corp.
MGE Energy, Inc.
Cash retainer. Hawaiian Electric nonemployee directors received the cash retainer amounts shown below for their 2022 2023 Hawaiian Electric Board service. Nonemployee
American Electric Power Co., Inc.
NextEra Energy, Inc.
directors of Hawaiian Electric who also serve as a member or chair of the Hawaiian Electric Audit & Risk Committee or as a non-voting Hawaiian Electric Board representative to
AVANGRID, Inc.
NiSource Inc.
attend who attends meetings of the HEI Compensation & Human Capital Management Committee and or the HEI Nominating and Corporate Governance Committee received
Avista Corp.
NorthWestern Corp.
additional retainer amounts, as indicated below. Cash retainers were paid in quarterly installments.
Black Hills Corp.
OGE Energy Corp.

Centerpoint Energy, Inc.	Otter Tail Corp.	2022	2023
CMS Energy Corp. Hawaiian Electric Director	PG&E Corp.	$	51,000
Consolidated Edison, Inc. Hawaiian Electric Chairman of the Board	Pinnacle West Capital Corp.		45,000
Dominion Energy, Inc. Hawaiian Electric Audit & Risk Committee Chair	PNM Resources Inc.		18,750
DTE Energy Co. Hawaiian Electric Audit & Risk Committee Member	Portland General Electric Co.		7,500
Duke Energy Corp. Hawaiian Electric Non-Voting Representative to HEI Compensation & Human Capital Management Committee	PPL Corp.		10,000
Edison International Hawaiian Electric Non-Voting Representative to HEI Nominating and Corporate Governance Committee	Public Service Enterprise Group Inc.		10,000
Entergy Corp.	Sempra Energy		
Evergy, Inc.	Southern Co.		
Eversource Energy	Unitil Corp.		
Exelon Corp.	WEC Energy Group, Inc.		
FirstEnergy Corp.	Xcel Energy Inc.		

neeting fees. Nonemployee directors are also entitled to meeting fee committee meeting attended (as member or chair) after a specified number of
. In 2022, 2023, directors were entitled to additional fees of $1,000 per meeting after attending a minimum of eight Hawaiian Electric Board meetings during the year, Hawaiian Electric Audit & Risk Committee members were entitled to additional fees of $1,000 per meeting after attending a minimum of six Hawaiian Electric Audit & Risk Committee meetings during the year, and the Hawaiian Electric Board's non-voting representative to the HEI Compensation & Human Capital Management Committee and HEI Nominating and Corporate Governance Committee each was entitled to an additional fee of $1,500 per meeting after attending six meetings of the respective Committee during the year.

Fees for non-voting members of HEI board committees. Certain director(s) of Hawaiian Electric serve as non-voting members of certain HEI board committees. This currently includes Timothy Johns who serves as a non-voting member of HEI's Nominating and Corporate Governance Committee and the HEI Compensation & Human Capital Management Committee. Non-voting members of the HEI Compensation & Human Capital Management Committee and HEI Nominating and Corporate Governance Committee are paid the same annual retainer as the voting members. See Cash Retainer table below for amounts paid.

Stock awards. On June 30, 2022 June 30, 2023, each nonemployee director at that time received shares of HEI Common Stock with a value equal to $66,000 as an annual grant under HEI's 2011 Nonemployee Director Stock Plan, as amended and restated (2011 Director Plan), which was approved by HEI shareholders on May 10, 2011, and as amended and restated, for the purpose of further aligning directors' and shareholders' interests. The number of shares issued to each Hawaiian Electric nonemployee director was determined based on the closing sales price of HEI Common Stock on the NYSE on June 30, 2022 June 30, 2023. Stock grants to nonemployee directors under the 2011 Director Plan are made annually on the last business day in June and vest immediately.

Deferred compensation. Nonemployee directors may participate in the HEI Deferred Compensation Plan implemented in 2011 (2011 Deferred Compensation Plan). Under the plan, deferred amounts are credited with gains/losses of deemed investments chosen by the participant from a list of publicly traded mutual funds and other investment offerings. Earnings are not above-market or preferential. Participants may elect the timing upon which distributions are to begin following separation from service (including retirement) and may choose to receive such distributions in a lump sum or in installments over a period of up to fifteen 15 years. Lump sum benefits are payable in the event of disability or death. In 2022, 2023, no Hawaiian Electric director, except for Mr. Taketa, participated in the 2011 Deferred Compensation Plan. Nonemployee directors are also eligible to participate in the prior HEI Nonemployee Directors' Deferred Compensation Plan, as amended January 1, 2009, although no nonemployee director of Hawaiian Electric deferred compensation under such plan in 2022.

Health benefits. Directors may participate, at their election and at their cost, in the group employee medical, vision and dental plans generally made available to Hawaiian Electric employees. No Hawaiian Electric director currently participates in such plans.

2022 2023 DIRECTOR COMPENSATION TABLE

The table below shows the compensation paid to Hawaiian Electric nonemployee directors in 2022. 2023.

Name	Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	Total ($)	Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	Total ($)
James A. Ajello	James A. Ajello	58,500	66,000	124,500	James A. Ajello	79,500	66,000	145,500
Kevin M. Burke	Kevin M. Burke	59,500	66,000	125,500	Kevin M. Burke	20,250	—	20,250
Timothy E. Johns, Chairman	Timothy E. Johns, Chairman	135,750	66,000	201,750	Timothy E. Johns, Chairman	150,750	66,000	216,750
Mary E. Kipp3					Mary E. Kipp3	73,500	88,422	161,922
Alana K. Pakkala	Alana K. Pakkala	56,378	66,000	122,378	Alana K. Pakkala	74,500	66,000	140,500
Kelvin H. Taketa	Kelvin H. Taketa	51,000	66,000	117,000	Kelvin H. Taketa	27,579	—	27,579

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Toby B. Taniguchi	Toby B. Taniguchi	56,378	66,000	122,378	Toby B. Taniguchi	75,500	66,000	141,500

1. Represents cash retainers for board and committee service (as detailed in the table below).
2. Represents For all Hawaiian Electric nonemployee directors other than Messrs. Burke and Taketa and Ms. Kipp, this amount represents an HEI stock award in the value of $66,000, as described above under "Stock Awards." These equity grants were made on June 30, 2022 June 30, 2023. Messrs. Burke and Taketa retired in 2023 and did not receive a 2023 equity award. Ms. Kipp also received a new director stock award prorated in the value of $22,422, as described below under footnote 3.
3. Ms. Kipp was appointed to the Hawaiian Electric Board effective January 1, 2023. In addition to the equity grant described in footnote 2, above, Ms. Kipp received a new director equity grant and a cash fee in an amount prorated for the period from January 1 to May 5, 2023.

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The table below shows the total fees paid in cash retainers paid to Hawaiian Electric nonemployee directors for Hawaiian Electric board and committee service and service on the Cybersecurity Working Group in 2022 2023.

Name	Name	Hawaiian Electric Board ($) (1)	Hawaiian Electric Chairman ($)	Hawaiian Electric Audit & Risk Committee ($)	Hawaiian Electric Nonvoting Representative to HEI Compensation & Human Capital Management Committee ($)	Hawaiian Electric Nonvoting Representative to HEI Nominating and Corporate Governance Committee ($)	Extra Meeting Fees ($) (2)	Total Fees Earned or Paid in Cash ($)	Name	Hawaiian Electric Board ($) (1)	Hawaiian Electric Chairman ($)	Hawaiian Electric Audit & Risk Committee ($)	Cyber Security Working Group ($)
James A. Ajello	James A. Ajello	51,000	—	7,500	—	—	—	58,500	James A. Ajello	51,000	—	7,500	5,000
Kevin M. Burke	Kevin M. Burke	51,000	—	7,500	—	—	1,000	59,500	Kevin M. Burke	17,654	—	2,596	—
Timothy E. Johns	Timothy E. Johns	51,000	45,000	18,750	10,000	10,000	1,000	135,750	Timothy E. Johns	51,000	45,000	18,750	—
Mary E. Kipp									Mary E. Kipp	51,000	—	7,500	—
Alana K. Pakkala	Alana K. Pakkala	51,000	—	5,378	—	—	—	56,378	Alana K. Pakkala	51,000	—	7,500	—
Kelvin H. Taketa	Kelvin H. Taketa	51,000	—	—	—	—	—	51,000	Kelvin H. Taketa	27,579	—	—	—
Toby B. Taniguchi	Toby B. Taniguchi	51,000	—	5,378	—	—	—	56,378	Toby B. Taniguchi	51,000	—	7,500	—

1. Represents $51,000 annual cash retainer for board service.
2. Represents extra meeting fees earned for attending Board and committee meetings in excess of the number of meetings specified in "Director Compensation - Extra meeting fees."

Compensation Discussion and Analysis

This section describes Hawaiian Electric's executive compensation program and the compensation decisions made for Hawaiian Electric's 2022 2023 named executive officers, who are listed below.

Name	Title
Shelee M. T. Kimura	Hawaiian Electric President and Chief Executive Officer (CEO)
Tayne S. Y. Sekimura Paul K. Ito	Hawaiian Electric Senior Vice President, Chief Financial Officer and Treasurer
Jimmy D. Alberts	Hawaiian Electric Senior Vice President and Chief Operations Officer
Jason E. Benn	Hawaiian Electric Senior Vice President and Chief Information Officer
Colton K. Ching	Hawaiian Electric Senior Vice President, Planning & Technology
Tayne S. Y. Sekimura	Former Hawaiian Electric Senior Vice President, Chief Financial Officer and Treasurer

2022 2023 Executive summary

Guiding principles

In designing Hawaiian Electric's 2022 2023 executive compensation program and making pay decisions, the HEI Compensation & Human Capital Management Committee and Hawaiian Electric Board followed these guiding principles:

- Pay should reflect Company performance, particularly over the long-term.
- Compensation programs should align executives' interests with those of our shareholders, customers and employees.
- Programs should be designed to attract, motivate and retain talented executives who can drive the Company's success.
- The cost of programs should be reasonable while maintaining their purpose and benefit.

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Key design features

The 2022 2023 compensation program for Hawaiian Electric's named executive officers is comprised of four primary elements – base salary, performance-based annual incentives, performance-based long-term incentives earned over three years and time-based restricted stock units (RSUs) that vest in equal annual installments over three years. With these elements, named executive officers' total compensation opportunity is designed to provide a balance between fixed and variable (performance-based) pay, and between short-term and long-term incentives. Other named executive officer benefits include eligibility to participate in retirement and nonqualified deferred compensation plans, and minimal perquisites.

Pay for performance

The compensation of our named executive officers earned for 2022 2023 reflects Hawaiian Electric's 2022 2023 performance, as well as its performance over the three-year period that ended December 31, 2022 December 31, 2023:

- For 2022 2023 annual incentive performance, the following metrics applied to all Hawaiian Electric named executive officers for the one-year period ending December 31, 2022 December 31, 2023: (a) Hawaiian Electric net income, (b) safety, (c) customer satisfaction, (c) (d) reliability, (d) safety, (e) human capital management (HCM), which includes strategic workforce planning employee engagement and diversity, equity and inclusion, and (f) decarbonization, which includes renewable portfolio standards and electrification, each on a consolidated basis. For the 2024 annual incentive, the HEI Compensation & Human Capital Management Committee and the Hawaiian Electric Board have included additional metrics focused on resilience and safety, including wildfire mitigation and generation reliability. Details of the 2024 annual incentive metrics will be included in Exhibit 99.1 to the 2024 Form 10-K.
- Long-term incentives comprise a significant portion of each Hawaiian Electric named executive officer's pay opportunity. For the three-year period that ended December 31, 2022 December 31, 2023, the Hawaiian Electric named executive officer performance metrics were: (a) Hawaiian Electric average annual net income EPS growth, (b) Hawaiian Electric return on average common equity (ROACE) as a percentage of the ROACE allowed by the Hawaii Public Utilities Commission (PUC) for the period, (c) reduction of carbon emissions from power generation, renewable portfolio standards, and (d) HEI total shareholder return compared to the companies in the Edison Electric Institute (EEI) Index. For the 2024-26 long-term incentive, the HEI Compensation & Human Capital Committee and the Hawaiian Electric Board have included metrics focused on system hardening to enhance public safety and on improving the utility's credit rating. Details of the 2024-26 long-term incentive metrics will be included in Exhibit 99.1 to the 2024 Form 10-K.

The Hawaiian Electric Board and HEI Compensation & Human Capital Management Committee believe that Hawaiian Electric's executive compensation program serves the Company's pay-for-performance objective and is structured to encourage participants to build long-term value for the benefit of all stakeholders, including shareholders, customers and employees.

Compensation process

Roles in determining compensation

Roles of the Hawaiian Electric Board and HEI Compensation & Human Capital Management Committee. The Hawaiian Electric Board does not have a separate compensation committee. Rather, the entire Hawaiian Electric Board serves as Hawaiian Electric's performs the function of a compensation committee and oversees the design and implementation of Hawaiian Electric's executive compensation programs. In addition, as part of its responsibility to oversee compensation programs at HEI and its subsidiaries, the HEI Compensation & Human Capital Management Committee assists the Hawaiian Electric Board by approving

performance- and equity-based compensation for ratification by the Hawaiian Electric Board and making recommendations to the Hawaiian Electric Board regarding other executive compensation matters.

The HEI Compensation & Human Capital Management Committee fulfills its responsibilities to assist the Hawaiian Electric Board regarding executive compensation matters by engaging annually in a rigorous process to arrive at compensation decisions regarding the named executive officers. In the course of this process, the HEI Compensation & Human Capital Management Committee:

- Engages in extensive deliberations in meetings held over several months;
- Consults with its independent compensation consultant during and outside of meetings;
- Focuses on Hawaiian Electric's long-term strategy, and nearer-term goals to implement such strategy, in setting performance metrics and goals;
- Reviews tally sheets for each named executive officer to understand how the elements of compensation relate to each other and to the compensation package as a whole (the tally sheets include fixed and variable compensation, minimal perquisites and change in pension value for current and past periods);
- Examines data and analyses prepared by its independent compensation consultant concerning peer group selection, comparative compensation data and evolving best practices;
- Reviews Hawaiian Electric's performance and discusses assessments of the individual performance of senior members of management;
- Analyzes the reasonableness of incentive payouts in light of the long-term benefits to all stakeholders;
- Considers trends in compensation to determine whether incentive programs are working effectively; and
- Reviews risk assessments conducted by the HEI and Hawaiian Electric Enterprise Risk Management functions to determine whether compensation programs and practices carry undue risk.

Early each year, the HEI Compensation & Human Capital Management Committee determines compensation earned under incentive plans with respect to performance periods ending in the prior year, establishes performance metrics and goals for incentive plans beginning in the current year and recommends to the Hawaiian Electric Board the level of compensation and mix of pay elements for each named executive officer.

The Hawaiian Electric Board discusses evaluations of the Hawaiian Electric CEO's performance, considers HEI Compensation & Human Capital Management Committee recommendations concerning the CEO's pay and determines the CEO's compensation. The Hawaiian Electric Board also reviews HEI Compensation & Human Capital Management Committee recommendations concerning the other Hawaiian Electric named executive officers and approves their compensation.

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Role of executive officers. The Hawaiian Electric CEO, who is also a Hawaiian Electric director, assesses the performance of the other Hawaiian Electric named executive officers and makes recommendations to the HEI Compensation & Human Capital Management Committee with respect to their levels of compensation and mix of pay elements. The CEO also participates in deliberations of the Hawaiian Electric Board in acting on the HEI Compensation & Human Capital Management Committee's recommendations on the other Hawaiian Electric named executive officers. The CEO does not participate in the deliberations of the HEI Compensation & Human Capital Management Committee to recommend, or of the Hawaiian Electric Board to determine, the CEO's own compensation.

Hawaiian Electric management supports the HEI Compensation & Human Capital Management Committee in executing its responsibilities by providing data and other materials for HEI Compensation & Human Capital Management Committee meetings (including tally sheets and recommendations regarding performance metrics, goals and pay mix); by attending portions of HEI Compensation & Human Capital Management Committee meetings as appropriate to provide perspective and expertise relevant to agenda items; and by supplying such other data and information as may be requested by the HEI Compensation & Human Capital Management Committee and/or its independent compensation consultant.

Compensation consultant & consultant independence. Independent compensation consultant Frederic W. Cook & Co., Inc. (FW Cook) is retained by, and reports directly to, the HEI Compensation & Human Capital Management Committee. FW Cook provides the HEI Compensation & Human Capital Management Committee with independent expertise on market practices and developments in executive compensation, compensation program design, peer group composition and competitive pay levels, and provides related research, data and analyses. FW Cook also advises the HEI Compensation & Human Capital Management Committee regarding analyses and proposals presented by management related to executive compensation. A representative of FW Cook attends HEI Compensation & Human Capital Management Committee meetings, participates in Committee executive sessions and communicates directly with the Committee.

In early 2023, 2024, as in prior years, the HEI Compensation & Human Capital Management Committee evaluated FW Cook's independence, taking into account all factors it considered relevant, including the factors specified in the NYSE listing standards and the absence of other relationships between FW Cook and HEI, Hawaiian Electric and their directors or executive officers. Based on its review of such factors, and based on FW Cook's independence policy, which was shared with the HEI Compensation & Human Capital Management Committee, the Committee concluded that FW Cook is independent and that the work of FW Cook has not raised any conflict of interest.

Use of comparative market data

Compensation benchmarking. The HEI Compensation & Human Capital Management Committee considers market data from peer group companies as a reference point in determining the named executive officers' pay components and target compensation opportunity (composed of base salary, performance-based annual incentive, performance-based long-term incentive and time-vested RSUs). The HEI Compensation & Human Capital Management Committee may decide that an executive's compensation opportunity should be higher or lower in relation to peers based on considerations including internal equity, the executive's level of responsibility, experience, expertise and past performance, as well as retention and succession objectives.

Comparative market data used in setting 2022 2023 executive pay consisted of information from public company proxy statements for peer group companies and the Willis Towers Watson Energy Services Survey.

Peer groups. The HEI Compensation & Human Capital Management Committee annually reviews the peer groups used in benchmarking for Hawaiian Electric executive compensation, with analysis and recommendations provided by FW Cook. For 2022 2023 compensation, the Committee determined, with input from FW Cook, that certain changes to Hawaiian Electric's 2022 2023 peer group were appropriate. The selection criteria and resulting 2022 2023 Hawaiian Electric peer group is set forth below.

	Hawaiian Electric 2022 2023 Peer Group (applies to all Hawaiian Electric named executive officers)		
Selection Criteria	· Electric utilities with primarily regulated operations · Revenue balanced in a range of approximately 0.4x to 2.5x Hawaiian Electric's revenue · Market cap and location as a secondary considerations consideration		
Peer Group for 2022 2023 Compensation	ALLETE, Inc. Alliant Energy Corp. AVANGRID, Inc. Avista Corp. Black Hills Corp. Evergy, Inc. IDACORP, Inc.	MDU Resources Group Inc.	NiSource Inc. Northwestern Corp OGE Energy Corp. Pinnacle West Capital Corp. PNM Resources Inc. Portland General Electric

Relationship between compensation programs and risk management

Hawaiian Electric's compensation policies and practices are designed to encourage executives to build value for all stakeholders, including shareholders, customers and employees, and to discourage decisions that introduce inappropriate risks.

Hawaiian Electric's Enterprise Risk Management (ERM) function is principally responsible for identifying and monitoring risk at Hawaiian Electric and its subsidiaries, and for reporting on high risk areas to the Hawaiian Electric Board and Hawaiian Electric Audit & Risk Committee. Hawaiian Electric's ERM function is part of HEI's overall ERM function, which is responsible for identifying and monitoring risk throughout the HEI companies and for reporting on areas of believed to pose significant risk to the HEI Board and designated board committees. As a result, all Hawaiian Electric and HEI directors, including those who serve on or are representatives to the HEI Compensation & Human Capital Management Committee, are apprised of risks that could reasonably be expected to have a material adverse effect on Hawaiian Electric.

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Risk assessment. On an annual basis, the HEI Compensation & Human Capital Management Committee and its independent compensation consultant review a risk assessment of compensation programs in place at Hawaiian Electric and its subsidiaries, which is updated annually by the Hawaiian Electric and HEI ERM function. Based on its review of the risk

assessment of compensation programs in place in 2022 2023 and consultation with FW Cook, the HEI Compensation & Human Capital Management Committee believes that Hawaiian Electric's compensation plans do not encourage risk taking that is reasonably likely to have a material adverse effect on Hawaiian Electric.

Risk mitigation features of compensation programs. Hawaiian Electric's compensation programs incorporate the following features to promote prudent decision-making and guard against excessive risk:

- Financial performance objectives for the annual incentive program are linked to Board-approved budget guidelines, and nonfinancial measures (such as customer satisfaction, reliability and safety) are designed to be aligned with the interests of all Hawaiian Electric stakeholders.
- An executive compensation recovery policy (clawback policy) permits recoupment of performance-based compensation paid to executives found personally responsible for fraud, gross negligence or intentional misconduct that causes a significant restatement of Hawaiian Electric's financial statements.
- Annual and long-term incentive awards are capped at maximum performance levels.
- Financial opportunities under long-term incentives are greater than those under annual incentives, emphasizing the importance of long-term outcomes.
- Share ownership and retention guidelines requiring named executive officers to hold certain amounts of HEI Common Stock ensure that Hawaiian Electric's named executive officers have a substantial personal stake in the long-term performance of Hawaiian Electric and HEI. The guidelines specific to the named executive officers are discussed below under "Share ownership and retention are required throughout employment with the Company."
- Long-term incentive payouts are 100% equity-based, so executives share in the same upside potential and downside risk as all HEI shareholders.
- Annual grants of RSUs and long-term incentives vest over a period of three years to encourage sustained performance and executive retention.
- Performance-based plans use a variety of financial metrics (e.g., net income, return on average common equity) and nonfinancial performance metrics (e.g., customer satisfaction, reliability and safety) that correlate with long-term value creation for all stakeholders and are impacted by management decisions.
- The Hawaiian Electric Board and HEI Compensation & Human Capital Management Committee continuously monitor risks faced by the enterprise, including through management presentations at quarterly meetings and through periodic written reports from management.

Share ownership and retention are required throughout employment with the Company

Hawaiian Electric named executive officers are required to own and retain HEI Common Stock throughout employment with the Company. Each officer subject to the requirements has until January 1 of the year following the fifth anniversary of the later of (i) any amendment to his or her required level of stock ownership or (ii) first becoming subject to the requirements, to reach the following ownership levels:

Position	Value of Stock to be Owned
Hawaiian Electric President and CEO	2x base salary
Other Named Executive Officers	1x base salary

As of the date of this report, all of the Company's named executive officers have either met their stock ownership requirement or have not yet reached their stock ownership compliance deadline.

Until reaching the applicable stock ownership requirement, officers subject to the requirements must retain 50% of shares received in payout under the LTIP (net of any shares withheld for taxes) and 50% of shares received through the vesting of RSUs (net of any shares withheld for taxes). The HEI Compensation & Human Capital Management Committee has the authority to approve deviations from these ownership and retention requirements, including hardship exceptions to these exceptions. In consideration of the extreme volatility in the market value of HEI's common stock since the Maui windstorm and wildfire, the HEI Compensation & Human Capital Management Committee waived the January 1, 2024 stock ownership compliance date and waived until further notice the retention requirements. requirements that limit sales of HEI stock until ownership compliance has been achieved. Notwithstanding the waiver of the 2024 compliance date, as of such date, all of the Company's named executive officers had either met their stock ownership requirement or had not yet reached their stock ownership compliance deadline.

2022 2023 compensation elements and pay decisions

Elements and objectives

The total compensation program for named executive officers is made up of the five standard components summarized below. Each component fulfills important objectives that reflect our focus on pay for performance, competitive programs to attract and retain talented executives and aligning executive decisions with the interests of all stakeholders. These elements are described in further detail in the pages that follow.

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Compensation element	Summary	Objectives
Base Salary	Fixed level of cash compensation set in reference to peer group median (may vary based on performance, experience, responsibilities, expertise and other factors).	Attract and retain talented executives by providing competitive fixed cash compensation.
Annual Performance-Based Incentives	Variable cash award based on achievement of pre-set performance goals for the year. Award opportunity is determined as a percentage of base salary. Performance below threshold levels yields no incentive payment.	Drive achievement of key business results linked to short-term and long-term strategy and reward executives for their contributions to such results. Balance compensation cost and return by paying awards based on performance.
Long-Term Performance-Based Incentives	Variable equity award based on meeting pre-set performance objectives over a 3-year period. Award opportunity is determined as a percentage of base salary. Performance below threshold levels yields no incentive payment.	Motivate executives and align their interests with those of all stakeholders by promoting long-term value growth and by paying awards in the form of equity. Balance compensation cost and return by paying awards based on performance.
Annual Restricted Stock Unit (RSU) Grant	Annual equity grants in the form of RSUs that vest in equal installments over 3 years (beginning with grants made in 2021). Amount of grant is determined as a percentage of base salary.	Promote alignment of executive and shareholder interests by ensuring executives have significant ownership of HEI Common Stock. Retain talented leaders through multi-year vesting.
Benefits	Includes defined benefit pension plans and defined contribution plan, deferred compensation plans, double-trigger change-in-control agreements; minimal perquisites and an executive death benefit plan (frozen since 2009).	Enhance total compensation with meaningful and competitive benefits that promote retention and peace of mind and contribute to financial security. Double-trigger change-in-control agreements encourage focused attention of executives during major corporate transitions.

Changes to elements in 2022 2023

On an annual basis, the HEI Compensation & Human Capital Management Committee reviews and recommends for Hawaiian Electric Board approval, each named executive officer's target compensation opportunity, which is composed of base salary, target annual cash and target long-term equity opportunities. Target annual cash and target long-term equity incentive opportunities are established, in each case, as a percentage of base salary.

The HEI Compensation & Human Capital Management Committee recommended, and the Hawaiian Electric Board approved, changes to compensation for 2022, 2023, as shown in the table below.

		Base Salary[1] ($)		Performance-Based Annual Incentive (Target Opportunity[2] as % of Base Salary)		Performance-Based Long-term Incentive (Target Opportunity[2] as % of Base Salary)		Restricted Stock Units (Grant Value as % of Base Salary)			Base Salary[1] ($)		Performance-Based Annual Incentive (Target Opportunity[2] as % of Base Salary)		Performance-Based Long-Term Incentive (Target Opportunity[2] as % of Base Salary)		St
Name	Name	2021	2022	2021	2022	2021-23	2022-24	2021	2022	Name	2022	2023	2022	2023	2021-23	2022-24	
Shelee M. T. Kimura	Shelee M. T. Kimura	292,000	450,000	50	75	61	90	35	85[3]	Shelee M. T. Kimura	450,000	575,000	75	same	90	same	
Paul K. Ito										Paul K. Ito	n/a	475,000	n/a	70	n/a	80	
Jimmy D. Alberts										Jimmy D. Alberts	350,000	364,583	50	55	45	50	
Jason E. Benn										Jason E. Benn	307,500	322,333	50	same	45	same	
Colton K. Ching										Colton K. Ching	315,000	331,667	50	same	45	same	
Tayne S. Y. Sekimura	Tayne S. Y. Sekimura	385,000	397,500	55	same	67	50	35	same	Tayne S. Y. Sekimura	397,500	416,667	55	same	50	same	
	Jimmy D. Alberts	307,600	350,000	50	same	61	45	35	same								
	Jason E. Benn[4]	284,375	307,500	50	same	51	45	35	same								
	Colton K. Ching	290,683	315,000	50	same	61	45	35	same								

1 Base salary increases for 2021 2022 for Messrs. Ito and Benn and Ms. Sekimura became effective as of March 1, 2022. Base salary increases for 2023 for Mss. Kimura and Sekimura and Messrs. Alberts, Benn and Ching became effective as of March 1, 2021. Base salary increases for 2022 for Ms. Sekimura and Mr. Benn became effective as of March 1, 2022 March 1, 2023. Base salaries that became effective March 1, 2021 March 1, 2022 and 2022 2023 are prorated amounts to include two months of 2020 2021 and 2021 2022 base salary, respectively, and ten months of 2021 2022 and 2022 2023 base salary, respectively. Mr. Benn's 2021 base salary increase became effective upon his promotion to Senior Vice President and Chief Information Officer on August 16, 2021. Accordingly, Mr. Benn's 2021 base salary is prorated to include seven and one-half months of his base salary before his promotion, and four and one-half months after.

2 The threshold and maximum opportunities are 0.5 times target and 2 times target, respectively.

3 Includes special grant of 25% of base salary in 2022 in connection with Ms. Kimura's promotion to President and CEO.

4 Includes special grant of 50% of base salary in 2023 in connection with Mr. Benn's 2021 target opportunities are based upon his Ito's promotion to Senior HEI Executive Vice President, Chief Information Financial Officer effective August 16, 2021 and are prorated for service over the respective award periods. Treasurer.

Base salary

Base salaries for Hawaiian Electric named executive officers are reviewed and determined annually. In establishing its base salaries for the year, the HEI Compensation & Human Capital Management Committee considers competitive market data, internal equity and each executive's level of responsibility, experience, expertise and performance, as

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well as retention and succession considerations. The Committee considers the competitive median as a reference point in setting base salaries, but may determine that the foregoing factors justify a higher or lower salary. The resulting 2023 base salaries are shown in the table above.

For 2022, Mr. Ching received a base salary increase to recognize his performance and to maintain the market competitiveness of his pay. 2023, Ms. Kimura received a base salary increase in connection with her promotion to President and CEO in 2022. 2022 and Mr. Alberts Ito was received a base salary increase compared to his 2022 base salary at HEI in connection with his promotion to Executive Vice President, Chief Financial Officer and Treasurer of the Company's parent company, Hawaiian Electric Industries, Inc., in January 2023 and his later transition to Senior Vice President, Chief Financial Officer and Chief Operations Officer. The resulting 2022 Treasurer of the Company in October 2023. These base salaries are salary increases were made as part of a plan to incrementally increase Ms. Kimura and Mr. Ito's respective base salary over time to an amount that more closely aligns with the peer median. Other executive officers received ordinary aging and/or merit increases in the amounts shown in the table above.

Annual incentives

Hawaiian Electric named executive officers and other executives are eligible to earn an annual cash incentive award under the HEI Executive Incentive Compensation Plan (EICP) based on the achievement of performance goals for the year. Each year, the HEI Compensation & Human Capital Management Committee determines or recommends, and the Hawaiian Electric Board ratifies or approves, as applicable, the target annual incentive opportunity for each named executive officer, performance metrics and the applicable goals. Although the Company's named executive officers were eligible for 2023 annual incentive payments, in recognition of the extraordinary challenges being experienced by the Company's Maui customers and the entire Maui community following the Maui windstorm and wildfires, as well as the Company's financial challenges, the HEI Compensation & Human Capital Management Committee and the Company's named executive officers jointly determined, and the Board of Hawaiian Electric ratified, that no 2023 annual incentive payments would be made to the Company's named executive officers.

2022 2023 target annual incentive opportunity. The target annual incentive opportunity is determined as a percentage of base salary, with the threshold and maximum opportunities equal to 0.5 times and 2 times the target opportunity, respectively. In establishing the target percentage for each executive, the HEI Compensation & Human Capital Management Committee takes into account the mix of pay elements, competitive market data, internal equity, prior performance and other factors described above under "Base salary."

The 2022 2023 target annual incentive opportunities for the named executive officers are shown in the table above. For 2022, 2023, the HEI Compensation & Human Capital Management Committee recommended, and the Hawaiian Electric Board approved, increasing Ms. Kimura's 2022 Messrs. Ito's and Alberts's 2023 target opportunity in connection with her promotion their promotions and as part of plans to incrementally increase their annual incentive opportunity over time to an amount that more closely aligns with the peer median. Mr. Ito was promoted to Executive Vice President, Chief Financial Officer and Treasurer of the Company's parent company, Hawaiian Electric Industries, Inc., effective January 1, 2023, and transitioned to Senior Vice President, Chief Financial Officer and Treasurer of the Company effective October 1, 2023. Mr. Alberts was promoted to Senior Vice President and Chief Executive Operations Officer of the Company effective January 1, 2022, and keeping the 2022 in 2022. The 2023 target opportunity was kept the same for each of the other named executive officers.

2022 2023 performance metrics, goals and results. The performance metrics for annual incentives are chosen because they connect directly to Hawaiian Electric's strategic priorities and correlate with creating long-term value for all stakeholders, including shareholders, customers and employees. The 2022 2023 metrics promote a strengthened financial condition, more reliable systems, safer workplaces, greater customer satisfaction, strategic workforce planning, diversity, equity and inclusion and progress toward the decarbonization of Hawaii. For the 2024 annual incentive, the HEI Compensation & Human Capital Committee and the Hawaiian Electric Board have included additional metrics focused on resilience and safety, including wildfire mitigation and generation reliability. Details of the 2024 annual incentive metrics will be included in Exhibit 99.1 to the 2024 Form 10-K.

In addition to selecting performance metrics, the HEI Compensation & Human Capital Management Committee determines, and the Hawaiian Electric Board ratifies, the level of performance required to attain the threshold, target and maximum goal for each metric. The level of difficulty of the goals reflects the Committee's and the Board's belief that incentive pay should be motivational – that is, the goals should be challenging but achievable – and that such pay should be balanced with reinvestment in the Company and return to shareholders. Consistent with this approach, the HEI Compensation & Human Capital Management Committee and Hawaiian Electric Board believe the threshold should represent solid

performance with positive financial/operating results, target should denote challenging but achievable goals and maximum should signify exceptional performance.

The target level for financial goals, such as net income, is generally set at the level of the Board-approved budget, which represents the level of performance Hawaiian Electric seeks to achieve for the year. In setting the threshold and maximum levels, the Committee and Board consider whether the risks to accomplishing the budget weigh more heavily toward the downside and how challenging it would be to achieve incremental improvements over the target level.

The table below identifies the 2022 2023 annual incentive metrics, the objective each measure serves, the level of achievement required to attain the threshold, target and maximum levels for each metric and the results for 2022. 2023.

2022 Annual Incentive Performance Metrics & Why We Use Them	Weight-ing	Goals			Result
		Threshold	Target	Maximum	
Consolidated Net Income[1] focuses on fundamental earnings	40%	$174.3M	$193.7M	$203.4M	$188.9M
Consolidated Customer Satisfaction[2] focuses on improving the customer experience through all points of contact with the utility	15%	Consolidated score of 76 or a benchmark of 60th percentile in 2 of 4 quarters	Consolidated score of 76 or a benchmark of 60th percentile in 3 of 4 quarters	Consolidated score of 76 or a benchmark of 60th percentile in 4 of 4 quarters	Below Threshold
Consolidated Reliability: System Average Interruption Duration Index (SAIDI)[3] promotes system reliability for customers	5%	127 minutes and Reliability SAIDI PIM penalty $340,000 or less	111 minutes and no Reliability SAIDI PIM penalty	96 minutes and no Reliability SAIDI PIM penalty	119 minutes and Reliability SAIDI PIM penalty $79,000
Consolidated Reliability: System Average Interruption Frequency Index (SAIFI)[3] promotes system reliability for customers	5%	1.34 interruptions and Reliability SAIFI PIM penalty $340,000 or less	1.21 interruptions and no Reliability SAIFI PIM penalty	1.08 interruptions and no Reliability SAIFI PIM penalty	1.06 interruptions and no Reliability SAIFI PIM penalty

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Consolidated Safety: Total Cases Incident Rate (TCIR)[4] rewards improvements in workplace safety, promoting employee well-being and reducing expense	7.5%	1.37 TCIR	1.03 TCIR	0.92 TCIR	1.61 TCIR
Consolidated Safety: Severity Rate[4] rewards improvements in workplace safety, promoting employee well-being and reducing expense	7.5%	18.53	16.00	13.46	37.11
Consolidated Human Capital Management (HCM): Strategic Workforce Planning[5] rewards strategic workforce supply and demand assessment and development of effective people strategies	5%	Create strategic workforce plans for 1 strategic initiative and for each of the 4 strategic workforce plans that were created in 2021, complete 70% of the action items that have target completion dates in 2022	Create strategic workforce plans for 2 strategic initiatives and for each of the 4 strategic workforce plans that were created in 2021, complete 80% of the action items that have target completion dates in 2022	Create strategic workforce plans for 3 strategic initiatives and for each of the 4 strategic workforce plans that were created in 2021, complete 90% of the action items that have target completion dates in 2022	Maximum
Consolidated Human Capital Management (HCM): Diversity Equity & Inclusion (DEI)[5] promotes awareness and removal of barriers to equity and inclusion in the workplace	5%	80% of employees participate in a minimum of one qualifying DEI activity	90% of employees participate in a minimum of one qualifying DEI activity	99% of employees participate in a minimum of one qualifying DEI activity	100% of employees participate in a minimum of one qualifying DEI activity
Utility Decarbonization: Renewable Portfolio Standard (RPS)[6] promotes increased sales of energy derived from renewable sources	5%	39.0%	40.0%	41.0%	39.1%
Utility Decarbonization: Electrification[6] promotes the decarbonization of Hawaii through improved electric vehicle charging infrastructure	5%	1. Launch eBus Make Ready Pilot within 30 days of PUC acceptance or approval of Pilot Final Program Design Report and 2. Commission 7 new fast chargers at 4 new sites	Achieve the Threshold, plus: 1. Complete design and construction of infrastructure to support 2 additional new fast chargers at 2 existing sites	Achieve the Target, plus: 1. Complete design and construction of infrastructure to support 2 additional new fast chargers at 2 existing sites and 2. If approved by PUC, launch Commercial Make Ready Pilot within 30 days of final authority to do so	Threshold

2023 Annual Incentive Performance Metrics & Why We Use Them	**Weighting**	**Goals**			**Result**
		Threshold	**Target**	**Maximum**	
Consolidated Net Income[1] focuses on fundamental earnings	50%	$188.6M	$198.5M	$208.4M	$194.0M
Consolidated Safety: Recordable Incidents (basis for Total Cases Incident Rate (TCIR))[2] rewards improvements in workplace safety, promoting employee well-being and reducing expense	7.5%	3-year historical average	5% improvement over 3-year historical average	10% improvement over 3-year historical average	11% improvement over 3-year historical average
Consolidated Safety: Lost Workdays (basis for Severity Rate)[2]rewards improvements in workplace safety, promoting employee well-being and reducing expense	7.5%	3-year average	5% improvement over 3-year average	10% improvement over 3-year average	48% improvement over 3-year average
Consolidated Customer Satisfaction[3] focuses on improving the customer experience through all points of contact with the utility	10%	Quarterly Consolidated score of 74	Quarterly Consolidated score of 77	Quarterly Consolidated score of 80	Quarterly Consolidated score of 77
Consolidated Reliability: System Average Interruption Duration Index (SAIDI)[4] promotes system reliability for customers	10%	127 minutes and Reliability SAIDI PIM penalty $340,000 or less	112 minutes and no Reliability SAIDI PIM penalty	96 minutes and no Reliability SAIDI PIM penalty	156 minutes and Reliability SAIDI PIM penalty $3.1M
Consolidated Human Capital Management (HCM): Employee Engagement[5] promotes employee performance and commitment through engagement initiatives	5%	One-point increase from 2022 survey result for employee engagement score	Two-point increase from 2022 survey result for employee engagement score	Three-point increase from 2022 survey result for employee engagement score	One-point decrease from 2022 survey result for employee engagement score
Consolidated Human Capital Management (HCM): Diversity Equity & Inclusion (DEI)[5] promotes awareness and removal of barriers to equity and inclusion in the workplace	5%	Establishment of 1 Employee Resource Group (ERG) with 25+ participants with executive sponsor: at least 1 activity/quarter from establishment date	Establishment of 2 ERG with 25+ participants with executive sponsor: at least 1 activity/quarter from establishment date	Establishment of 3 ERG with 25+ participants with executive sponsor: at least 1 activity/quarter from establishment date	Establishment of 3 ERG with 25+ participants with executive sponsor: at least 1 activity/quarter from establishment date
Utility Decarbonization: Expand Renewable Energy[6] promotes the decarbonization of Hawaii through expanding renewable energy generation	5%	Achieve key 2023 milestones for one of three Stage 3 RFPs and approve 40 MWs of incremental DER applications	Achieve key 2023 milestones for two of three Stage 3 RFPs and approve 58 MWs of incremental DER applications	Achieve key 2023 milestones in all three Stage 3 RFPs and approve 68 MWs of incremental DER applications	Achieve key 2023 milestones in all three Stage 3 RFPs and approve 73 MWs of incremental DER applications

1 Consolidated Net Income represents Hawaiian Electric's consolidated GAAP net income for 2022. 2023.

2 Consolidated Customer Satisfaction is based on quarterly results of customer surveys conducted by an outside vendor.

3 Consolidated Reliability: SAIDI is measured by the average outage duration for each customer served, exclusive of catastrophic events and outages caused by independent power producers, over whose plant maintenance and reliability the Utility has limited real-time control.

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Consolidated Reliability: SAIFI measures how often the average customer experiences a sustained interruption during the year. The metric is based upon a weighted consolidation of T&D caused outages for all three utilities, normalized for major events. Normalization is based on exclusion of Major Event Days (MEDs) according to the industry-standard IEEE 1366 Beta methodology for each island.

The consolidated annual SAIDI and SAIFI goals are calculated using the same methodology as the Performance Incentive Mechanism (PIM) approved by the PUC for each company and consolidated for incentive program purposes.

4 Consolidated Safety: TCIR Recordable Incidents (basis for TCIR) is a standard measure of employee safety. TCIR equals the number of Occupational Safety and Health Administration (OSHA) recordable cases as of 12/31/22 × 23 x 200,000 productive hours, divided by productive hours for the year. Lower TCIR scores reflect better safety performance.

For 2022, OSHA included Covid-19closecontacts in its count of recordable cases. However, the Company established and administered the 2022 TCIR metric without regard to such Covid-19 close contacts. Accordingly, the TCIR metrics and achievement levels for 2022 reflect targets and performance that were determined without such contacts taken into account.

Utility Consolidated Safety: Lost Workdays (basis for Severity Rate Rate) is a measure of the significance of the safety incidents a company experienced based on the number of lost workdays incurred. Lost workdays occur when an occupational injury or illness prevents an employee from working a full, assigned work shift. Severity rate is calculated by taking the number of days away from work due to a workplace injury (maximum of 180 days) multiplied by 200,000 and divided by the number of hours worked by all employees.

For 2023, OSHA included COVID-19 close contacts in its count of recordable cases. However, the Company established and administered the 2023 TCIR and lost workdays metrics without regard to such COVID-19 close contacts. Accordingly, the TCIR and lost workdays metrics and achievement levels for 2023 reflect targets and performance that were determined without such contacts taken into account.

3 Consolidated Customer Satisfaction is based on quarterly results of customer surveys conducted by an outside vendor.

4 Consolidated Reliability: SAIDI is measured by the average outage duration for each customer served, exclusive of catastrophic events and outages caused by independent power producers, over whose plant maintenance and reliability the Utility has limited real-time control.

The consolidated annual SAIDI goal is calculated using the same methodology as the Performance Incentive Mechanism (PIM) approved by the PUC for each company and consolidated for incentive program purposes.

5 Consolidated HCM measures advancement in two areas: (i) strategic workforce planning, employee engagement is based on progress towards completion the results of strategic initiatives and workforce plans created in 2021, the annual employee engagement survey, and (ii) DEI is based on development and implementation of the percentage of employees that participate in qualifying DEI activities. strategy and roadmap.

6 Utility Decarbonization Decarbonization: Expand Renewable Energy measures advancement in two areas: (i) RPS, based on the amount of electrical energy sales attributable to timely renewable energy in relation to the total diversified energy resource mix, procurement and (ii) electrification, based on progress towards the design and construction timely approvals of electric vehicle charging infrastructure. For all EICP participants, the Compensation & Human Capital Management Committee determined it was appropriate to adjust the electric vehicle charging station threshold target under the EICP from seven to six in consideration of supply chain disruption that prevented the Company from securing the equipment needed to achieve that performance before year end. Although the Company had timely ordered adequate equipment, the supplier did not deliver amounts necessary to both equip new charging stations and service existing stations, and the Company elected to prioritize servicing existing charging stations to support current community needs, notwithstanding that it would have an adverse effect on EICP performance.Distributed Energy Resource applications.

Based on Although the level Company's named executive officers were eligible for 2023 annual incentive payments, in recognition of performance achieved the extraordinary challenges being experienced by the Company's Maui customers and shown in the table above, in early 2023, entire Maui community following the Maui windstorm and wildfires, as well as the Company's financial challenges, the HEI Compensation & Human Capital Management Committee approved, and the Company's named executive officers jointly determined, and the Board of Hawaiian Electric Board ratified, the following 2022 that no 2023 annual incentive payouts. payments would be made to the Company's named executive officers. The payout amounts are included in the 2022 2023 Summary Compensation Table below in the “Nonequity Incentive Plan Compensation” column. The range of possible annual incentive payouts for 2022 2023 is shown below in the 2022 2023 Grants of Plan-Based Awards table.

Name	2022 2023 Annual Incentive Payout
Shelee M. T. Kimura	$ 249,909 —
Paul K. Ito	—
Jimmy D. Alberts	—
Jason E. Benn	—
Colton K. Ching	—
Tayne S. Y. Sekimura	161,923
Jimmy D. Alberts	129,571
Jason E. Benn	113,837
Colton K. Ching	116,613 —

Long-term incentives

Long-term incentives include performance-based opportunities under the Long-Term Incentive Plan (LTIP), which are based on achievement of performance goals over rolling three-year periods, and time-based RSUs, which vest over a three-year period for RSUs granted in 2021 and 2022, and over a four-year period for RSUs granted prior to 2021. period. The performance-based LTIP represents the majority of each named executive officer’s total long-term incentive opportunity. These incentives are designed to reward executives for creating long-term value that benefits all stakeholders, including customers and shareholders.

Long-term performance-based incentives

The three-year performance periods for long-term performance-based incentives foster a long-term perspective and provide balance with the shorter-term focus of the annual incentive program. In addition, the overlapping three-year performance periods encourage sustained high levels of performance because at any one time, three separate potential awards are at risk.

Similar to the annual incentives, in developing long-term incentives, the HEI Compensation & Human Capital Management Committee approves, and the Hawaiian Electric Board ratifies, the target incentive opportunity for each named executive officer and performance metrics and goals for the three-year period.

2022-24 2023-25 long-term incentive plan

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2022-24 2023-25 target long-term incentive opportunity. As with the annual incentives, the target long-term incentive opportunity is established as a percentage of base salary, with the threshold and maximum opportunities equal to 0.5 times and 2 times the target opportunity, respectively. In establishing the target percentage for each executive, the HEI Compensation & Human Capital Management Committee considers the mix of pay elements, competitive market data, internal equity, performance and the other factors described above under "Base salary."

For the 2021-23 2023-25 long-term incentive opportunity, the HEI Compensation & Human Capital Management Committee recommended, and the Hawaiian Electric Board approved, increases to the 2021-23 LTIP target opportunities which increase was applied primarily to the LTIP, which is 100% performance based. For the 2022-24 LTIP, in consideration of its review of the market data for each position and the retention and incentive value of the overall long-term incentive program, the HEI Compensation & Human Capital Management Committee recommended, and the Hawaiian Electric Board approved, restoring increases to the 2023-25 LTIP target opportunities that were in place for the 2020-22 LTIP, resulting in decreases to the 2022-24 LTIP opportunity for all of the named executive officers except Ms. Kimura, who received an increase to her LTIP target opportunity Messrs. Alberts and Ito in connection with her promotion to President and CEO of their promotions as described in the Company. preceding section (Annual Incentives). See the table above under the heading "Changes to elements in 2022" 2023" for the resulting 2022-24 2023-25 target opportunities.

2022-24 2023-25 performance metrics and goals. The performance metrics for long-term incentives are chosen for their relationship with the creation of long-term value and alignment with Hawaiian Electric's multi-year strategic plans.

In addition to selecting performance metrics, the HEI Compensation & Human Capital Management Committee establishes, and the Hawaiian Electric Board ratifies, the level of achievement required to attain threshold, target and maximum performance for each metric. The same principles that the HEI Compensation & Human Capital Management Committee applies to annual incentive goals apply to long-term incentive goals. As such, the level of difficulty of the goals reflects the Committee's and the Board's belief that incentive pay should be motivational – that is, the goals should be challenging but achievable – and that such pay should be balanced with reinvestment in the Company and return to shareholders. Consistent with this approach, the Committee and Board believe threshold should represent solid performance with positive financial/operating results, target should denote challenging but achievable goals and maximum should signify exceptional performance.

The target level for financial goals, such as ROACE, relate to the levels Hawaiian Electric seeks to achieve over the performance period. In setting the threshold and maximum levels, the Committee and Board consider whether the risks to accomplishing those levels weigh more heavily toward the downside and how challenging it would be to achieve incremental improvements over the target result. For the 2022-24 2023-25 period, the Committee established, and the Hawaiian Electric Board ratified, the metrics and weightings in the following table.

2022-24 2023-25 Long-Term Incentive Performance Metrics & Why We Use Them	**Weighting**
Hawaiian Electric 3-year Average Annual Net Income Growth[1] promotes shareholder value by focusing on net income growth based on the years included in the plan.	30%
Hawaiian Electric 3-year Average ROACE[2] promotes efficient use of capital in generating profitability and is based on net income returned as a % of average common equity.	30%
Hawaiian Electric Carbon Emissions (CO2e) Reduction[3] promotes reduction of carbon dioxide equivalent emissions from power generation.	20%
HEI Relative TSR[4] compares the value created for HEI shareholders to that created by other investor-owned electric companies (EEI Index). the HEI Compensation Peers.	20%

1 Hawaiian Electric 3-year Average Annual Net Income Growth is calculated by taking the sum of each full calendar year's (2022, 2023 (2023, 2024 and 2024, 2025, respectively) net income percentage growth over the EPS net income of the prior year and dividing that sum by three.

2 Hawaiian Electric 3-year Average ROACE is calculated by taking the sum of Hawaiian Electric's consolidated ROACE for each year during the period and dividing that sum by 3. three. Consolidated ROACE is calculated by taking each year's GAAP consolidated net income (as adjusted for any permitted adjustments) divided by average common equity, which is calculated by taking the sum of beginning of year common equity plus end of year common equity and dividing the sum by two.

3 Hawaiian Electric CO2e Reduction measures the reduction of CO2 equivalent emissions from power generation compared against 2005 levels.

4 HEI Relative TSR compares HEI's TSR to that of the companies in the Edison Electric Institute (EEI) Index HEI Compensation Peers (see Appendix A) above). For LTIP purposes, TSR is the sum of the growth in price per share of HEI Common Stock as measured at the beginning of the performance period to the end, calculated using the average closing share price on for the last trading day of days in December at the end of the performance period, plus dividends paid during the period, assuming reinvestment, divided by the average closing share price on for the last trading day of December immediately prior to days in January at the beginning of the performance period.

The Company believes that all Hawaiian Electric stakeholders benefit when the above goals are met. Achievement of these goals makes Hawaiian Electric and HEI stronger financially, enabling Hawaiian Electric and HEI to raise capital at favorable rates for reinvestment in the Utilities and supporting shareholder dividends. From a historical perspective, long-term incentive payouts are not easy to achieve, nor are they guaranteed. Strong leadership on the part of the named executive officers will be needed to achieve the long-term objectives required for them to earn the incentive payouts.

2020-22 2021-23 long-term incentive plan. The Hawaiian Electric Board and HEI Compensation & Human Capital Management Committee established the 2020-22 2021-23 long-term incentive opportunities, performance metrics and goals in February 2020. 2021. Those decisions were described in the Hawaiian Electric Annual Report on Form 10-K for the year ended December 31, 2020 December 31, 2021 and are summarized again below to provide context for the results and payouts for the 2020-22 2021-23 period. For the 2024-26 long-term incentive, the HEI Compensation & Human Capital Committee and the Hawaiian Electric Board have included metrics focused on system hardening to enhance public safety and on improving the utility's credit rating. Details of the 2024-26 long-term incentive metrics will be included in Exhibit 99.1 to the 2024 Form 10-K.

2020-22 2021-23 target long-term incentive opportunity. In February 2020, 2021, the HEI Compensation & Human Capital Management Committee established, and the Hawaiian Electric Board ratified, the following 2020-22 2021-23 target incentive opportunities as a percentage of named executive officer base salary.

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Name	2020-22 2021-23 Target Opportunity* (as % of Base Salary)
Shelee M. T. Kimura	45% 61%
Paul K. Ito	68%
Jimmy D. Alberts	61%
Jason E. Benn[1]	51%
Colton K. Ching	61%
Tayne S. Y. Sekimura	50%
Jimmy D. Alberts	45%
Jason E. Benn	20%
Colton K. Ching	45% 67%

* The threshold and maximum opportunities were 0.5 times the target opportunity and 2 times the target opportunity, respectively.

1 Mr. Benn's 2021-23 target opportunity (as % of Base Salary) is based upon his promotion to Senior Vice President and Chief Information Officer effective August 16, 2021.

2020-22 2021-23 performance metrics, goals and results. The HEI Compensation & Human Capital Management Committee established, and the Hawaiian Electric Board approved, the 2020-22 2021-23 performance metrics and goals below in February 2020. 2021. The performance metrics were selected for their correlation with sustained growth and value and alignment with Hawaiian Electric's multi-year strategic plans. The table below identifies the 2020-22 2021-23 LTIP metrics, the objective each measure metric serves, the level of achievement required to attain the threshold, target and maximum levels for each metric and the results for 2020-22. 2021-23.

The results shown below may exclude the impact of unusual events that affected Hawaiian Electric during the 2020-22 2021-23 period that, pursuant to the terms of the plans, the HEI Compensation & Human Capital Management Committee determined it appropriate to exclude. Any such adjustments are described below under "Non-GAAP Net Income Metrics - 2020-22 2021-23 LTIP."

2020-22 Long-Term Incentive			Goals				2021-23 Long-Term Incentive		Goals			
2021-23 Long-Term Incentive												
Performance Metrics & Why We Use Them	Performance Metrics & Why We Use Them	Weighting	Threshold	Target	Maximum	Result	Performance Metrics & Why We Use Them	Weighting	Threshold	Target	Maximum	Result
Hawaiian Electric 3-year Average Annual Net Income Growth[1] promotes shareholder value by focusing on net income growth based on the years included in the plan.		30%	4.5%	5.5%	7.0%	6.4%						
3-year ROACE as a % of Allowed Return[2] measures Hawaiian Electric's performance in attaining the level of ROACE it is permitted to earn by its regulator. The focus on ROACE encourages improved return compared to the cost of capital.		30%	83%	85%	88%	85%						
Kimura, Alberts, Benn, Ching and Sekimura*							Kimura, Alberts, Benn, Ching and Sekimura*					
Hawaiian Electric Average Annual EPS Growth[1] promotes shareholder value by focusing on EPS growth based on the last two years of the plan.							**Hawaiian Electric Average Annual EPS Growth**[1] promotes shareholder value by focusing on EPS growth based on the last two years of the plan.	30%	4.0%	5.0%	6.0%	4.2%

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ROACE as a % of Allowed Return[2] measures Hawaiian Electric's performance in attaining the level of ROACE it is permitted to earn by its regulator based on the average of the last two years of the plan. The focus on ROACE encourages improved return compared to the cost of capital.							**ROACE as a % of Allowed Return**[2] measures Hawaiian Electric's performance in attaining the level of ROACE it is permitted to earn by its regulator based on the average of the last two years of the plan. The focus on ROACE encourages improved return compared to the cost of capital.	30%	84%	86%	88%	86%
Renewable Portfolio Standards[3] (RPS) measures Hawaiian Electric's progress towards meeting the State of Hawaii's RPS targets for increased production of energy from renewable energy sources.	**Renewable Portfolio Standards**[3] (RPS) measures Hawaiian Electric's progress towards meeting the State of Hawaii's RPS targets for increased production of energy from renewable energy sources.	20%	32.0%	40.0%	50.0%	39.1%	**Renewable Portfolio Standards**[3] (RPS) measures Hawaiian Electric's progress towards meeting the State of Hawaii's RPS targets for increased production of energy from renewable energy sources.	20%	40.0%	45.0%	50.0%	41.2%
HEI Relative TSR[4] compares the value created for HEI shareholders to that created by other investor-owned electric companies (EEI Index).	**HEI Relative TSR**[4] compares the value created for HEI shareholders to that created by other investor-owned electric companies (EEI Index).	20%	30th percentile	50th percentile	70th percentile	29th percentile	**HEI Relative TSR**[4] compares the value created for HEI shareholders to that created by other investor-owned electric companies (EEI Index).	20%	30th percentile	50th percentile	70th percentile	0 percentile

* Mr. Ito was an HEI employee and not a Hawaiian Electric executive when his 2021-23 LTIP award was determined. Accordingly, HEI's metrics and goals were applied to Mr. Ito for the 2021-23 LTIP. See the "2021-23 Long-Term Incentive Plan" section in HEI's Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed after the date of this Form 10-K and not later than 120 days after December 31, 2023 ("HEI's 2024 Proxy").

1 Hawaiian Electric 3-year Average Annual Net Income EPS Growth is calculated by taking the sum of each full calendar year's (2020, 2021 (2022 and 2022, 2023, respectively) net income EPS percentage growth over the net income EPS of the prior year and dividing that sum by three. two. For purposes of this goal, Hawaiian Electric EPS is calculated using Hawaiian Electric net income divided by weighted average HEI common stock outstanding.

2 3-year ROACE as a percentage of Allowed Return is Hawaiian Electric's consolidated average ROACE for based on the last two years of the performance period compared to the weighted average of the allowed ROACE for Hawaiian Electric, Maui Electric and Hawaii Electric Light as determined by the PUC for the same period.

3 Renewable Portfolio Standards measures Hawaiian Electric's percentage of electric energy sales that is represented by renewable electrical energy created to diversify its energy resource mix. The State of Hawaii's RPS targets are 30% by 2020, 40% by 2030, 70% by 2040 and 100% by 2045.

4 HEI Relative TSR compares HEI's TSR to that of the companies in the Edison Electric Institute (EEI) Index. For LTIP purposes, TSR is the sum of the growth in price per share of HEI Common Stock as measured at the beginning of the performance period to the end, calculated using the share price on the last trading day of December at the end of the performance period, plus dividends during the period, assuming reinvestment, divided by the share price on the last trading day of December immediately prior to the beginning of the performance period.

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Based on the level of performance achieved above, in early 2023 2024 the HEI Compensation & Human Capital Management Committee approved and the Hawaiian Electric Board ratified the 2020-22 2021-23 long-term incentive payouts shown below. Dividend equivalent shares accrued during the period on the number of shares earned and were paid along with the shares, as shown below. The payouts are also shown below in the 2022 2023 Option Exercises and Stock Vested table.

Name	Name	Payout (Shares)	Dividend Equivalent (DE) Shares	Total (Payout plus DE Shares)	Name	Payout (Shares)	Dividend Equivalent (DE) Shares	Total (Payout plus DE Shares)
Shelee M. T. Kimura	Shelee M. T. Kimura	2,507	266	2,773	Shelee M. T. Kimura	3,167	383	3,550
Tayne S. Y. Sekimura		3,854	409	4,263				
Paul K. Ito*					Paul K. Ito*	302	37	339
Jimmy D. Alberts	Jimmy D. Alberts	2,664	282	2,946	Jimmy D. Alberts	3,336	404	3,740
Jason E. Benn	Jason E. Benn	1,096	116	1,212	Jason E. Benn	2,121	241	2,362
Colton K. Ching	Colton K. Ching	2,560	271	2,831	Colton K. Ching	3,151	381	3,532
Tayne S. Y. Sekimura					Tayne S. Y. Sekimura	4,203	509	4,712

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