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DELTA REPORT

10-Q

HAWAIIAN ELECTRIC CO INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	3477
CHANGES	476
DELETIONS	983
ADDITIONS	2018

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2023 March 31, 2024

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**
and Principal Subsidiary		
HAWAIIAN ELECTRIC COMPANY, INC.	**1-4955**	**99-0040500**

State of Hawaii
(State or other jurisdiction of incorporation or organization)

Hawaiian Electric Industries, Inc. – 1001 Bishop Street, Suite 2900, Honolulu, Hawaii 96813
Hawaiian Electric Company, Inc. – 1099 Alakea Street, Suite 2200, Honolulu, Hawaii 96813
(Address of principal executive offices and zip code)

Hawaiian Electric Industries, Inc. – (808) 543-5662
Hawaiian Electric Company, Inc. – (808) 543-7771
(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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 Securities Exchange Act of 1934.

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. ☐ 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 ☒

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuers' classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding October 18, 2023 May 3, 2024
Hawaiian Electric Industries, Inc. (Without Par Value)	110,124,098 110,302,667 Shares
Hawaiian Electric Company, Inc. ($6-2/3 Par Value)	17,854,278 Shares (not publicly traded)

Hawaiian Electric Industries, Inc. (HEI) is the sole holder of Hawaiian Electric Company, Inc. (Hawaiian Electric) common stock.

This combined Form 10-Q is separately filed by HEI and Hawaiian Electric. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. No registrant makes any representation as to information relating to the other registrant, except that information relating to Hawaiian Electric is also attributed to HEI.

Hawaiian Electric Industries, Inc. and Subsidiaries
Hawaiian Electric Company, Inc. and Subsidiaries
Form 10-Q—Quarter ended September 30, 2023 March 31, 2024

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GLOSSARY OF TERMS

Terms	Definitions
ABR	Alternate Base Rate
ACL	Allowance for credit losses, which is the current credit loss standard, requires recording the allowance based on the expected loss model
AES Hawaii	AES Hawaii, Inc.
AOCI	Accumulated other comprehensive income/(loss)
ARA	Annual revenue adjustment
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.
ASU	Accounting Standards Update
CBRE	Community-based renewable energy
Company	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.
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
DER	Distributed energy resources
DRIP	HEI Dividend Reinvestment and Stock Purchase Plan
ECRC	Energy cost recovery clause
EIP	2010 Equity and Incentive Plan, as amended and restated
EPA	Environmental Protection Agency — federal
EPRM	Exceptional Project Recovery Mechanism
EPS	Earnings per share
ESM	Earnings Sharing Mechanism
EVE	Economic value of equity
Exchange Act	Securities Exchange Act of 1934
FDIC	Federal Deposit Insurance Corporation
federal	U.S. Government
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
Fitch	Fitch Ratings, Inc.
FNMA	Federal National Mortgage Association
FRB	Federal Reserve Board
GAAP	Accounting principles generally accepted in the United States of America
GHG	Greenhouse gas
GNMA	Government National Mortgage Association
GSPA	Grid Services Purchase Agreement
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. and HE AR INTER LLC
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.

GLOSSARY OF TERMS, continued

Terms	Definitions
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
IIJA	Infrastructure Investment and Jobs Act
IPP	Independent power producer
IRLCs	Interest rate lock commitments
IWSM	Interim Wildfire Safety Measures
Kalaeloa	Kalaeloa Partners, L.P.
kWh	Kilowatthour/s (as applicable)
LMI	Low-to-moderate income
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
MFD	County of Maui Department of Fire and Public Safety
Moody's	Moody's Investors Service's
MPIR	Major Project Interim Recovery
MRP	Multi-year rate period
MSRs	Mortgage servicing rights
MW	Megawatt/s (as applicable)
NII	Net interest income
NPBC	Net periodic benefit 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
Pacific Current	Pacific Current, LLC, a wholly owned subsidiary of HEI and parent company of Hamakua Holdings, LLC, Mauo, LLC, Alenuihaha Developments, LLC, Ka'ie'ie Waho Company, LLC, Ka'aipua'a, LLC, Upena, LLC and Mahipapa, LLC
PBR	Performance-based regulation
PIMs	Performance incentive mechanisms
PPA	Power purchase agreement
PPAC	Purchased power adjustment clause
PSPS	Public Safety Power Shutoff
PUC	Public Utilities Commission of the State of Hawaii
PV	Photovoltaic
RAM	Revenue adjustment mechanism
RBA	Revenue balancing account
RFP	Request for proposals
ROACE	Return on average common equity
RORB	Return on rate base
RPS	Renewable portfolio standards
S&P	S&P Global Ratings
SBA	Small Business Administration
SEC	Securities and Exchange Commission
See	Means the referenced material is incorporated by reference
SOFR	Secured Overnight Financing Rate
TDR	Troubled debt restructuring
Utilities	Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited
VIEs	Variable interest entities

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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:

- 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 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 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 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 include safety, reliability and resilience, including relating to wildfires and other extreme weather events, decarbonization, economic health and affordability, 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;
- 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 conflict in the Israel-Hamas war) Middle East), 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;

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- 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;

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- 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;

- 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;
- 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 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 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; non-performance; and
- other risks or uncertainties described elsewhere in this report and in other reports (e.g., “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K) previously and subsequently filed by HEI and/or Hawaiian Electric with the Securities and Exchange Commission.

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.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Hawaiian Electric Industries, Inc. and Subsidiaries

Condensed Consolidated Statements of Income (unaudited)

	Three months ended September 30	Nine months ended September 30
	Three months ended March 31	
	Three months ended March 31	

		Three months ended March 31						
(in thousands, except per share amounts)	(in thousands, except per share amounts)	2023	2022	2023	2022	(in thousands, except per share amounts)	2024	2023
Revenues	**Revenues**					**Revenues**		
Electric utility	Electric utility	$794,987	$ 955,971	$2,419,539	$2,483,636			
Bank	Bank	100,974	81,411	291,716	231,850			
Other	Other	5,912	4,815	14,540	7,386			
Total revenues	Total revenues	901,873	1,042,197	2,725,795	2,722,872			
Expenses	**Expenses**					**Expenses**		
Electric utility	Electric utility	723,629	876,922	2,198,681	2,259,838			
Bank	Bank	88,415	54,311	230,769	152,797			
Other	Other	14,718	8,849	34,737	22,178			
Total expenses	Total expenses	826,762	940,082	2,464,187	2,434,813			
Operating income (loss)	**Operating income (loss)**					**Operating income (loss)**		
Electric utility	Electric utility	71,358	79,049	220,858	223,798			
Bank	Bank	12,559	27,100	60,947	79,053			
Other	Other	(8,806)	(4,034)	(20,197)	(14,792)			
Total operating income	Total operating income	75,111	102,115	261,608	288,059			
Retirement defined benefits credit—other than service costs	Retirement defined benefits credit—other than service costs	1,256	1,039	3,561	3,528			
Interest expense, net—other than on deposit liabilities and other bank borrowings	Interest expense, net—other than on deposit liabilities and other bank borrowings	(32,629)	(26,626)	(91,259)	(75,940)			
Allowance for borrowed funds used during construction	Allowance for borrowed funds used during construction	1,372	825	3,798	2,401			
Allowance for equity funds used during construction	Allowance for equity funds used during construction	4,000	2,552	11,073	7,431			
Gain on sales of equity-method investment		—	—	—	8,123			
Interest income								
Income before income taxes								
Income before income taxes								
Income before income taxes	**Income before income taxes**	49,110	79,905	188,781	233,602			
Income taxes	Income taxes	7,521	17,352	36,915	48,395			
Net income	**Net income**	41,589	62,553	151,866	185,207			

Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	471	471	1,417	1,417
Net income for common stock	**Net income for common stock**	$ 41,118	$ 62,082	$ 150,449	$ 183,790
Basic earnings per common share	**Basic earnings per common share**	$ 0.37	$ 0.57	$ 1.37	$ 1.68
Diluted earnings per common share	**Diluted earnings per common share**	$ 0.37	$ 0.57	$ 1.37	$ 1.68
Weighted-average number of common shares outstanding	**Weighted-average number of common shares outstanding**	109,728	109,470	109,606	109,421
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)	189	235	326	291
Weighted-average shares assuming dilution	**Weighted-average shares assuming dilution**	109,917	109,705	109,932	109,712

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

Hawaiian Electric Industries, Inc. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended September 30		Nine months ended September 30	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Net income for common stock	$ 41,118	$ 62,082	$ 150,449	$ 183,790
Other comprehensive income (loss), net of taxes:				
Net unrealized gains (losses) on available-for-sale investment securities:				
Net unrealized losses on available-for-sale investment securities arising during the period, net of taxes of $(13,918), $(36,230), $(11,860) and $(112,838), respectively	(38,016)	(98,965)	(32,395)	(308,229)
Amortization of unrealized holding losses on held-to-maturity securities, net of taxes of $1,354, nil, $4,050 and nil, respectively	3,699	—	11,065	—
Derivatives qualifying as cash flow hedges:				
Unrealized interest rate hedging gains (losses) arising during the period, net of taxes of $(185), $901, $(237) and $2,220, respectively	(535)	2,597	(684)	6,400
Reclassification adjustment to net income, net of taxes of $(17), $19, $(50) and $56, respectively	(47)	53	(143)	161
Retirement benefit plans:				

Adjustment for amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost, net of taxes of $(153), $1,943, $(397) and $3,549, respectively		(446)		5,606		(1,160)	10,229
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $163, $(1,839), $458 and $(3,320), respectively		470		(5,303)		1,321	(9,572)
Other comprehensive loss, net of tax benefits		(34,875)		(96,012)		(21,996)	(301,011)
Comprehensive income (loss) attributable to Hawaiian Electric Industries, Inc.	$	6,243	$	(33,930)	$	128,453	$ (117,221)

	Three months ended March 31	
(in thousands)	2024	2023
Net income for common stock	$ 42,122	$ 54,721
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 arising during the period, net of taxes of $(4,975) and $6,079, respectively	(13,589)	16,605
Amortization of unrealized holding losses on held-to-maturity securities, net of taxes of $1,129 and $1,346, respectively	3,086	3,677
Derivatives qualifying as cash flow hedges:		
Unrealized interest rate hedging gains (losses) arising during the period, net of taxes of $256 and $65, respectively	740	186
Reclassification adjustment to net income, net of taxes of $(16) and $(17), respectively	(48)	(48)
Retirement benefit plans:		
Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes of $(154) and $(122), respectively	(449)	(357)
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $159 and $147, respectively	459	425
Other comprehensive income (loss), net of taxes	(9,801)	20,488
Comprehensive income attributable to Hawaiian Electric Industries, Inc.	$ 32,321	$ 75,209

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

Hawaiian Electric Industries, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (unaudited)

(dollars in thousands)	(dollars in thousands)	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
Assets	**Assets**			**Assets**		
Cash and cash equivalents	Cash and cash equivalents	$ 667,129	$ 199,877			
Restricted cash	Restricted cash	15,164	5,050			
Accounts receivable and unbilled revenues, net	Accounts receivable and unbilled revenues, net	540,082	511,903			
Available-for-sale investment securities, at fair value	Available-for-sale investment securities, at fair value	1,266,412	1,429,667			
Held-to-maturity investment securities, at amortized cost	Held-to-maturity investment securities, at amortized cost	1,212,005	1,251,747			
Stock in Federal Home Loan Bank, at cost	Stock in Federal Home Loan Bank, at cost	18,000	26,560			
Loans held for investment, net	Loans held for investment, net	6,114,640	5,906,690			

Loans held for sale, at lower of cost or fair value	Loans held for sale, at lower of cost or fair value	2,171	824	
Property, plant and equipment, net of accumulated depreciation of $3,341,082 and $3,192,545 at September 30, 2023 and December 31, 2022, respectively		5,917,342	5,687,003	
Property, plant and equipment, net of accumulated depreciation of $3,374,016 and $3,317,759 at March 31, 2024 and December 31, 2023, respectively				
Operating lease right-of-use assets	Operating lease right-of-use assets	99,466	115,684	
Regulatory assets				
Regulatory assets				
Regulatory assets	Regulatory assets	231,197	242,513	
Other	Other	826,020	824,536	
Goodwill	Goodwill	82,190	82,190	
Total assets	**Total assets**	$16,991,818	$16,284,244	
Liabilities and shareholders' equity	**Liabilities and shareholders' equity**			**Liabilities and shareholders' equity**
Liabilities	**Liabilities**			**Liabilities**
Accounts payable	Accounts payable	$ 256,323	$ 251,460	
Interest and dividends payable	Interest and dividends payable	57,901	21,333	
Deposit liabilities	Deposit liabilities	8,224,351	8,169,696	
Short-term borrowings—other than bank		—	172,568	
Other bank borrowings				
Other bank borrowings				
Other bank borrowings	Other bank borrowings	750,000	695,120	
Long-term debt, net—other than bank	Long-term debt, net—other than bank	2,944,589	2,384,980	
Deferred income taxes	Deferred income taxes	258,942	262,462	
Operating lease liabilities	Operating lease liabilities	108,681	126,604	
Finance lease liabilities	Finance lease liabilities	122,320	48,709	

Regulatory liabilities	Regulatory liabilities	1,101,773	1,055,650	
Defined benefit pension and other postretirement benefit plans liability	Defined benefit pension and other postretirement benefit plans liability	70,785	71,813	
Defined benefit pension and other postretirement benefit plans liability				
Defined benefit pension and other postretirement benefit plans liability				
Other	Other	837,506	787,057	
Total liabilities	**Total liabilities**	14,733,171	14,047,452	
Preferred stock of subsidiaries - not subject to mandatory redemption	Preferred stock of subsidiaries - not subject to mandatory redemption	34,293	34,293	
Commitments and contingencies (Notes 2, 4 and 5)	**Commitments and contingencies (Notes 2, 4 and 5)**			**Commitments and contingencies (Notes 2, 4 and 5)**
Shareholders' equity	**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: 110,086,035 shares and 109,470,795 shares at September 30, 2023 and December 31, 2022, respectively		1,704,447	1,692,697	
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding: 110,302,667 shares and 110,151,798 shares at March 31, 2024 and December 31, 2023, respectively				
Retained earnings	Retained earnings	877,931	845,830	

Accumulated other comprehensive loss, net of tax benefits	Accumulated other comprehensive loss, net of tax benefits	(358,024)	(336,028)
Total shareholders' equity	**Total shareholders' equity**	2,224,354	2,202,499
Total liabilities and shareholders' equity	**Total liabilities and shareholders' equity**	$16,991,818	$16,284,244

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

Hawaiian Electric Industries, Inc. and Subsidiaries

Condensed Consolidated Statements of Changes in Shareholders' Equity (unaudited)

(in thousands)	(in thousands)	Common stock Shares	Common stock Amount	Retained Earnings	Accumulated other comprehensive income (loss)	Total
Balance, December 31, 2023						
Net income for common stock						
Other comprehensive loss, net of tax benefits						
Share-based expenses and other, net						
Balance, March 31, 2024						
Balance, March 31, 2024						
Balance, March 31, 2024						
Balance, December 31, 2022						
Balance, December 31, 2022						
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	Net income for common stock	—	—	54,721	—	54,721
Other comprehensive income, net of taxes	Other comprehensive income, net of taxes	—	—	—	20,488	20,488
Share-based expenses and other, net	Share-based expenses and other, net	101	(307)	—	—	(307)
Common stock dividends (36¢ per share)	Common stock dividends (36¢ per share)	—	—	(39,446)	—	(39,446)
Balance, March 31, 2023	Balance, March 31, 2023	109,572	1,692,390	861,105	(315,540)	2,237,955
Net income for common stock		—	—	54,610	—	54,610

(in thousands)	**Common stock Shares**	**Amount**	**Retained Earnings**	**Accumulated other comprehensive income (loss)**	**Total**

Other comprehensive loss, net of tax benefits	—	—	—	(7,609)	(7,609)
Share-based expenses and other, net	40	3,868	—	—	3,868
Common stock dividends (36¢ per share)	—	—	(39,447)	—	(39,447)
Balance, June 30, 2023	109,612	1,696,258	876,268	(323,149)	2,249,377
Net income for common stock	—	—	41,118	—	41,118
Other comprehensive loss, net of tax benefits	—	—	—	(34,875)	(34,875)
Dividend reinvestment and stock purchase plan	474	5,827	—	—	5,827
Share-based expenses and other, net	—	2,362	—	—	2,362
Common stock dividends (36¢ per share)	—	—	(39,455)	—	(39,455)
Balance, September 30, 2023	110,086	$1,704,447	$877,931	$ (358,024)	$2,224,354
Balance, December 31, 2021	109,312	$1,685,496	$757,921	$ (52,533)	$2,390,884
Net income for common stock	—	—	69,167	—	69,167
Other comprehensive loss, net of tax benefits	—	—	—	(117,159)	(117,159)
Share-based expenses and other, net	119	(949)	—	—	(949)
Common stock dividends (35¢ per share)	—	—	(38,301)	—	(38,301)
Balance, March 31, 2022	109,431	1,684,547	788,787	(169,692)	2,303,642
Net income for common stock	—	—	52,541	—	52,541
Other comprehensive loss, net of tax benefits	—	—	—	(87,840)	(87,840)
Share-based expenses and other, net	36	3,462	—	—	3,462
Common stock dividends (35¢ per share)	—	—	(38,301)	—	(38,301)
Balance, June 30, 2022	109,467	1,688,009	803,027	(257,532)	2,233,504
Net income for common stock	—	—	62,082	—	62,082
Other comprehensive loss, net of tax benefits	—	—	—	(96,012)	(96,012)
Share-based expenses and other, net	3	1,663	—	—	1,663
Common stock dividends (35¢ per share)	—	—	(38,315)	—	(38,315)
Balance, September 30, 2022	109,470	$1,689,672	$826,794	$ (353,544)	$2,162,922

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

Hawaiian Electric Industries, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows (unaudited)

		Nine months ended September 30					
		Three months ended March 31					Three months ended March 31
(in thousands)	**(in thousands)**	**2023**	**2022**	**(in thousands)**	**2024**	**2023**	
Cash flows from operating activities	**Cash flows from operating activities**			**Cash flows from operating activities**			

Net income	Net income	$151,866	$185,207	
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	200,722	190,075	
Other amortization	Other amortization	32,744	28,916	
Provision for credit losses	Provision for credit losses	10,053	(692)	
Loans originated, held for sale	Loans originated, held for sale	(37,288)	(120,195)	
Proceeds from sale of loans, held for sale	Proceeds from sale of loans, held for sale	36,086	126,357	
Gain on sales of investment securities, net and equity-method investment		—	(8,123)	
Gain on sale of loans, net	Gain on sale of loans, net	(701)	(1,630)	
Deferred income taxes		(5,594)	(21,631)	
Gain on sale of loans, net				
Gain on sale of loans, net				
Deferred income tax expense (benefit)				
Share-based compensation expense	Share-based compensation expense	8,281	7,337	
Allowance for equity funds used during construction	Allowance for equity funds used during construction	(11,073)	(7,431)	
Other	Other	(5,315)	(5,392)	
Changes in assets and liabilities	Changes in assets and liabilities			
Decrease (increase) in accounts receivable and unbilled revenues, net		41,494	(159,619)	
Decrease in accounts receivable and unbilled revenues, net				
Decrease in accounts receivable and unbilled revenues, net				
Decrease in accounts receivable and unbilled revenues, net				
Decrease (increase) in fuel oil stock	Decrease (increase) in fuel oil stock	38,587	(127,413)	
Decrease in regulatory assets		13,908	34,278	
Increase in materials and supplies				
Increase in regulatory assets				
Increase in regulatory liabilities	Increase in regulatory liabilities	32,454	29,294	

Increase in accounts, interest and dividends payable	Increase in accounts, interest and dividends payable	70,850	39,009
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	(24,860)	73,279
Decrease in defined benefit pension and other postretirement benefit plans liability	Decrease in defined benefit pension and other postretirement benefit plans liability	(6,722)	(4,228)
Change in other assets and liabilities	Change in other assets and liabilities	(70,354)	(44,411)
Net cash provided by operating activities	**Net cash provided by operating activities**	475,138	212,987
Cash flows from investing activities	**Cash flows from investing activities**	**Cash flows from investing activities**	
Available-for-sale investment securities purchased		—	(366,177)
Principal repayments on available-for-sale investment securities			
Principal repayments on available-for-sale investment securities			
Principal repayments on available-for-sale investment securities	Principal repayments on available-for-sale investment securities	117,042	285,519
Proceeds from repayments or maturities of held-to-maturity investment securities	Proceeds from repayments or maturities of held-to-maturity investment securities	52,823	10,433
Proceeds from repayments or maturities of held-to-maturity investment securities			
Proceeds from repayments or maturities of held-to-maturity investment securities			
Purchase of stock from Federal Home Loan Bank	Purchase of stock from Federal Home Loan Bank	(76,040)	(93,000)
Redemption of stock from Federal Home Loan Bank	Redemption of stock from Federal Home Loan Bank	84,600	88,000
Net increase in loans held for investment		(283,126)	(395,185)

Net decrease (increase) in loans held for investment			
Proceeds from sale of commercial loans			
Proceeds from sale of commercial loans			
Proceeds from sale of commercial loans	Proceeds from sale of commercial loans	94,665	—
Purchase of loans held for investment	Purchase of loans held for investment	(26,195)	(77,274)
Capital expenditures	Capital expenditures	(342,364)	(236,278)
Contributions to low income housing investments	Contributions to low income housing investments	(418)	(740)
Acquisition of business		—	(25,706)
Contributions to low income housing investments			
Contributions to low income housing investments			
Other			
Other			
Other	Other	9,375	15,646
Net cash used in investing activities	**Net cash used in investing activities**	(369,638)	(794,762)

(continued)

Hawaiian Electric Industries, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows (unaudited) (continued)

		Nine months ended September 30				
		Three months ended March 31			**Three months ended March 31**	
(in thousands)	**(in thousands)**	**2023**	**2022**	**(in thousands)**	**2024**	**2023**
Cash flows from financing activities	**Cash flows from financing activities**			**Cash flows from financing activities**		
Net increase (decrease) in deposit liabilities	Net increase (decrease) in deposit liabilities	(43,655)	86,673			
Net increase (decrease) in short-term borrowings with original maturities of three months or less		(137,650)	117,127			
Net decrease in short-term borrowings with original maturities of three months or less						

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	(596,810)	320,735
Proceeds from issuance of short-term debt	Proceeds from issuance of short-term debt	65,000	—
Repayment of short-term debt		(100,000)	—
Proceeds from issuance of other bank borrowings			
Proceeds from issuance of other bank borrowings			
Proceeds from issuance of other bank borrowings	Proceeds from issuance of other bank borrowings	1,000,000	—
Repayment of other bank borrowings	Repayment of other bank borrowings	(250,000)	—
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	625,000	67,312
Repayment of long-term debt	Repayment of long-term debt	(64,317)	(16,752)
Withheld shares for employee taxes on vested share-based compensation	Withheld shares for employee taxes on vested share-based compensation	(2,356)	(3,158)
Net proceeds from issuance of common stock		437	—
Common stock dividends			
Common stock dividends			
Common stock dividends	Common stock dividends	(112,957)	(114,917)
Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	(1,417)	(1,417)
Other	Other	(9,409)	(6,112)
Net cash provided by financing activities		371,866	449,491
Net cash provided by (used in) financing activities			

Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	477,366	(132,284)
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	204,927	311,462
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	682,293	179,178
Less: Restricted cash	Less: Restricted cash	(15,164)	(3,898)
Cash and cash equivalents, end of period	**Cash and cash equivalents, end of period**	$ 667,129	$175,280

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidated Statements of Income (unaudited)

		Three months ended September 30		Nine months ended September 30				
		Three months ended March 31						
		Three months ended March 31						
		Three months ended March 31						
(in thousands)	**(in thousands)**	**2023**	**2022**	**2023**	**2022**	**(in thousands)**	**2024**	**2023**
Revenues	**Revenues**	$794,987	$955,971	$2,419,539	$2,483,636			
Expenses	**Expenses**					**Expenses**		
Fuel oil	Fuel oil	267,438	383,602	881,692	874,543			
Purchased power	Purchased power	177,795	225,209	498,990	606,827			
Other operation and maintenance	Other operation and maintenance	142,508	121,110	407,184	371,259			
Depreciation	Depreciation	61,165	58,711	182,781	175,921			
Taxes, other than income taxes	Taxes, other than income taxes	74,723	88,290	228,034	231,288			
Total expenses	Total expenses	723,629	876,922	2,198,681	2,259,838			
Operating income	**Operating income**	71,358	79,049	220,858	223,798			

Allowance for equity funds used during construction	Allowance for equity funds used during construction	4,000	2,552	11,073	7,431
Retirement defined benefits credit—other than service costs	Retirement defined benefits credit—other than service costs	1,132	895	3,227	2,876
Interest expense and other charges, net	Interest expense and other charges, net	(22,447)	(19,609)	(63,565)	(56,735)
Allowance for borrowed funds used during construction	Allowance for borrowed funds used during construction	1,372	825	3,798	2,401
Interest income					
Income before income taxes	**Income before income taxes**	55,415	63,712	175,391	179,771
Income taxes	Income taxes	11,456	13,450	38,126	37,967
Net income	**Net income**	43,959	50,262	137,265	141,804
Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	228	228	686	686
Net income attributable to Hawaiian Electric	**Net income attributable to Hawaiian Electric**	43,731	50,034	136,579	141,118
Preferred stock dividends of Hawaiian Electric	Preferred stock dividends of Hawaiian Electric	270	270	810	810
Net income for common stock	**Net income for common stock**	$ 43,461	$ 49,764	$ 135,769	$ 140,308

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

HEI owns all of the common stock of Hawaiian Electric. Therefore, per share data with respect to shares of common stock of Hawaiian Electric are not meaningful.

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (unaudited)

		Three months ended September 30		Nine months ended September 30			Three months ended March 31	
(in thousands)	**(in thousands)**	**2023**	**2022**	**2023**	**2022**	**(in thousands)**	**2024**	**2023**
Net income for common stock	Net income for common stock	$ 43,461	$ 49,764	$ 135,769	$ 140,308			

Other comprehensive income (loss), net of taxes:				
Other comprehensive loss, net of taxes:				
Retirement benefit plans:				
Retirement benefit plans:				
Adjustment for amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost, net of taxes of $(190), $1,877, $(516) and $3,393, respectively	(547)	5,411	(1,487)	9,782
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $163, $(1,839), $458 and $(3,320), respectively	470	(5,303)	1,321	(9,572)
Other comprehensive income (loss), net of taxes	(77)	108	(166)	210

Other comprehensive loss, net of taxes:

Retirement benefit plans:

Retirement benefit plans:

Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes of $(176) and $(163), respectively

Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes of $159 and $147, respectively

Other comprehensive loss, net of taxes

Comprehensive income attributable to Hawaiian Electric Company, Inc.				
Comprehensive income attributable to Hawaiian Electric Company, Inc.	$ 43,384	$ 49,872	$ 135,603	$ 140,518

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (unaudited)

(dollars in thousands, except par value)	(dollars in thousands, except par value)	September 30, 2023	December 31, 2022	(dollars in thousands, except par value)	March 31, 2024	December 31, 2023
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	$ 52,098	$ 52,060	
Plant and equipment	Plant and equipment	8,199,828	7,979,510	
Right-of-use assets - finance lease	Right-of-use assets - finance lease	124,372	48,371	
Less accumulated depreciation	Less accumulated depreciation	(3,222,030)	(3,086,499)	
Construction in progress	Construction in progress	357,289	275,353	
Utility property, plant and equipment, net	Utility property, plant and equipment, net	5,511,557	5,268,795	
Nonutility property, plant and equipment, less accumulated depreciation of $39 and $63 as of September 30, 2023 and December 31, 2022, respectively		6,942	6,945	
Nonutility property, plant and equipment, less accumulated depreciation of $41 and $40 as of March 31, 2024 and December 31, 2023, respectively				
Total property, plant and equipment, net	**Total property, plant and equipment, net**	5,518,499	5,275,740	
Current assets	**Current assets**			**Current assets**
Cash and cash equivalents	Cash and cash equivalents	274,854	39,242	
Restricted cash	Restricted cash	2,000	—	
Customer accounts receivable, net	Customer accounts receivable, net	241,762	288,338	

Accrued unbilled revenues, net	Accrued unbilled revenues, net	179,327	183,280	
Other accounts receivable, net	Other accounts receivable, net	89,823	13,567	
Fuel oil stock, at average cost	Fuel oil stock, at average cost	152,768	191,530	
Materials and supplies, at average cost	Materials and supplies, at average cost	99,526	79,568	
Prepayments and other	Prepayments and other	54,538	33,482	
Regulatory assets	Regulatory assets	57,921	52,273	
Total current assets	**Total current assets**	1,152,519	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	76,061	89,318	
Regulatory assets	Regulatory assets	173,276	190,240	
Other	Other	158,092	160,889	
Total other long-term assets	**Total other long-term assets**	407,429	440,447	
Total assets	**Total assets**	$7,078,447	$6,597,467	

(continued)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (unaudited) (continued)

(dollars in thousands, except par value)	**(dollars in thousands, except par value)**	**September 30, 2023**	**December 31, 2022**	**(dollars in thousands, except par value)**	**March 31, 2024**	**December 31, 2023**
Capitalization and liabilities	**Capitalization and liabilities**			**Capitalization and liabilities**		
Capitalization	**Capitalization**			**Capitalization**		
Common stock ($6 2/3 par value, authorized 50,000,000 shares; outstanding 17,854,278 shares at September 30, 2023 and December 31, 2022)		$ 119,048	$ 119,048			
Common stock ($6 2/3 par value, authorized 50,000,000 shares; outstanding 17,854,278 shares at March 31, 2024 and December 31, 2023)						

Premium on capital stock	Premium on capital stock	810,955	810,955	
Retained earnings	Retained earnings	1,450,325	1,411,306	
Accumulated other comprehensive income, net of taxes-retirement benefit plans	Accumulated other comprehensive income, net of taxes-retirement benefit plans	2,695	2,861	
Common stock equity	**Common stock equity**	2,383,023	2,344,170	
Cumulative preferred stock — not subject to mandatory redemption	Cumulative preferred stock — not subject to mandatory redemption	34,293	34,293	
Long-term debt, net	Long-term debt, net	1,934,044	1,584,854	
Total capitalization	**Total capitalization**	4,351,360	3,963,317	
Commitments and contingencies (Notes 2 and 4)	**Commitments and contingencies (Notes 2 and 4)**			**Commitments and contingencies (Notes 2 and 4)**
Current liabilities	**Current liabilities**			
Current portion of operating lease liabilities	Current portion of operating lease liabilities	17,012	19,095	
Current portion of operating lease liabilities				
Current portion of operating lease liabilities				
Current portion of long-term debt, net	Current portion of long-term debt, net	99,996	99,962	
Short-term borrowings from non-affiliates		—	87,967	
Accounts payable				
Accounts payable				
Accounts payable	Accounts payable	201,699	202,492	
Interest and preferred dividends payable	Interest and preferred dividends payable	30,058	17,176	
Taxes accrued, including revenue taxes	Taxes accrued, including revenue taxes	274,272	289,902	
Regulatory liabilities	Regulatory liabilities	26,325	31,475	
Other	Other	163,307	85,596	
Total current liabilities	**Total current liabilities**	812,669	833,665	
Deferred credits and other liabilities	**Deferred credits and other liabilities**			
Operating lease liabilities	Operating lease liabilities	66,299	78,715	
Operating lease liabilities				
Operating lease liabilities				
Finance lease liabilities	Finance lease liabilities	118,140	46,048	
Deferred income taxes	Deferred income taxes	385,675	384,430	
Regulatory liabilities	Regulatory liabilities	1,075,449	1,024,175	

Unamortized tax credits	Unamortized tax credits	89,747	95,300
Defined benefit pension liability	Defined benefit pension liability	48,884	49,748
Other	Other	130,224	122,069
Total deferred credits and other liabilities	**Total deferred credits and other liabilities**	1,914,418	1,800,485
Total capitalization and liabilities	**Total capitalization and liabilities**	$7,078,447	$6,597,467

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidated Statements of Changes in Common Stock Equity (unaudited)

(in thousands)	(in thousands)	Common stock Shares	Common stock Amount	Premium on capital stock	Retained earnings	Accumulated other comprehensive income (loss)	Total	(in thousands)	Common stock Shares	Amount	Premium on capital stock	Retained earnings	Accumulated other comprehensive
Balance, December 31, 2023													
Net income for common stock													
Other comprehensive loss, net of taxes													
Common stock dividends													
Balance, March 31, 2024													
Balance, March 31, 2024													
Balance, March 31, 2024													
Balance, December 31, 2022													
Balance, December 31, 2022													
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	Net income for common stock	—	—	—	47,009	—	47,009						
Other comprehensive loss, net of taxes	Other comprehensive loss, net of taxes	—	—	—	—	(45)	(45)						
Common stock dividends	Common stock dividends	—	—	—	(32,250)	—	(32,250)						
Balance, March 31, 2023	**Balance, March 31, 2023**	17,854	119,048	810,955	1,426,065	2,816	2,358,884						
Net income for common stock		—	—	—	45,299	—	45,299						
Other comprehensive loss, net of taxes		—	—	—	—	(44)	(44)						

Common stock dividends	—		—	(32,250)	—	(32,250)
Balance, June 30, 2023	17,854	119,048	810,955	1,439,114	2,772	2,371,889
Net income for common stock	—	—	—	43,461	—	43,461
Other comprehensive loss, net of taxes	—	—	—	—	(77)	(77)
Common stock dividends	—	—	—	(32,250)	—	(32,250)
Balance, September 30, 2023	17,854	$119,048	$810,955	$1,450,325	$ 2,695	$2,383,023
Balance, December 31, 2021	17,753	$118,376	$798,526	$1,348,277	$ (3,280)	$2,261,899
Net income for common stock	—	—	—	46,409	—	46,409
Other comprehensive income, net of taxes	—	—	—	—	51	51
Common stock dividends	—	—	—	(31,475)	—	(31,475)
Balance, March 31, 2023						
Balance, March 31, 2023						
Balance, March 31, 2022	17,753	118,376	798,526	1,363,211	(3,229)	2,276,884
Net income for common stock	—	—	—	44,135	—	44,135
Other comprehensive income, net of taxes	—	—	—	—	51	51
Common stock dividends	—	—	—	(31,475)	—	(31,475)
Balance, June 30, 2022	17,753	118,376	798,526	1,375,871	(3,178)	2,289,595
Net income for common stock	—	—	—	49,764	—	49,764
Other comprehensive income, net of taxes	—	—	—	—	108	108
Common stock dividends	—	—	—	(31,475)	—	(31,475)
Balance, September 30, 2022	17,753	$118,376	$798,526	$1,394,160	$ (3,070)	$2,307,992

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows (unaudited)

		Nine months ended September 30				
		Three months ended March 31			Three months ended March 31	
(in thousands)	**(in thousands)**	**2023**	**2022**	**(in thousands)**	**2024**	**2023**
Cash flows from operating activities	**Cash flows from operating activities**			**Cash flows from operating activities**		
Net income	Net income	$137,265	$141,804			
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	182,781	175,921			
Other amortization	Other amortization	19,639	19,044			
Deferred income taxes		(8,807)	(27,671)			

Deferred income tax expense (benefit)

State refundable credit

State refundable credit

State refundable credit	State refundable credit	(8,625)	(8,275)
Bad debt expense	Bad debt expense	3,937	4,406
Allowance for equity funds used during construction	Allowance for equity funds used during construction	(11,073)	(7,431)
Other	Other	549	94

Other

Other

Changes in assets and liabilities	Changes in assets and liabilities		

Changes in assets and liabilities

Decrease (increase) in accounts receivable		40,187	(64,404)
Decrease (increase) in accrued unbilled revenues		3,759	(91,256)

Decrease in accounts receivable

Decrease in accrued unbilled revenues

Decrease (increase) in fuel oil stock	Decrease (increase) in fuel oil stock	38,762	(125,647)
Increase in materials and supplies	Increase in materials and supplies	(19,958)	(5,702)
Decrease in regulatory assets		13,908	34,278

Increase in regulatory assets

Increase in regulatory liabilities	Increase in regulatory liabilities	32,454	29,294
Increase in accounts payable	Increase in accounts payable	26,967	18,108
Change in prepaid and accrued income taxes, tax credits and revenue taxes	Change in prepaid and accrued income taxes, tax credits and revenue taxes	(18,754)	57,681

Decrease in defined benefit pension and other postretirement benefit plans liability	Decrease in defined benefit pension and other postretirement benefit plans liability	(6,202)	(3,647)	
Change in other assets and liabilities	Change in other assets and liabilities	(20,678)	(22,430)	
Net cash provided by operating activities	**Net cash provided by operating activities**	406,111	124,167	
Cash flows from investing activities	**Cash flows from investing activities**			**Cash flows from investing activities**
Capital expenditures	Capital expenditures	(334,497)	(225,876)	
Other	Other	5,216	6,750	
Net cash used in investing activities	**Net cash used in investing activities**	(329,281)	(219,126)	
Cash flows from financing activities	**Cash flows from financing activities**			**Cash flows from financing activities**
Common stock dividends	Common stock dividends	(96,750)	(94,425)	
Preferred stock dividends of Hawaiian Electric and subsidiaries	Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,496)	(1,496)	
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	350,000	60,000	
Net increase (decrease) in short-term borrowings from non-affiliates and affiliates with original maturities of three months or less		(87,967)	97,450	
Proceeds from issuance of long-term debt				
Proceeds from issuance of long-term debt				
Net decrease in short-term borrowings from non-affiliates and affiliates with original maturities of three months or less				
Net decrease in short-term borrowings from non-affiliates and affiliates with original maturities of three months or less				
Net decrease in short-term borrowings from non-affiliates and affiliates with original maturities of three months or less				

Payments of obligations under finance leases	Payments of obligations under finance leases	(2,162)	(266)
Other	Other	(843)	(258)
Net cash provided by financing activities		160,782	61,005
Net increase (decrease) in cash, cash equivalents and restricted cash		237,612	(33,954)
Net cash provided by (used in) financing activities			
Net increase in cash, cash equivalents and restricted cash			
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	39,242	55,258
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	276,854	21,304
Less: Restricted cash	Less: Restricted cash	(2,000)	—
Cash and cash equivalents, end of period	**Cash and cash equivalents, end of period**	$274,854	$ 21,304

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2022 2023 Form 10-K.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 · Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for interim financial information, the instructions to SEC Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In preparing the unaudited condensed consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses for the period. Actual results could differ significantly from those estimates. The accompanying unaudited condensed consolidated financial statements and the following notes should be read in conjunction with the audited consolidated financial statements and the notes thereto in HEI's and Hawaiian Electric's Form 10-K for the year ended December 31, 2022 December 31, 2023.

In the opinion of HEI's and Hawaiian Electric's management, the accompanying unaudited condensed consolidated financial statements contain all material adjustments required by GAAP to fairly state consolidated HEI's and Hawaiian Electric's financial positions as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and the results of their operations for the three and nine months ended September 30, 2023 and 2022 and cash flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023. All such adjustments are of a normal recurring nature, unless otherwise disclosed below or in other referenced material. Results of operations for interim periods are not necessarily indicative of results for the full year.

Recent accounting pronouncements.

Credit Losses. Segment Reporting. In March 2022, Financial Accounting Standards Board November 2023, the FASB issued Accounting Standards Update (ASU) ASU No. 2022-02, "Financial Instruments-Credit Losses 2023-07, Segment Reporting (Topic 326) 280): Troubled Debt Restructurings and Vintage Improvements to Reportable Segment 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 to improve reportable segment 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 primarily through 35-11 to determine whether a modification results in a new loan or a continuation enhanced disclosure requirements of an existing loan. The significant segment expenses. These 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 annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2022, including interim 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 within those fiscal years. ASB updated 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 accounting impact of this amendment on the Company’s consolidated financial statements.

Climate-related disclosures. In March 2024, the Securities and Exchange Commission (SEC) issued final climate-related disclosure rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for certain loan refinancings Investors (climate disclosure rules). The rules will require annual disclosure of material greenhouse gas emissions as well as disclosure of governance, risk management and restructurings, strategy related to material climate-related risks. In addition, the rules require (i) financial statement impacts of severe weather events and included other natural conditions; (ii) a roll forward of carbon offset and renewable energy credit balances if material to the required disclosures Company’s plan to achieve climate-related targets or goals; and (iii) material impacts on estimates and assumptions in the Notes herein financial statements. The disclosure requirements will begin phasing in accordance for annual periods beginning with ASU No. 2022-02. calendar year 2025. The Company is currently evaluating the final rule to determine its impact on the Company’s consolidated financial statements. In April 2024, the SEC voluntarily stayed implementation of its climate disclosure rules pending completion of judicial review by the Court of Appeals for the Eighth Circuit.

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 at least 99 101 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 County of Maui, in addition to the loss of life, over 3,450 acres burned and over 2,500 structures were destroyed. 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 the Intermediate School. The Maui County 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 County fire chief subsequently reported that the Fire Department had determined that the Morning Fire was “extinguished.” 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 County 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.

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

Restoration costs and recoveries. The Utilities are continuing restoration work to rebuild portions of September 30, 2023 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. To date, power has been restored to all customers that can have power restored in Lahaina and the rest of West Maui.

On December 27, 2023, on a consolidated basis, the Company has incurred $27.6 million 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, which excludes the $75 million contribution and insurance receivable as discussed in wildfires. The

Subsequent event - One ‘Ohana Initiative below. In addition, 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 March 31, 2024, the Utilities incurred $8.0 million have deferred $22.6 million of total capital certain incremental costs related to the Maui windstorm and wildfires.

Restoration costs and recoveries. The Utilities have since restored electric service wildfires to more than 95% of homes and businesses on the island of Maui that were affected by the Maui windstorm and wildfires. Replacement of poles, transformers, power lines and other equipment in and around Lahaina and Upcountry Maui that were damaged is ongoing. On August 21, 2023, Maui Electric filed an application with the Public Utilities Commission of the State of Hawaii (PUC), requesting the PUC’s approval for the deferral accounting treatment for incremental non-labor expenses related to the Utilities’ response and restoration efforts and other expenses arising from and associated with the Maui windstorm and wildfires, beginning from August 8, 2023 and until December 31, 2024, to preserve the Utilities’ ability to seek cost recovery through a separate request when the total costs and impacts are better known. On October 13, 2023, the Utilities filed an amended application to add Hawaiian Electric and Hawaii Electric Light as applicants. As of September 30, 2023, the amended application was subject to the PUC’s approval and no costs have been deferred. regulatory asset.

While the Utilities plan to seek recovery of damage to covered electrical infrastructure under their property 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. Multiple civil

Tort-related legal claims. As of May 9, 2024, HEI and class action the Utilities have each been named in approximately 400 lawsuits related to the Maui windstorm and wildfires wildfires. These civil and class action lawsuits 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, telecommunications companies, and telecommunications oil companies (collectively "tort-related legal claims"). One class action is pending in federal court, while the remainder of the cases are pending in Maui and Oahu Circuit 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. Utilities, and three other lawsuits were filed by approximately 160 subrogation insurers against HEI, the Utilities, a private landowner, and telecommunications companies. One lawsuit that names HEI, the Utilities, and other defendants also alleges that oil companies contributed to the burning of fossil fuels and caused climate change that led to the Lahaina fire. 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. For a discussion

On March 22, 2024, the Maui Circuit Court set trial dates in six cases concerning the fires in the Upcountry Maui areas for September 9, 2024. On May 3, 2024, the Maui Circuit Court set trial dates in four cases concerning the Lahaina fire for November 18, 2024. Mediation discussions have commenced. No trial dates have been set in cases pending in the Oahu Circuit Court or in federal court.

While the investigations into the circumstances surrounding the Maui windstorm and wildfires are ongoing, various unaffiliated third parties have published estimates of the Company's assessment 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 to include estimated losses for commercial property and business interruption. Through March 31, 2024, the data collected from over 200 insurers indicated estimated total insured losses of $3.1 billion for residential, commercial, personal, and other property, and business interruption. The estimated total losses for insured claims related to residential property includes homeowners insurance, dwelling-fire landlord, condominium unit owner, renters insurance, and other residential property. The estimated total losses do not account for uninsured or underinsured 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 exposure 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 see 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 *Subsequent event - One 'Ohana Initiative*) as a collective path forward to recovery from the Maui windstorm and wildfires. The *One 'Ohana Initiative* below.

On August 24, 2023, is a putative securities class action captioned Bhangal v. Hawaiian Electric Industries, Inc., et al., No.: 3:23-cv-04332-JSC was filed new humanitarian aid fund of $175 million, with the objective to compensate, 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. Plaintiffs seek unspecified monetary damages. On October 5, 2023, the court entered an order extending Defendants' time to respond to the complaint until after a lead plaintiff has been appointed by the court in accordance with relevant procedures of the Private Securities Litigation Reform Act of 1995 and Defendants have not yet responded to the complaint. A hearing on competing motions for appointment of lead plaintiff is scheduled for November 30, 2023. 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 is unable to predict the outcome or reasonably estimate a range of possible loss at this time.

Also, 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. 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 from the fires that occurred on Maui 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. On October 27, 2023, the plaintiff filed an amended complaint adding claims for aiding and abetting state law breach of fiduciary duty, and for purported violations of Hawai'i's Nonprofit Corporations Act §414D-302. Defendants have not yet been served, and no substantive proceedings have occurred. While the Company has obligations to indemnify and/or advance the defendants' legal expedited manner, those who

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 meaningful estimate of the amount or range of loss, if any, that could result from any unfavorable outcome.

Legal costs in connection with the litigation and loss contingencies are expensed as incurred. For the three months ended September 30, 2023, the Company incurred and accrued $10.8 million ($6.3 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 possible retention of up to $1.5 million. Reimbursement of legal costs under the policy are recorded as a reduction of expense when probable and reasonably estimable.

Subsequent event - One 'Ohana Initiative. 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 expected to exceed $150 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 *One 'Ohana Initiative* provides an alternative to a lengthy and expensive legal process. Beneficiaries who have lost loved ones are anticipated to receive payments of more than $1 $1.5 million each as early as the second quarter per decedent, and those who suffered severe injuries are expected to share in a specially allocated pool of 2024 after an administrator is selected and processes are established. 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 up to contributed $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, and additional contributions from other parties are possible. fund. Hawaiian Electric's contribution to the Initiative will be was less than half of the total, and Hawaiian Electric's insurance carriers have agreed to fund funded 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 *One 'Ohana Initiative* is not an admission of guilt or reflection of fault or liability related to the wildfires. Under the *One 'Ohana Initiative*, all claimants (except families of missing persons) must submit a completed registration form and registrants who meet the Fund's eligibility requirements will then be required to complete and submit a claim form. As of May 8, 2024, 12 claim forms and 43 registration forms have been received that relate to death claims and two claim forms and 15 registration forms have been received that relate to physical injury claims.

In connection with its commitment to contribute to the The *One 'Ohana Initiative the Utilities accrued, as of September 30, 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 $75 million contribution to the *One 'Ohana Initiative* and is unable to predict the ultimate outcome or reasonably estimate a range of possible loss from these actions at this time.

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 *One 'Ohana Initiative*. If additional liabilities were to be incurred, the loss could be material to the Utilities' Company's results of operations, financial positions and cash flows. If any such losses were to be sufficiently high, the Utilities 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 Utilities charged 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 a briefing schedule requiring defendants to respond to the amended complaint no later than May 7, 2024. On March 8, 2024, the lead plaintiff filed an amended complaint. The Company has filed a motion to dismiss that complaint and 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 Hawaii. 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. On March 14, 2024, the United States District Court remanded the case to the Circuit Court of the First Circuit, State of Hawaii. 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 Hawaii 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 United States District Court, defendants are not required to respond to plaintiff's amended complaint until after the pending contribution motions to expense, included in "Expenses-Other operation and maintenance" and "Expenses-Electric utility" remand in the Hawaiian Electric tort litigation are resolved. While the Company has obligations to indemnify and/or advance the defendants' legal fees and subsidiaries Condensed Consolidated Statements of Income and HEI and subsidiaries' Condensed Consolidated Statements of Income, respectively, which was offset by the probable insurance recovery.

(in millions)		September 30, 2023
2023 Maui windstorm and wildfires		
One 'Ohana Initiative contribution[1]	$	75
Insurance costs in connection with this lawsuit, any monetary recovery[2]		(75)

[1] As of September 30, 2023, One 'Ohana Initiative contribution is included in "Current liabilities-Other" and "Liabilities-Other" in the Hawaiian Electric derivative litigation should accrue to the Company. The Company is unable to predict the ultimate outcome and subsidiaries' Condensed Consolidated Balance Sheet and HEI and subsidiaries' Condensed Consolidated Balance Sheet, respectively.

[2] As is unable to make a reasonable estimate of September 30, 2023, One 'Ohana Initiative insurance recoveries is included in "Current assets-Other accounts receivables, net" and "Assets-Accounts receivable and unbilled revenues, net" in the Hawaiian Electric and subsidiaries' Condensed Consolidated Balance Sheet and HEI and subsidiaries' Condensed Consolidated Balance Sheet, respectively.

amount or range of loss, if any, that could result from any unfavorable outcome.

Three putative shareholder derivative actions were filed in the United States District Court for the Northern District of California between December 26, 2023 and February 8, 2024, including:

Kallaus v. Johns, et al., No. 3:23-cv-06627 (the "Kallaus Action"), Cole v. Johns, et al., No. 3:24-cv-00598 (the "Cole Action"), and Tai v. Seu, et al., No. 3:24-cv-01198 (the "Tai Action"). On March 19, 2024, upon stipulation by the parties, the court consolidated the Kallaus Action, the Cole Action, and the Tai Action under the caption In Re Hawaiian Electric Industries, Inc. and Hawaiian Electric Company, Inc. Derivative Litigation, No. 3:23-cv-06627 (the "Consolidated Derivative Actions"). The Consolidated Derivative Actions are purportedly brought by shareholders of HEI on behalf of nominal defendants HEI and Hawaiian Electric against certain current and former officers and directors of HEI and Hawaiian Electric. Plaintiffs purport to assert both Hawaii state law and federal securities law claims. Plaintiffs assert state law breach of fiduciary duty, corporate waste, and unjust enrichment claims purportedly arising from the Maui windstorm and wildfires that occurred in August 2023 and certain public disclosures. Plaintiffs also assert 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. Plaintiffs generally allege 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. Plaintiffs also broadly claim HEI proxy statements were materially false and misleading for similar reasons. Plaintiffs seek, on behalf of HEI and Hawaiian Electric, unspecified monetary and punitive 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 Consolidated Derivative Actions 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 April 8, 2024, a putative shareholder derivative action captioned Assad v. Seu, et al., No. 1:24-cv-00164 was filed in the United States District Court for the District of Hawaii. This action is purportedly brought by a shareholder on behalf of nominal defendants HEI and against certain current and former officers and directors of HEI and Hawaiian Electric. Plaintiff purports to assert Hawaii state law claims for breach of fiduciary duty, corporate waste, and unjust enrichment allegedly arising from the Maui windstorm and wildfires that occurred in August 2023 and certain public disclosures. 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 seeks, on behalf of HEI, compensatory damages, restitution and equitable relief in the form of changes to HEI's corporate governance, policies and culture. 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.

Maui windstorm and wildfires costs. Legal costs in connection with the litigation and loss contingencies are expensed as incurred. 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 March 31, 2024, the Company's and Utilities' insurance receivable totaled $28.7 million and $22.1 million, respectively, under the policies.

See table below for the incremental expenses related to the Maui windstorm and wildfires.

	Year ended December 31, 2023		Three months ended March 31, 2024	
(in thousands)	**Electric utility**	**HEI Consolidated**	**Electric utility**	**HEI Consolidated**
Maui windstorm and wildfires related expenses:				
Legal expenses	$ 24,737	$ 34,876	$ 10,735	$ 15,027
One 'Ohana Initiative contribution	75,000	75,000	—	—
Other expense	15,071	28,507	13,832	15,091
Total Maui windstorm and wildfires related expenses	114,808	138,383	24,567	30,118
Insurance recoveries	(98,613)	(104,580)	(9,969)	(12,577)
Deferral treatment approved by the PUC[1]	(14,692)	(14,692)	(7,898)	(7,898)
Total Maui windstorm and wildfires related expenses, net of insurance recoveries and approved deferral treatment	$ 1,503	$ 19,111	$ 6,700	$ 9,643

[1] 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.

On May 4, 2024, HEI and the Utilities reached an agreement to settle indemnification claims asserted by the State of Hawaii without any admission of fault or responsibility. Under the terms of the agreement, HEI and the Utilities agreed to contribute up to $18.4 million through the end of 2024 related to the costs of the professional advisors engaged by the State of Hawaii to advise on a variety of matters related to the Maui windstorm and wildfires. Under certain circumstances, HEI and the Utilities have the unilateral right to terminate the agreement and stop paying the costs for future periods. As of March 31, 2024, a total of $6.7 million of such costs were accrued and reflected in Maui windstorm and wildfires related expenses-Other expense in the table above. HEI and the Utilities are seeking insurance recoveries for such costs; however, the timing and amount of any insurance recoveries are not determinable at this time.

In addition, the Utilities incurred $5.6 million of total capital costs related to the Maui windstorm and wildfires for the three months ended March 31, 2024.

Note 3 · Segment financial information

(in thousands)	(in thousands)	Electric utility	Bank	Other	Total	(in thousands)	Electric utility	Bank	Other	Total
Three months ended September 30, 2023										
Three months ended March 31, 2024										
Three months ended March 31, 2024										
Three months ended March 31, 2024										
Revenues	Revenues	$ 794,987	$ 100,974	$ 5,912	$ 901,873					
Income (loss) before income taxes										
Income (loss) before income taxes										
Income (loss) before income taxes	Income (loss) before income taxes	$ 55,415	$ 12,749	$ (19,054)	$ 49,110					
Income taxes (benefit)	Income taxes (benefit)	11,456	1,384	(5,319)	7,521					
Net income (loss)	Net income (loss)	43,959	11,365	(13,735)	41,589					
Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	498	—	(27)	471					
Net income (loss) for common stock	Net income (loss) for common stock	$ 43,461	$ 11,365	$ (13,708)	$ 41,118					
Nine months ended September 30, 2023										
Total assets (at March 31, 2024)										
Three months ended March 31, 2023										
Three months ended March 31, 2023										
Three months ended March 31, 2023										
Revenues	Revenues	$ 2,419,539	$ 291,716	$ 14,540	$ 2,725,795					
Income (loss) before income taxes		$ 175,391	$ 61,511	$ (48,121)	$ 188,781					
Income taxes (benefit)		38,126	11,380	(12,591)	36,915					
Net income (loss)		137,265	50,131	(35,530)	151,866					
Preferred stock dividends of subsidiaries		1,496	—	(79)	1,417					
Net income (loss) for common stock		$ 135,769	$ 50,131	$ (35,451)	$ 150,449					

Total assets (at September 30, 2023)		$ 7,078,447	$9,657,428	$255,943	$16,991,818
Three months ended September 30, 2022					
Revenues					
Revenues	Revenues	$ 955,971	$ 81,411	$ 4,815	$ 1,042,197
Income (loss) before income taxes	Income (loss) before income taxes	$ 63,712	$ 27,281	$ (11,088)	$ 79,905
Income taxes (benefit)	Income taxes (benefit)	13,450	6,525	(2,623)	17,352
Net income (loss)	Net income (loss)	50,262	20,756	(8,465)	62,553
Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	498	—	(27)	471
Net income (loss) for common stock	Net income (loss) for common stock	$ 49,764	$ 20,756	$ (8,438)	$ 62,082
Nine months ended September 30, 2022					
Revenues from external customers and other sources		$ 2,483,632	$ 231,850	$ 7,390	$ 2,722,872
Intersegment revenues (eliminations)		4	—	(4)	—
Revenues		$ 2,483,636	$ 231,850	$ 7,386	$ 2,722,872
Income (loss) before income taxes		$ 179,771	$ 79,605	$ (25,774)	$ 233,602
Income taxes (benefit)		37,967	17,513	(7,085)	48,395
Net income (loss)		141,804	62,092	(18,689)	185,207
Preferred stock dividends of subsidiaries		1,496	—	(79)	1,417
Net income (loss) for common stock		$ 140,308	$ 62,092	$ (18,610)	$ 183,790
Total assets (at December 31, 2022)		$ 6,597,467	$9,545,970	$140,807	$16,284,244
Total assets (at December 31, 2023)					

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.

Sales from Hamakua Energy, LLC (Hamakua Energy) to Hawaii Electric Light (a regulated affiliate) are eliminated in consolidation.

Note 4 · Electric utility segment

Unconsolidated variable interest entities.

Power purchase agreements. As of September 30, 2023 March 31, 2024, the Utilities had four power purchase agreements (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 condensed consolidated financial statements. However, Hamakua Energy is an indirect subsidiary of Pacific Current and is consolidated in HEI's condensed 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 unaudited condensed 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. 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 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; 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.

August 2023 Maui windstorm and wildfires wildfires. . See Note 2 of the Condensed Consolidated Financial Statements

Power purchase agreements. Purchases from all IPPs were as follows:

	Three months ended September 30		Nine months ended September 30	
(in millions)	2023	2022	2023	2022
Kalaeloa	$ 77	$ 101	$ 211	$ 244
AES Hawaii [1]	—	21	—	82
HPOWER	17	18	51	56
Hamakua Energy	13	16	52	46
Puna Geothermal Venture	7	13	24	37
Wind IPPs	42	37	99	93
Solar IPPs	21	18	57	44
Other IPPs [2]	1	1	5	5
Total IPPs	$ 178	$ 225	$ 499	$ 607

[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.

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. The new pricing provisions in the Amended and Restated PPA took effect on January 1, 2023.

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 $71.2 million. The Utilities have received PUC approvals to recover the total projected annual payments under the eight renewable PPAs through the purchased power adjustment clause (PPAC) to the extent such costs are not included in base rates. The Utilities have accounted for the battery portion of three PPAs that were placed in service, including the AES Waikoloa Solar project that began commercial operation on April 21, 2023, which has a capacity of 30 MW with 120 MWh batteries, as finance leases and recorded lease liabilities with corresponding right-of-use assets of $124 million. The timing of the Utilities' recognition of the 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 are deferred as a regulatory asset or liability in order to match what is being recovered for ratemaking purposes. 2.

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 provided that they would execute was conditioned on the PUC's timely, non-appealable final approval of an amended and restated PPA dated May 9, 2017, provided that the amended and restated PPA was still subject to PUC approval. . On May 23, 2022, following a contested case hearing, 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 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, which were denied by the PUC 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. On March 13, 2023, the Hawaii Supreme Court affirmed the PUC's 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 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. Furthermore, On November 16, 2023, Hu Honua indicated filed its Motion for Leave to File 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 this motion took place on February 14, 2024. The court issued a decision and order on the motion on April 2, 2024, which was consistent with Hawaii Electric Light's position, only allowing amendments that it intends were agreed to reassert and not allowing Hu Honua to add new claims or parties, effectively leaving Hu Honua with its federal previously-pled breach of contract and antitrust claims.Hu Honua filed its objection to the order on April 16, 2024 and other claims against the Hawaiian Electric defendants. Hu Honua also stated that defendants filed their response to take into account the numerous relevant events which have occurred since its filing of its second amended complaint objection on April 30, 2024.

January 29, 2018, Hu Honua intends to move for leave to file an amended and supplemental complaint. Hu Honua has yet to file a motion for leave.

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.

Utility projects Environmental regulation. . 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.

Waena Switchyard/Synchronous Condenser 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 was placed in service 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, 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 September 30, 2023, $24.7 million has been incurred for the project.

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.

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 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 $2.5 million as of September 30, 2023 March 31, 2024, 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.

Additionally, on November 24, 2021, the current landowners of the Site, Misaki's, Inc., filed a lawsuit against Hawaiian Electric (as alleged successor 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 for the District of Hawaii). The complaint, which was subsequently amended to include Maui Electric, alleges that Hawaiian Electric is responsible for remediation of the Site based on the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), and the Hawaii Environmental Response Law under Hawaii Revised Statutes Chapter 128D, as well as being liable on contractual claims

related to a short leaseback period during the transition of ownership from Molokai Electric. On August 24, 2023, a settlement was reached between the parties.

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 September 30, 2023 March 31, 2024, the reserve account balance recorded by Hawaiian Electric to address the PCB contamination was $9.7 million $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 in April 2024 to $1.2

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

$1.4 million to incorporate additional costs. Based on It has not been determined whether the nature of the contamination it is not clear whether it is consistent with what was in the Utilities' pipelines or is wholly or partially the responsibility of the other pipeline owner. owner and whether the costs were properly incurred. 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 under the federal Endangered Species Act, from Earthjustice on behalf of the American Bird Conservancy and Conservation Council for Hawaii in early February 2024. The sixty-day notice is the pre-cursor to a citizen's suit under the Endangered Species Act. The notice alleges that the Utilities are out of compliance with the Act due to alleged impacts on endangered seabirds caused by the Utilities' powerlines, street lights and facility lights on Maui and Lanai. The Utilities are already in the process of drafting a Habitat Conservation Plan and will be applying for associated state and federal permits. The notice 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 parties are engaging in settlement discussions and the Utilities are unable to determine the ultimate outcome or the amount of any possible loss.

Commitments.

Purchase commitments. In the ordinary course of business, the Utilities enter into various agreements to purchase power and lease fuel barge. As of December 31, 2023, the Utilities estimated future purchase obligations of $1.7 billion. See Note 4 of the Notes to the Consolidated Financial Statements in Item 8 of the 2023 Form 10-K.

On March 28, 2024, AES West Oahu Solar project reached commercial operations, which has a capacity of 12.5 MW with 50 MWh batteries and total annual payment of $3.2 million. The battery portion of the PPA was recorded as a finance lease liability with corresponding right-of-use asset of $12.2 million during the first quarter of 2024. As of March 31, 2024, a total of five Stage 1 and Stage 2 renewable projects provide the Utilities of 117.5 MW, with 1,035 MWh batteries.

Purchases from all IPPs were as follows:

	Three months ended March 31	
(in millions)	**2024**	**2023**
Kalaeloa	$ 66	$ 67
HPOWER	17	18
Puna Geothermal Venture	13	8
Hamakua Energy	11	20
Kapolei Energy Storage	6	—
Wind IPPs	30	24

Solar IPPs		15		14
Other IPPs [1]		2		2
Total IPPs	$	160	$	153

[1] 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.

Waena Switchyard/Synchronous Condenser 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 was placed in service on October 25, 2023. Maui Electric petitioned and received from the State of Hawaii Department of Health a one-year extension to the mandatory retirement of Kahului Power Plant. Although Maui Electric intends to retire the plant by the end of 2027, there is now flexibility to operate the units until the end of 2028. The conversion of the two generating units will be performed after the retirement of Kahului Power Plant Units 3 and 4.

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 March 31, 2024, $25.3 million has been incurred for the project.

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 March 31, 2024 amount to $0.6 million.

Climate Adaptation Transmission and Distribution Resilience Program. The Utilities maintain that improving resiliency of the electric grid is an urgent matter and recognizes that climate change is making Hawaii increasingly vulnerable to sever weather events. On January 31, 2024, the PUC approved the Utilities' request to commit an estimated $189.7 million in funds for the Climate Adaptation Transmission and Distribution Resilience Program, over a project period of five years. The project is to focus on, among other things, system hardening in wildfire risk areas to prevent ignition and to enable quicker response, video camera and weather monitors in wildfire risk areas and to add situational awareness, and strengthening transmission lines.

The project costs to be recovered through EPRM is subject to a cap of $95 million and any amount in excess will be subject to the PUC's further review. On October 17, 2023, the Utilities received a notification from the U.S. Department of Energy that its application for $95 million in federal funds under the Infrastructure Investment and Jobs Act (IIJA) has been selected for negotiations. Currently, the negotiation is ongoing. Project costs incurred as of March 31, 2024 amount to $1.5 million.

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, PPAC, Demand Side 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 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. The June 2022 D&O approved two new PIMs, a new SSM, and extended the timeframe for an existing PIM. 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 Grid Services 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 March 30, 2023, the PUC held a PBR Working Group coordination meeting to initiate

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

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 on October 13, 2023 April 12, 2024.

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. The Utilities requested On December 28, 2023, the PUC approval 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 suspension request by December 28, 2023 tariffs became effective on January 1, 2024.

On November 3, 2023, the Utilities, Ulupono Initiative LLC, and the County of Hawaii filed a stipulation on proposed modifications to the RPS-A, Call Center, AMI Utilization, and IRS PIM. The proposed PIM tariff modifications are intended interconnection requirements study PIMs. On February 8, 2024, the PUC issued a procedural schedule to become effective on January 1, 2024, to govern review of the extent they can be approved by December 31, 2023. A decision proposals in the stipulation, which provides for a D&O on the stipulation is pending by June 30, 2024.

On December 26, 2023, the PUC approval.

<u>Revenue adjustment mechanism</u>. Prior 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 implementation utilization of DERs to meet grid needs.

On April 1, 2024, the Utilities filed a request for partial temporary suspension and modification of the PBR Framework, T&D SAIDI and T&D SAIFI PIMs. Specifically, the revenue adjustment mechanism (RAM) was a major component of Utilities requested to suspend the previously established regulatory framework. T&D SAIDI and T&D SAIFI PIMs for wildfire risk circuits from January 1, 2024 to December 31, 2025. 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 Utilities also proposed that circuits not identified as wildfire risk circuits would continue to be included in subject to the RBA provision's target revenue and RBA rate adjustment unless modified with existing PIMs on a prorated basis. On April 26, 2024, the PUC approval. issued a procedural schedule to govern review of the request, a D&O is requested by December 16, 2024.

<u>Annual revenue adjustment mechanism</u>. 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 ARA mechanism replaced the previous revenue adjustment mechanism (RAM). 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 to the extent such adjustments are not included in base rate unless modified with PUC approval. The implementation of the ARA occurred on June 1, 2021.

Pursuant to PUC orders, the Utilities deferred certain COVID-19 related costs in regulatory asset accounts through December 31, 2021. In June 2022, the Utilities submitted an application to seek recovery of the COVID-19 related deferred costs, not to exceed the amount of $27.8 million, through the Z-factor over three years. Annual requests will be limited to actual costs incurred. The Utilities also proposed to accelerate flow-through of the Enterprise Resource Planning system 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 if the PUC approves the application. As of September 30, 2023, the Utilities have recorded $8.8 million in regulatory assets for deferral of COVID-19 related costs. The updated amounts have been reflected in the Utilities' COVID-19 Quarterly Reports to the PUC filed on October 31, 2023.

<u>Earnings sharing mechanism</u>. 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 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 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.

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.

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As of September 30, 2023 March 31, 2024, the Utilities annualized MPIR and EPRM revenue amounts totaled $31.1 $33.1 million, including revenue taxes, for the Schofield Generating Station ($16.5 million), West Loch PV project ($3.3 million), Grid Modernization Strategy (GMS) Phase 1 project ($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 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 2023 MPIR amounts for the Schofield Generating Station, West Loch PV, GMS Phase 1, and Waiawa UFLS projects effective June 1, 2023 and for the Waena Switchyard project effective January 1, 2024 through the RBA rate adjustment.

As of September 30, 2023 March 31, 2024, the PUC approved two four EPRM applications for projects totaling $41 million $218.5 million to the extent that the project costs are not included in rates. Currently, the Utilities are seeking EPRM recovery for five three projects with total project costs up to $488 million $215.9 million, subject to PUC approval.

Pilot process. As part of the PBR Framework, the PUC approved a Pilot Process pilot process to foster innovation by establishing an expedited implementation process for pilots that tests new technologies, programs, business models, and other arrangements. arrangements (Pilot Process). 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 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 12 months.

On February 28, 2023 March 11, 2024, the Utilities filed their annual Pilot Update report covering pilot projects that were active during 2022, 2023, including reporting on pilot projects that were initiated prior to the commencement of the Pilot Process. The Pilot Update reported on approximately $0.4 million $3.0 million of 2022 2023 recorded pilot project costs including revenue taxes for the Utilities. The 2022 2023 recorded pilot project costs were included in the Utilities' proposed adjustments to target revenue in the 2023 2024 spring revenue report filed on March 28, 2023 March 28, 2024.

On March 22, 2023, the PUC 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 may file Pilot 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 SSMs were approved by the PUC and are applicable for proposal (RFP) PIM for procurement of low-cost renewable energy, (3) Phase 2 RFP PIMs for generation the 2023 evaluation period and generation plus storage project, and grid services and standalone storage, (4) PIMs established in the PBR D&O and (5) PIMs and a SSM established in the June 2022 D&O. through March 31, 2024.

- 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.
  - 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 incurred $0.1 million $3.7 million in penalties.
  - 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 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

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proportion to the actual amount of energy utilized, which is estimated to occur from 2023 to 2025. In September 2023, Based on the in-service date of two projects, the Utilities accrued earned the second portion of the incentive of approximately $0.1 million (for Hawaiian Electric) in incentives related to one PPA. The net reward was reflected in the 2023 fall revenue report filing.

- 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 both 2023 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.2024.
- Renewable portfolio standard (RPS) - 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. In 2023, the Utilities earned $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 modified and extended the eligibility period for this Interim Grid Services PIM through December 31, 2023. The June 2022 D&O also and 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, 2023, the Utilities earned $0.04 $1.1 million in rewards.
- The Interim Grid Services PIM sunset on December 31, 2023. The PUC also previously established intends to replace the following three PIMs Interim Grid Services PIM with a Long-Term PIM that incents DER grid service utilization. Review and development of the Long-Term DER Utilization PIM continues in its PBR D&O, which were approved by the PUC on May 17, 2021 and became effective on June 1, 2021. 2024.
- 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, 2023, the Utilities earned $3.0 million in 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 For the 2022 program year (July 1, 2022 through June 30, 2023), the Utilities earned $0.5 received the third-party Public Benefits Fee Administrator's verified data in April 2024, which reflected $0.01 million in rewards for the program period ending June 30, 2022. estimated rewards.
- 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 Advanced Metering Infrastructure Utilization PIM sunset on December 31, 2023. A proposed modification to the PIM was filed with the PUC established the following PIMs and SSM in its June 2022 D&O, which became effective on January 1, 2023. is currently under review.

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- 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).

- 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 2024 evaluation period, as of March 31, 2024, the Utilities accrued $0.1 million for Phase 1 RFP PIM. For the 2023 evaluation period, the Utilities earned $3.4 million $0.9 million ($2.5 1.2 million for Hawaiian Electric, $0.4 million $(0.6) million for Hawaii Electric Light and $0.5 million $0.3 million for Maui Electric) in rewards net of penalties. The net rewards related to 2022 2023 and for the period through March 2024 were reflected in the 2023 2024 PIMs annual report and 2023 2024 spring revenue report filings.

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' fall Utilities filed the 2024 spring revenue report was filed on October 31, 2023 March 28, 2024, which is subject to PUC approval. The Utilities filing reflected in the 2023 fall revenue report ARA revenues for recovery of the COVID-19 related deferred costs to be recovered, through the Z-factor and the accelerated return of the Enterprise Resource Planning system benefits savings to be returned to Hawaii Electric Light and Maui Electric customers respectively in 2024. These adjustments to as part of the ARA are pending the PUC's review and approval. customer dividend, as follows. (See discussion under "Regulatory assets and liabilities" in Note 4 of the Condensed Consolidated Financial Statements) below). The filing reflected ARA revenues for 2023 to be collected from January 1 through December 31, 2024, as follows:

(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Total
2024 ARA revenues	$ 16.6	$ 4.1	$ 4.0	$ 24.7
Management Audit savings commitment	(4.6)	(1.0)	(1.0)	(6.6)
Enterprise Resource Planning system benefits savings	—	(1.3)	(1.9)	(3.2)
COVID-19 related cost recovery	2.6	0.2	0.6	3.4
Net 2024 ARA revenues	$ 14.6	$ 2.0	$ 1.7	$ 18.3

(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Total
Recovery of COVID-19 related costs	$ 2.2	$ 0.5	$ 0.5	$ 3.2
Return of ERP benefit liability	—	(1.3)	(1.9)	(3.2)
Net 2024 ARA revenues	$ 2.2	$ (0.8)	$ (1.4)	$ —

Note: Columns may not foot due to rounding.

The proposed net incremental amounts between the 2023 spring fall and fall 2024 spring revenue reports are shown in the following table. The amounts are to be collected (refunded) from January 1 June 1, 2024 through December 31, 2024 May 31, 2025 under the RBA rate tariffs, which were proposed included in the 2023 fall 2024 spring revenue report filing and are subject to PUC approval. filing.

(in millions)	(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Total	(in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Total
Incremental RAM revenues and ARA revenues	Incremental RAM revenues and ARA revenues	$ 19.2	$ 3.0	$ 2.7	$24.9					
Annual change in accrued RBA balance through September 30, 2023 (and associated revenue taxes)		3.6	(0.3)	0.1	3.4					
Incremental Performance Incentive Mechanisms (net)		0.1	—	—	0.1					
Incremental PIMs (net)										
Incremental PIMs (net)										
Incremental PIMs (net)										

Incremental MPIR/EPRM revenue adjustment	Incremental MPIR/EPRM revenue adjustment	3.0	0.7	1.2	4.9
Incremental Pilot Process cost recovery	Incremental Pilot Process cost recovery	1.9	0.3	0.5	2.7
Net incremental amount to be collected under the RBA rate tariffs	Net incremental amount to be collected under the RBA rate tariffs	$ 22.9	$ 2.7	$ 2.8	$28.4
Net incremental amount to be collected under the RBA rate tariffs					
Net incremental amount to be collected under the RBA rate tariffs					

Note: Columns may not foot due to rounding.

Regulatory assets and liabilities.

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 for both 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 March 31, 2024, the Utilities have recorded $29.1 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 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 March 31, 2024, the Utilities have recorded $22.6 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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

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. In June 2022, to mitigate On December 29, 2023, the impact of PUC approved the Utilities' request for recovery of the COVID-19 related costs on customers, the Utilities also proposed 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, pending to mitigate the PUC's approval. 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 September 30, 2023 March 31, 2024, the Utilities' regulatory liability was $11.9 $12.9 million ($3.0 2.2 million for Hawaiian Electric, $3.5 $4.3 million for Hawaii Electric Light and $5.4 $6.4 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 14, 2023 February 13, 2024 for the period January 1 through December 31, 2022 December 31, 2023.

Regulatory assets for COVID-19 related costs. On May 4, 2020 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 through the Z-factor in the ARA. 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 authorizing all utilities, including clarifying 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 December 2023 D&O 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 approving, among 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 things, the Utilities' request requests to extend base the deferral period to December 31, 2021. In December 2021, to keep customers connected recovery on the recorded balances as of December 31, 2023 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, through the Z-factor, from June 2023 through May 2026. Annual requests will be limited to actual costs incurred. This adjustment to the ARA is subject to PUC approval. On January 25, 2023, the PUC issued an order to modify the procedural schedule recovery period to allow more time for more discovery begin June 1, 2024 and consideration of the application. end May 31, 2027. As of September 30, 2023March 31, 2024, the Utilities have recorded $8.8 $8.6 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 January 5, 2024 July 2, 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 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 September 30, 2023 March 31, 2024, the Utilities have recorded $0.1 $1.0 million in regulatory assets for the incremental costs incurred due to the suspension of disconnections.

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 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.

Condensed consolidating financial information. Condensed consolidating financial information for Hawaiian Electric and its subsidiaries are presented for the three months ended March 31, 2024 and nine month periods ended September 30, 2023 and 2022, 2023, and as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

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.

Hawaiian Electric Company, Inc. and Subsidiaries
Condensed Consolidating Statement of Income
Three months ended September 30, 2023 March 31, 2024

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated
Revenues	$ 564,180	117,609	106,789	—	—	$ 788,578
Expenses						
Fuel oil	210,199	31,185	42,912	—	—	284,296
Purchased power	117,518	32,056	10,243	—	—	159,817
Other operation and maintenance	90,884	24,590	28,416	—	—	143,890
Depreciation	42,004	10,964	9,844	—	—	62,812
Taxes, other than income taxes	53,409	10,957	10,042	—	—	74,408
Total expenses	514,014	109,752	101,457	—	—	725,223
Operating income	50,166	7,857	5,332	—	—	63,355
Allowance for equity funds used during construction	2,821	349	470	—	—	3,640
Equity in earnings of subsidiaries	6,024	—	—	—	(6,024)	—
Retirement defined benefits credit (expense)—other than service costs	927	168	(23)	—	—	1,072
Interest expense and other charges, net	(14,292)	(2,914)	(4,231)	—	1,452	(19,985)
Allowance for borrowed funds used during construction	1,079	107	200	—	—	1,386
Interest Income	2,663	155	66	—	(1,452)	1,432
Income before income taxes	49,388	5,722	1,814	—	(6,024)	50,900
Income taxes	9,897	1,198	85	—	—	11,180
Net income	39,491	4,524	1,729	—	(6,024)	39,720
Preferred stock dividends of subsidiaries	—	134	95	—	—	229
Net income attributable to Hawaiian Electric	39,491	4,390	1,634	—	(6,024)	39,491
Preferred stock dividends of Hawaiian Electric	270	—	—	—	—	270
Net income for common stock	$ 39,221	4,390	1,634	—	(6,024)	$ 39,221

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Revenues	$ 570,323	116,192	108,472	—	—	$ 794,987
Expenses						
Fuel oil	196,223	30,956	40,259	—	—	267,438
Purchased power	132,536	30,265	14,994	—	—	177,795
Other operation and maintenance	83,528	21,351	37,629	—	—	142,508
Depreciation	41,276	10,635	9,254	—	—	61,165
Taxes, other than income taxes	53,511	10,857	10,355	—	—	74,723
Total expenses	507,074	104,064	112,491	—	—	723,629
Operating income (loss)	63,249	12,128	(4,019)	—	—	71,358
Allowance for equity funds used during construction	3,005	366	629	—	—	4,000
Equity in earnings of subsidiaries	3,005	—	—	—	(3,005)	—
Retirement defined benefits credit (expense)—other than service costs	992	163	(23)	—	—	1,132
Interest expense and other charges, net	(16,295)	(2,988)	(3,164)	—	—	(22,447)
Allowance for borrowed funds used during construction	1,047	117	208	—	—	1,372
Income (loss) before income taxes	55,003	9,786	(6,369)	—	(3,005)	55,415
Income taxes	11,272	2,234	(2,050)	—	—	11,456
Net income (loss)	43,731	7,552	(4,319)	—	(3,005)	43,959
Preferred stock dividends of subsidiaries	—	133	95	—	—	228

Net income (loss) attributable to Hawaiian Electric	43,731	7,419	(4,414)	—	(3,005)	43,731
Preferred stock dividends of Hawaiian Electric	270	—	—	—	—	270
Net income (loss) for common stock	$ 43,461	7,419	(4,414)	—	(3,005)	$ 43,461

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Comprehensive Income

Three months ended September 30, 2023 March 31, 2024

(in thousands)	**(in thousands)**	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
(in thousands)		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated
Net income (loss) for common stock		$ 43,461	7,419	(4,414)	—	(3,005)	$ 43,461
Net income for common stock							
Other comprehensive loss, net of taxes:	Other comprehensive loss, net of taxes:						
Retirement benefit plans:	Retirement benefit plans:						
Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes		(547)	(55)	(71)	—	126	(547)
Retirement benefit plans:							
Retirement benefit plans:							
Adjustment for amortization of net gains recognized during the period in net periodic benefit cost, net of taxes							
Adjustment for amortization of net gains recognized during the period in net periodic benefit cost, net of taxes							
Adjustment for amortization of net gains recognized during the period in net periodic benefit cost, net of taxes							
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	470	54	63	—	(117)	470
Other comprehensive loss, net of taxes	Other comprehensive loss, net of taxes	(77)	(1)	(8)	—	9	(77)
Comprehensive income (loss) attributable to common shareholder		$ 43,384	7,418	(4,422)	—	(2,996)	$ 43,384
Comprehensive income attributable to common shareholder							

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Income

Three months ended September 30, 2022 March 31, 2023

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Revenues	**Revenues**	$693,281	130,858	131,910	—	(78)	$ 955,971							
Expenses	**Expenses**													
Fuel oil														
Fuel oil														
Fuel oil	Fuel oil	280,447	40,540	62,615	—	—	383,602							
Purchased power	Purchased power	171,470	37,263	16,476	—	—	225,209							
Other operation and maintenance	Other operation and maintenance	77,115	21,882	22,113	—	—	121,110							
Depreciation	Depreciation	39,474	10,350	8,887	—	—	58,711							
Taxes, other than income taxes	Taxes, other than income taxes	64,051	12,026	12,213	—	—	88,290							
Total expenses	**Total expenses**	632,557	122,061	122,304	—	—	876,922							
Total expenses														
Total expenses														
Operating income	**Operating income**	60,724	8,797	9,606	—	(78)	79,049							
Allowance for equity funds used during construction	Allowance for equity funds used during construction	2,063	206	283	—	—	2,552							
Equity in earnings of subsidiaries	Equity in earnings of subsidiaries	10,577	—	—	—	(10,577)	—							
Retirement defined benefits credit (expense)—other than service costs	Retirement defined benefits credit (expense)—other than service costs	760	166	(31)	—	—	895							
Interest expense and other charges, net	Interest expense and other charges, net	(14,221)	(2,716)	(2,750)	—	78	(19,609)							
Allowance for borrowed funds used during construction	Allowance for borrowed funds used during construction	674	63	88	—	—	825							
Income before income taxes														
Income before income taxes														
Income before income taxes	**Income before income taxes**	60,577	6,516	7,196	—	(10,577)	63,712							
Income taxes	Income taxes	10,543	1,424	1,483	—	—	13,450							
Net income	**Net income**	50,034	5,092	5,713	—	(10,577)	50,262							

Preferred stock dividends of subsidiaries	Preferred stock dividends of subsidiaries	—	133	95	—	—	228
Net income attributable to Hawaiian Electric	**Net income attributable to Hawaiian Electric**	50,034	4,959	5,618	—	(10,577)	50,034
Preferred stock dividends of Hawaiian Electric	Preferred stock dividends of Hawaiian Electric	270	—	—	—	—	270
Net income for common stock	**Net income for common stock**	$ 49,764	4,959	5,618	—	(10,577)	$ 49,764

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Comprehensive Income

Three months ended September 30, 2022 March 31, 2023

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Net income for common stock	$ 49,764	4,959	5,618	—	(10,577)	$ 49,764
Other comprehensive income (loss), net of taxes:						
Retirement benefit plans:						
Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes	5,411	768	732	—	(1,500)	5,411
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	(5,303)	(766)	(733)	—	1,499	(5,303)
Other comprehensive income (loss), net of taxes	108	2	(1)	—	(1)	108
Comprehensive income attributable to common shareholder	$ 49,872	4,961	5,617	—	(10,578)	$ 49,872

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Income

Nine months ended September 30, 2023

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Revenues	$ 1,742,542	343,554	333,573	—	(130)	$ 2,419,539
Expenses						
Fuel oil	663,521	79,187	138,984	—	—	881,692
Purchased power	362,275	101,597	35,118	—	—	498,990
Other operation and maintenance	255,728	64,367	87,089	—	—	407,184
Depreciation	123,114	31,906	27,761	—	—	182,781
Taxes, other than income taxes	164,510	31,983	31,541	—	—	228,034
Total expenses	1,569,148	309,040	320,493	—	—	2,198,681
Operating income	173,394	34,514	13,080	—	(130)	220,858
Allowance for equity funds used during construction	8,604	1,004	1,465	—	—	11,073
Equity in earnings of subsidiaries	25,960	—	—	—	(25,960)	—
Retirement defined benefits credit (expense)—other than service costs	2,801	500	(74)	—	—	3,227
Interest expense and other charges, net	(45,594)	(8,794)	(9,307)	—	130	(63,565)
Allowance for borrowed funds used during construction	2,995	321	482	—	—	3,798
Income before income taxes	168,160	27,545	5,646	—	(25,960)	175,391

Income taxes	31,581	6,261	284	—	—	38,126
Net income	136,579	21,284	5,362	—	(25,960)	137,265
Preferred stock dividends of subsidiaries	—	400	286	—	—	686
Net income attributable to Hawaiian Electric	136,579	20,884	5,076	—	(25,960)	136,579
Preferred stock dividends of Hawaiian Electric	810	—	—	—	—	810
Net income for common stock	$ 135,769	20,884	5,076	—	(25,960)	$ 135,769

Hawaiian Electric Company, Inc. and Subsidiaries
Condensed Consolidating Statement of Comprehensive Income
Nine months ended September 30, 2023

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Net income for common stock	$ 135,769	20,884	5,076	—	(25,960)	$ 135,769
Other comprehensive loss, net of taxes:						
Retirement benefit plans:						
Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes	(1,487)	(166)	(200)	—	366	(1,487)
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	1,321	157	177	—	(334)	1,321
Other comprehensive loss, net of taxes	(166)	(9)	(23)	—	32	(166)
Comprehensive income attributable to common shareholder	$ 135,603	20,875	5,053	—	(25,928)	$ 135,603

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries
Condensed Consolidating Statement of Income
Nine months ended September 30, 2022

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Revenues	$ 1,769,995	363,888	349,866	—	(113)	$ 2,483,636
Expenses						
Fuel oil	619,169	98,856	156,518	—	—	874,543
Purchased power	460,855	106,710	39,262	—	—	606,827
Other operation and maintenance	243,478	63,427	64,354	—	—	371,259
Depreciation	118,459	31,053	26,409	—	—	175,921
Taxes, other than income taxes	165,350	33,436	32,502	—	—	231,288
Total expenses	1,607,311	333,482	319,045	—	—	2,259,838
Operating income	162,684	30,406	30,821	—	(113)	223,798
Allowance for equity funds used during construction	5,999	616	816	—	—	7,431
Equity in earnings of subsidiaries	36,475	—	—	—	(36,475)	—
Retirement defined benefits credit (expense)—other than service costs	2,471	500	(95)	—	—	2,876
Interest expense and other charges, net	(40,833)	(7,967)	(8,048)	—	113	(56,735)
Allowance for borrowed funds used during construction	1,962	190	249	—	—	2,401
Income before income taxes	168,758	23,745	23,743	—	(36,475)	179,771
Income taxes	27,640	5,351	4,976	—	—	37,967
Net income	141,118	18,394	18,767	—	(36,475)	141,804
Preferred stock dividends of subsidiaries	—	400	286	—	—	686
Net income attributable to Hawaiian Electric	141,118	17,994	18,481	—	(36,475)	141,118
Preferred stock dividends of Hawaiian Electric	810	—	—	—	—	810
Net income for common stock	$ 140,308	17,994	18,481	—	(36,475)	$ 140,308

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Comprehensive Income

Nine months ended September 30, 2022

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Net income for common stock	$140,308	17,994	18,481	—	(36,475)	$ 140,308
Other comprehensive income, net of taxes:						
Other comprehensive loss, net of taxes:						
Retirement benefit plans:						
Adjustment for amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of taxes	9,782	1,366	1,938		(3,304)	9,782
Retirement benefit plans:						
Retirement benefit plans:						
Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes						
Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes						
Adjustment for amortization of prior service credit and net gains recognized during the period in net periodic benefit cost, net of taxes						
Reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	(9,572)	(1,362)	(1,938)		3,300	(9,572)
Other comprehensive income, net of taxes	210	4	—	—	(4)	210
Other comprehensive loss, net of taxes						
Comprehensive income attributable to common shareholder	$140,518	17,998	18,481	—	(36,479)	$ 140,518

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Balance Sheet

September 30, 2023 March 31, 2024

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsi-diary	Consoli-dating adjustments	Hawaiian Electric Consolidated
Assets						

Property, plant and equipment						
Utility property, plant and equipment						
Land	$ 42,859	5,645	3,594	—	—	$ 52,098
Plant and equipment	5,422,393	1,448,183	1,329,252	—	—	8,199,828
Right-of-use assets - finance lease	88,297	36,075	—	—	—	124,372
Less accumulated depreciation	(1,953,609)	(663,303)	(605,118)	—	—	(3,222,030)
Construction in progress	258,204	35,281	63,804	—	—	357,289
Utility property, plant and equipment, net	3,858,144	861,881	791,532	—	—	5,511,557
Nonutility property, plant and equipment, less accumulated depreciation	5,295	115	1,532	—	—	6,942
Total property, plant and equipment, net	3,863,439	861,996	793,064	—	—	5,518,499
Investment in wholly owned subsidiaries, at equity	703,311	—	—	—	(703,311)	—
Current assets						
Cash and cash equivalents	233,518	32,716	8,543	77	—	274,854
Restricted cash	2,000	—	—	—	—	2,000
Customer accounts receivable, net	172,730	34,550	34,482	—	—	241,762
Accrued unbilled revenues, net	132,552	22,062	24,713	—	—	179,327
Other accounts receivable, net	115,498	7,124	11,778	—	(44,577)	89,823
Fuel oil stock, at average cost	112,468	14,400	25,900	—	—	152,768
Materials and supplies, at average cost	58,834	13,077	27,615	—	—	99,526
Prepayments and other	41,304	5,468	7,766	—	—	54,538
Regulatory assets	49,489	5,110	3,322	—	—	57,921
Total current assets	918,393	134,507	144,119	77	(44,577)	1,152,519
Other long-term assets						
Operating lease right-of-use assets	36,627	29,193	10,241	—	—	76,061
Regulatory assets	146,735	14,583	11,958	—	—	173,276
Other	112,601	33,011	29,468	—	(16,988)	158,092
Total other long-term assets	295,963	76,787	51,667	—	(16,988)	407,429
Total assets	$ 5,781,106	1,073,290	988,850	77	(764,876)	$ 7,078,447
Capitalization and liabilities						
Capitalization						
Common stock equity	$ 2,383,023	352,170	351,064	77	(703,311)	$ 2,383,023
Cumulative preferred stock—not subject to mandatory redemption	22,293	7,000	5,000	—	—	34,293
Long-term debt, net	1,426,353	249,308	258,383	—	—	1,934,044
Total capitalization	3,831,669	608,478	614,447	77	(703,311)	4,351,360
Current liabilities						
Current portion of operating lease liabilities	7,308	6,942	2,762	—	—	17,012
Current portion of long-term debt	49,998	19,999	29,999	—	—	99,996
Accounts payable	141,738	25,436	34,525	—	—	201,699
Interest and preferred dividends payable	21,304	3,924	4,830	—	—	30,058
Taxes accrued, including revenue taxes	196,037	40,706	37,529	—	—	274,272
Regulatory liabilities	9,999	6,842	9,484	—	—	26,325
Other	148,400	23,182	36,302	—	(44,577)	163,307
Total current liabilities	574,784	127,031	155,431	—	(44,577)	812,669
Deferred credits and other liabilities						
Operating lease liabilities	35,967	22,575	7,757	—	—	66,299
Finance lease liabilities	82,935	35,205	—	—	—	118,140
Deferred income taxes	274,577	50,405	60,693	—	—	385,675
Regulatory liabilities	770,268	197,045	108,136	—	—	1,075,449
Unamortized tax credits	65,153	12,410	12,184	—	—	89,747
Defined benefit pension liability	65,872	—	—	—	(16,988)	48,884
Other	79,881	20,141	30,202	—	—	130,224

Total deferred credits and other liabilities		1,374,653	337,781	218,972	—	(16,988)		1,914,418
Total capitalization and liabilities	$	5,781,106	1,073,290	988,850	77	(764,876)	$	7,078,447

(in thousands)		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsi-diaries	Consoli-dating adjustments		Hawaiian Electric Consolidated
Assets								
Property, plant and equipment								
Utility property, plant and equipment								
Land	$	42,860	5,645	3,514	—	—	$	52,019
Plant and equipment		5,442,481	1,470,238	1,389,730	—	—		8,302,449
Right-of-use assets - finance lease		318,326	36,075	—	—	—		354,401
Less accumulated depreciation		(1,962,980)	(673,926)	(612,183)	—	—		(3,249,089)
Construction in progress		249,111	36,013	45,619	—	—		330,743
Utility property, plant and equipment, net		4,089,798	874,045	826,680	—	—		5,790,523
Nonutility property, plant and equipment, less accumulated depreciation		5,294	115	1,532	—	—		6,941
Total property, plant and equipment, net		4,095,092	874,160	828,212	—	—		5,797,464
Investment in wholly owned subsidiaries, at equity		728,222	—	—	—	(728,222)		—
Current assets								
Cash and cash equivalents		111,200	11,146	7,331	77	—		129,754
Restricted cash		2,000	—	—	—	—		2,000
Advances to affiliates		93,000	—	—	—	(93,000)		—
Customer accounts receivable, net		148,241	32,461	29,297	—	—		209,999
Accrued unbilled revenues, net		124,691	24,052	22,712	—	—		171,455
Other accounts receivable, net		47,107	7,619	21,606	—	(38,307)		38,025
Fuel oil stock, at average cost		121,468	15,596	24,369	—	—		161,433
Materials and supplies, at average cost		65,457	14,470	35,792	—	—		115,719
Prepayments and other		52,174	6,713	14,572	—	(1,434)		72,025
Regulatory assets		69,284	6,484	6,735	—	—		82,503
Total current assets		834,622	118,541	162,414	77	(132,741)		982,913
Other long-term assets								
Operating lease right-of-use assets		33,628	25,733	8,856	—	—		68,217
Regulatory assets		194,038	14,050	24,476	—	—		232,564
Other		138,076	36,846	33,266	—	(14,484)		193,704
Total other long-term assets		365,742	76,629	66,598	—	(14,484)		494,485
Total assets	$	6,023,678	1,069,330	1,057,224	77	(875,447)	$	7,274,862
Capitalization and liabilities								
Capitalization								
Common stock equity	$	2,435,282	364,177	363,968	77	(728,222)	$	2,435,282
Cumulative preferred stock—not subject to mandatory redemption		22,293	7,000	5,000	—	—		34,293
Long-term debt, net		1,385,625	244,251	256,152	—	—		1,886,028
Total capitalization		3,843,200	615,428	625,120	77	(728,222)		4,355,603
Current liabilities								
Current portion of operating lease liabilities		6,298	7,098	2,838	—	—		16,234
Current portion of long-term debt		39,941	4,992	1,998	—	—		46,931
Short-term borrowings from affiliate		—	—	93,000	—	(93,000)		—
Accounts payable		139,015	28,690	30,931	—	—		198,636
Interest and preferred dividends payable		35,795	3,808	4,870	—	(547)		43,926
Taxes accrued, including revenue taxes		219,385	34,955	29,540	—	(1,434)		282,446
Regulatory liabilities		11,488	8,353	6,308	—	—		26,149
Other		81,609	27,837	36,320	—	(37,760)		108,006

Total current liabilities		533,531	115,733	205,805	—	(132,741)	722,328
Deferred credits and other liabilities							
Operating lease liabilities		33,090	18,989	6,320	—	—	58,399
Finance lease liabilities		306,262	34,879	—	—	—	341,141
Deferred income taxes		283,734	51,699	68,328	—	—	403,761
Regulatory liabilities		817,663	202,178	113,821	—	—	1,133,662
Unamortized tax credits		59,188	11,351	11,232	—	—	81,771
Defined benefit pension and other postretirement benefit plans liability		76,815	—	—	—	(14,484)	62,331
Other		70,195	19,073	26,598	—	—	115,866
Total deferred credits and other liabilities		1,646,947	338,169	226,299	—	(14,484)	2,196,931
Total capitalization and liabilities	$	6,023,678	1,069,330	1,057,224	77	(875,447)	$ 7,274,862

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Balance Sheet

December 31, 2022 2023

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	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
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)	—
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)	—

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)	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)	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)	160,889	
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**							
Common stock equity	Common stock equity	$2,344,170	344,720	357,036	77	(701,833)	$ 2,344,170	
Common stock equity								
Common stock equity								
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 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		49,981	19,992	29,989	—	—	99,962	
Short-term borrowings-non-affiliate		87,967	—	—	—	—	87,967	
Current portion of operating lease liabilities								
Current portion of operating lease liabilities								
Short-term borrowings-affiliate								
Short-term borrowings-affiliate								
Short-term borrowings-affiliate	Short-term borrowings-affiliate	26,200	—	—	—	(26,200)	—	
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)	17,176	

Taxes accrued, including revenue taxes	Taxes accrued, including revenue taxes	207,798	42,436	40,709	—	(1,041)	289,902
Regulatory liabilities	Regulatory liabilities	13,145	8,553	9,777	—	—	31,475
Other	Other	64,659	20,856	22,385	—	(22,304)	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)	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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Changes in Common Stock Equity

Nine Three months ended September 30, 2023 March 31, 2024

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated
Balance, December 31, 2022		$2,344,170	344,720	357,036	77	(701,833)	$2,344,170							
Balance, December 31, 2023														
Net income for common stock	Net income for common stock	135,769	20,884	5,076	—	(25,960)	135,769							
Other comprehensive loss, net of taxes	Other comprehensive loss, net of taxes	(166)	(9)	(23)	—	32	(166)							
Common stock dividends	Common stock dividends	(96,750)	(13,425)	(11,025)	—	24,450	(96,750)							
Balance, September 30, 2023		$2,383,023	352,170	351,064	77	(703,311)	$2,383,023							
Balance, March 31, 2024														
Balance, March 31, 2024														

Balance, March 31, 2024	

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Changes in Common Stock Equity

Nine Three months ended September 30, 2022 March 31, 2023

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Balance, December 31, 2021	$2,261,899	332,900	343,260	77	(676,237)	$2,261,899
Balance, December 31, 2022						
Net income for common stock	140,308	17,994	18,481	—	(36,475)	140,308
Other comprehensive income, net of taxes	210	4	—	—	(4)	210
Other comprehensive loss, net of taxes						
Common stock dividends	(94,425)	(12,300)	(11,400)	—	23,700	(94,425)
Balance, September 30, 2022	$2,307,992	338,598	350,341	77	(689,016)	$2,307,992
Balance, March 31, 2023						

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Cash Flows

Three months ended March 31, 2024

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiaries	Consolidating adjustments	Hawaiian Electric Consolidated
Net cash provided by operating activities	$ 103,556	15,965	7,680	—	—	$ 127,201
Cash flows from investing activities						
Capital expenditures	(55,261)	(14,954)	(27,817)	—	—	(98,032)
Advances to affiliates	(22,500)	—	—	—	22,500	—
Other	(1,093)	(240)	(308)	—	—	(1,641)
Net cash used in investing activities	(78,854)	(15,194)	(28,125)	—	22,500	(99,673)
Cash flows from financing activities						
Preferred stock dividends of Hawaiian Electric and subsidiaries	(499)	—	—	—	—	(499)
Net increase in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	—	—	22,500	—	(22,500)	—
Payments of obligations under finance leases	(1,646)	(154)	—			(1,800)
Other	(1,112)	(129)	(311)	—	—	(1,552)
Net cash provided by (used in) financing activities	(3,257)	(283)	22,189	—	(22,500)	(3,851)
Net increase in cash, cash equivalents and restricted cash	21,445	488	1,744	—	—	23,677
Cash, cash equivalents and restricted cash, beginning of period	91,755	10,658	5,587	77	—	108,077
Cash, cash equivalents and restricted cash, end of period	113,200	11,146	7,331	77	—	131,754
Less: Restricted cash	(2,000)	—	—	—	—	(2,000)

Cash and cash equivalents, end of period	$ 111,200	11,146	7,331	77	—	$ 129,754

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Hawaiian Electric Company, Inc. and Subsidiaries
Condensed Consolidating Statement of Cash Flows
Nine Three months ended September 30, 2023 March 31, 2023

(in thousands)	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
	(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Net cash provided by operating activities	**Net cash provided by operating activities**	$336,248	59,029	35,284	—	(24,450)	$ 406,111
Net cash provided by operating activities							
Net cash provided by operating activities							
Cash flows from investing activities	**Cash flows from investing activities**						
	Cash flows from investing activities						
Capital expenditures	Capital expenditures	(217,276)	(47,609)	(69,612)	—	—	(334,497)
Advances from affiliates	Advances from affiliates	—	4,500	21,700	—	(26,200)	—
Other	Other	3,179	912	1,125	—	—	5,216
Net cash used in investing activities	**Net cash used in investing activities**	(214,097)	(42,197)	(46,787)	—	(26,200)	(329,281)
Cash flows from financing activities	**Cash flows from financing activities**						
Common stock dividends							
Common stock dividends							
Common stock dividends	Common stock dividends	(96,750)	(13,425)	(11,025)	—	24,450	(96,750)
Preferred stock dividends of Hawaiian Electric and subsidiaries	Preferred stock dividends of Hawaiian Electric and subsidiaries	(810)	(400)	(286)	—	—	(1,496)
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	300,000	25,000	25,000	—	—	350,000
Proceeds from issuance of long-term debt							
Proceeds from issuance of long-term debt							

Net decrease in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less

Net decrease in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less

Net decrease in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	Net decrease in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	(114,167)	—	—	—	26,200	(87,967)
Payments of obligations under finance leases	Payments of obligations under finance leases	(1,914)	(248)	—			(2,162)
Other	Other	(571)	(135)	(137)	—	—	(843)
Net cash provided by financing activities		85,788	10,792	13,552	—	50,650	160,782
Net increase in cash, cash equivalents and restricted cash		207,939	27,624	2,049	—	—	237,612
Cash, cash equivalents and restricted cash, beginning of period		27,579	5,092	6,494	77	—	39,242
Cash, cash equivalents and restricted cash, end of period		235,518	32,716	8,543	77	—	276,854
Less: Restricted cash		(2,000)	—	—	—	—	(2,000)
Net cash provided by (used in) financing activities							
Net increase in cash and cash equivalents							
Cash and cash equivalents, beginning of period							
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	$233,518	32,716	8,543	77	—	$ 274,854

Cash and cash equivalents, end of period	
Cash and cash equivalents, end of period	

Hawaiian Electric Company, Inc. and Subsidiaries

Condensed Consolidating Statement of Cash Flows

Nine months ended September 30, 2022

(in thousands)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Other subsidiary	Consolidating adjustments	Hawaiian Electric Consolidated
Net cash provided by operating activities	$ 74,053	38,302	35,512	—	(23,700)	$ 124,167
Cash flows from investing activities						
Capital expenditures	(152,015)	(34,055)	(39,806)	—	—	(225,876)
Advances from (to) affiliates	1,000	(1,500)	(16,000)	—	16,500	—
Other	4,545	825	1,380	—	—	6,750
Net cash used in investing activities	(146,470)	(34,730)	(54,426)	—	16,500	(219,126)
Cash flows from financing activities						
Common stock dividends	(94,425)	(12,300)	(11,400)	—	23,700	(94,425)
Preferred stock dividends of Hawaiian Electric and subsidiaries	(810)	(400)	(286)	—	—	(1,496)
Proceeds from issuance of long-term debt	40,000	10,000	10,000	—	—	60,000
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	114,950	(1,000)	—	—	(16,500)	97,450
Payments of obligations under finance leases	(266)	—	—	—	—	(266)
Other	(170)	(44)	(44)	—	—	(258)
Net cash provided by (used in) financing activities	59,279	(3,744)	(1,730)	—	7,200	61,005
Net decrease in cash and cash equivalents	(13,138)	(172)	(20,644)	—	—	(33,954)
Cash and cash equivalents, beginning of period	26,433	5,326	23,422	77	—	55,258
Cash and cash equivalents, end of period	$ 13,295	5,154	2,778	77	—	$ 21,304

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Note 5 · Bank segment

Selected financial information

American Savings Bank, F.S.B.

Statements of Income and Comprehensive Income Data

		Three months ended September 30		Nine months ended September 30			Three months ended March 31	
(in thousands)	**(in thousands)**	**2023**	**2022**	**2023**	**2022**	**(in thousands)**	**2024**	**2023**
Interest and dividend income	**Interest and dividend income**					**Interest and dividend income**		
Interest and fees on loans	Interest and fees on loans	$ 71,540	$ 53,365	$204,348	$ 147,499			
Interest and dividends on investment securities	Interest and dividends on investment securities	14,096	15,052	42,508	43,729			

Total interest and dividend income	Total interest and dividend income	85,636	68,417	246,856	191,228	
Interest expense	**Interest expense**					**Interest expense**
Interest on deposit liabilities	Interest on deposit liabilities	14,446	1,704	30,944	3,572	
Interest on other borrowings	Interest on other borrowings	8,598	1,055	25,171	1,199	
Total interest expense	Total interest expense	23,044	2,759	56,115	4,771	
Net interest income	**Net interest income**	**62,592**	**65,658**	**190,741**	**186,457**	
Provision for credit losses	Provision for credit losses	8,835	(186)	10,053	(692)	
Net interest income after provision for credit losses	**Net interest income after provision for credit losses**	**53,757**	**65,844**	**180,688**	**187,149**	
Noninterest income	**Noninterest income**					**Noninterest income**
Fees from other financial services	Fees from other financial services	4,703	4,763	14,391	15,066	
Fee income on deposit liabilities	Fee income on deposit liabilities	4,924	4,879	14,027	14,122	
Fee income on other financial products	Fee income on other financial products	2,440	2,416	7,952	7,663	
Bank-owned life insurance	Bank-owned life insurance	2,303	122	5,683	661	
Mortgage banking income	Mortgage banking income	341	181	701	1,630	
Gain on sale of real estate		—	—	495	1,002	
Other income, net						
Other income, net						
Other income, net	Other income, net	627	633	2,106	1,480	
Total noninterest income	Total noninterest income	15,338	12,994	45,355	41,624	
Noninterest expense	**Noninterest expense**					**Noninterest expense**
Compensation and employee benefits	Compensation and employee benefits	29,902	28,597	89,500	83,478	
Occupancy	Occupancy	5,154	5,577	16,281	16,996	
Data processing	Data processing	5,133	4,509	15,240	13,144	
Services	Services	3,627	2,751	8,911	7,712	
Equipment	Equipment	3,125	2,432	8,728	7,163	

Office supplies, printing and postage	Office supplies, printing and postage	1,022	1,123	3,296	3,256
Marketing	Marketing	984	925	2,834	2,877
Other expense	Other expense	7,399	5,643	19,742	14,542
Other expense					
Other expense					
Total noninterest expense	Total noninterest expense	56,346	51,557	164,532	149,168
Income before income taxes	**Income before income taxes**	**12,749**	**27,281**	**61,511**	**79,605**
Income taxes	Income taxes	1,384	6,525	11,380	17,513
Net income	**Net income**	**11,365**	**20,756**	**50,131**	**62,092**
Other comprehensive income (loss), net of taxes	Other comprehensive income (loss), net of taxes	(34,231)	(98,942)	(23,011)	(310,218)
Comprehensive income (loss)		**$(22,866)**	**$(78,186)**	**$ 27,120**	**$(248,126)**
Comprehensive income					

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Reconciliation to amounts per HEI Condensed Consolidated Statements of Income*:

		Three months ended September 30		Nine months ended September 30			Three months ended March 31	
(in thousands)	**(in thousands)**	**2023**	**2022**	**2023**	**2022**	**(in thousands)**	**2024**	**2023**
Interest and dividend income	Interest and dividend income	$85,636	$68,417	$246,856	$191,228			
Noninterest income	Noninterest income	15,338	12,994	45,355	41,624			
Less: Gain on sale of real estate		—	—	495	1,002			
***Revenues-Bank**								
***Revenues-Bank**								
***Revenues-Bank**	***Revenues-Bank**	**100,974**	**81,411**	**291,716**	**231,850**			
Total interest expense	Total interest expense	23,044	2,759	56,115	4,771			
Provision for credit losses	Provision for credit losses	8,835	(186)	10,053	(692)			
Noninterest expense	Noninterest expense	56,346	51,557	164,532	149,168			
Less: Gain on sale of real estate		—	—	495	1,002			
Less: Retirement defined benefits credit—other than service costs								

Less: Retirement defined benefits credit—other than service costs					
Less: Retirement defined benefits credit—other than service costs	Less: Retirement defined benefits credit—other than service costs	(190)	(181)	(564)	(552)
***Expenses-Bank**	***Expenses-Bank**	**88,415**	**54,311**	**230,769**	**152,797**
***Operating income-Bank**	***Operating income-Bank**	**12,559**	**27,100**	**60,947**	**79,053**
Add back: Retirement defined benefits credit—other than service costs	Add back: Retirement defined benefits credit—other than service costs	(190)	(181)	(564)	(552)
Income before income taxes	**Income before income taxes**	**$12,749**	**$27,281**	**$ 61,511**	**$ 79,605**
Income before income taxes					
Income before income taxes					

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

American Savings Bank, F.S.B.

Balance Sheets Data

(in thousands)	**(in thousands)**	**September 30, 2023**	**December 31, 2022**	**(in thousands)**	**March 31, 2024**	**December 31, 2023**
Assets	**Assets**			**Assets**		
Cash and due from banks	Cash and due from banks	$ 139,059	$ 153,042			
Interest-bearing deposits	Interest-bearing deposits	124,531	3,107			
Cash and cash equivalents	Cash and cash equivalents	263,590	156,149			
Investment securities	Investment securities					
Investment securities						
Investment securities						
Available-for-sale, at fair value	Available-for-sale, at fair value	1,266,412	1,429,667			
Held-to-maturity, at amortized cost (fair value of $1,052,221 and $1,150,971, respectively)		1,212,005	1,251,747			
Available-for-sale, at fair value						
Available-for-sale, at fair value						

Held-to-maturity, at amortized cost (fair value of $1,074,735 and $1,103,668, at March 31, 2024 and December 31, 2023, respectively)						
Stock in Federal Home Loan Bank, at cost	Stock in Federal Home Loan Bank, at cost		18,000		26,560	
Loans held for investment	Loans held for investment		6,191,006		5,978,906	
Allowance for credit losses	Allowance for credit losses		(76,366)		(72,216)	
Net loans	Net loans		6,114,640		5,906,690	
Loans held for sale, at lower of cost or fair value	Loans held for sale, at lower of cost or fair value		2,171		824	
Other	Other		698,420		692,143	
Goodwill	Goodwill		82,190		82,190	
Total assets	**Total assets**		$9,657,428		$9,545,970	
Liabilities and shareholder’s equity	**Liabilities and shareholder’s equity**					**Liabilities and shareholder’s equity**
Deposit liabilities—noninterest-bearing	Deposit liabilities—noninterest-bearing		$2,573,010		$2,811,077	
Deposit liabilities—interest-bearing	Deposit liabilities—interest-bearing		5,651,341		5,358,619	
Other borrowings	Other borrowings		750,000		695,120	
Other	Other		224,136		212,269	
Total liabilities	**Total liabilities**		9,198,487		9,077,085	
Common stock	Common stock		1		1	
Common stock						
Common stock						
Additional paid-in capital	Additional paid-in capital		357,742		355,806	
Retained earnings	Retained earnings		460,824		449,693	
Accumulated other comprehensive loss, net of tax benefits	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	$(350,234)		$(328,904)		
Retirement benefit plans	Retirement benefit plans	(9,392)	(359,626)	(7,711)	(336,615)	
Retirement benefit plans						
Retirement benefit plans						
Total shareholder’s equity	**Total shareholder’s equity**		458,941		468,885	

Total liabilities and shareholder’s equity	**Total liabilities and shareholder’s equity**	$9,657,428	$9,545,970

Other assets			
Other assets			
Other assets	**Other assets**		
Bank-owned life insurance	Bank-owned life insurance	$ 186,143	$ 182,986
Premises and equipment, net	Premises and equipment, net	189,950	195,324
Accrued interest receivable	Accrued interest receivable	29,361	25,077
Mortgage-servicing rights	Mortgage-servicing rights	8,376	9,047
Low-income housing investments	Low-income housing investments	103,580	106,978
Deferred tax asset	Deferred tax asset	127,735	116,441
Real estate acquired in settlement of loans, net		—	115
Deferred tax asset			
Deferred tax asset			
Other			
Other			
Other	Other	53,275	56,175
		$ 698,420	$ 692,143

Other liabilities	**Other liabilities**			**Other liabilities**
Accrued expenses	Accrued expenses	$ 102,540	$ 97,295	
Federal and state income taxes payable		845	863	
Cashier’s checks				
Cashier’s checks				
Cashier’s checks	Cashier’s checks	38,483	36,401	
Advance payments by borrowers	Advance payments by borrowers	4,289	9,637	
Other	Other	77,979	68,073	
		$ 224,136	$ 212,269	

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

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.

Other borrowings consisted of FHLB advances and borrowings from the Federal Reserve Bank.

Investment securities. The major components of investment securities were as follows:

					Gross unrealized losses																	Gros
					Less than 12 months			12 months or longer									Less than 12 months					12
(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	An			
<u>September 30, 2023</u>																						

March 31, 2024											**March 31, 2024**
Available-for-sale	**Available-for-sale**										
U.S. Treasury and federal agency obligations											
U.S. Treasury and federal agency obligations											
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	$ 82,252	$ —	$ (7,252)	$ 75,000	—	$ —	$ —	14	$ 75,000	$ (7,252)
Mortgage-backed securities*	Mortgage-backed securities*	1,427,186	—	(282,019)	1,145,167	5	12,650	(3,432)	178	1,132,517	(278,587)
Corporate bonds	Corporate bonds	35,273	—	(3,522)	31,751	—	—	—	3	31,751	(3,522)
Mortgage revenue bonds	Mortgage revenue bonds	14,494	—	—	14,494	—	—	—	—	—	—
		$1,559,205	$ —	$(292,793)	$1,266,412	5	$ 12,650	$ (3,432)	195	$1,239,268	$(289,361)
Held-to-maturity	**Held-to-maturity**										
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	$ 59,912	$ —	$ (9,541)	$ 50,371	—	$ —	$ —	3	$ 50,371	$ (9,541)
U.S. Treasury and federal agency obligations											
U.S. Treasury and federal agency obligations											
Mortgage-backed securities*	Mortgage-backed securities*	1,152,093	—	(150,243)	1,001,850	62	612,587	(42,892)	41	389,263	(107,351)
		$1,212,005	$ —	$(159,784)	$1,052,221	62	$612,587	$ (42,892)	44	$ 439,634	$(116,892)
December 31, 2022											
December 31, 2023											
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											
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)
U.S. Treasury and federal agency obligations											
U.S. Treasury and federal agency obligations											
Mortgage-backed securities*	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)

* 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 at September 30, 2023 March 31, 2024 and 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. government or a government-sponsored entity. 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 at September 30, 2023 March 31, 2024 and 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:

September 30, 2023	Amortized cost	Fair value

March 31, 2024	March 31, 2024	Amortized cost	Fair value

(in thousands)	(in thousands)					(in thousands)
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	$	1,811	$	1,782	
Due after one year through five years	Due after one year through five years		115,714		104,970	
Due after five years through ten years	Due after five years through ten years		14,494		14,494	
Due after ten years	Due after ten years		—		—	
			132,019		121,246	
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		1,427,186		1,145,166	
Total available-for-sale securities	Total available-for-sale securities	$	1,559,205	$	1,266,412	
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		39,824		34,133	
Due after five years through ten years	Due after five years through ten years		20,088		16,238	
Due after ten years	Due after ten years		—		—	
			59,912		50,371	
	59,923					

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	1,152,093	1,001,850
Total held-to-maturity securities	Total held-to-maturity securities	$ 1,212,005	$ 1,052,221

There were no sales of available-for-sale securities for the three months ended March 31, 2024 and nine months ended September 30, 2023 and 2022.

2023.

The components of loans were summarized as follows:

		September 30, 2023	December 31, 2022		
March 31, 2024				March 31, 2024	December 31, 2023
(in thousands)	(in thousands)			(in thousands)	
Real estate:	Real estate:			Real estate:	
Residential 1-4 family	Residential 1-4 family	$ 2,566,300	$ 2,479,637		
Commercial real estate	Commercial real estate	1,400,570	1,358,123		
Home equity line of credit	Home equity line of credit	1,032,749	1,002,905		
Residential land	Residential land	20,245	20,679		
Commercial construction	Commercial construction	168,539	88,489		
Residential construction	Residential construction	17,295	20,788		
Total real estate	Total real estate	5,205,698	4,970,621		
Commercial	Commercial	732,458	779,691		
Consumer	Consumer	282,946	254,709		
Total loans	Total loans	6,221,102	6,005,021		
Less: Deferred fees and discounts	Less: Deferred fees and discounts	(30,096)	(26,115)		
Allowance for credit losses	Allowance for credit losses	(76,366)	(72,216)		
Total loans, net	Total loans, net	$ 6,114,640	$ 5,906,690		

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%

As of the lower March 31, 2024, ASB had commitments to borrowers for loans and unused lines and letters of the appraised value or purchase price at origination. credit of $1.9 billion, of which, commitments to lend to borrowers whose loan terms have been modified in troubled debt restructurings were nil.

Allowance for credit losses. The allowance for credit losses (balances and changes) by portfolio segment were as follows:

(in thousands)	Residential 1-4 family	Commercial real estate	Home equity line of credit	Residential land	Commercial construction	Residential construction	Commercial loans	Consumer loans	Total
Three months ended September 30, 2023									
Three months ended March 31, 2024									
Three months ended March 31, 2024									
Three months ended March 31, 2024									
Allowance for credit losses:									
Beginning balance	$ 4,708	$ 20,278	$ 7,139	$ 653	$ 2,549	$ 26	$ 11,358	$22,357	$69,068
Charge-offs	—	—	—	—	—	—	(125)	(2,667)	(2,792)
Recoveries	57	—	131	1	—	—	725	841	1,755
Provision	1,702	2,180	505	(33)	1,075	16	(1,175)	4,065	8,335
Ending balance	$ 6,467	$ 22,458	$ 7,775	$ 621	$ 3,624	$ 42	$ 10,783	$24,596	$76,366
Three months ended September 30, 2022									
Three months ended March 31, 2023									
Allowance for credit losses:									
Beginning balance	$ 8,520	$ 20,900	$ 6,096	$ 677	$ 2,634	$ 46	$ 12,413	$18,170	$69,456
Charge-offs	—	—	—	—	—	—	(143)	(1,503)	(1,646)
Recoveries	2	—	14	—	—	—	303	963	1,282
Provision	(938)	136	(167)	12	(1,635)	3	378	3,525	1,314
Ending balance	$ 7,584	$ 21,036	$ 5,943	$ 689	$ 999	$ 49	$ 12,951	$21,155	$70,406
Nine months ended September 30, 2023									
Allowance for credit losses:									
Beginning balance	$ 6,270	$ 21,898	$ 6,125	$ 717	$ 1,195	$ 46	$ 12,426	$23,539	$72,216
Charge-offs	(990)	—	(360)	—	—	—	(509)	(7,558)	(9,417)
Recoveries	63	—	165	4	—	—	1,329	2,653	4,214
Provision	1,124	560	1,845	(100)	2,429	(4)	(2,463)	5,962	9,353
Ending balance	$ 6,467	$ 22,458	$ 7,775	$ 621	$ 3,624	$ 42	$ 10,783	$24,596	$76,366
Nine months ended September 30, 2022									

Allowance for credit losses:									
Beginning balance	$ 6,545	$ 24,696	$ 5,657	$ 646	$ 2,186	$ 18	$ 15,798	$15,584	$71,130
Charge-offs	—	—	—	—	—	—	(367)	(4,354)	(4,721)
Recoveries	13	—	56	101	—	—	1,055	2,964	4,189
Provision	1,026	(3,660)	230	(58)	(1,187)	31	(3,535)	6,961	(192)
Ending balance	$ 7,584	$ 21,036	$ 5,943	$ 689	$ 999	$ 49	$ 12,951	$21,155	$70,406

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

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
Three months ended September 30, 2023					
Three months ended March 31, 2024					
Three months ended March 31, 2024					
Three months ended March 31, 2024					
Allowance for loan commitments:	**Allowance for loan commitments:**				
Allowance for loan commitments:					
Allowance for loan commitments:					
Beginning balance					
Beginning balance					
Beginning balance	Beginning balance	$ 600	$ 3,800	$ 200	$4,600
Provision	Provision	—	500	—	500
Ending balance	Ending balance	$ 600	$ 4,300	$ 200	$5,100
Three months ended September 30, 2022					
Three months ended March 31, 2023					
Allowance for loan commitments:					
Allowance for loan commitments:					
Allowance for loan commitments:	**Allowance for loan commitments:**				
Beginning balance	Beginning balance	$ 400	$ 4,100	$ 1,400	$5,900
Provision		—	(1,500)	—	(1,500)
Ending balance		$ 400	$ 2,600	$ 1,400	$4,400

(in thousands)	Home equity line of credit	Commercial construction	Commercial loans	Total

Nine months ended September 30, 2023					
Allowance for loan commitments:					
Beginning balance	Beginning balance	$ 400	$ 2,600	$ 1,400	$ 4,400
Provision		200	1,700	(1,200)	700
Ending balance		$ 600	$ 4,300	$ 200	$ 5,100
Nine months ended September 30, 2022					
Allowance for loan commitments:					
Beginning balance	Beginning balance	$ 400	$ 3,700	$ 800	$ 4,900
Provision	Provision	—	(1,100)	600	(500)
Provision					
Provision					
Ending balance	Ending balance	$ 400	$ 2,600	$ 1,400	$ 4,400

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		
		Term Loans by Origination Year								
(in thousands)	(in thousands)	2023	2022	2021	2020	2019	Prior	Revolving	Converted to term loans	
September 30, 2023										
(in thousands)										
(in thousands)										
March 31, 2024										
Residential 1-4 family	Residential 1-4 family									
Residential 1-4 family										
Residential 1-4 family										
Current										
Current										
Current	Current	$ 199,880	$ 414,053	$ 741,401	$ 405,552	$ 107,566	$ 692,167	$ —	$ —	$

30-59 days past due	30-59 days past due		—	—	—	267	—	2,654	—	—
60-89 days past due	60-89 days past due		—	—	—	—	—	973	—	—
Greater than 89 days past due	Greater than 89 days past due		—	—	—	—	—	1,787	—	—
		43,536								
			199,880	414,053	741,401	405,819	107,566	697,581	—	—
Current YTD period Gross charge-offs			—	—	—	—	—	990	—	—
Home equity line of credit	Home equity line of credit									
Home equity line of credit										
Home equity line of credit Current Current										
Current	Current		—	—	—	—	—	—	976,029	54,579
30-59 days past due	30-59 days past due		—	—	—	—	—	—	463	246
60-89 days past due	60-89 days past due		—	—	—	—	—	—	350	321
Greater than 89 days past due	Greater than 89 days past due		—	—	—	—	—	—	495	266
		—								
			—	—	—	—	—	—	977,337	55,412
Current YTD period Gross charge-offs			—	—	—	—	—	—	77	283
Residential land	Residential land									
Residential land										
Residential land Current Current										
Current	Current		3,077	5,118	7,549	3,518	—	983	—	—
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		—	—	—	—	—	—	—	—
		1,955								
			3,077	5,118	7,549	3,518	—	983	—	—
Current YTD period Gross charge-offs			—	—	—	—	—	—	—	—
Residential construction	Residential construction									
Residential construction										
Residential construction Current Current										
Current	Current		2,780	11,019	3,496	—	—	—	—	—

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		—	—	—	—	—	—	—	—
		388								
			2,780	11,019	3,496	—	—	—	—	—
Current YTD period Gross charge-offs			—	—	—	—	—	—	—	—
Consumer	Consumer									
Consumer										
Consumer										
Current										
Current										
Current	Current		82,282	164,693	12,203	2,394	1,010	222	10,345	3,413
30-59 days past due	30-59 days past due		822	1,882	122	43	49	1	46	156
60-89 days past due	60-89 days past due		362	933	108	35	52	—	32	81
Greater than 89 days past due	Greater than 89 days past due		375	785	102	33	26	2	151	186
		9,034								
			83,841	168,293	12,535	2,505	1,137	225	10,574	3,836
Current YTD period Gross charge-offs			850	4,637	840	163	363	39	279	387
Commercial real estate	Commercial real estate									
Commercial real estate										
Commercial real estate										
Pass										
Pass										
Pass	Pass		81,287	390,352	177,125	265,808	66,112	329,235	15,482	—
Special Mention	Special Mention		—	—	11,214	3,381	14,452	22,367	—	—
Substandard	Substandard		5,386	—	1,549	—	11,048	5,772	—	—
Doubtful	Doubtful		—	—	—	—	—	—	—	—
		8,436								
			86,673	390,352	189,888	269,189	91,612	357,374	15,482	—
Commercial construction										
Commercial construction										
Commercial construction										
Pass										
Pass										
Pass										
Special Mention										
Substandard										
Doubtful										
		—								
Commercial										

Commercial	
Commercial	
Pass	
Pass	
Pass	
Special Mention	
Substandard	
Doubtful	
	11,996
Total loans	
Total loans	
Total loans	

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

(in thousands)	Term Loans by Origination Year								
(in thousands)									
(in thousands)									
(in thousands)	2023	2022	2021	2020	2019	Prior	Revolving	Converted to term loans	Total
December 31, 2023									
Residential 1-4 family									
Residential 1-4 family									
Residential 1-4 family									
Current									
Current									
Current									
30-59 days past due									
60-89 days past due									
Greater than 89 days past due									
	263,605								

	Term Loans by Origination Year						Revolving Loans		
(in thousands)	2023	2022	2021	2020	2019	Prior	Revolving	Converted to term loans	Total
Current YTD period									
Gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial construction									
Home equity line of credit									
Home equity line of credit									
Home equity line of credit									
Current									
Current									
Current									

30-59 days past due	
60-89 days past due	
Greater than 89 days past due	
	—
Residential land	
Residential land	
Residential land	
Current	
Current	
Current	
30-59 days past due	
60-89 days past due	
Greater than 89 days past due	
	3,788
Residential construction	
Residential construction	
Residential construction	
Current	
Current	
Current	
30-59 days past due	
60-89 days past due	
Greater than 89 days past due	
	5,369
Consumer	
Consumer	
Consumer	
Current	
Current	
Current	
30-59 days past due	
60-89 days past due	
Greater than 89 days past due	
	89,230
Commercial real estate	
Commercial real estate	

Commercial real estate											
Pass											
Pass											
Pass	Pass		10,643	21,440	66,143	356	—	—	69,957	—	168,539
Special Mention	Special Mention		—	—	—	—	—	—	—	—	—
Substandard	Substandard		—	—	—	—	—	—	—	—	—
Doubtful	Doubtful		—	—	—	—	—	—	—	—	—
		104,368									
			10,643	21,440	66,143	356	—	—	69,957	—	168,539
Current YTD period											
Gross charge-offs			—	—	—	—	—	—	—	—	—
Commercial											
Commercial construction											
Commercial construction											
Commercial construction											
Pass											
Pass											
Pass	Pass		82,145	209,364	124,453	75,753	46,291	81,409	81,627	9,560	710,602
Special Mention	Special Mention		1,945	—	970	—	272	—	7,151	—	10,338
Substandard	Substandard		—	3,054	2,040	230	763	3,409	1,506	516	11,518
Doubtful	Doubtful		—	—	—	—	—	—	—	—	—
		45,863									
			84,090	212,418	127,463	75,983	47,326	84,818	90,284	10,076	732,458
Current YTD period											
Gross charge-offs			—	—	51	—	—	—	177	281	509
Commercial											
Commercial											
Commercial											
Pass											
Pass											
Pass											
Special Mention											
Substandard											
Doubtful											
		126,527									
Total loans	Total loans		$470,984	$1,222,693	$1,148,475	$757,370	$247,641	$1,140,981	$1,163,634	$ 69,324	$6,221,102
Total loans											
Total loans											

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

	Term Loans by Origination Year						Revolving Loans		
(in thousands)	2022	2021	2020	2019	2018	Prior	Revolving	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
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

Gross charge-offs by portfolio segment and vintage were as follows:

(in thousands)	2024	2023	2022	2021	2020	Prior	Total
Three months ended March 31, 2024							
Residential 1-4 family	$ —	$ —	$ 361	$ 277	$ —	$ 204	$ 842
Commercial real estate	—	—	—	—	—	—	—
Home equity line of credit	—	—	—	—	—	—	—

Residential land	—	—	—	—	—	—	—
Commercial construction	—	—	—	—	—	—	—
Residential construction	—	—	—	—	—	—	—
Commercial	—	—	—	14	—	100	114
Consumer	166	937	1,342	127	36	111	2,719
Total	$ 166	$ 937	$ 1,703	$ 418	$ 36	$ 415	$ 3,675

(in thousands)	2023	2022	2021	2020	2019	Prior	Total
Three months ended March 31, 2023							
Residential 1-4 family	$ —	$ —	$ —	$ —	$ —	$ 809	$ 809
Commercial real estate	—	—	—	—	—	—	—
Home equity line of credit	—	—	43	—	—	20	63
Residential land	—	—	—	—	—	—	—
Commercial construction	—	—	—	—	—	—	—
Residential construction	—	—	—	—	—	—	—
Commercial	—	—	51	—	8	168	227
Consumer	189	1,524	319	57	176	58	2,323
Total	$ 189	$ 1,524	$ 413	$ 57	$ 184	$ 1,055	$ 3,422

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Revolving loans converted to term loans during the nine three months ended September 30, 2023 March 31, 2024 in the commercial, home equity line of credit and consumer portfolios were $6.1 million $0.8 million, $20.4 million $6.5 million and $1.1 million $0.2 million, respectively. Revolving loans converted to term loans during the nine three months ended September 30, 2022 March 31, 2023 in the commercial, home equity line of credit and consumer portfolios were $1.6 million $1.2 million, $12.9 million $7.8 million and $2.7 million $1.1 million, respectively.

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	Amortized cost> 90 days and accruing	(in thousands)	30-59 days past due	8 da past
September 30, 2023											
March 31, 2024									**March 31, 2024**		
Real estate:	Real estate:								Real estate:		
Residential 1-4 family	Residential 1-4 family	$ 2,921	$ 973	$ 1,787	$ 5,681	$ 2,560,619	$ 2,566,300	$ —			
Commercial real estate	Commercial real estate	—	—	—	—	1,400,570	1,400,570	—			
Home equity line of credit	Home equity line of credit	709	671	761	2,141	1,030,608	1,032,749	—			
Residential land	Residential land	—	—	—	—	20,245	20,245	—			
Commercial construction	Commercial construction	—	—	—	—	168,539	168,539	—			
Residential construction	Residential construction	—	—	—	—	17,295	17,295	—			
Commercial	Commercial	575	100	77	752	731,706	732,458	—			
Consumer	Consumer	3,121	1,603	1,660	6,384	276,562	282,946	—			

Total loans	Total loans	$ 7,326	$ 3,347	$ 4,285	$ 14,958	$ 6,206,144	$ 6,221,102	$ —
	December 31, 2022							
December 31, 2023								**December 31, 2023**
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	$ —

The credit risk profile based on nonaccrual loans were as follows:

(in thousands)	**(in thousands)**	**September 30, 2023**			**December 31, 2022**			**(in thousands)**	**March 31, 2024**		**Decem 202**
		With a Related ACL	**Without a Related ACL**	**Total**	**With a Related ACL**	**Without a Related ACL**	**Total**				
		With a related ACL							**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	$ 573	$ 2,500	$ 3,073	$ 4,198	$ 2,981	$ 7,179				
Commercial real estate	Commercial real estate	—	—	—	—	—	—				
Home equity line of credit	Home equity line of credit	2,764	1,017	3,781	3,654	1,442	5,096				
Residential land	Residential land	106	—	106	420	—	420				
Commercial construction	Commercial construction	—	—	—	—	—	—				
Residential construction	Residential construction	—	—	—	—	—	—				
Commercial	Commercial	508	—	508	2,183	—	2,183				
Consumer	Consumer	2,414	—	2,414	1,588	—	1,588				
Total	**Total**	$ 6,365	$ 3,517	$ 9,882	$ 12,043	$ 4,423	$ 16,466				

ASB did not recognize interest on nonaccrual loans for the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023.

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.

Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit 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 the nine months ended September 30, 2023, no loans received a material modification based on borrower financial difficulty.

Troubled debt restructurings. Prior Loan modifications made to January 1, 2023, a loan modification was deemed to be a TDR when the borrower was determined to be borrowers experiencing financial difficulties and ASB granted a concession it would not otherwise consider. 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. ASB will continue TDR disclosures for years prior to the adoption of ASU No. 2022-02.

The credit risk profile based on loans whose terms have been modified and accruing interest were as follows:

(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

Loans modified as a TDR. Loan modifications that occurred difficulty during the three and nine months ended September 30, 2022. March 31, 2024 were as follows:

(in thousands)		Term extension		Payment delay		Combination payment delay & term extension		Total	% of total class of loans
Real estate loans									
Residential 1-4 family	$	266	$	3,311	$	—	$	3,577	0.14 %
Commercial real estate		—		—		1,975		1,975	0.14 %
Home equity line of credit		—		447		—		447	0.04 %
Residential land		—		675		—		675	3.71 %
Commercial construction		—		—		—		—	—
Residential construction		—		—		—		—	—
Commercial		—		—		—		—	—
Consumer		—		—		—		—	—
Total	$	266	$	4,433	$	1,975	$	6,674	0.11 %

	Three months ended September 30, 2022					Nine months ended September 30, 2022				
(dollars in thousands)	**Number of contracts**		**Outstanding recorded investment** (as of period end)1		**Related allowance** (as of period end)	**Number of contracts**		**Outstanding recorded investment** (as of period end)1		**Related allowance** (as of period end)
Troubled debt restructurings										
Real estate:										
Residential 1-4 family	2	$	512	$	—	3	$	893	$	135
Commercial real estate	—		—		—	—		—		—
Home equity line of credit	—		—		—	—		—		—
Residential land	1		204		16	1		204		16

Commercial construction	—	—	—	—	—	—
Residential construction	—	—	—	—	—	—
Commercial	—	—	—	1	288	20
Consumer	—	—	—	—	—	—
	3	$ 716	$ 16	5	$ 1,385	$ 171

Financial effect of loan modifications during the three months ended March 31, 2024 for borrowers experiencing financial difficulty were as follows:

[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.

	Weighted average	
	Term extension (in months)	Payment delay (in months)
Real estate loans		
Residential 1-4 family	156	9
Commercial real estate	9	9
Home equity line of credit	—	9
Residential land	—	9
Commercial construction	—	—
Residential construction	—	—
Commercial	—	—
Consumer	—	—

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Credit risk profile based on payment activity for loans modified during the three months ended March 31, 2024 were as follows:

There

(in thousands)	Current	30-59 days past due	60-89 days past due	90 days or more past due	Total
Real estate loans					
Residential 1-4 family	$ 266	$ —	$ —	$ 3,311	$ 3,577
Commercial real estate	1,975	—	—	—	1,975
Home equity line of credit	447	—	—	—	447
Residential land	—	—	—	675	675
Commercial construction	—	—	—	—	—
Residential construction	—	—	—	—	—
Commercial	—	—	—	—	—
Consumer	—	—	—	—	—
Total	$ 2,688	$ —	$ —	$ 3,986	$ 6,674

During the three months ended March 31, 2024, there were no loans modified in TDRs that experienced a payment default of 90 days or more during the third quarter and first nine months of 2022.

If a loan modified in a TDR subsequently defaults, ASB evaluates the loan for further impairment. Based on its evaluation, adjustments may be modifications 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. experiencing financial difficulty that defaulted.

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:

	Amortized cost
	Amortized cost
(in thousands)	
(in thousands)	

(in thousands)	(in thousands)	September 30, 2023	December 31, 2022	Collateral type		March 31, 2024		December 31, 2023		Collateral type
Real estate:	Real estate:									
Residential 1-4 family	Residential 1-4 family	$ 2,584	$ 3,959	Residential real estate property						
Residential 1-4 family										
Residential 1-4 family						$ 5,731		$ 2,272		Residential real estate property
Commercial real estate					Commercial real estate	11,048		11,048		Commercial real estate property
Home equity line of credit	Home equity line of credit	1,017	1,425	Residential real estate property	Home equity line of credit	1,674	1,135	1,135	Residential real estate property	Residential real estate property
Total real estate										
Total real estate										
Total real estate										
Commercial										
Commercial										
Commercial						286		301		Business assets
Total	Total	$ 3,601	$ 5,384							

ASB had $3.4 $4.8 million and $4.2 million $3.4 million of consumer mortgage loans collateralized by residential real estate property that were in the process of foreclosure at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Mortgage servicing rights (MSRs). In its mortgage banking business, ASB sells residential mortgage loans to government-sponsored entities and other parties, who may issue securities backed by pools of such loans. ASB retains no beneficial interests in these loans other than the servicing rights of certain loans sold.

ASB received proceeds from the sale of residential mortgages of $21.5 million $26.4 million and $12.1 million $5.7 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, and recognized gains on such sales of $0.3 million $0.4 million and $0.2 million $0.1 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. ASB received proceeds from the sale of residential mortgages of $36.1 million and $126.4 million for the nine months ended September 30, 2023 and 2022, respectively, and recognized gains on such sales of $0.7 million and $1.6 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

There were no repurchased mortgage loans for the three and nine months ended September 30, 2023 March 31, 2024 and one repurchased mortgage loan for the three and nine months ended September 30, 2022. 2023.

Mortgage servicing fees, a component of other income, net, were $0.9 million and $1.0 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $2.7 million and $2.8 million for the nine months ended September 30, 2023 and 2022 respectively. 2023.

Changes in the carrying value of MSRs were as follows:

(in thousands)	Gross carrying amount	Accumulated amortization	Valuation allowance	Net carrying amount
September 30, 2023	$ 18,125	$ (9,749)	$ —	$ 8,376
December 31, 2022	19,544	(10,497)	—	9,047

(in thousands)	Gross carrying amount	Accumulated amortization	Valuation allowance	Net carrying amount
March 31, 2024	$ 17,939	$ (9,889)	$ —	$ 8,050
December 31, 2023	18,241	(10,072)	—	8,169

Changes related to MSRs were as follows:

	Three months ended September 30	Nine months ended September 30

Three months ended March 31

Three months ended March 31

Three months ended March 31

(in thousands)	(in thousands)	2023		2022		2023		2022
Mortgage servicing rights	Mortgage servicing rights							
Beginning balance	Beginning balance	$	8,495	$	9,696	$	9,047	$ 9,950
Amount capitalized	Amount capitalized		184		117		319	1,040
Amortization	Amortization		(303)		(462)		(990)	(1,639)
Other-than-temporary impairment	Other-than-temporary impairment		—		—		—	—
Carrying amount before valuation allowance	Carrying amount before valuation allowance		8,376		9,351		8,376	9,351
Valuation allowance for mortgage servicing rights	Valuation allowance for mortgage servicing rights							
Beginning balance	Beginning balance		—		—		—	—
Provision	Provision		—		—		—	—
Other-than-temporary impairment	Other-than-temporary impairment		—		—		—	—
Ending balance	Ending balance		—		—		—	—
Net carrying value of mortgage servicing rights	Net carrying value of mortgage servicing rights	$	8,376	$	9,351	$	8,376	$ 9,351

(in thousands)	2024	2023
Beginning balance		
Beginning balance		
Beginning balance		
Beginning balance		

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 condensed consolidated statements of income. A direct write-down is recorded when the recoverability of the valuation allowance is deemed to be unrecoverable.

Key assumptions used in estimating the fair value of ASB’s MSRs used in the impairment analysis were as follows:

(dollars in thousands)	(dollars in thousands)	September 30, 2023		December 31, 2022	
Unpaid principal balance	Unpaid principal balance	$ 1,412,412		$ 1,451,322	
Weighted average note rate	Weighted average note rate	3.44	%	3.38	%

(dollars in thousands)	March 31, 2024		December 31, 2023	
Weighted average note rate	3.52	%	3.47	%

Weighted average discount rate	Weighted average discount rate	10.00	%	10.00	%	Weighted average discount rate	10.00	%	10.00	%
Weighted average prepayment speed	Weighted average prepayment speed	5.58	%	6.56	%	Weighted average prepayment speed	6.13	%	5.71	%

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:

(dollars in thousands)	(dollars in thousands)	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
Prepayment rate:	Prepayment rate:					
25 basis points adverse rate change	25 basis points adverse rate change	$ (90)	$ (92)			
25 basis points adverse rate change						
25 basis points adverse rate change						
50 basis points adverse rate change	50 basis points adverse rate change	(207)	(214)			
Discount rate:	Discount rate:					
25 basis points adverse rate change	25 basis points adverse rate change	(206)	(182)			
25 basis points adverse rate change						
25 basis points adverse rate change						
50 basis points adverse rate change	50 basis points adverse rate change	(407)	(361)			

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.

Other borrowings. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, ASB had $200.0 million $593.0 million and $414.0 million $200.0 million of FHLB advances outstanding, respectively, and borrowings with the Federal Reserve Bank of $550.0 million nil and nil, $550.0 million, respectively. As of September 30, 2023 March 31, 2024, ASB was in compliance with all FHLB Advances, Pledge and Security Agreement requirements and all requirements to borrow at the Federal Reserve Discount Window Primary Credit Facility under 12 CFR 201.4(a) guidelines.

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 condensed 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 a 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)	Gross amount of recognized liabilities	Gross amount offset in the Balance Sheets	Net amount of liabilities presented in the Balance Sheets
Repurchase agreements			
September 30, 2023	$ —	$ —	$ —
December 31, 2022	281	—	281

(in millions)	Gross amount not offset in the Balance Sheets: Net amount of liabilities presented in the Balance Sheets	Financial instruments	Cash collateral pledged
Commercial account holders			
September 30, 2023	$ —	$ —	$ —
December 31, 2022	281	327	—

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.

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 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:

	September 30, 2023		December 31, 2022	
(in thousands)	Notional amount	Fair value	Notional amount	Fair value
Interest rate lock commitments	$ 4,910	$ 54	$ 1,720	$ 9
Forward commitments	3,500	15	1,500	18

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

	March 31, 2024		December 31, 2023	
(in thousands)	Notional amount	Fair value	Notional amount	Fair value
Interest rate lock commitments	$ 8,938	$ 136	$ 6,246	$ 86
Forward commitments	6,900	(13)	5,500	(18)

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	September 30, 2023		December 31, 2022		Derivative Financial Instruments Not Designated as Hedging Instruments 1	March 31, 2024		December 31, 2023	
(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	$ 54	$ —	$ 9	$ —					
Forward commitments	Forward commitments	15	—	18	—					
		$ 69	$ —	$ 27	$ —					

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

Derivative Financial Instruments Not Designated as Hedging Instruments

Derivative Financial Instruments Not Designated as Hedging Instruments (in thousands)	**Derivative Financial Instruments Not Designated as Hedging Instruments (in thousands)**	**Location of net gains (losses) recognized in the Statements of Income**	**Three months ended September 30**		**Nine months ended September 30**		**(in thousands)**	**Location of net gains (losses) recognized in the Statements of Income**	**Three months ended March 31**	
			2023	**2022**	**2023**	**2022**			**2024**	**2023**
Interest rate lock commitments	Interest rate lock commitments	Mortgage banking income	$ (34)	$ (129)	$ 45	$ (722)				
Forward commitments	Forward commitments	Mortgage banking income	(36)	145	(3)	182				
			$ (70)	$ 16	$ 42	$ (540)				

Low-Income Housing Tax Credit (LIHTC). ASB's unfunded commitments to fund its LIHTC investment partnerships were $77.1 million and $70.1 $87.9 million at September 30, 2023 March 31, 2024 and December 31, 2022, respectively. December 31, 2023. These unfunded commitments were unconditional and legally binding and are recorded in other liabilities with a corresponding increase in other assets. As of September 30, 2023 March 31, 2024, ASB did not have any impairment losses resulting from forfeiture or ineligibility of tax credits or other circumstances related to its LIHTC investment partnerships.

Note 6 · Credit agreements and changes in debt

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's initial termination date was May 14, 2026. The $200 million Hawaiian Electric Facility's initial termination date was May 13, 2022, but 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 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.

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.

Under the HEI and Hawaiian Electric Intercompany Borrowing and Investment Policy effective January 1, 2020 (the Intercompany Borrowing Policy), HEI has committed to make revolving short-term loans to Hawaiian Electric pursuant to the terms set forth in the standing commitment letter dated December 8, 2023 (the 2023 Commitment Letter). For loans that mature on or before December 6, 2024, the 2023 Commitment Letter provides a borrowing limit of $75 million outstanding at any time and the applicable interest rate. Hawaiian Electric currently has no borrowings under the Intercompany Borrowing Policy and the 2023 Commitment Letter.

Changes in debt. As of September 30, 2023 March 31, 2024, the Company and Hawaiian Electric were in compliance with all applicable financial covenants.

HEI private placement.On March 16, 2023, HEI entered into a note purchase agreement (HEI NPA) under which HEI has authorized the issue and sale of $100 million of unsecured senior notes that were drawn on May 30, 2023. The proceeds of the notes were used to repay the $100 million term loan facility on May 31, 2023. The terms of the notes are as follows:

	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, 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.

HEI term loan **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** . On October 20, 2022, HEI entered into a term loan facility in the aggregate principal amount of $100 million. On December 28, 2022, HEI drew $35 million on 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 it was terminated. Borrowings under the facility bore interest at Term Secured Overnight Financing Rate (SOFR), as defined in the agreement, plus an applicable margin and a SOFR spread adjustment. The term loan facility contained certain restrictive financial covenants that were substantially the same as the financial covenants contained in the HEI Facility. - continued (Unaudited)

Utilities private placement.On 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 (2023 Notes).The 2023 Notes had a delayed draw feature and the Utilities drew down all the proceeds on February 9, 2023.

	Series 2023A	Series 2023B	Series 2023C
Aggregate principal amount	$90 million	$40 million	$20 million
Fixed coupon interest rate			
Hawaiian Electric	6.11%	6.25%	6.70%
Hawaii Electric Light	6.25%	—	—
Maui Electric	6.25%	—	—
Maturity date			
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	$40 million	$40 million	$20 million
Hawaii Electric Light	$25 million	—	—
Maui Electric	$25 million	—	—

The 2023 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 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.

Note 7 · Shareholders' equity

Accumulated other comprehensive income/(loss). Changes in the balances of each component of accumulated other comprehensive income/(loss) (AOCI) were as follows:

		HEI Consolidated				Hawaiian Electric Consolidated						
		HEI Consolidated								HEI Consolidated		Hawaiian Electric Consolidated
(in thousands)	(in thousands)	Net unrealized gains (losses) on securities	Unrealized gains (losses) on derivatives	Retirement benefit plans	AOCI	AOCI-Retirement benefit plans	(in thousands)	Net unrealized gains (losses) on securities	Unrealized gains (losses) on derivatives	Retirement benefit plans	AOCI	AOCI-Retirement benefit plans
Balance, December 31, 2023												

Current period other comprehensive income (loss)						
Balance, March 31, 2024						
Balance, December 31, 2022	Balance, December 31, 2022	$(328,904)	$ 1,991	$ (9,115)	$(336,028)	$ 2,861
Current period other comprehensive income (loss)	Current period other comprehensive income (loss)	(21,330)	(827)	161	(21,996)	(166)
Balance, September 30, 2023		$(350,234)	$ 1,164	$ (8,954)	$(358,024)	$ 2,695
Balance, December 31, 2021		$ (32,037)	$ (3,638)	$ (16,858)	$ (52,533)	$ (3,280)
Current period other comprehensive income (loss)		(308,229)	6,561	657	(301,011)	210
Balance, September 30, 2022		$(340,266)	$ 2,923	$ (16,201)	$(353,544)	$ (3,070)
Balance, March 31, 2023						

Reclassifications out of AOCI were as follows:

	Amount reclassified from AOCI				Affected line item in the Statements of Income / Balance Sheets	Amount reclassified from AOCI
	Three months ended September 30		Nine months ended September 30			
	Three months ended March 31					
(in thousands)						
(in thousands)						
(in thousands)	(in thousands) 2023	2022	2023	2022	Affected line item in the Statements of Income / Balance Sheets	
HEI consolidated	HEI consolidated					
HEI consolidated						
Net unrealized gains (losses) on available-for sale investment securities - amortization of unrealized holding losses on held-to-maturity securities	$ 3,699	$ —	$ 11,065	$ —	Bank revenues	
HEI consolidated						
Net realized losses (gains) on derivatives qualifying as cash flow hedges	(47)	53	(143)	161	Interest expense	
Amortization of unrealized holding losses on held-to-maturity securities						
Amortization of unrealized holding losses on held-to-maturity securities						
Amortization of unrealized holding losses on held-to-maturity securities						$ 3,086 $ 3

Net realized gains on derivatives qualifying as cash flow hedges										
Net realized gains on derivatives qualifying as cash flow hedges										
Net realized gains on derivatives qualifying as cash flow hedges								(48)		
Retirement benefit plans:	Retirement benefit plans:						Retirement benefit plans:			
Amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost		(446)	5,606	(1,160)	10,229	See Note 9 for additional details				
Amortization of prior service credit and net gains recognized during the period in net periodic benefit cost							Amortization of prior service credit and net gains recognized during the period in net periodic benefit cost	(449)		
Impact of D&Os of the PUC included in regulatory assets	Impact of D&Os of the PUC included in regulatory assets	470	(5,303)	1,321	(9,572)	See Note 9 for additional details	Impact of D&Os of the PUC included in regulatory assets	459	425	
Total reclassifications	Total reclassifications	$ 3,676	$ 356	$ 11,083	$ 818		Total reclassifications	$ 3,048	$	$ 3
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**									
Retirement benefit plans:	Retirement benefit plans:									
Amortization of prior service credit and net losses (gains) recognized during the period in net periodic benefit cost		$ (547)	$ 5,411	$ (1,487)	$ 9,782	See Note 9 for additional details				
Retirement benefit plans:										
Retirement benefit plans: Amortization of prior service credit and net gains recognized during the period in net periodic benefit cost							Amortization of prior service credit and net gains recognized during the period in net periodic benefit cost	$ (508)		$
Impact of D&Os of the PUC included in regulatory assets	Impact of D&Os of the PUC included in regulatory assets	470	(5,303)	1,321	(9,572)	See Note 9 for additional details	Impact of D&Os of the PUC included in regulatory assets	459	425	
Total reclassifications	Total reclassifications	$ (77)	$ 108	$ (166)	$ 210		Total reclassifications	$ (49)	$	$

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Note 8 · Revenues

Revenue from contracts with customers. The following tables disaggregate revenues by major source, timing of revenue recognition, and segment:

		Three months ended September 30, 2023				Nine months ended September 30, 2023				
		Three months ended March 31, 2024								
		Three months ended March 31, 2024								
		Three months ended March 31, 2024								
(in thousands)	**(in thousands)**	**Electric utility**	**Bank**	**Other**	**Total**	**Electric utility**	**Bank**	**Other**	**Total**	**(in thousands)**
Revenues from contracts with customers	**Revenues from contracts with customers**									
Electric energy sales - residential										
Electric energy sales - residential										
Electric energy sales - residential	Electric energy sales - residential	$ 257,790	$ —	$ —	$ 257,790	$ 753,207	$ —	$ —	$ 753,207	
Electric energy sales - commercial	Electric energy sales - commercial	257,876	—	—	257,876	762,454	—	—	762,454	
Electric energy sales - large light and power	Electric energy sales - large light and power	284,607	—	—	284,607	855,396	—	—	855,396	
Electric energy sales - other	Electric energy sales - other	4,688	—	—	4,688	14,628	—	—	14,628	
Bank fees	Bank fees	—	12,067	—	12,067	—	36,370	—	36,370	
Other sales	Other sales	—	—	5,016	5,016	—	—	13,361	13,361	
Total revenues from contracts with customers	**Total revenues from contracts with customers**	804,961	12,067	5,016	822,044	2,385,685	36,370	13,361	2,435,416	
Revenues from other sources	**Revenues from other sources**									
Regulatory revenue	Regulatory revenue	(20,927)	—	—	(20,927)	3,716	—	—	3,716	
Regulatory revenue										
Regulatory revenue										
Bank interest and dividend income	Bank interest and dividend income	—	85,636	—	85,636	—	246,856	—	246,856	
Other bank noninterest income	Other bank noninterest income	—	3,271	—	3,271	—	8,490	—	8,490	
Other	Other	10,953	—	896	11,849	30,138	—	1,179	31,317	
Total revenues from other sources	**Total revenues from other sources**	(9,974)	88,907	896	79,829	33,854	255,346	1,179	290,379	
Total revenues	**Total revenues**	$ 794,987	$ 100,974	$ 5,912	$ 901,873	$ 2,419,539	$ 291,716	$ 14,540	$ 2,725,795	
Timing of revenue recognition	**Timing of revenue recognition**									
Services/goods transferred at a point in time	Services/goods transferred at a point in time	$ —	$ 12,067	$ —	$ 12,067	$ —	$ 36,370	$ —	$ 36,370	
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	804,961	—	5,016	809,977	2,385,685	—	13,361	2,399,046
Total revenues from contracts with customers	**Total revenues from contracts with customers**	$ 804,961	$ 12,067	$ 5,016	$ 822,044	$ 2,385,685	$ 36,370	$ 13,361	$ 2,435,416

		Three months ended September 30, 2022				**Nine months ended September 30, 2022**			
Three months ended March 31, 2023									
Three months ended March 31, 2023									
Three months ended March 31, 2023									
(in thousands)	**(in thousands)**	**Electric utility**	**Bank**	**Other**	**Total**	**Electric utility**	**Bank**	**Other**	**Total**
Revenues from contracts with customers	**Revenues from contracts with customers**								
Electric energy sales - residential									
Electric energy sales - residential									
Electric energy sales - residential	Electric energy sales - residential	$306,417	$ —	$ —	$ 306,417	$ 790,424	$ —	$ —	$ 790,424
Electric energy sales - commercial	Electric energy sales - commercial	309,940	—	—	309,940	794,238	—	—	794,238
Electric energy sales - large light and power	Electric energy sales - large light and power	351,763	—	—	351,763	886,733	—	—	886,733
Electric energy sales - other	Electric energy sales - other	5,400	—	—	5,400	11,699	—	—	11,699
Bank fees	Bank fees	—	12,058	—	12,058	—	36,851	—	36,851
Other sales	Other sales	—	—	4,760	4,760	—	—	7,208	7,208
Total revenues from contracts with customers	**Total revenues from contracts with customers**	973,520	12,058	4,760	990,338	2,483,094	36,851	7,208	2,527,153
Revenues from other sources	**Revenues from other sources**								
Regulatory revenue	Regulatory revenue	(26,301)	—	—	(26,301)	(24,843)	—	—	(24,843)
Regulatory revenue									
Regulatory revenue									
Bank interest and dividend income	Bank interest and dividend income	—	68,417	—	68,417	—	191,228	—	191,228
Other bank noninterest income	Other bank noninterest income	—	936	—	936	—	3,771	—	3,771
Other	Other	8,752	—	55	8,807	25,385	—	178	25,563
Total revenues from other sources	**Total revenues from other sources**	(17,549)	69,353	55	51,859	542	194,999	178	195,719
Total revenues	**Total revenues**	$955,971	$81,411	$4,815	$1,042,197	$2,483,636	$231,850	$7,386	$2,722,872

(in thousands)	**Electric utility**	**Bank**	**Other**	**Total**

Timing of revenue recognition	**Timing of revenue recognition**								
Services/goods transferred at a point in time	Services/goods transferred at a point in time	$ —	$12,058	$ —	$ 12,058	$ —	$ 36,851	$ —	$ 36,851
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	973,520	—	4,760	978,280	2,483,094	—	7,208	2,490,302
Total revenues from contracts with customers	**Total revenues from contracts with customers**	$973,520	$12,058	$4,760	$ 990,338	$2,483,094	$ 36,851	$7,208	$2,527,153

There are no material contract assets or liabilities associated with revenues from contracts with customers existing at December 31, 2022 December 31, 2023 or as of September 30, 2023 March 31, 2024. Accounts receivable and unbilled revenues related to contracts with customers represent an unconditional right to consideration since all performance obligations have been satisfied. These amounts are

disclosed as *accounts receivable and unbilled revenues, net* on HEI's condensed consolidated balance sheets and *customer accounts receivable, net* and *accrued unbilled revenues, net* on Hawaiian Electric's condensed consolidated balance sheets.

As of September 30, 2023 March 31, 2024, 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 9 · Retirement benefits

Defined benefit pension and other postretirement benefit plans information. For the first nine months of 2023, the The Company contributed $6 million ($6 million by the Utilities) made no contributions to its pension and other postretirement benefit plans during the first three months of 2024, compared to $32 million $2 million ($31 2 million by the Utilities) in the first nine three months of 2022. 2023. The Company's current estimate of total contributions to its pension and other postretirement benefit plans in 2024 is comparable to 2023 is at $8 million ($8 million by the Utilities), compared . In addition, in 2024, comparable to $43 million ($42 million by the Utilities) in 2022. In addition, 2023, the Company expects to pay directly $3 million ($1 million by the Utilities) of benefits in 2023, compared to $2 million ($1 million by the Utilities) paid in 2022. benefits.

The components of net periodic pension costs (NPPC) and net periodic benefit costs (NPBC) for HEI consolidated and Hawaiian Electric consolidated were as follows:

		Three months ended September 30				Nine months ended September 30				
		Three months ended March 31								
		Three months ended March 31								
		Three months ended March 31								
		Pension benefits		Other benefits		Pension benefits		Other benefits		
(in thousands)	(in thousands)	2023	2022	2023	2022	2023	2022	2023	2022	(in thousands)
HEI consolidated	**HEI consolidated**									
Service cost										
Service cost										
Service cost	Service cost	$ 11,418	$ 18,831	$ 385	$ 624	$ 34,210	$ 58,478	$ 1,072	$ 1,937	
Interest cost	Interest cost	26,022	20,274	2,075	1,593	77,265	59,895	6,389	4,868	
Expected return on plan assets	Expected return on plan assets	(35,238)	(35,163)	(3,426)	(3,394)	(105,630)	(105,827)	(10,236)	(10,189)	
Amortization of net prior period gain	Amortization of net prior period gain	—	—	(218)	(232)	—	—	(656)	(696)	

Amortization of net actuarial (gain)/losses	Amortization of net actuarial (gain)/losses	138	7,782	(518)	(3)	515	20,376	(1,416)	(9)
Net periodic pension/benefit cost (return)	Net periodic pension/benefit cost (return)	2,340	11,724	(1,702)	(1,412)	6,360	32,922	(4,847)	(4,089)
Impact of PUC D&Os	Impact of PUC D&Os	17,663	8,758	1,536	1,289	53,929	27,861	4,385	3,725
Net periodic pension/benefit cost (return) (adjusted for impact of PUC D&Os)	Net periodic pension/benefit cost (return) (adjusted for impact of PUC D&Os)	$ 20,003	$ 20,482	$ (166)	$ (123)	$ 60,289	$ 60,783	$ (462)	$ (364)
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**								
Service cost	Service cost	$ 11,071	$ 18,248	$ 380	$ 617	$ 33,108	$ 56,883	$ 1,060	$ 1,915
Service cost									
Service cost									
Interest cost	Interest cost	24,116	18,850	1,981	1,525	71,513	55,773	6,107	4,670
Expected return on plan assets	Expected return on plan assets	(33,029)	(33,314)	(3,374)	(3,343)	(98,972)	(100,405)	(10,081)	(10,035)
Amortization of net prior period gain	Amortization of net prior period gain	—	—	(218)	(232)	—	—	(654)	(694)
Amortization of net actuarial (gain)/losses	Amortization of net actuarial (gain)/losses	(16)	7,519	(503)	—	21	19,769	(1,370)	—
Net periodic pension/benefit cost (return)	Net periodic pension/benefit cost (return)	2,142	11,303	(1,734)	(1,433)	5,670	32,020	(4,938)	(4,144)
Impact of PUC D&Os	Impact of PUC D&Os	17,663	8,758	1,536	1,289	53,929	27,861	4,385	3,725
Net periodic pension/benefit cost (return) (adjusted for impact of PUC D&Os)	Net periodic pension/benefit cost (return) (adjusted for impact of PUC D&Os)	$ 19,805	$ 20,061	$ (198)	$ (144)	$ 59,599	$ 59,881	$ (553)	$ (419)

HEI consolidated recorded retirement benefits expense of $33 million $11 million ($32 11 million by the Utilities) in the first nine three months of 2023 both 2024 and $35 million ($34 million by the Utilities) in the first nine months of 2022 2023 and charged the remaining net periodic benefit cost primarily to electric utility plant.

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 five years beginning with the respective utility's next rate case.

Defined contribution plans information. For the first nine three months of 2023 2024 and 2022, 2023, the Company's expenses for its defined contribution plans under the Hawaiian Electric Industries Retirement Savings Plan (HEIRSP) and the ASB 401(k) Plan were $7.0 million $3.0 million and $6.5 million $2.7 million, respectively, and cash contributions were $7.6 million $2.9 million and $5.4 million $2.7 million, respectively. For the first

nine three months of 2023 2024 and 2022, 2023, the Utilities' expenses and cash contributions for its defined contribution plan under the HEIRSP were $4.3 million $1.8 million and $2.9 million $1.3 million, respectively.

Note 10 · 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 was amended and restated effective March 1, 2014 and an additional 1.5 million shares were added to the shares available for issuance under these programs.

As of September 30, 2023 March 31, 2024, approximately 2.7 million 2.5 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 0.7 million 0.9 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).

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 September 30, 2023 March 31, 2024, there were 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:

		Three months ended September 30		Nine months ended September 30			Three months ended March 31	
(in millions)	(in millions)	2023	2022	2023	2022	(in millions)	2024	2023
HEI consolidated	**HEI consolidated**							
Share-based compensation expense [1]	Share-based compensation expense [1]	$ 2.4	$ 1.7	$ 8.3	$ 7.3			
Share-based compensation expense [1]								
Share-based compensation expense [1]								
Income tax benefit	Income tax benefit	0.5	0.4	1.6	1.5			
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**							
Share-based compensation expense [1]	Share-based compensation expense [1]	0.7	0.6	2.5	2.1			
Share-based compensation expense [1]								
Share-based compensation expense [1]								
Income tax benefit	Income tax benefit	0.1	0.1	0.5	0.5			

[1] For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, 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:

	Three months ended September 30	Nine months ended September 30
	Three months ended March 31	
	Three months ended March 31	

		Three months ended March 31						
(dollars in millions)	(dollars in millions)	2023	2022	2023	2022	(dollars in millions)	2024	2023
Shares granted	Shares granted	—	965	40,450	35,720			
Fair value	Fair value	$—	$—	$ 1.5	$ 1.5			
Income tax benefit	Income tax benefit	—	—	0.4	0.4			

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:

		Three months ended March 31											
		Three months ended March 31											
		Three months ended March 31											
		Three months ended September 30				Nine months ended September 30				2024		2023	
		2023		2022		2023		2022					
		Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)				
		Shares								Shares	(1)	Shares	(1)
Outstanding, beginning of period	Outstanding, beginning of period	199,130	$41.22	208,953	$39.71	182,528	$39.75	233,448	$38.10				
Granted	Granted	—	—	—	—	100,088	42.41	98,463	41.31				
Vested	Vested	—	—	(4,244)	39.49	(81,112)	39.37	(95,658)	37.73				
Forfeited	Forfeited	—	—	(16,540)	39.99	(2,374)	41.79	(48,084)	39.19				
Outstanding, end of period	Outstanding, end of period	199,130	$41.22	188,169	$39.69	199,130	$41.22	188,169	$39.69				
Total weighted-average grant-date fair value of shares granted (in millions)	Total weighted-average grant-date fair value of shares granted (in millions)	$ —		$ —		$ 4.2		$ 4.1					

(1) Weighted-average grant-date fair value per share based on the average price of HEI common stock on the date of grant.

For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, total restricted stock units and related dividends that vested had a fair value of $3.7 million $1.4 million and $4.2 million $3.6 million, respectively, and the related tax benefits were $0.8 million $0.3 million and $0.6 million $0.8 million, respectively.

As of September 30, 2023 March 31, 2024, there was $5.2 million $3.4 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 1.9 1.6 years.

Long-term incentive plan payable in stock. The 2021-23, 2022-24, 2023-25 and 2023-25 2024-26 long-term incentive plans (LTIP) 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 Peer Group (Edison Electric Institute Index (EEI Index) for the 2021-23 and 2022-24 performance periods, period, 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 and 2024-26 performance period) periods), 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, credit rating and public safety, 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:

		Three months ended March 31									
		Three months ended March 31									
		Three months ended March 31									
		Three months ended September 30				Nine months ended September 30				2024	2023
		2023		2022		2023		2022			
		Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)		
		Shares									Sh
Outstanding, beginning of period	Outstanding, beginning of period	79,284	$ 50.28	76,730	$ 47.74	71,574	$ 47.67	90,974	$ 42.86		
Granted	Granted	—	—	—	—	27,123	55.98	26,469	54.92		
Vested (issued or unissued and cancelled)	Vested (issued or unissued and cancelled)	—	—	—	—	(18,691)	48.62	(29,042)	41.07		
Forfeited	Forfeited	—	—	(4,829)	48.52	(722)	48.92	(16,500)	44.33		
Outstanding, end of period	Outstanding, end of period	79,284	$ 50.28	71,901	$ 47.69	79,284	$ 50.28	71,901	$ 47.69		
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		$ 1.5			

(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 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 the Peer Group over the remaining three-year performance period. The expected stock volatility assumptions for HEI and 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.

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:

		2023	2022			
		2024			2024	2023
Risk-free interest rate	Risk-free interest rate	4.19 %	1.71 %	Risk-free interest rate	4.25 %	4.19 %
Expected life in years	Expected life in years	3	3	Expected life in years	3	
Expected volatility	Expected volatility	33.1 %	31.0 %	Expected volatility	52.5 %	33.1 %
Range of expected volatility for Peer Group	Range of expected volatility for Peer Group	28.7% to 38.8%	25.4% to 76.7%	Range of expected volatility for Peer Group	12.3% to 52.5%	28.7% to 38.8%
Grant date fair value (per share)		$55.98	$54.92			

Grant-date fair value (per share)	Grant-date fair value (per share)	$17.28	$55.98

There were no share-based LTIP awards linked to TSR with a vesting date in 2023. For the nine months ended September 30, 2022, total vested LTIP awards linked to TSR 2024 and related dividends had a fair value of $0.8 million and the related tax benefits were $0.1 million. 2023.

As of September 30, 2023 March 31, 2024, there was $1.6 million $2.1 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 1.2 2.1 years.

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LTIP awards linked to other performance conditions. Information about HEI's LTIP awards payable in shares linked to other performance conditions was as follows:

		Three months ended September 30				Nine months ended September 30						
		2023		2022		2023		2022				
		Three months ended March 31 Three months ended March 31 Three months ended March 31										
		2024										
		Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Shares	(1)	Sh
Outstanding, beginning of period	Outstanding, beginning of period	357,477	$ 38.78	293,711	$ 39.91	309,589	$ 39.50	306,342	$ 38.42			
Granted	Granted	—	—	—	—	108,499	42.41	105,860	41.31			
Vested	Vested	—	—	—	—	(62,778)	48.07	(71,807)	37.68			
Increase above target		4,277	38.02	—	—	10,278	37.77	—	—			
Increase above target (cancelled)												
Forfeited	Forfeited	—	—	(19,316)	38.60	(3,834)	43.53	(66,000)	37.31			
Outstanding, end of period	Outstanding, end of period	361,754	$ 39.17	274,395	$ 40.00	361,754	$ 39.17	274,395	$ 40.00			
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)	$ —		$ —		$ 4.6		$ 4.4				

(1) Weighted-average grant-date fair value per share based on the average price of HEI common stock on the date of grant.

For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, total vested LTIP awards linked to other performance conditions and related dividends had a fair value of $2.9 million $1.7 million and $3.2 million $2.9 million, respectively, and the related tax benefits were $0.6 million $0.4 million and $0.4 million $0.6 million, respectively.

As of September 30, 2023 March 31, 2024, there was $5.4 million $7.8 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 1.2 2.2 years.

Note 11 · Income taxes

The Company's and the Utilities' effective tax rates (combined federal and state income tax rates) for the nine three months ended September 30, 2023 March 31, 2024 were 20% and 22%, respectively. . These rates differed from the combined statutory rates, due primarily to higher nontaxable bank-owned life insurance, partially offset by the Utilities' lower amortization of excess deferred income taxes related to the provision in the 2017 Tax Cuts and Jobs Act that lowered the federal income tax rate from 35% to 21%. , the tax benefits derived from the low income housing tax credit investments and the non-taxability of the bank-owned life insurance income.

In August 2020, the Internal Revenue Service notified the Company that its 2017 and 2018 income tax returns would be examined. The Company was previously audited every year through 2011, at which time the IRS changed their internal policies regarding audit frequency. The audit is still in progress. The Company has not been notified of any material audit adjustments to date.

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 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.

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Note 12 · Cash flows

Nine months ended September 30		**2023**	**2022**			
Three months ended March 31				**Three months ended March 31**	**2024**	**2023**
(in millions)	**(in millions)**			**(in millions)**		
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	$104	$59			
Interest paid to non-affiliates, net of amounts capitalized						
Interest paid to non-affiliates, net of amounts capitalized						
Income taxes paid (including refundable credits)	Income taxes paid (including refundable credits)	28	26			
Income taxes refunded (including refundable credits)		1	2			
Hawaiian Electric consolidated						
Hawaiian Electric consolidated						
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**					
Interest paid to non-affiliates	Interest paid to non-affiliates	45	40			
Interest paid to non-affiliates						
Interest paid to non-affiliates						
Income taxes paid (including refundable credits)	Income taxes paid (including refundable credits)	38	46			
Income taxes refunded (including refundable credits)		2	—			
Supplemental disclosures of noncash activities						
Supplemental disclosures of noncash activities						
Supplemental disclosures of noncash activities	**Supplemental disclosures of noncash activities**					
HEI consolidated	**HEI consolidated**					
Property, plant and equipment	Property, plant and equipment					
Property, plant and equipment						
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)	9	6
Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	45	34
Increase related to an acquisition (investing)		—	15
Right-of-use assets obtained in exchange for finance lease obligations (financing)			
Right-of-use assets obtained in exchange for finance lease obligations (financing)			
Right-of-use assets obtained in exchange for finance lease obligations (financing)	Right-of-use assets obtained in exchange for finance lease obligations (financing)	76	48
Right-of-use assets obtained in exchange for operating lease obligations (investing)	Right-of-use assets obtained in exchange for operating lease obligations (investing)	1	48
Property, plant, equipment and other assets received in exchange for the assumption of debt associated with a business acquisition (investing)		—	68
Debt, lease liabilities and other liabilities assumed in business acquisition (financing)		—	68
Right-of-use assets obtained in exchange for operating lease obligations (investing)			
Right-of-use assets obtained in exchange for operating lease obligations (investing)			
Common stock issued (gross) for director and executive/management compensation (financing)[1]			
Common stock issued (gross) for director and executive/management compensation (financing)[1]			
Common stock issued (gross) for director and executive/management compensation (financing)[1]	Common stock issued (gross) for director and executive/management compensation (financing)[1]	8	10
Obligations to fund low income housing investments (investing)	Obligations to fund low income housing investments (investing)	7	9
Obligations to fund low income housing investments (investing)			
Obligations to fund low income housing investments (investing)			
Loans transferred from held for investment to held for sale (investing)	Loans transferred from held for investment to held for sale (investing)	95	—

Transfer of retail repurchase agreements to deposit liabilities (financing)		98	—
Hawaiian Electric consolidated			
Hawaiian Electric consolidated			
Hawaiian Electric consolidated	**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)	9	6
Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	Unpaid invoices and accruals for capital expenditures, balance, end of period (investing)	43	31
Increase related to an acquisition (investing)		—	15
Right-of-use assets obtained in exchange for finance lease obligations (financing)			
Right-of-use assets obtained in exchange for finance lease obligations (financing)			
Right-of-use assets obtained in exchange for finance lease obligations (financing)	Right-of-use assets obtained in exchange for finance lease obligations (financing)	76	48
Right-of-use assets obtained in exchange for operating lease obligations (investing)		—	44
Common stock dividends payable (financing)			
Common stock dividends payable (financing)			
Common stock dividends payable (financing)			

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.

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Note 13 · 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.

Time deposits certificates. 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 marketplace 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)	Si ot obse in (Le
September 30, 2023										
March 31, 2024							March 31, 2024			
Financial assets	Financial assets						Financial assets			
HEI consolidated	HEI consolidated									
Available-for-sale investment securities										
Available-for-sale investment securities										
Available-for-sale investment securities	Available-for-sale investment securities	$ 1,266,412	$ —	$ 1,251,918	$ 14,494	$ 1,266,412				
Held-to-maturity investment securities	Held-to-maturity investment securities	1,212,005	—	1,052,221	—	1,052,221				
Loans, net	Loans, net	6,116,811	—	2,174	5,541,812	5,543,986				
Loans, net										
Loans, net										
Mortgage servicing rights	Mortgage servicing rights	8,376	—	—	18,867	18,867				
Derivative assets										
Derivative assets										
Derivative assets	Derivative assets	19,044	15	1,350	—	1,365				
Financial liabilities	Financial liabilities									
Financial liabilities										
Financial liabilities										
HEI consolidated	HEI consolidated									
Deposit liabilities		1,050,692	—	1,035,501	—	1,035,501				
HEI consolidated										
HEI consolidated										
Deposit liabilities - time certificates										
Deposit liabilities - time certificates										
Deposit liabilities - time certificates										
Other bank borrowings										
Other bank borrowings										

Other bank borrowings	Other bank borrowings	750,000	—	743,366	—	743,366	
Long-term debt, net—other than bank	Long-term debt, net—other than bank	2,944,589	—	2,120,573	—	2,120,573	
Derivative liabilities	Derivative liabilities	22,949	—	1,344	—	1,344	
Hawaiian Electric consolidated	**Hawaiian Electric consolidated**						
Long-term debt, net	Long-term debt, net	2,034,040	—	1,400,901	—	1,400,901	
Long-term debt, net							
December 31, 2022							
Long-term debt, net							
December 31, 2023							
December 31, 2023							
December 31, 2023							
Financial assets	**Financial assets**						**Financial assets**
HEI consolidated	**HEI consolidated**						
Available-for-sale investment securities							
Available-for-sale investment securities							
Available-for-sale investment securities	Available-for-sale investment securities	$ 1,429,667	$ —	$ 1,414,765	$ 14,902	$ 1,429,667	
Held-to-maturity investment securities	Held-to-maturity investment securities	1,251,747	—	1,150,971	—	1,150,971	
Loans, net	Loans, net	5,907,514	—	821	5,453,381	5,454,202	
Loans, net							
Loans, net							
Mortgage servicing rights	Mortgage servicing rights	9,047	—	—	17,646	17,646	
Derivative assets							
Derivative assets							
Derivative assets	Derivative assets	16,220	18	1,330	—	1,348	
Financial liabilities	**Financial liabilities**						
Financial liabilities							
Financial liabilities							
HEI consolidated	**HEI consolidated**						
Deposit liabilities		611,718	—	597,617	—	597,617	
Short-term borrowings—other than bank		172,568	—	172,568	—	172,568	
HEI consolidated							

HEI consolidated					
Deposit liabilities - time certificates					
Deposit liabilities - time certificates					
Deposit liabilities - time certificates					
Other bank borrowings					
Other bank borrowings					
Other bank borrowings	695,120	—	695,095	—	695,095
Long-term debt, net—other than bank	2,384,980	—	2,122,605	—	2,122,605
Derivative liabilities	22,949	—	472	—	472
Hawaiian Electric consolidated					
Short-term borrowings	87,967	—	87,967	—	87,967
Long-term debt, net	1,684,816	—	1,487,496	—	1,487,496
Long-term debt, net					
Long-term debt, net					

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued (Unaudited)

Fair value measurements on a recurring basis. Assets and liabilities measured at fair value on a recurring basis were as follows:

	September 30, 2023			December 31, 2022		
	March 31, 2024					
	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)						
Available-for-sale investment securities (bank segment)						
Mortgage-backed securities — issued or guaranteed by U.S. Government agencies or sponsored agencies	$ —	$1,145,167	$ —	$ —	$1,292,968	$ —
U.S. Treasury and federal agency obligations	—	75,000	—	—	81,063	—

(in thousands)	March 31, 2024			December 31, 2023		
	Fair value measurements using					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3

Corporate bonds	Corporate bonds	—	31,751	—	—	40,734	—
Mortgage revenue bonds	Mortgage revenue bonds	—	—	14,494	—	—	14,902
		$ —	$1,251,918	$14,494	$ —	$1,414,765	$14,902
Derivative assets	Derivative assets						Derivative assets
Interest rate lock commitments (bank segment)1	Interest rate lock commitments (bank segment)1	$ —	$ 54	$ —	$ —	$ 9	$ —
Forward commitments (bank segment)1	Forward commitments (bank segment)1	15	—	—	18	—	—
Interest rate swap (Other segment)2	Interest rate swap (Other segment)2	—	1,296	—	—	1,321	—
		$ 15	$ 1,350	$ —	$ 18	$ 1,330	$ —
Derivative liabilities	Derivative liabilities						
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	$ —	$ 1,344	$ —	$ —	$ 472	$ —
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 nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023.

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis were as follows:

		Three months ended September 30		Nine months ended September 30				
		Three months ended March 31						
		Three months ended March 31						
		Three months ended March 31						
Mortgage revenue bonds	**Mortgage revenue bonds**	**2023**	**2022**	**2023**	**2022**	**Mortgage revenue bonds**	**2024**	**2023**
(in thousands)	**(in thousands)**							
Beginning balance								
Beginning balance								

Beginning balance	**Beginning balance**	$ 14,630	$ 15,165	$ 14,902	$ 15,427
Principal payments received	Principal payments received	(136)	(132)	(408)	(394)
Purchases	Purchases	—	—	—	—
Unrealized gain (loss) included in other comprehensive income	Unrealized gain (loss) included in other comprehensive income	—	—	—	—
Ending balance	**Ending balance**	$ 14,494	$ 15,033	$ 14,494	$ 15,033

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 September 30, 2023 March 31, 2024, the weighted average discount rate was 5.65% 5.64%, which was derived by incorporating a credit spread over the one month London Inter-Bank Offered Rate (LIBOR). 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were no financial instruments measured at fair value on a nonrecurring basis.

For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, there were no adjustments to fair value for ASB's loans held for sale.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion updates "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in HEI's and Hawaiian Electric's 2022 2023 Form 10-K and should be read in conjunction with such discussion and the 2022 2023 annual consolidated financial statements of HEI and Hawaiian Electric and notes thereto included in HEI's and Hawaiian Electric's 2022 2023 Form 10-K, as well as the quarterly condensed consolidated financial statements and notes thereto included in Item 1 of this Form 10-Q.

HEI consolidated

Recent developments. 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 at least 99 101 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 County of Maui Police Department's Preliminary After-Action Report, in addition to the loss of life, over 3,450 acres burned and over 2,500 3,000 structures were destroyed. 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 the Lahaina Intermediate School. The Maui County 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 County fire chief subsequently reported that the Fire Department had determined that the Morning Fire was "extinguished." "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 County 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.

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

Multiple civil As of May 9, 2024, HEI and class action the Utilities have each been named in approximately 400 lawsuits related to the Maui windstorm and wildfires wildfires. These civil and class action lawsuits 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, telecommunications companies, and telecommunications oil companies (collectively "tort-related legal claims"). One class action is pending in federal court, while the remainder of the cases are pending in Maui and Oahu Circuit 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. Utilities, and three other lawsuits were filed by approximately 160 subrogation insurers against HEI, the Utilities, a private landowner, and telecommunications companies. One lawsuit that names HEI, the Utilities, and other defendants also alleges that oil companies contributed to the burning of fossil fuels and caused climate change that led to the Lahaina fire. 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. In addition to the tort-related legal claims, the Company is also involved in a putative securities class action lawsuit against HEI and a putative five shareholder derivation action lawsuit against certain current and former officers and directors of HEI and Hawaiian Electric were filed.

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 expected to exceed $150 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 are anticipated to receive payments of more than $1 million each as early as the second quarter of 2024 after an administrator is selected and processes are established. 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 up to $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, and additional contributions from other parties are possible. 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. lawsuits. See Note 2 of the Condensed Consolidated Financial Statements Statements.

On April 16, 2024, the County of Maui Department of Fire and Public Safety (MFD) released its After-Action Report (AAR) on the Maui windstorm and wildfires, the purpose of which was to enable future enhancements to mitigate the impact of future similar major events. The AAR identified 17 issues that the MFD faced during the Maui windstorm and wildfires or needs to address and provided 111 recommendations to consider for more information. addressing these challenges. The issues and recommendations focus on the MFD. Some of the key areas for improvement include addressing the lack of apparatus, personnel and fire stations and the need for mutual aid and communication programs. The AAR did not address the cause or origin of the fires.

On April 17, 2024, the Hawaii Attorney General released the first of three reports that it plans on releasing regarding its investigation into the Maui windstorm and wildfires (the first AG report). The first AG report chronologically details the major events and response efforts related to the Maui windstorm and wildfires, with a focus on the events concerning the Lahaina area between 2:55 p.m. on August 8, 2023, and 8:30 a.m. on August 9, 2023. It did not address the cause or origin of the fires. The second planned report is expected to analyze the timeline and facts of the Maui windstorm and wildfires and the third planned report is expected to provide recommendations to address future events.

In the third 2024 Hawaii Legislative session, bills were proposed (1) to create a statewide wildfire relief fund to compensate participating property owners, insurers, and government entities for damages resulting from future catastrophic wildfires; (2) to establish a process for the PUC to review and approve risk-based wildfire protection plans for electric utilities; and (3) to authorize the PUC to issue bonds securitized by future rate payments to pay for the risk-based wildfire protection plans and certain other costs related to catastrophic wildfires. The bills passed all committees and made it to the conference committee—the last stop in the Hawaii Legislature before the final reading—but they did not progress out of conference committee. Thereafter, Governor Josh Green announced the creation of a Hawaii Climate Advisory Team, which the Governor's office stated in a news release would "recommend steps to create a durable fund to mitigate the impacts of dynamic climate change and to develop a fair and comprehensive structure to resolve claims related to future disasters" including "develop[ing] a customized go-forward fund structure and related claims settlement mechanics." As to the wildfire mitigation plan and securitization bill, the Governor's office stated in a letter that Hawaii's "energy future and the stability and reliability of the utility is riding on this bill"; and later stated to news outlets that the Governor plans to continue negotiations and discussions with the goal of having the bill reintroduced at the next Hawaii legislative session in 2025.

In the first quarter of 2023, 2024, economic conditions in Hawaii remained stable with seasonally adjusted unemployment rate at 2.8% 3.1% for September 2023 March 2024 and total passenger counts higher by 0.7% and 7.1% 0.2% for the first quarter and nine months ended September 30, 2023, 2024, as compared to the prior same quarter and nine months ended September 30, 2022, respectively. last year. While economic conditions remained stable during the quarter, the Utility's kWh sales in the third first quarter of 2023 2024 were down by 2.5% 1.5%, compared to the third first quarter of 2022 2023 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 or decrease the price per kWh paid by customers. See "Decoupling" in Note 4 of the Condensed Consolidated Financial Statements for a discussion of the decoupling mechanism.

At the Bank, due to an increase in wholesale borrowings and term certificates, which was driven primarily by strong loan growth in 2022 coupled with an outflow of core deposits which started in the latter half of 2022 and continued in 2023, the Bank's net interest margin for the third first quarter of 2023 decreased 2024 was 2.75% as compared to 2.70%, compared 2.63% for the prior quarter ended December 31, 2023. The increase was due to higher yields on earning assets as a result of the repayment of maturing higher costing liabilities using proceeds from the sale of $185 million of investment securities in the prior quarter ended December 31, 2023. However, net interest margin of 2.75% and 2.96% for was lower as compared to the prior quarters quarter ended June 30, 2023 and September 30, 2022, respectively.

In March 2023, the banking industry experienced significant turmoil with the failures March 31, 2023 of Silicon Valley Bank and Signature Bank. The failures of these banks were in part 2.85% primarily due to a significant concentration of deposits in certain industries that contributed the higher interest rates as the Bank used higher costing other borrowings and term certificates to a significant amount of deposit withdrawals that occurred in a short period of time. Both banks had a significant amount of uninsured deposits that exceeded the FDIC insured limits, totaling 88% and 90% for Silicon Valley Bank and Signature Bank, respectively, as of December 31, 2022, which contributed to the "run" on these institutions as depositors became concerned about their bank's solvency.

As of September 30, 2023, approximately 87% of ASB's deposits are FDIC insured or fully collateralized. Additionally, ASB's total deposit base is primarily composed of retail deposits, which represented 84% of the total deposit base as of September 30, 2023. Retail deposits are generally less rate sensitive and less volatile compared to commercial deposits. ASB also remains "well capitalized" and has approximately $3 billion in liquidity, which is nearly three times the amount of uninsured or not collateralized deposits as of September 30, 2023. fund its loan growth.

ASB's funding cost, which impacts its net interest margin, is driven by the mix of its funding sources, with the lowest cost source of funding provided by its core deposits. At September 30, 2023 March 31, 2024, ASB's year-to-date average core deposits were down approximately 3.2% 1.8% from year end 2022 2023 balances, which resulted resulting in an increase in ASB's wholesale borrowings and term certificates to fund loan growth and an in increase in its overall cost of funds. Looking forward, ASB expects that its deposit base will remain relatively flat to down, given the higher interest rate environment, as well as inflationary pressures on customers that may drive increased spending. ASB also expects that the higher interest rate environment will continue to pressure funding costs and its deposit mix, which in turn will affect net interest income and net interest margin.

Since its peak in June of last year, 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 has been cooling off from last year's its 2022 peak, the rate is still at a moderately-high level of 3.7% 3.5% as of September 2023 March 31, 2024 and 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.

Short-term interest rates have also increased significantly as a result of the Federal Reserve's ongoing rate increases to the federal funds target rate. The higher interest rate environment has impacted the fair value of the Bank's investment portfolio, which declined and was recorded as an other comprehensive loss. Unrealized losses on held-to-maturity (HTM) securities are not recorded to other comprehensive loss because ASB has the positive intent and ability to hold the securities till maturity and recover its full investment. At September 30, 2023 March 31, 2024, the unrealized losses on HTM securities not recorded to other comprehensive losses was approximately $117 million $85 million after tax.

For further discussion of the impacts of inflation and other macro-economic factors impacting the Utilities and the Bank, see "Recent Developments" in the Electric Utility utility and Bank sections below.

RESULTS OF OPERATIONS

(in thousands)	Three months ended September 30 2023		2022	% change	Primary reason(s)*
Revenues	$	901,873	$ 1,042,197	(13)	Decrease for the electric utility segment, partly offset by increases for bank and “other” segments.
Operating income		75,111	102,115	(26)	Decreases for bank and electric utility segments and higher losses for the “other” segment. See below for HEI Consolidated Maui windstorm and wildfires costs.
Net income for common stock		41,118	62,082	(34)	Lower net income at the bank and electric utility segments and higher net loss for the “other” segment. See below for HEI Consolidated Maui windstorm and wildfires costs and effective tax rate explanation.

Nine months ended September 30 %

Three months ended March 31

(in thousands)

(in thousands)

(in thousands)	(in thousands)	2023	2022	change	Primary reason(s)*		2024			2023		change	Primary reason(s)*	
Revenues	Revenues	$2,725,795	$2,722,872	—	Increases for bank and “other” segments, offset by decrease for the electric utility segment.	Revenues	$	897,158	$	$ 928,237	(3)	(3)	Decreases for the electric utility and “other” segments, partly offset by increase for the bank segment.	Decreases for the electric utility and “other” segments, partly offset by increase for the bank segment.
Operating income	Operating income	261,608	288,059	(9)	Decreases for bank and electric utility segments and higher losses for the “other” segment. See below for HEI Consolidated Maui windstorm and wildfires costs.	Operating income		76,419	93,518	93,518	(18)	(18)	Decrease for the electric utility segment and higher operating loss for the “other” segment, partly offset by increase for the bank segment. See below for HEI Consolidated Maui windstorm and wildfires costs, net.	Decrease for the electric utility segment and higher operating loss for the “other” segment, partly offset by increase for the bank segment. See below for HEI Consolidated Maui windstorm and wildfires costs, net.

Net income for common stock	Net income for common stock	150,449	183,790	(18)	Lower net income at the bank and electric utility segments and higher net loss for the “other” segment. See below for HEI Consolidated Maui windstorm and wildfires costs and effective tax rate explanation.	Net income for common stock	42,122	54,721		54,721	(23)		(23)	Lower net income for the electric utility segment and higher net loss for the “other” segment, partly offset by higher net income for the bank segment. See below for HEI Consolidated Maui windstorm and wildfires costs, net and effective tax rate explanation.		Lower net income for the electric utility segment and higher net loss for the “other” segment, partly offset by higher net income for the bank segment. See below for HEI Consolidated Maui windstorm and wildfires costs, net and effective tax rate explanation.

* Also, see segment discussions which follow.

The Company’s effective tax rates for the third quarters of 2023 and 2022 were 15% and 22%, respectively. The Company’s effective tax rates for the first nine three months of 2024 and 2023 and 2022 were 20% 22% and 21%, respectively. The effective tax rates were lower rate was higher for the third quarter and first nine three months of 2023 2024 primarily due to lower pretax income an increase in excess taxes related to vesting of share-based awards and higher nontaxable bank-owned life insurance, no dividend deduction due to suspension of dividends, partially offset by the lower amortization higher nontaxable bank owned life insurance 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. 2024.

For the three and nine months ended September 30, 2023 March 31, 2024, the Company’s incremental expenses related to the Maui windstorm and wildfires which excludes the $75 million contribution and insurance receivable as discussed in *Subsequent event - One ‘Ohana Initiative* described in Note 2 of the Condensed Consolidated Financial Statements, were as follows:

(in thousands)	Three months ended March 31, 2024 Electric utility	Bank	Other segment	HEI Consolidated
Maui windstorm and wildfires related expenses:				
Legal expenses	$ 10,735	$ 83	$ 4,209	$ 15,027
Outside services expense	784	1,625	338	2,747
Provision for credit losses	—	(1,500)	—	(1,500)
Other expense	9,141 [2]	(317)	195	9,019
Interest expense	3,907	—	918	4,825
Total Maui windstorm and wildfires related expenses	**24,567**	**(109)**	**5,660**	**30,118**
Insurance recoveries	(9,969)	—	(2,608)	(12,577)
Deferral treatment approved by the PUC[1]	(7,898)	—	—	(7,898)
Total Maui windstorm and wildfires related expenses, net of insurance recoveries and approved deferral treatment	**$ 6,700**	**$ (109)**	**$ 3,052**	**$ 9,643**

1 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 Note 2 of the Condensed Consolidated Financial Statements.

(in thousands)	Three and nine months ended September 30, 2023 Electric utility	Bank	Other segment	HEI Consolidated
Maui windstorm and wildfires related expenses:				
Legal expenses	$ 6,251	$ 550	$ 3,950	$ 10,751
Outside services expense	4,706	750	678	6,134
Provision for credit losses	—	5,900	—	5,900
Other expense	2,482	1,357	3	3,842
Interest expense	503	—	452	955
Total Maui windstorm and wildfires related expenses	**$ 13,942**	**$ 8,557**	**$ 5,083**	**$ 27,582**

2 Includes $6.7 million pursuant to an agreement to settle indemnification claims asserted by the State of Hawaii. See Note 2 of the Condensed 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 Condensed Consolidated Statements of Income. See Electric utility and Bank sections below for more detail.

Since the Maui windstorm and wildfireson August 8, 2023 through March 31, 2024, HEI and its subsidiaries have incurred approximately $169 million of Maui windstorm and wildfires expenses, including the *One ‘Ohana Initiative* contribution. Certain of these costs are reimbursable under excess liability insurance and directors and officers liability insurance policies. As of March 31, 2024, HEI and its subsidiaries have approximately $58 million and $135 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. The Company is unable to determine whether the insurance coverage remaining under the excess liability and directors and officers liability policies are sufficient to

cover future costs.

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 is looking to mitigate has partially mitigated the financial impact through seeking insurance recoveries as well as the Utilities requesting for obtaining deferral treatment for incremental non-labor expense.

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).

In the third first quarter, the average daily passenger count was 0.7% 0.2% higher than the comparable period in the prior year, but down 6.5% compared to the 2019 pre-COVID-19 count. year. 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 lower levels, but activity is increasing compared to 2022. In the third first quarter, international visitor arrivals (excluding Japan) have continued to increase at a modest pace, but is still 18.7% 14.9% below 2019 levels, whereas Japanese visitors are 47.1% 44.7% below 2019 levels.

Hawaii’s preliminary seasonally adjusted unemployment rate in September 2023 March 2024 was 2.8% 3.1%, which was lower higher compared to the September 2022 March 2023 rate of 3.7% 2.9%. The national unemployment rate in September 2023 March 2024 was 3.8% compared to 3.5% in

September 2022. March 2023. According to the most recent forecast by UHERO, issued on September 22, 2023 February 23, 2024, job growth in the state will dip below 2% decrease to 0.8% for 2023 2024 and dip down to 1% in 2024. 0.9% for 2025. The Maui windstorm and wildfires destroyed the a majority of the businesses in Lahaina, but initial visitor recovery after the wildfires has proven to be somewhat stronger than initially expected. The labor market recovery on Maui was also stronger than expected, reflecting faster employment recovery and tourism in West Maui is not expected to recover for anticipated outflows from the labor force as some time. residents relocate off island. Accordingly, unemployment on Maui is predicted to increase above 11% average 5% in the fourth quarter and then gradually decline, though it is not expected 2024, receding to dip below 4% until late-2026. 3.1% by 2026.

Hawaii real estate activity through September 2023, March 2024, as indicated by Oahu’s home resale market, resulted in a 6.0% increase decrease in the median sales price ($532,000) of 6.7% for condominiums and a decrease an increase of 4.5% 1.5% for single-family homes compared to the same period in 2022, 2023, with the September March median single-family home price of $1,050,000. $1,100,000, below the record $1,153,500 set in May 2022. The number of closed sales decreased 31.2% 22.5% for condominiums and 30.5% 2.5% for single-family residential homes through the third first quarter of 2023 2024 compared to 2022. 2023.

Hawaii’s petroleum product prices relate to the crude oil in international markets. The price of crude oil has decreased through July 2023 and since then, gradually increased through September, although remaining 13% over the same quarter in the prior year. While the fuel costs are below 2022’s peak. peak, they remain elevated.

At its September 20, 2023 March 20, 2024 meeting, the Federal Open Market Committee (FOMC) decided to maintain the federal funds rate target range of 5.25% - 5.50% and anticipates ongoing increases as appropriate. . The FOMC is still assessing plans to adjust their stance on monetary policy depending on the economic outlook to achieve maximum employment and inflation at the rate of 2 percent over the long run. The Federal Reserve stated that it will continue to reduce its holdings of Treasury securities and agency mortgage-backed securities.

UHERO forecasts full year 2023 2024 real GDP growth of 3.4% 1.5%, an increase in total visitor arrivals of 1.9% 2.0%, an increase in real personal income of 2.9% 1.6%, and an unemployment rate of 3.7% 2.7%. This forecast anticipates that, as a result of the The Maui windstorm visitor industry has been recovering faster than anticipated and wildfires, sharp and persistent economic losses will be felt on Maui with limited spillover visitors to the rest of the State. UHERO state have reached record levels. Hawaii has seen strong visitor spending at the end of 2023, however real visitor spending is expecting that many would-be Maui visitors will vacation expected to other islands most likely Kauai or the Big Island. soften. The Japanese market continues 2024 U.S. economy is off to fall short of expectations a positive start due to strong consumer spending, healthy job markets and progress on reducing inflation, which will help bring inflation into the weak yen. Other counties’ construction projects will need to compete with Maui’s recovery efforts, Fed’s target range and once rebuilding starts the number of jobs in the sector will be slightly higher than previous forecast. The U.S. is likely to avoid achieve a recession, but further rate increases could change that outcome. The uncertainties on Maui’s recovery will lead to changes in future forecasts and as more information becomes available UHERO will refine said forecasts. 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. “soft landing”.

See also “Recent Developments” in the “Electric utility” and “Bank” sections below for further discussion of the economic impact of recent events.

“Other” segment.

(in thousands)	(in thousands)	Three months ended September 30		Nine months ended September 30		Primary reason(s)
		2023	2022	2023	2022	

(in thousands)			
(in thousands)	2024	2023	Primary reason(s)

Revenues	Revenues	$ 5,912	$4,815	$14,540	$ 7,386	The revenues for the third quarter of 2023 were higher than the comparable period in 2022 due primarily to interest income at corporate in the third quarter of 2023. The nine months of 2023 was higher than the comparable period in 2022 due to increase in other sales at Pacific Current subsidiaries and higher interest income at corporate.	Revenues	$ 3,436	$	$ 4,019	The revenues for the first three months of 2024 were lower than the comparable period in 2023 primarily due to lower sales at Pacific Current1 subsidiaries.	The revenues for the first three months of 2024 were lower than the comparable period in 2023 primarily due to lower sales at Pacific Current1 subsidiaries.
Operating loss	Operating loss	(8,806)	(4,034)	(20,197)	(14,792)	The third quarters of 2023 and 2022 include ($1.3 million) and $0.9 million, respectively, of operating income (loss) from Pacific Current1, attributable to lower asset performance. Corporate expenses for the third quarter of 2023 were $3.4 million higher than the same period in 2022, primarily due to $4.6 million of Maui windstorm and wildfires related costs in third quarter of 2023, partly offset by lower general and administrative expenses. The first nine months of 2023 and 2022	Operating loss	(12,468)	(5,877)	(5,877)	The first three months of 2024 and 2023 include $5.5 million and $1.1 million of operating loss, respectively, from Pacific Current1. The higher operating loss is primarily due to a $3.5 million impairment loss on assets damaged in a March 2024 fire at Mahipapa and lower Pacific Current asset performances mainly at Hamakua Energy as compared to the prior year period. Corporate expenses for the first three months of 2024 were $2.2 million higher than the same period in 2023, primarily due to $2.1 million of Maui windstorm and wildfires related costs, net of insurance recovery for the first three months of 2024.	The first three months of 2024 and 2023 include $5.5 million and $1.1 million of operating loss, respectively, from Pacific Current1. The higher operating loss is primarily due to a $3.5 million impairment loss on assets damaged in a March 2024 fire at Mahipapa and lower Pacific Current asset performances mainly at Hamakua Energy as compared to the prior year period. Corporate expenses for the first three months of 2024 were $2.2 million higher than the same period in 2023, primarily due to $2.1 million of Maui windstorm and wildfires related costs, net of insurance recovery for the first three months of 2024.

					include ($1.8 million) and $2.3 million of operating income (loss), respectively, from Pacific Current[1]. The higher operating loss is primarily due to lower Pacific Current asset performance. Corporate expenses for the first nine months of 2023 were $2.1 million higher than the same period in 2022, primarily due to $4.6 million of Maui windstorm and wildfires related cost in the first nine months 2023, partly offset by lower general and administrative expenses.
Gain on sale of equity-method investment	—	—	—	8,123	Gain on sale of an equity-method investment at Pacific Current in first quarter of 2022.

Net loss	Net loss	(13,708)	(8,438)	(35,451)	(18,610)	The net loss for the third quarter of 2023 was higher than the net loss for the third quarter of 2022 due to the same factors cited for the change in operating loss and higher interest expense, net of $1.7 million primarily due to higher average borrowings and higher average rates. The net loss for the first nine months of 2023 was higher than the net loss for the first nine months of 2022 due to the first quarter of 2022 gain on sale of an equity-method investment by Pacific Current, higher interest expense, net of $5.6 million primarily due to higher average borrowings and higher average rates and the same factors cited for the change in operating loss.
Net loss						

Net loss	(18,033)	(10,850)	The net loss for the first three months of 2024 was higher than the net loss for the first three months of 2023 due to $1.4 million higher interest expense, net of interest income, primarily related to Corporate's August 2023 draw on the revolving credit facility as compared to the prior year period, and the same factors cited for the change in operating loss above. Also see effective tax rate explanations above.

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

The "other" business segment loss includes results of the stand-alone corporate operations of HEI (including eliminations of intercompany transactions) and ASB Hawaii, Inc. (ASB Hawaii), as well as the results of Pacific Current, a direct subsidiary of HEI focused on investing in clean energy and sustainable infrastructure projects; Pacific Current's indirect subsidiary, Hamakua Energy, which owns a 60 MW combined cycle power plant on Hawaii Island that provides electricity to Hawaii Electric Light; Pacific Current's subsidiaries, Mauo, LLC (Mauo), which owns solar-plus-storage projects totaling 8.6 MW on five University of Hawaii campuses, Mahipapa, which owns a 7.5 MW nameplate biomass facility on Kauai, Alenuihaha Developments, LLC, which owns a collection of renewable energy assets on Oahu and Kauai, Ka'ie'ie Waho Company, LLC, which owns a 6 MW solar photovoltaic system that provides renewable energy to Kauai Island Utility Cooperative, and Ka'aipua'a, LLC, which is constructing a wastewater treatment and energy recovery facility on Hawaii island; Island; as well as eliminations of intercompany transactions.

In late February 2024, Hamakua Energy's first combustion turbine (CT1) and its leased combustion turbine (leased CT) unexpectedly sustained damages resulting in a plant shut down on Hawaii Island. The Company is currently conducting an investigation into the root cause of the damages. Upon inspection of CT1, it was determined that the unit was not serviceable. Due to the generation capacity shortfall on Hawaii Island (refer to "System reliability" in "Recent developments" of the Hawaiian Electric's MD&A below), and the extensive timeline and cost to overhaul CT1, management decided to retire and replace CT1. Due to the age of the unit, the net book value is immaterial. In April 2024, Hamakua Energy purchased a new combustion turbine and plans to install the unit in May 2024. Total capital cost of the unit, including installation, is expected to amount to approximately $8.3 million. Pursuant to the lease pool program agreement, the leased CT will be returned to the lessor for repairs. Hamakua Energy's second combustion turbine (CT2) is currently in a scheduled overhaul which has incurred delays due to supply shortages. The CT2 overhaul is expected to be completed and the unit placed back into service in the third quarter of 2024.

In March 2024, a fire destroyed the cooling tower at the Mahipapa facility on Kauai. The fire was ignited from a vendor's welding activities being performed on the cooling tower during its scheduled maintenance. As a result, the plant is currently shut down while repairs are being performed. Mahipapa recorded an impairment loss of $3.5 million in March 2024. The Company expects to complete its repairs and bring the facility back online in the third quarter of 2024.

FINANCIAL CONDITION

Liquidity and capital resources. In August 2023, the credit ratings of HEI and 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 Company due to the damages caused by the Maui windstorm and wildfires. As of September 30, 2023, 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 and issuer credit, respectively	B	BBB+	*	WR*	B-	BBB-
Short-term issuer default, commercial paper and commercial paper, respectively	B	F2	NP	P-2	B	A-3
Outlook	Watch Negative	Stable	Review for downgrade	Stable	Watch Negative	Stable

* Not rated. Moody's long-term debt rating was withdrawn because HEI does not currently have any outstanding, publicly traded debt. Moody's continues to rate Hawaiian Electric's long-term debt. See "Electric utility-Liquidity and capital resources" below.

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 in HEI's and Hawaiian Electric's 2022 2023 Form 10-K and in Item 1A. Risk Factors below.

The downgrades of HEI's and Hawaiian Electric's credit ratings from the uncertainty facing the Company due to the litigation risks and ongoing investigations related to the Maui windstorm and wildfires impacted the Company's ability to access capital markets and other sources of debt and equity financing in a timely manner and on acceptable terms. 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 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. The Company is working with financial advisors to help ensure adequate maximize liquidity and believes it has adequate cash to meet its financial obligations and sustain operations. operations in the short term. The Company's objective continues to be to operate a strong, financially healthy enterprise to empower a thriving future for Hawaii.

At the end of the quarter, HEI and Hawaiian Electric had no commercial paper outstanding. As of September 30, 2023 March 31, 2024, ASB's unused FHLB borrowing capacity was approximately $1.9 billion $1.4 billion and ASB had unpledged investment securities of $0.5 $1.1 billion that were available to be used as collateral for additional borrowing capacity.

As of September 30, 2023 At both March 31, 2024 and December 31, 2022 December 31, 2023, the total amount of available borrowing capacity (net of commercial paper outstanding) under the Company's committed lines of credit was nil and approximately $237 million, respectively.

On March 16, 2023 nil. As of March 31, 2024, HEI executed a private placement under consolidated has $2.8 billion of long-term debt, net - other than bank, of which HEI authorized the issue $60 million is due within 12 months and sale $122 million is due within 24 months.

As of $100 million March 31, 2024, HEI's cash and cash equivalents balance, excluding its subsidiaries, was $127 million, compared to $137 million as of unsecured senior notes that were fully drawn on May 30, 2023 December 31, 2023. The proceeds of the notes, HEI Series 2023A for $39 million and HEI Series 2023B for $61 million, were used to repay the $100 million term loan facility on May 31, 2023. The HEI Series 2023A and 2023B bear interest at 6.04% and 6.10%, respectively and are due June 15, 2028 and June 15, 2033, respectively. See Note 6 of the Condensed Consolidated Financial Statements for additional information.

The Company believes that its cash and cash equivalents and expected operating cash flow from operations will be sufficient to meet the Company's cash requirements in the near short term based on its current business plans. However, the Company expects that its HEI and the Utilities' liquidity will continue to be impacted at HEI and the Utilities due to the impacts as a result of the Maui windstorm and wildfires, including the downgrade August 2023 downgrades of its their credit ratings to below investment grade which could inhibit 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, extended plant shutdowns at Pacific Current's Hamakua and Mahipapa facilities, higher working capital requirements resulting from lingering COVID-19 impacts to the local economy inflation and elevated fuel prices, could also increase liquidity needs.

For the Utilities, while fuel prices have moderated from their highs in 2022, they remain elevated and have increased the cost of carrying fuel inventory and higher customer accounts receivable balances as fuel is consumed and billed to customers. While the accounts receivable balance has decreased since December 2022, 2023, it remains elevated coming out of the pandemic and has led to higher bad debt expense and higher write-offs in 2022 2023 and year-to-date September 2023, 2024, following the 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 September 30, 2023 March 31, 2024, approximately $32.1 million $18.9 million of the Utilities' accounts receivables were over 30 days past due. Of the over 30 days past due amounts, approximately 40% 38% 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 $264 million $227 million as of September 30, 2023 March 31, 2024, compared to $156 million $435 million as of December 31, 2022 December 31, 2023. ASB remains well above the "well capitalized" level under the FDIC Improvement Act prompt correction action capital category, and while the Hawaii economic outlook 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, 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, the Utilities could also reduce the pace of capital spending related to non-essential projects, manage O&M expenses, borrow on a secured basis, and explore asset sales.

HEI Consolidated material cash requirements. 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, including *One ‘Ohana Initiative* contribution (see further information in Note 2 of the Condensed Consolidated Financial Statements), 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.

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 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 shorter term. However, in the economic impact of higher fuel prices, inflation, higher interest rates, tightening of monetary policy, the lingering COVID-19 pandemic, geopolitical situations, 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 Condensed Consolidated Financial Statements), the economic impact of higher fuel prices, inflation, higher interest rates, tightening of monetary policy and geopolitical situations, create significant uncertainty, and the Company cannot predict the extent or duration of these conditions, the future effects that these conditions will have 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.

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

(dollars in millions)		September 30, 2023			December 31, 2022	
Short-term borrowings—other than bank, net of discount	$	—	— %	$	173	3 %
Long-term debt, net—other than bank		2,945	56		2,385	50
Preferred stock of subsidiaries		34	1		34	1
Common stock equity		2,224	43		2,202	46
	$	5,203	100 %	$	4,794	100 %

(dollars in millions)		March 31, 2024			December 31, 2023	
Long-term debt, net—other than bank	$	2,838	54 %	$	2,842	54 %
Preferred stock of subsidiaries		34	1		34	1
Common stock equity		2,377	45		2,345	45
	$	5,249	100 %	$	5,221	100 %

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

(in millions)	(in millions)	Average balance Nine months ended September 30, 2023	Balance September 30, 2023	Balance December 31, 2022	(in millions)	Average balance Three months ended March 31, 2024	Balance March 31, 2024	Balance December 31, 2023
Commercial paper	Commercial paper	$ 32	$ —	$ 50				
Line of credit draws on revolving credit facility	Line of credit draws on revolving credit facility	25	175	—				

Note: This table does not include Hawaiian Electric’s separate commercial paper issuances and line of credit facilities and draws, which are disclosed below under “Electric utility—Financial Condition—Liquidity and capital resources.” The maximum amount of HEI’s short-term commercial paper borrowings during the first nine three months of 2023 2024 was $99 million. nil. As of September 30, 2023 March 31, 2024, available committed capacity under HEI’s line of credit facility was nil.

On March 12, 2024, S&P revised HEI’s outlook to “Negative” from “Watch Negative” and affirmed the “B-” issuer credit rating.

There were no new issuances of common stock through the Dividend Reinvestment Program (DRIP), HEIRSP or the ASB 401(k) Plan in the nine three months ended September 30, 2023 March 31, 2024 and 2022. 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 $5.8 million, primarily for participants receiving the September 2023 dividend payment. 2023.

For the first nine three months of 2023, 2024, net cash provided by operating activities of HEI consolidated was $475 million $125 million, primarily due to cash provided by the Utilities of $406 million - lower cash paid due to lower fuel oil prices and higher Utility $127 million—Utility customer cash receipts. receipts during the first quarter of 2024. Net cash used by in investing activities for the same period was $370 million $6 million, primarily due to capital expenditures, purchase of FHLB stock, net of redemption, offset by ASB’s net increase decrease in loans receivable and purchases of loans held for investment, partly offset by proceeds of sale of commercial loans and ASB’s receipt of investment security repayments and maturities, proceeds from the sale of commercial loans and a net decrease in FHLB stock. maturities. Net cash provided by used in financing activities during this period was $372 million as a result of several factors, including issuance of long-term debt and $311 million primarily due to net increase decreases in ASB's other bank borrowings partly offset by net decreases in short-term borrowings and ASB's deposit liabilities, repayment of long-term debt and payment of common stock dividends. During the first nine months of 2023, Hawaiian Electric and ASB (through ASB Hawaii) paid cash dividends to HEI of $97 million and $39 million, respectively. liabilities.

Dividends. The payout ratios for the first nine three months of 2023 2024 and full year 2022 2023 were 79% nil and 64% 59%, respectively. 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. 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, current and expected future economic conditions, and capital investment alternatives. 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 help ensure adequate provide additional liquidity and allocate cash to rebuilding and restoring power and help ensure a strong future for the Utility Utilities and Bank. The ASB Board of Directors determined to suspend its quarterly cash dividends to HEI, starting after the second quarter 2023 dividend, to help ensure maximum possible Bank liquidity and capital. The Hawaiian Electric Board of Directors reduced its fourth quarter 2023 dividend to HEI, from $32 million in the third

quarter, to $13 million, and recently declared a $13 million first quarter 2024 dividend to HEI, to allow the Utilities to devote more resources to restoration work on Maui and to make critical capital investments, including for wildfire mitigation. Future adverse events could cause dividends from the Utilities to be reduced or suspended. A material reduction, delay or delay suspension 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. operation, barring other offsetting factors.

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.

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 these policies 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.

For information about these material estimates and critical accounting policies, in addition to the critical policy discussed below, see pages 44 48 to 45, 64, 50, 67, and 77 80 to 78 81 of the MD&A included in Part II, Item 7 of HEI's and Hawaiian Electric's 2022 2023 Form 10-K.

Following are discussions of the results of operations, liquidity and capital resources of the electric utility and bank segments.

Electric utility

Recent developments. See also "Recent developments," which includes disclosures relating to Maui windstorm and wildfires in HEI's MD&A.

In the third first quarter of 2023, 2024, operation and maintenance expenses were higher by approximately $21 million $16 million, or 18% 12%, as compared to the same period in 2022. 2023. The increase was mainly due to costs incurred associated with an agreement to settle indemnification claims asserted by the Maui windstorm and wildfires. See "Result State of Operations" for details of the Utilities' Maui windstorm and wildfires related expenses for the three and nine months ended September 30, 2023. See also Note 2 of the Condensed Consolidated Financial Statements and "Regulatory assets and liabilities" in Note 4 of the Condensed Consolidated Financial Statements for more information Hawaii, wildfire mitigation program expenditures related to the Maui windstorm inspections, higher property and wildfires general liability insurance costs, higher vegetation management expenses, consulting fees for grant management, and the Utilities' request to defer certain costs associated with the event. higher substation and meter operations corrective maintenance.

In the third first quarter of 2023, 2024, kWh sales volume decreased 2.5% 1.5% compared to the same period in 2022. 2023. Although electricity prices have decreased since the end of 2022, elevated prices over the past year in 2024 have continued to impact electricity consumption. Another impact leading to a decrease of Additionally, electricity sales is due to are still being impacted by the Maui windstorm and wildfires. Maui had a decrease of 8.1% kWh sales volume consumption decreased 6.3% in the third first quarter of 2023 2024 compared to the same period in 2022. 2023. Additionally, the continued adoption of energy efficiency measures and distributed energy resources further contributed to the reduction of kWh sales.

Fuel costs prices have risen rapidly beginning in 2022, peaked decreased 13% over the same quarter in the summer of 2022, and have decreased through July 2023 and since then, gradually increased through September, although remaining prior year. While the fuel costs are below 2022's peak. peak, they remain elevated. Although the Utilities are able to pass through fuel costs to customers and have limited fuel cost exposure through a 2% fuel-cost risk fuel cost-risk sharing mechanism (approximately $3.7 million maximum exposure 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 September 2023, March 2024, the consumer price index moderated to 3.7% from a peak of 9.1% in June 2022. increased 3.5% over the last 12 months. In Hawaii, the September 2023 March 2024 Urban Hawaii (Honolulu) Consumer Price Index (CPI) also declined from its peak, with an increase of 2.2% increased 4.8% over the last 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 inflation factor percentage is the consensus projection of annual percentage change in GDPPI for the following calendar year 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 is scheduled to be became effective in rates on January 1, 2024, pending PUC approval. .

- 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.

Customer accounts receivable decreased in 2023 2024 by $47 million $34 million, or 16% 14% with the number of accounts past due greater than 30 days decreasing by 17% 13% since December 31, 2022 December 31, 2023. The decrease in accounts receivables was primarily driven by payment on receipt of government and other program assistance, higher cash receipts associated with increased disconnection efforts and a large delinquent commercial customer account, change in bill due date from 19 days to 15 days in March 2024, along with lower customer bills resulting from lower fuel prices, receipt of government and other program assistance, and higher cash receipts associated with increased disconnection efforts. prices. At this time, while accounts receivable balances continue to remain elevated compared to pre-pandemic levels, partly due to higher fuel prices, the decrease in accounts receivable balances since the beginning of the year has reduced working capital requirements and benefited the Utilities' liquidity. See "Financial Condition—Liquidity and capital resources" for additional information.

In System reliability. On March 25, 2024, the second quarter Utilities called on Hawaii Island customers to reduce or shift their electricity usage, and in certain instances initiated rolling outages due to a generation capacity shortfall. The situation was due to Hamakua Energy's unexpected plant shutdown in late February 2024 and also due to the unavailability 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, generators that have experienced mechanical problems, were at reduced output, or were undergoing maintenance. During that time, generation margins were below targeted levels, especially when wind, solar 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. hydroelectric output were lower than forecasted. On July 31, 2023 April 24, 2024, the Utilities submitted have lifted their most recent Supplemental Report request to conserve electricity as several of the PUC, reflecting Utilities' large generators returned to service. See above in "HEI MD&A-"Other" segment" for discussion relating to Hamakua Energy's unexpected plant shutdown.

Since the updated requested amount, as of June 30, 2023, of $9.1 million, which was a decrease from the original requested amount due to cash collections on past due accounts. As of September 30, August 2023, due to ongoing collection of past due amounts, Maui windstorm and wildfires, the Utilities have recorded $8.8 million developed a set of Interim Wildfire Safety Measures (IWSM) to mitigate the risk of wildfires in regulatory assets for deferral areas identified as having higher risk of COVID-19 related costs. (See discussion under "Regulatory assets wildfire in all service territories (Oahu, Maui County, and liabilities - Regulatory assets for COVID-19 related costs" Hawaii Island). These interim measures represent actions the Utilities either have already started, or will start in Note 4 of 2024, while the Condensed Consolidated Financial Statements). Utilities simultaneously work to develop a more comprehensive Wildfire Safety Strategy. In the near term, it is anticipated that these measures will result in disruptions to service and negatively impact T&D SAIDI and SAIFI. While the Utilities work to refine these measures over time to mitigate customer impacts, the Utilities are currently focused on taking immediate steps to keep island communities safe during extreme weather events.

Regulatory Developments. developments. On November 15, 2021, President Biden signed into law the $1.2 trillion Infrastructure Investment and 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 October 17, 2023, the Utilities received a notification from the U.S. Department of Energy notified Hawaiian Electric that its application for $95 million in federal funds under IIJA has been recommended selected for award, subject to negotiation of the terms of financial assistance. In addition, the Utilities have a second full application that is pending federal government agency decision. If both applications are awarded, it would allow for reduction up to $101 million in the Utilities' recovery under the negotiations. Exceptional Project Recovery Mechanism (EPRM) and cost to customers. See "Regulatory proceedings" in Note 4 of the Condensed Consolidated Financial Statements for 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, 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."

RESULTS OF OPERATIONS

Three months ended September 30		Increase		
2023	2022	(decrease)		(dollars in millions, except per barrel amounts)
$ 795	$ 956	$ (161)		**Revenues.** Net decrease largely due to:
			$ (127)	lower fuel oil prices, partially offset by higher kWh generated[1]
			(52)	lower kWh purchased, lower purchase power energy prices, and lower PPAC revenues[2]
			1	higher MPIR revenue
			2	higher investment interest income
			4	higher fuel-cost risk sharing adjustment (reward)
			10	higher revenue from ARA adjustments
267	384	(117)		**Fuel oil expense[1].** Net decrease largely due to lower fuel oil prices, partially offset by higher kWh generated

178	225	(47)		**Purchased power expense**[1, 2]**.** Net decrease largely due to lower kWh purchased, lower AES charges due to its closure on September 1, 2022, and lower purchased power energy prices; offset in part by the addition of Stage 1 solar-plus-storage projects
143	121	22		**Operation and maintenance expenses.** Net increase largely due to:
			13	incremental Maui windstorm and wildfires costs
			4	higher transmission and distribution operation and maintenance expense
			1	higher outside services for Customer Service Support Improvement
			1	more station maintenance work performed
			1	more generating facility overhauls performed
			1	increased employee benefits costs
			1	higher facilities expenses
136	147	(11)		**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
71	79	(8)		**Operating income.** Decrease largely due to higher operation and maintenance expenses, higher depreciation expenses, offset in part by higher ARA, higher fuel-cost risk sharing adjustment (reward), higher investment interest income, and higher MPIR revenue. See below for the Utilities' incremental expenses related to the Maui windstorm and wildfires.
55	64	(9)		**Income before income taxes.** Decrease largely due to lower operating income and higher interest expense due to increased borrowings, partially offset by higher AFUDC related to increased capital expenditures
43	50	(7)		**Net income for common stock.** Decrease due to lower income before income taxes. See below for the Utilities' incremental expenses related to the Maui windstorm and wildfires and effective tax rate explanation.
2,157	2,212	(55)		Kilowatthour sales (millions)[3]
$ 111.51	$ 166.79	$ (55.28)		Average fuel oil cost per barrel

Nine months ended September 30		Increase		
2023	2022	(decrease)		(dollars in millions, except per barrel amounts)
$ 2,420	$ 2,484	$ (64)		**Revenues.** Net decrease largely due to:
			$ (118)	lower kWh purchased and lower PPAC revenues, partially offset by higher purchased power energy prices[2]
			1	one-time true-up pole attachment fee revenue
			4	higher MPIR revenue
			4	higher investment interest income
			7	higher fuel-cost risk sharing adjustment (reward in 2023)
			8	higher kWh generated, offset by lower fuel oil prices[1]
			30	higher revenue from ARA adjustments
882	875	7		**Fuel oil expense**[2]**.** Net increase largely due to higher kWh generated offset by lower fuel oil prices
499	607	(108)		**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 higher purchased power energy prices
407	371	36		**Operation and maintenance expenses.** Net increase largely due to:
			13	incremental Maui windstorm and wildfires costs
			11	higher transmission and distribution operation and maintenance expense
			8	increased labor and employee benefits costs
			3	higher outside services for Customer Service Support Improvement and Integrated Grid Planning
			2	higher station maintenance work performed
			2	higher facilities expenses
			(2)	lower scope of generating facility overhauls performed
411	407	4		**Other expenses.** Increase due to 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, offset by lower revenue taxes
221	224	(3)		**Operating income.** Decrease largely due to higher operation and maintenance expenses, higher depreciation expenses, offset in part by higher ARA, higher fuel-cost risk adjustment, higher investment interest income, and higher MPIR revenue. See below for the Utilities' incremental expenses related to the Maui windstorm and wildfires.

175	180	(5)		**Income before income taxes.** Decrease largely due to higher interest expense due to increased borrowings and lower operating income, partially offset by higher AFUDC related to increased capital expenditures
136	140	(4)		**Net income for common stock.** Decrease due to lower income before income taxes. See below for the Utilities' incremental expenses related to the Maui windstorm and wildfires and effective tax rate explanation.
6,087	6,200	(113)		Kilowatthour sales (millions)[3]
$ 124.70	$ 137.23	$ (12.53)		Average fuel oil cost per barrel
471,372	471,026	346		Customer accounts (end of period)

Three months ended March 31		Increase		
2024	**2023**	**(decrease)**		**(dollars in millions, except per barrel amounts)**
$ 789	$ 830	$ (41)		**Revenues.** Net decrease largely due to:
			$ (58)	lower fuel oil prices and lower kWh generated[1]
			1	higher DSM revenue
			2	higher MPIR revenue
			6	higher revenue from ARA adjustments
			8	higher kWh purchased and higher PPAC revenues, partially offset by lower purchased power energy prices[2]
284	334	(50)		**Fuel oil expense[2].** Net decrease largely due to lower fuel oil prices and lower kWh generated, offset in part by worse heat rate performance, contributed by the loss of generator units on Oahu and Hawaii Island
160	153	7		**Purchased power expense[1, 2].** Net increase largely due to higher kWh purchased and higher capacity charges, along with the addition of Stage 1 and Stage 2 renewable projects, offset in part by lower purchased power energy prices
144	128	16		**Operation and maintenance expenses.** Net increase largely due to:
			7	the settlement of indemnification claims asserted by the State of Hawaii[3]
			3	wildfire mitigation program related to inspections
			2	higher property and general liability insurance costs
			1	higher vegetation management
			1	consulting fees for grant management
			1	higher substation and meter operations corrective maintenance
137	139	(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
63	76	(13)		**Operating income.** Decrease largely due to higher operation and maintenance expenses along with higher depreciation expense, offset in part by higher ARA revenue
51	61	(10)		**Income before income taxes.** Decrease largely due to lower operating income, coupled with higher interest income and higher AFUDC related to increased capital expenditures
39	47	(8)		**Net income for common stock.** Decrease due to lower income before income taxes. See below for effective tax rate explanation
1,906	1,936	(30)		Kilowatthour sales (millions)[4]
$ 121.84	$ 139.88	$ (18.04)		Average fuel oil cost per barrel
471,775	472,257	(482)		Customer accounts (end of period)

1 The rate schedules of the electric utilities currently contain energy cost recovery clauses (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 purchased power expenses (except purchased energy costs) are passed on to customers.

3 Pursuant to an agreement to settle indemnification claims with the State of Hawaii. See Note 2 of the Condensed Consolidated Financial Statements.

4 kWh sales were lower compared to the same quarter in prior year. The decrease in sales can be attributed to elevated prices over the past year in 2024 which continued to impact electricity consumption and Maui windstorm and wildfires which resulted in widespread damage to the Lahaina community. In addition, the continued adoption of energy efficiency measures and distributed energy resources contributed to the reduction in kWh sales.

The Utilities' effective tax rate for the third quarters of 2023 and 2022 was 21%. The Utilities' effective tax rates for the first nine months quarters of 2024 and 2023 and 2022 were comparable at 22% and 21%, respectively. The effective rate was higher for the first nine months of

2023 primarily due to 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. .

Hawaiian Electric's consolidated ROACE was 7.9% 7.8% and 8.1% 8.2% for the twelve months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively.

For the three and nine months ended September 30, 2023, more information of the Utilities' incremental expenses related to the Maui windstorm and wildfires which excludes for the $75 million contribution and insurance receivable as discussed in *Subsequent event - One 'Ohana Initiative* in Note 2 of the Condensed Consolidated Financial Statements, were as follows: year ended

(in thousands)		Three and nine months ended September 30, 2023
Hawaiian Electric Maui windstorm and wildfires related expenses:		
Legal expense	$	6,251
Outside services expense		4,706
Other expenses		2,482
Interest expense		503
Total Hawaiian Electric Maui windstorm and wildfires related expenses	$	13,942

Note: Utility March 31, 2024, see "Results of operations—Maui windstorm and wildfires related expenses - legal, outside services and other are included" in "Other operation and maintenance" and interest expense is included in "Interest expense and other charges, net" on the Hawaiian Electric and subsidiaries Condensed Consolidated Statements of Income.

Incremental expenses represent expenses that would not have been incurred if the Maui windstorm and wildfires did not occur, such as legal fees related to the incident.

In addition to higher O&M expenses related to the Maui windstorm and wildfires, the Utilities incurred capital costs totaling approximately $8.0 million, related to the restoration effort.

Certain Maui windstorm and wildfires related expenses, such as legal fees related to the litigation, may be covered under the Company's liability insurance. Any proceeds received from insurance recoveries will be recorded as a reduction of expense when probable and reasonably estimable.

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.

The Utilities expect to continue to incur significant expenditures in connection with the Maui windstorm and wildfires; however, the Utilities expect to seek mitigation of the financial impact through insurance recoveries as well as requesting for deferral treatment, and eventually recovery, for incremental non-labor expense. HEI's MD&A.

The net book value (cost less accumulated depreciation) of utility property, plant and equipment (PPE) as of September 30, 2023 March 31, 2024 amounted to $5.2 billion $5.5 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 7% 6% of the total net book value relates to generation PPE that has been deactivated or that the Utilities plan to deactivate or decommission. decommission by 2046.

See "Economic conditions" in the "HEI Consolidated" section above.

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.

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" in Note 4 of the Condensed Consolidated Financial Statements.

Interim Wildfire Safety Measures. The Utilities first began developing a Wildfire Safety Strategy in 2019 and continue to adapt the plan to address the elevated risks in Hawaii. Since the Maui windstorm and wildfires, the Utilities have developed a set of Interim Wildfire Safety Measures to reduce the risk of wildfires associated with utility infrastructure in service territory areas identified as posing a higher wildfire risk. These interim measures represent actions the Utilities have either already started, or will start in 2024, while simultaneously working to develop a more comprehensive strategy. These actions include wildfire risk analysis, operation procedures and grid design changes, enhanced inspection and vegetation management plans, and system hardening.

One of the interim measures is the Public Safety Power Shutoff (PSPS) program, which the Utilities are developing plans to implement to preventatively de-energize circuits in areas identified as high fire risk during certain weather conditions. PSPS will be ready to use as early as July 2024 if and when it is needed as the last line of defense to protect customers, communities and employees. The initial PSPS protocols and operational procedures will represent an early-stage iteration, which will evolve over time as more analytical, forecast, and situational awareness capabilities and wildfire mitigations are deployed. De-energizing circuits in high wildfire risk areas will lead to extended interruptions for many customers, even if not in a high wildfire risk area. The Utilities will continue to work with key stakeholders in balancing the risk of utility-related wildfires with the public consequences of not having electricity.

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 climate change is needed, 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 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.

Hawaiian Electric has also committed to achieving net zero carbon emissions from power generation by 2045 or sooner. While the timing of the Utilities' carbon reduction goals will be adjusted, key elements of the 2030 plan 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, 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 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, a 39 MW solar-plus-storage project from the Stage 1 renewable PPAs RFP, a 39 megawatt (MW) solar-plus-storage project reached commercial operations in mid-2022 and a 36 MW Stage 1 solar-plus-storage project reached commercial operations in early 2023. It is expected that From the Stage 2 renewable RFP, a 185 MW standalone storage facility from Stage 2 renewable PPAs will reach reached commercial operations by the end of in December 2023. In addition, in April 2023, a 30 MW Stage 1 solar-plus-storage project on Hawaii Island reached commercial operations. An additional 12.5 MW Stage 1 solar-plus storage project on Oahu reached commercial operations on March 28, 2024.

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 (see also Integrated "Integrated Grid Planning Planning" below).

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 latest milestone RPS target of 30% for 2020, where it achieved an RPS of 34.5%. In July 2022, former 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 was 31.8% versus 39.1% under the prior method. The change in the definition is 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 In 2023, the Utilities may earn achieved a 33.3% RPS earning a reward for the amount of system generation above the interpolated statutory RPS goal at $20/MWh in 2022, $444,116 based on $15/MWh in 2023, and exceedance of 33.0% RPS. In 2024, the Utilities are eligible for a reward of $10/MWh for the remainder in exceedance of the multi-year rate period. 34.0% RPS.

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" in Note 4 of the Condensed 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 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. On May 12, 2023 March 7, 2024, the Utilities submitted their PUC accepted the Utilities' final Integrated Grid Plan: A pathway to a clean energy future for stakeholder and public comments. Plan. The Integrated Grid Plan proposes actionable steps to decarbonize the 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 community members across the islands. Together, they forecasted future energy needs and identified strategies to 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 Agreement (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 12, 2023, the PUC approved the GSPA with modifications. The Utilities will work with an aggregator to amend amended the GSPA and submit to filed with the PUC for approval by the fourth quarter of 2023. on 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. The Battery Bonus on Oahu is officially closed to new applications. As of September 30, 2023 March 31, 2024, the Utilities have received and approved the applications totaling approximately 31.5 46.79 MW on Oahu.

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 September 30, 2023 March 31, 2024, the Utilities have received and approved the applications totaling approximately 5.0 7.95 MW on Maui.

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. Hawaiian Electric issued the RFP on February 1, 2023 and bids are were due on December 1, 2023 February 1, 2024. On February 23, 2024, Hawaiian Electric filed a letter to the PUC recommending to close the RFP as no bids were received. Hawaiian Electric will recommend issuing a revised RFP for PUC approval the first quarter of 2025.

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 September 30, 2023 March 31, 2024, approximately $110 million $121 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 September 30, 2023 March 31, 2024, the Utilities have deployed about 319,000 407,000 advanced meters, servicing approximately 68% 86% 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. 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 and one Phase 1 project (3,000 kW on Oahu) achieved commercial operations on October 1, 2023. Two additional phase 1 projects expect to become operational in the fourth quarter of 2023 achieved commercial operations on April 1, 2024 (Hawaii Island: 750kW and Molokai: 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 (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 One project has since been withdrawn by the selected CBRE developer and the remaining 20 MW of dedicated-LMI projects are expected to become operational in 2025. 2026.

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. Two projects on Hawaii Island were subsequently withdrawn by the developer on October 18, 2023. The remaining 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 would continue, but the Utilities 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. 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 by contracts. On January 8, 2024, the end of 2023. 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 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. 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 4 of the Condensed 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 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. In accordance with the order, the earnings sharing adjustment for 2023 is zero until the PUC lifts the suspension.

Actual and PUC-allowed returns, as of September 30, 2023 March 31, 2024, were as follows:

%	%	Rate-making Return on rate base (RORB)*			ROACE**			Rate-making ROACE***		
Twelve months ended September 30, 2023		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Hawaii Electric Light	Maui Electric
Twelve months ended March 31, 2024										
Utility returns	Utility returns	7.35	6.23	4.01	8.94	7.15	3.50	9.95	7.69	3.71
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	(0.02)	(1.29)	(3.42)	(0.56)	(2.35)	(6.00)	0.45	(1.81)	(5.79)

%	Rate-making Return on rate base (RORB)*			ROACE**			Rate-making ROACE***	
Twelve months ended March 31, 2024	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Hawaiian Electric	Haw Elec Ligl

* 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). Maui Electric's lower returns are primarily due to higher labor and associated costs from the Maui windstorm and wildfires response, higher average common equity, and a higher rate base.

Regulatory proceedings. On December 23, 2020, the PBR D&O was issued, establishing the PBR Framework. The PBR Framework implemented a five-year MRP, 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 4 of the Condensed Consolidated Financial Statements.

Developments in renewable energy efforts. 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 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. 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 U.S. Department of Commerce on March 28, 2022, in response to a request by Auxin Solar Inc. in 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 have negotiated amendments with several project developers regarding requests to increase previously approved prices and extend guaranteed commercial operations dates for those projects in order to ensure their viability given the impact of these recent market conditions. 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 Condensed 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 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. A response from the PUC is still pending.

- 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* & 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	2	75	75/300	4/28/23* & 5/31/24	25	18.0
Total	8	274.5	274.5/1,098			$ 71.2

* 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 $71.2 million for the eight PPAs through the PPAC to the extent such costs are not included in base rates. 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. On July 31, 2022 March 28, 2024, Mililani I Solar on AES Oahu the first Stage 1 solar-plus-storage project, was placed into service. Waiawa Solar project on Oahu and the AES Waikoloa Solar project on Hawaii Island also reached commercial operations on January 11, 2023 and April 21, 2023, respectively. operations. See also "Stage 1 renewable PPAs" "Purchase commitments" in Note 4 of the Condensed Consolidated Financial Statements. To date, four projects reached commercial operations.

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, 3/28/24 & 10/31/24	20 & 25	$ 34.0
Hawaii Electric Light	2	60	60/240	4/21/23 & 10/11/24	25	19.2
Maui Electric	1	60	60/240	5/31/24	25	13.2
Total	7	259.5	259.5/1038			$ 66.4

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. The two utility Self-Build projects are still pending PUC approval. To date, one project reached commercial operations.

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	12/30/2022**	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.
** Project delays have resulted in Guaranteed Commercial Operations Date being missed.

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	5/13/24, 5/17/24 & 9/1/24	20 & 25	$ 31.4

Hawaiian Electric	1	N/A	185	/ 565	12/19/23	20	24.0
Total	4	79	264	/ 1,008		$	55.4

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 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 11/30/26
Total	2	52/172	

* The Utility 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 Utilities' November 15, 2023 request to suspend the docket to focus on identified priorities. The Utilities provided the PUC with an updated assessment of the project on April 30, 2024 and requested to withdraw the application because the need that was to be served by the project can now be met by Stage 3 RFP resources.

Tariffed renewable resources.

- As of September 30, 2023 March 31, 2024, there were approximately 600 621 MW, 133 140 MW and 144 148 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 September 30, 2023 March 31, 2024, an estimated 39% 40% of single family homes on the islands of Oahu, Hawaii and Maui have installed private rooftop solar systems, and approximately 21% 23% of the Utilities' total customers have solar systems.
- The Utilities began accepting energy from feed-in tariff projects in 2011. As of September 30, 2023 March 31, 2024, there were 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.

- On June 30, 2021, the Utilities issued an RFP for all fuels, including biodiesel, for supply commencing January 1, 2023. The Utilities and Pacific Biodiesel Technologies, LLC (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. 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 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 Island were opened and proposals were 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. One project on Maui was subsequently withdrawn by the developer on April 11, 2024. The Utilities opened the CBRE Tranche 1 RFPs for Oahu, Maui and Hawaii Island on April 14, 2022. In March 2023, five projects were selected consisting of one paired PV with storage project on Oahu and 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 Hawaii Island Stage 3 RFP, seeking 325 GWh gigawatt-hours (GWh) per year of energy and 65 MW of renewable firm capacity, was filed on November 7, 2022 and was issued on November 21, 2022. Proposals were received on April 20, 2023. The Stage 3 RFPs for Oahu and Maui opened for bids on January 20, 2023. For Oahu, the Utilities are seeking sought 500 to 700 MW of renewable firm capacity, and at least 965 GWh of renewable dispatchable energy annually. For Maui, the Utilities are procuring sought at least 40 MW of renewable firm capacity, and at least 425 GWh of renewable dispatchable energy annually. On 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, 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 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 Island RFPs, as well as for the variable generation portion of the Maui RFP. Proposals for the firm generation portion of the Maui Stage 3 RFP were received on August 17, 2023, and Priority List selections were announced on October 9, 2023.

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 (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 15 proposals were selected to the timeliness Final Award Group on December 8, 2023. Seven projects were selected on Oahu (three solar plus storage and costs four firm renewable) totaling 413 GWh 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 variable generation, 594 MW of firm generation, and 990 MWh of storage; four projects were selected on Maui (three solar plus storage and one wind) totaling 324 GWh of variable generation, and 320 MWh of storage; and four projects were selected on Hawaii Island (three solar plus storage and one firm renewable) totaling 512 GWh of variable generation, 60 MW of firm generation, and 834 MWh of storage. One project totaling 40 MW of firm renewable generation was submitted selected to the PUC Maui Firm Final Award Group 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 February 2, 2024. Negotiations 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 working on a second phase of the study, to be completed in 2023, which will include the assessment and recommendation of remaining issues listed in Act 201 that are 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 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 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). ongoing.

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 Note 4 of the Condensed Consolidated Financial Statements.

Fuel contracts. 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. On December 1, 2022, the PUC issued a decision and order (D&O) approving the PAR Hawaii fuels contract and recovery of associated costs through ECRC.

On March 3, 2022, as part of economic sanctions amid the Russia-Ukraine war, PAR Hawaii announced that it was suspending all purchases of Russian crude oil, which accounts for at least 25% of Hawaii's supply. 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, 2024 June 30, 2025 with annual extensions if mutually agreed by both parties. The PUC issued the final D&O approving the Vitol backup fuels supply contract on December 1, 2022 and the costs incurred under the contract with Vitol are recovered in the Utilities' respective ECRCs.

FINANCIAL CONDITION

Liquidity and capital resources.

As of September 30, 2023 March 31, 2024, Hawaiian Electric had no commercial paper outstanding, $200 million outstanding on its revolving credit facility and no remaining available borrowing capacity under the Utilities' committed line of credit. The cash proceeds were invested in highly liquid short-term investments, and as of September 30, 2023 March 31, 2024, the Utilities' cash and cash equivalents balance was $275 million $130 million, compared to $39 million $106 million as of December 31, 2022 December 31, 2023.

Hawaiian Electric's objective continues to be to operate a strong, financially healthy enterprise to empower a thriving future for Hawaii. While the 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 help ensure adequate maximize available liquidity and believe they have adequate cash to meet their financial obligations and sustain operations including in the payment of a $100 million debt maturity in November 2023. 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 remain elevated coming out of the pandemic and has led to higher bad debt expense and higher write-offs in 2022 2023 and year-to-date September 2023, March 2024, following the 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 September 30, 2023 March 31, 2024, approximately $32.1 $18.9 million of the accounts receivables were over 30 days past due. Of the over 30 days past due amounts, approximately 40% 38% 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. As of September 30, 2023, the Utilities had cash and cash equivalents of approximately $275 million.

With the exception of Maui, the Utilities are continuing the disconnection process on a tiered basis, expanding the targeted balances, which is expected to reduce delinquent accounts receivable balances and accelerate cash collections. Service disconnections on Maui are suspended from August 8, 2023 to January 5, 2024 July 2, 2024; however, efforts are ongoing to educate and 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 Condensed 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:

(dollars in millions)		September 30, 2023			December 31, 2022	
Short-term borrowings, net	$	—	— %	$	88	2 %
Long-term debt, net		2,034	46		1,685	41
Preferred stock		34	1		34	1
Common stock equity		2,383	53		2,344	56
	$	4,451	100 %	$	4,151	100 %

(dollars in millions)		March 31, 2024			December 31, 2023	
Long-term debt, net	$	1,933	44 %	$	1,934	44 %
Preferred stock		34	1		34	1
Common stock equity		2,435	55		2,409	55
	$	4,402	100 %	$	4,377	100 %

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

(in millions)	(in millions)	Average balance Nine months ended September 30, 2023	Balance September 30, 2023	December 31, 2022	(in millions)	Average balance Three months ended March 31, 2024	Balance March 31, 2024	December 31, 2023
Short-term borrowings[1]	Short-term borrowings[1]				Short-term borrowings[1]			
Commercial paper	Commercial paper	$ 8	$ —	$ 88				
Borrowings from HEI		—	—	—				
Borrowings from HEI[2]								
Line of credit draws on revolving credit facility	Line of credit draws on revolving credit facility	29	200	—				

[1] The maximum amount of external short-term borrowings by Hawaiian Electric during the first nine three months of 2023 2024 was approximately $200 million. nil. At September 30, 2023 March 31, 2024, Hawaiian Electric had no short-term borrowings from Hawaii Electric Light and Maui Electric. Electric had short-term borrowings from Hawaiian Electric of nil and $93.0 million, respectively, which intercompany borrowings are eliminated in consolidation.

[2] Pursuant to a standing commitment letter from HEI allowing Hawaiian Electric to borrow up to a maximum amount of $75 million. See Note 6 of the Condensed Consolidated Financial Statements for additional information.

Prior to the Maui windstorm and wildfires, Hawaiian Electric typically utilized short-term debt, typically commercial paper, to support normal operations, to refinance short-term debt and for other temporary requirements. Hawaiian Electric may also borrow 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 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 impacted 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 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 August 23, 2023, Hawaiian Electric fully drew down $200 million on its existing revolving credit facilities. The cash proceeds were invested in highly liquid short-term investments and will be used for general corporate purposes. The $200 million line of credit facility remained fully drawn as of September 30, 2023 March 31, 2024. See Note 6 of the Condensed Consolidated Financial Statements for additional information.

Credit ratings. In August 2023, On March 12, 2024, S&P revised Hawaiian Electric's outlook to "Negative" from "Watch Negative" and affirmed the "B-" issuer credit ratings of 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. As of September 30, 2023, the Fitch, Moody's and S&P ratings of Hawaiian Electric were as follows: rating.

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

* Not rated.

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 Item 1A. Risk Factors in HEI's and Hawaiian Electric's 2022 2023 Form 10-K and in item 1A. Risk Factors below. 10-K. The downgrades of Hawaiian Electric's credit ratings impacted 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. Special purpose revenue bonds (SPRBs) have been issued by the Department of Budget and Finance of the State of Hawaii (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 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 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 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 (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 of the Condensed Consolidated Financial Statements for additional information and see summary table below for remaining authorized amounts. amounts as of March 31, 2024 for each respective utility.

(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:								
Taxable debt executed on January 10, 2023, but issued on February 9, 2023		100	25	25				
Less: taxable debt executed on January 10, 2023, but issued on February 9, 2023								
Remaining authorized amounts	Remaining authorized amounts	$ 130	$ 40	$ 80				

As of September 30, 2023 March 31, 2024, Hawaiian Electric, Hawaii Electric Light, the Utilities have $1.9 billion of long-term debt, net, of which $47 million is due within 12 and Maui Electric have $130 million, $40 million, and $80 million, respectively of remaining taxable debt authorization. 24 months.

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 September 30, 2023 March 31, 2024, 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 nine three months ended September 30, 2023 March 31, 2024 compared to the nine three months ended September 30, 2022 March 31, 2023:

	Nine months ended September 30		
(in thousands)	2023	2022	Change

Net cash provided by operating activities	$ 406,111	$ 124,167	$ 281,944
Net cash used in investing activities	(329,281)	(219,126)	(110,155)
Net cash provided by financing activities	160,782	61,005	99,777

	Three months ended March 31		
(in thousands)	2024	2023	Change
Net cash provided by operating activities	$ 127,201	$ 169,355	$ (42,154)
Net cash used in investing activities	(99,673)	(120,594)	20,921
Net cash provided by (used in) financing activities	(3,851)	28,019	(31,870)

Net cash provided by operating activities. The increase decrease in net cash provided by operating activities was primarily driven by higher cash receipt of payments from large delinquent commercial customer accounts, and from customers due to increased disconnection efforts and receipt of government and other program assistance, as well as lower cash paid for an increase in fuel oil stock due to lower fuel oil prices, partially offset by higher revenue taxes paid more purchases and less consumption, as well as an increase in customer accounts receivable due to timing. payment on a large delinquent commercial customer account in 2023.

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

Net cash provided by financing activities. The increase decrease in net cash provided by financing activities was driven by higher lower net cash proceeds from long-term borrowings, partially offset by repayment and short-term borrowings.

For a discussion of short-term borrowings. 2023 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 2023 Form 10-K.

Material cash requirements. Material cash requirements of the Utilities include O&M expenses, including *One 'Ohana Initiative* contribution legal and consulting costs related to the Maui windstorm and wildfires (see further information in Note 2 of the Condensed Consolidated Financial Statements), legal and consulting costs related to the Maui windstorm and wildfires, labor and benefit costs, fuel and purchase power costs, debt and interest payments, operating and finance lease obligations, their forecasted capital expenditures (including capital expenditures related to wildfires and wildfire mitigations) and investments, 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, operating cash flows, 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. 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 currently believe that their ability to generate cash is adequate to maintain sufficient liquidity to fund their material cash requirements in the near term. short term, which may include the use of additional financing from a secured asset-based (accounts receivable) credit facility. However, the economic impact of higher fuel prices, inflation, higher interest rates, tightening of monetary policy, the lingering COVID-19 pandemic, geopolitical situations, and the potential damages and losses related to the Maui windstorm and wildfires and related lawsuits (see further information in Note 2 of the Condensed Consolidated Financial Statements), the economic impact of higher fuel prices, inflation, higher interest rates, tightening of monetary policy, and geopolitical situations, create significant uncertainty, and the Utilities cannot predict the extent or duration of these conditions, the future effects that these conditions will have on the Utilities' cost of capital and their ability to access additional capital, or the future impacts on the Utilities' financial position, results of operations, and cash flows.

Bank

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

In August 2023, ASB was impacted by wildfires on Maui which caused widespread property damage and fatalities. ASB's outstanding credit exposure in Maui and the fire impacted zone of Lahaina as of September 30, 2023 March 31, 2024 was 11.9% 12.1% and 0.8% 0.6%, respectively, of the Bank's total loan portfolio.

For the quarter ended September 30, 2023 March 31, 2024, ASB incurred additional expenses as a result of the Maui wildfires of $8.6 million $1.8 million, pretax, including higher primarily consisting of professional services offset by negative provision for credit losses additional professional services expenses of $1.5 million and other extraordinary expenses. recovery of destroyed cash of $0.4 million.

The Hawaii economy remained stable in the third first quarter of 2023 2024 with an increase in average daily passenger counts as visitor arrivals continued compared to drive a growing labor market the comparable period in the prior year and tax collections. Domestic visitor arrivals continued to remain strong employment holding steady. The recovery in total passenger counts from the low levels in 2020 is largely due to pent up demand from leisure domestic travelers. International visitor arrivals continued to lag significantly visitors have gradually returned although still lagging behind pre-pandemic levels but have gradually increased as certain Asian countries began loosening travel restrictions. COVID cases caused by the new variants have increased but hospitalization rates remain at relatively low levels.

As of September 30, 2023 March 31, 2024, the Federal Reserve Open Market Committee federal funds rate target range was remained unchanged at 5.25% - 5.50% in response to continued inflationary pressures in the economy. The increase in interest rates rate environment has impacted ASB's net interest 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 rate environment has 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.

ASB experienced continued ASB's loan growth portfolio decreased $65 million in 2023 2024 as total loans increased $216 million compared to total loans at the end of 2022. There was 2023 primarily due to payoffs and sale of commercial loans as well as reduced demand for commercial real estate, residential, home equity lines line of credit and consumer loan products. The consumer loan portfolio growth also included purchases of solar and sustainable home improvement loans from a third party. The residential loan portfolio increase was due to ASB's decision to portfolio a larger portion of its residential loan production.

Deposit growth driven by federal stimulus, which had previously funded loan growth and investment security purchases, has ceased and required ASB to increase its 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 the Bank's net interest margin if core deposits continue to flow out and funding is replaced with other borrowings.

For the quarter ended September 30, 2023 March 31, 2024, ASB recorded a negative provision for credit losses of $8.8 million $2.2 million due to $5.9 million the release of $1.5 million of credit loss reserves for loans that were impacted by Maui wildfires and offset by additional credit loss reserves for the residential, consumer and commercial real estate loan portfolios. portfolio. The provision for credit losses in future quarters will be dependent on future economic conditions and changes to borrower credit quality at that time.

At September 30, 2023 March 31, 2024, the investment securities portfolio balance decreased approximately $203 million $55 million from year end 2022 as investment securities portfolio 2023 due to repayments were used as a funding source for the loan growth and ASB did not purchase any no purchases of investment securities in 2023. The lack of deposit growth resulted in lower excess liquidity and the need for other sources to fund the loan growth. 2024. The change in interest rates during the nine three months ended September 30, 2023 March 31, 2024 resulted in higher unrealized losses in the available-for-sale investment securities portfolio, which also decreased the investment portfolio balance.

In 2023, the increase in interest rates and the collapse of a few financial institutions had caused turmoil in the banking industry. Due to the failure of these financial institutions, the focus on the banking industry has been around capital levels, uninsured deposits and liquidity. At September 30, 2023 March 31, 2024, ASB's regulatory capital ratios were above the "well-capitalized" and regulatory requirements, including the conservation buffers. Approximately 87% 86% of the Bank's deposits are FDIC insured or fully collateralized. ASB has access to approximately $3 billion in funding sources to meet its liquidity needs.

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

		Three months ended September 30		Increase			Three months ended March 31		Increase	
(in millions)	(in millions)	2023	2022	(decrease)	Primary reason(s)	(in millions)	2024	2023	(decrease)	Primary reason(s)
Interest and dividend income	Interest and dividend income	$86	$68	$ 18						
					Average loan portfolio yields were 80 basis points higher—yield benefited from the rising interest rate environment as adjustable rate yields repriced upward and new loan production yields were higher than the portfolio yields. Average loan portfolio balances increased $609 million - commercial real estate, home equity line of credit and commercial loan portfolio average balances increased $157 million, $85 million and $63 million, respectively, due to increased demand for these loan products. Residential loan average balances increased $221 million due to the Bank's decision to portfolio a larger portion of the residential loan production. Consumer loan portfolio average balance increased $83 million primarily due to purchases of solar and sustainable home improvement loans.					

	Average investment securities portfolio balances decreased $260 million—investment security portfolio repayments were used to fund loan growth. Average investment securities portfolio yields were 13 basis points lower due to higher investment portfolio premium amortizations.	
	Average other investments increased $75 million - increase due to higher interest earning deposits being held.	
	Average loan portfolio yields were 41 basis points higher—loan yields continued to increase in 2024 due to the interest rate environment as adjustable rate loan yields repriced with rising interest rates and new loan production yields were higher than the portfolio rates.	
	Average loan portfolio yields were 41 basis points higher—loan yields continued to increase in 2024 due to the interest rate environment as adjustable rate loan yields repriced with rising interest rates and new loan production yields were higher than the portfolio rates.	
	Average loan portfolio yields were 41 basis points higher—loan yields continued to increase in 2024 due to the interest rate environment as adjustable rate loan yields repriced with rising interest rates and new loan production yields were higher than the portfolio rates.	

						Average loan portfolio balances increased $143 million—residential and commercial real estate loan portfolio average balances increased $119 million and $85 million, respectively, due to demand for these loan types. Commercial loan portfolio average balances decreased $47 million due to the payoffs and sale of commercial loans.	Average loan portfolio balances increased $143 million—residential and commercial real estate loan portfolio average balances increased $119 million and $85 million, respectively, due to demand for these loan types. Commercial loan portfolio average balances decreased $47 million due to the payoffs and sale of commercial loans.
						Average investment securities portfolio balances decreased $403 million primarily due to repayments, no purchases in the quarter ended March 31, 2024 and sale of investment securities in the quarter ended December 31 2023.	Average investment securities portfolio balances decreased $403 million primarily due to repayments, no purchases in the quarter ended March 31, 2024 and sale of investment securities in the quarter ended December 31 2023.
						Average investment securities portfolio yields decreased 6 basis points.	Average investment securities portfolio yields decreased 6 basis points.
Noninterest income	Noninterest income	15	13		2		
						Higher bank owned life insurance income - higher returns from insurance policies.	
						Higher bank-owned life insurance income—higher returns from insurance policies.	
						Higher bank-owned life insurance income—higher returns from insurance policies.	
						Higher bank-owned life insurance income—higher returns from insurance policies.	

Revenues	Revenues	101	81	20	The increase in revenues for the three months ended September 30, 2023 compared to the same period in 2022 was primarily due to higher interest and dividend income and higher noninterest income.
Revenues					
Revenues		105	93	12	The increase in revenues for the three months ended March 31, 2024 compared to the same period in 2023 was primarily due to higher interest and dividend income and higher noninterest income.
Interest expense	Interest expense	23	3	20	
					Interest expense on deposits and other borrowings increased in 2024 compared to 2023 due to an increase in term certificate and other borrowing balances which were required to fund the loan portfolio growth, higher yields due to the increase in the interest rate environment and a shift in deposit mix.
					Interest expense on deposits and other borrowings increased in 2024 compared to 2023 due to an increase in term certificate and other borrowing balances which were required to fund the loan portfolio growth, higher yields due to the increase in the interest rate environment and a shift in deposit mix.
					Interest expense on deposits and other borrowings increased in 2024 compared to 2023 due to an increase in term certificate and other borrowing balances which were required to fund the loan portfolio growth, higher yields due to the increase in the interest rate environment and a shift in deposit mix.
					Average core deposit balances decreased $466 million; average term certificate balances increased $315 million.
					Average core deposit balances decreased $466 million; average term certificate balances increased $315 million.

	Average deposit yields increased 53 basis points. The increase was primarily due to the increase in term certificate yields of 98 basis points and the shift in mix of deposits from low cost core deposits to term certificates.	Average deposit yields increased 53 basis points. The increase was primarily due to the increase in term certificate yields of 98 basis points and the shift in mix of deposits from low cost core deposits to term certificates.
	Average other borrowings increased $20 million and average yields increased 9 basis points.	Average other borrowings increased $20 million and average yields increased 9 basis points.
Provision for credit losses		
	2024 negative provision for credit losses primarily due to lower reserves for loans impacted by the Maui wildfires offset by additional credit loss reserves for the consumer loan portfolio.	
	2024 negative provision for credit losses primarily due to lower reserves for loans impacted by the Maui wildfires offset by additional credit loss reserves for the consumer loan portfolio.	
	2024 negative provision for credit losses primarily due to lower reserves for loans impacted by the Maui wildfires offset by additional credit loss reserves for the consumer loan portfolio.	
	2024 negative provision for credit losses also included the release of $1.0 million of credit loss reserves for unfunded loan commitments.	2024 negative provision for credit losses also included the release of $1.0 million of credit loss reserves for unfunded loan commitments.
	Delinquency rates have increased—from 0.22% at March 31, 2023 to 0.58% at March 31, 2024 primarily due to Maui-related loan accommodations and one commercial real estate loan in foreclosure.	Delinquency rates have increased—from 0.22% at March 31, 2023 to 0.58% at March 31, 2024 primarily due to Maui-related loan accommodations and one commercial real estate loan in foreclosure.

	Net charge-off to average loans of 0.14% at March 31, 2024 remained the same as compared to the same period in 2023.	Net charge-off to average loans of 0.14% at March 31, 2024 remained the same as compared to the same period in 2023.
Noninterest expense		
	The increase in noninterest expenses was primarily due to higher compensation and benefits expenses and expenses related to the Maui wildfires.	
	The increase in noninterest expenses was primarily due to higher compensation and benefits expenses and expenses related to the Maui wildfires.	
	The increase in noninterest expenses was primarily due to higher compensation and benefits expenses and expenses related to the Maui wildfires.	
	Higher compensation and benefits expenses primarily due to fair value adjustments related to the deferred compensation plan.	Higher compensation and benefits expenses primarily due to fair value adjustments related to the deferred compensation plan.
	Increase in interest expense on deposits and other borrowings was due to an increase in term certificate and other borrowing balances which were required to fund the loan portfolio growth, higher yields due to the increase in the interest rate environment and a shift in costing liability mix.	
	Average core deposit balances decreased $539 million; average term certificate balances increased $436 million.	
	Average deposit yields increased from 8 basis points to 70 basis points due to a shift in mix of deposits and higher yields from the increase in the interest rate environment.	

				Average other borrowings increased $488 million and average yields increased 295 basis points. Average cost of funds increased from 13 basis points to 102 basis points due to a shift in funding from low cost core deposits to higher costing term certificates and other borrowings.
Provision for credit losses	9	—	9	
				2023 provision for credit losses included credit loss reserves for loans impacted by the Maui wildfires, additional credit loss reserves for the residential and commercial real estate loan portfolios and credit loss reserves to cover net charge-offs, partly offset by the release of credit loss reserves for a delinquent commercial loan that paid off. The release of credit loss reserves in 2022 for improved credit trends in the residential, home equity line of credit and consumer loan portfolios was offset by additional credit loss reserves for growth in the consumer loan portfolio which included purchases of solar and sustainable home improvement loans. 2022 provision for credit losses also included the release of credit loss reserves for unfunded commercial construction loan commitments. Delinquency rates have decreased—from 0.27% at September 30, 2022 to 0.24% at September 30, 2023 primarily due to lower residential and commercial loan delinquencies, partly offset by higher consumer and home equity line of credit loan delinquencies. Net charge-off to average loans increased from 0.03% at September 30, 2022 to 0.07% at September 30, 2023 primarily due to an increase in consumer loan net charge-offs.
Noninterest expense	56	52	4	
Expenses				
Expenses				

Expenses	80	70	10	The increase in expenses for the three months ended March 31, 2024 compared to the same period in 2023 was due to higher interest expenses and higher noninterest expenses offset by lower provision for credit losses.

	Three months ended September 30		Increase	
(in millions)	**2023**	**2022**	**(decrease)**	**Primary reason(s)**
				The increase in noninterest expenses was primarily due to higher compensation and benefits as a result of higher base compensation and the fair value adjustment related to the deferred compensation plan, higher FDIC insurance assessments and additional expenses related to the Maui wildfires.
Expenses	88	55	33	The increase in expenses for the three months ended September 30, 2023 compared to the same period in 2022 was due to increases in interest expenses, provision for credit losses and higher noninterest expenses.
Operating income	13	26	(13)	The decrease in operating income for the three months ended September 30, 2023 compared to the same period in 2022 was primarily due to increases in interest expense, provision for credit losses and noninterest expenses, partly offset by higher interest and noninterest income.
Net income	11	21	(10)	Net income for the three months ended September 30, 2023 was lower than the same period in 2022 due to lower operating income partly offset by lower income tax expense.

	Nine months ended September 30		Increase	
(in millions)	**2023**	**2022**	**(decrease)**	**Primary reason(s)**
Interest and dividend income	$ 247	$ 191	$ 56	
				Average loan portfolio yields were 78 basis points higher—loan yields continued to increase in 2023 due to the interest rate environment as adjustable rate loan yields repriced with rising interest rates and new loan production yields were higher than the portfolio rates.
				Average loan portfolio balances increased $753 million - commercial real estate, home equity line of credit and commercial loan portfolio average balances increased $234 million, $136 million and $63 million, respectively, due to demand for these loan types. Residential loan portfolio average balances increased $205 million due to the Bank's decision to portfolio a larger portion of the residential loan production. Consumer loan portfolio average balances increased $117 million primarily due to the purchase of solar and sustainable home improvement loans.
				Average investment securities portfolio balances decreased $209 million—repayments in the investment securities portfolio were used to fund the loan portfolio growth.
				Average investment securities portfolio yields decreased 2 basis points.
Noninterest income	45	42	3	
				Higher bank-owned life insurance income - higher returns from insurance policies.
				Lower mortgage banking income - lower residential loan sale volume due to lower production volume as the higher interest rate environment has reduced the demand for residential mortgage loans. ASB's decision to portfolio a larger portion of the residential loan production also reduced the amount of loans sold on the secondary market.
Less: gain on sale of real estate	—	(1)	1	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, is classified as gain on sale of real estate in the condensed consolidated statements of income, and accordingly, is reflected in operating expenses below as a separate line item and excluded from Revenues.
Revenues	292	232	60	The increase in revenues for the nine months ended September 30, 2023 compared to the same period in 2022 was primarily due to higher interest and dividend income and higher noninterest income.
Interest expense	56	5	51	
				Interest expense on deposits and other borrowings increased in 2023 compared to 2022 due to an increase in term certificate and other borrowing balances which were required to fund the loan portfolio growth, higher yields due to the increase in the interest rate environment and a shift in deposit mix.
				Average core deposit balances decreased $513 million; average term certificate balances increased $398 million.
				Average deposit yields increased from 6 basis points to 51 basis points. The increase was primarily due to the increase in term certificate yields of 258 basis points and the shift in mix of deposits from low cost core deposits to term certificates.
				Average other borrowings increased $598 million and average yields increased 343 basis points. Other borrowings were used to fund the growth in the loan portfolio. The higher yields were reflective of the higher interest rate environment.
Provision for credit losses	10	(1)	11	
				2023 provision for credit losses included credit loss reserves for loans impacted by the Maui wildfires, growth in the loan portfolio and credit loss reserves to cover net charge-offs.
				2022 negative provision for credit losses reflected improved credit trends, credit regrades and lower credit loss rates in the commercial real estate and commercial loan portfolios.

2022 negative provision for credit losses also included additional credit loss reserves for growth in the commercial real estate loan portfolio and consumer loan portfolios.

Delinquency rates have decreased—from 0.27% at September 30, 2022 to 0.24% at September 30, 2023 due to lower residential and commercial loan delinquencies, partly offset by higher consumer and home equity line of credit loan delinquencies.

Net charge-off to average loans have increased—from 0.01% at September 30, 2022 to 0.11% at September 30, 2023 primarily due to an increase in consumer loan portfolio net charge-offs and the charge-off of a residential loan.

		Nine months ended September 30		Increase			Three months ended March 31		Increase	
(in millions)	(in millions)	2023	2022	(decrease)	Primary reason(s)	(in millions)	2024	2023	(decrease)	Primary reason(s)
Noninterest expense		165	149	16	The increase in noninterest expenses were due to higher compensation and benefits expenses, an increase in FDIC insurance assessments, higher deposit account expenses and additional expenses related to the Maui wildfires. Higher compensation and benefits expenses included higher base compensation as a result of merit increases, market adjustments and the fair value adjustment related to the deferred compensation plan.					
Gain on sale of real estate		—	(1)	1						

Expenses		231	152	79	The increase in expenses for the nine months ended September 30, 2023 compared to the same period in 2022 was due to higher interest expenses, higher noninterest expenses, higher provision for credit losses and lower gain on sale of real estate in 2023.
Operating income	Operating income	61	80	(19)	The decrease in operating income for the nine months ended September 30, 2023 compared to the same period in 2022 was primarily due to higher interest expenses, higher noninterest expenses and higher provision for credit losses, partly offset by higher interest income and higher noninterest income.
Net income	Net income	50	62	(12)	Net income for the nine months ended September 30, 2023 was lower than the same period in 2022 due to lower operating income partly offset by lower income tax expense.

Operating income	25	23	23	2	2	The increase in operating income for the three months ended March 31, 2024 compared to the same period in 2023 was primarily due to higher interest income, higher noninterest income and lower provision for credit losses partly offset by higher interest expenses and higher noninterest expenses.	The increase in operating income for the three months ended March 31, 2024 compared to the same period in 2023 was primarily due to higher interest income, higher noninterest income and lower provision for credit losses partly offset by higher interest expenses and higher noninterest expenses.
Net income							
Net income	21	19		2		Net income for the three months ended March 31, 2024 was higher than the same period in 2023 due to higher operating income.	

ASB's return on average assets, return on average equity and net interest margin were as follows:

	Three months ended September 30	Nine months ended September 30

		Three months ended March 31 Three months ended March 31 Three months ended March 31						
(Annualized %)	(Annualized %)	2023	2022	2023	2022	(Annualized %)	2024	2023
Return on average assets	Return on average assets	0.47	0.89	0.70	0.90			
Return on average equity	Return on average equity	9.19	15.11	13.62	13.65			
Net interest margin	Net interest margin	2.70	2.96	2.77	2.87			

For the three and nine months ended September 30, 2023 March 31, 2024 the Bank's costs related to the Maui wildfires is as follows:

(in thousands)		Three and nine months ended September 30, 2023 March 31, 2024
Bank Maui wildfires related cost:		
Provision for credit losses	$	5,900 (1,500)
Professional services expenses		1,300 1,708
Other expenses[1]		1,357 (317)
Total Bank Maui wildfires related cost	**$**	**8,557**(109)

[1] Other expenses includes recovery of destroyed/loss cash of $0.4 million.

Note: Bank Maui windstorm and 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.

	Three months ended September 30					
	2023			2022		
(dollars in thousands)	Average balance	Interest income/ expense	Yield/ rate (%)	Average balance	Interest income/ expense	Yield/ rate (%)
Assets:						
Interest-earning deposits	$ 91,499	$ 1,246	5.33	$ 16,598	$ 83	1.96
FHLB stock	18,769	253	5.35	15,858	175	4.39
Investment securities						
Taxable	2,925,474	12,183	1.67	3,183,928	14,453	1.82
Non-taxable	67,552	525	3.07	68,938	432	2.48
Total investment securities	2,993,026	12,708	1.70	3,252,866	14,885	1.83
Loans						
Residential 1-4 family	2,569,148	24,350	3.79	2,348,214	20,721	3.53
Commercial real estate	1,528,448	19,931	5.12	1,370,993	13,535	3.88
Home equity line of credit	1,037,147	10,289	3.94	952,298	7,459	3.11
Residential land	20,553	286	5.58	21,253	256	4.84
Commercial	734,545	10,794	5.79	671,175	6,945	4.08
Consumer	265,801	6,104	9.13	182,503	4,541	9.88
Total loans [1,2]	6,155,642	71,754	4.62	5,546,436	53,457	3.82
Total interest-earning assets [3]	9,258,936	85,961	3.68	8,831,758	68,600	3.09
Allowance for credit losses	(69,165)			(70,685)		
Noninterest-earning assets	478,529			544,651		
Total assets	$ 9,668,300			$ 9,305,724		

Liabilities and shareholder's equity:										
Savings	$	2,917,408	$	687	0.09	$	3,296,229	$	219	0.03
Interest-bearing checking		1,372,670		2,157	0.62		1,339,002		150	0.04
Money market		358,512		3,121	3.45		214,706		55	0.10
Time certificates		908,392		8,481	3.70		472,425		1,280	1.08
Total interest-bearing deposits		5,556,982		14,446	1.03		5,322,362		1,704	0.13
Advances from Federal Home Loan Bank		219,228		2,535	4.53		146,462		951	2.54
Borrowings from Federal Reserve Bank		550,000		6,063	4.37		—		—	—
Securities sold under agreements to repurchase and federal funds purchased		—		—	—		134,458		104	0.31
Total interest-bearing liabilities		6,326,210		23,044	1.44		5,603,282		2,759	0.19
Noninterest bearing liabilities:										
Deposits		2,628,869					2,966,148			
Other		218,435					186,840			
Shareholder's equity		494,786					549,454			
Total liabilities and shareholder's equity	$	9,668,300				$	9,305,724			
Net interest income			$	62,917				$	65,841	
Net interest margin (%) [4]					2.70					2.96

	Nine months ended September 30	
	2023	2022

		Three months ended March 31											Three months ended March 31	
		2024									2024		2023	
(dollars in thousands)	(dollars in thousands)	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 (%)
Assets:	Assets:							Assets:						
Interest-earning deposits	Interest-earning deposits	$ 46,499	$ 1,855	5.26	$ 69,813	$ 230	0.43							
FHLB stock	FHLB stock	21,465	916	5.70	12,396	343	3.70							
Investment securities	Investment securities													
Taxable														
Taxable														
Taxable	Taxable	2,984,976	38,524	1.72	3,192,967	42,220	1.76							
Non-taxable	Non-taxable	67,911	1,536	3.00	69,265	1,185	2.27							
Total investment securities	Total investment securities	3,052,887	40,060	1.75	3,262,232	43,405	1.77							
Loans	Loans							Loans						
Residential 1-4 family	Residential 1-4 family	2,524,994	70,076	3.70	2,320,414	60,904	3.50							
Commercial real estate	Commercial real estate	1,490,412	55,551	4.93	1,256,402	33,485	3.53							
Home equity line of credit	Home equity line of credit	1,031,133	28,974	3.76	894,685	20,163	3.01							
Residential land	Residential land	20,362	832	5.45	21,529	1,044	6.47							

Commercial	Commercial	765,251	32,045	5.56	702,489	20,350	3.85			
Consumer	Consumer	257,237	17,340	9.01	140,735	11,798	11.21			
Total loans [1,2]	Total loans [1,2]	6,089,389	204,818	4.47	5,336,254	147,744	3.69			
Total interest-earning assets [3]	Total interest-earning assets [3]	9,210,240	247,649	3.58	8,680,695	191,722	2.94			
Allowance for credit losses	Allowance for credit losses	(70,812)			(69,811)			Allowance for credit losses	(74,291)	(72,113)
Noninterest-earning assets	Noninterest-earning assets	472,184			608,240			Noninterest-earning assets	498,846	466,289
Total assets	Total assets	$9,611,612			$9,219,124			Total assets	$9,520,421	$9,564,233
Liabilities and shareholder's equity:	Liabilities and shareholder's equity:							Liabilities and shareholder's equity:		
Savings	Savings	$3,021,660	$ 1,222	0.05	$3,284,235	$ 638	0.03			
Interest-bearing checking	Interest-bearing checking	1,334,576	3,556	0.36	1,347,378	295	0.03			
Money market	Money market	275,352	5,445	2.64	210,899	124	0.08			
Time certificates	Time certificates	822,234	20,721	3.37	423,779	2,515	0.79			
Total interest-bearing deposits	Total interest-bearing deposits	5,453,822	30,944	0.76	5,266,291	3,572	0.09			
Advances from Federal Home Loan Bank	Advances from Federal Home Loan Bank	286,615	10,010	4.61	59,903	1,085	2.39			
Borrowings from Federal Reserve Bank	Borrowings from Federal Reserve Bank	396,630	12,989	4.38	—	—	—			
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	83,484	2,172	3.48	109,028	114	0.14			
Total interest-bearing liabilities	Total interest-bearing liabilities	6,220,551	56,115	1.20	5,435,222	4,771	0.12			
Noninterest bearing liabilities:	Noninterest bearing liabilities:							Noninterest bearing liabilities:		
Deposits	Deposits	2,686,245			2,988,191			Deposits	2,515,250	2,745,317
Other	Other	214,070			189,318			Other	242,922	213,019
Shareholder's equity	Shareholder's equity	490,746			606,393			Shareholder's equity	535,316	478,559
Total liabilities and shareholder's equity	Total liabilities and shareholder's equity	$9,611,612			$9,219,124			Total liabilities and shareholder's equity	$9,520,421	$9,564,233

Net interest income	Net interest income	$191,534	$186,951	Net interest income	$ 62,681	$ 65,140
Net interest margin (%) [4]	Net interest margin (%) [4]	2.77	2.87			

[1] Includes loans held for sale, at lower of cost or fair value.

[2] Includes recognition of net deferred loan fees of $0.8 million $0.6 million and $0.9 million $0.8 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $2.3 million and $4.5 million for the nine months ended September 30, 2023 and 2022, 2023, respectively, together with interest accrued prior to suspension of interest accrual on nonaccrual loans. Includes nonaccrual loans.

[3] For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, 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.

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. The Federal Open Market Committee federal funds rate target range was of 5.25% - 5.50% has been maintained at September 30, 2023 March 31, 2024 to combat

inflation. ASB's net interest income and net interest margin has been impacted by the higher interest rates as the Bank has used higher costing other borrowings and term certificates to fund its loan growth.

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 Note 5 of the Condensed Consolidated Financial Statements for a composition of ASB's loan portfolio.

Home equity — key credit statistics. The home equity line of credit (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 September 30, 2023 March 31, 2024, approximately 37% 36% 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 54% 52% of ASB's HELOC loan portfolio is in a first lien position.

Loan portfolio risk elements. See Note 5 of the Condensed Consolidated Financial Statements.

Investment securities. ASB's investment portfolio was comprised as follows:

		September 30, 2023		December 31, 2022			March 31, 2024				December
(dollars in thousands)	(dollars in thousands)	Balance	% of total	Balance	% of total	(dollars in thousands)	Balance		% of total		Balance
U.S. Treasury and federal agency obligations	U.S. Treasury and federal agency obligations	$ 134,912	5 %	$ 140,957	5 %	U.S. Treasury and federal agency obligations	$ 69,560	3	3	%	$ 71,92
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	2,297,260	93	2,484,821	92						
Corporate bonds	Corporate bonds	31,751	1	40,734	2						
Mortgage revenue bonds	Mortgage revenue bonds	14,494	1	14,902	1						

Total investment securities	Total investment securities	$	2,478,417	100	%	$	2,681,414	100	%	Total investment securities	$	2,282,963	100	100	%	$	2,337,75

Currently, ASB's investment portfolio consists of high-grade investment securities, including 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). 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 and credit of the U.S. government.

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 2023, 2024, deposits increased decreased by $54.7 million $141 million, as an outflow of core deposits was replaced with time certificates. Core deposit retention will remain challenging in the current rising interest rate environment. Advances from the FHLB of Des Moines, securities sold under agreements to repurchase, borrowings from the Federal Reserve Bank and federal funds purchased continue to be additional sources of funds. As of September 30, 2023 and December 31, 2022, March 31, 2024 ASB's costing liabilities consisted of 93% deposits and 7% borrowings as compared to 92% deposits and 8% borrowings. borrowings as of December 31, 2023. The weighted average cost of interest-bearing deposits for the first nine three months of 2024 and 2023 was1.27% and 2022 was 0.51% and 0.06%, respectively. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, ASB had approximately $1.1 billion $1.4 billion and $1.2 billion $1.6 billion of deposits that were uninsured or not collateralized, respectively.

Federal Home Loan Bank of Des Moines and Federal Reserve Bank. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, ASB had $200 million $593 million and $414 million $200 million of advances outstanding at the FHLB of Des Moines, respectively. As of September 30, 2023 March 31, 2024, the unused borrowing capacity with the FHLB of Des Moines was $1.9 billion $1.4 billion. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, ASB had nil and $550 million and nil of borrowings from the Federal Reserve Bank, respectively. The FHLB of Des Moines and Federal Reserve Bank are important sources of liquidity for ASB.

Contingencies. ASB is subject in the normal course of business to pending and threatened legal proceedings. 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, ASB cannot rule out the possibility that such outcomes could have a material adverse effect on the results of operations or liquidity for a particular reporting period in the future.

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 September 30, 2023 March 31, 2024, ASB had an unrealized loss, net of taxes, on available-for-sale investment securities (including securities pledged for repurchase agreements) in AOCI of $350.2 million $164.0 million compared to an unrealized loss, net of taxes, of $328.9 million $150.4 million as of December 31, 2022 December 31, 2023. The unrealized losses were due to changes in interest rates and did not affect regulatory capital ratios. See "Item 3. Quantitative and qualitative disclosures about market risk" for a discussion of ASB's interest rate risk sensitivity.

During the first nine three months of 2024, ASB recorded a negative provision for credit losses of $1.2 million in the allowance for credit losses primarily due to the release of $1.5 million of credit loss reserves related to the Maui wildfires offset by additional credit loss reserves for the consumer loan portfolio. During the first three months of 2023, ASB recorded a provision for credit losses of $9.4 million $1.2 million in the allowance for credit losses for growth in the loan portfolio credit loss reserves related to the Maui wildfires and additional credit loss reserves to cover net charge-offs, partly offset by the release of credit loss reserves for improved credit trends and lower credit loss rates. During the first nine months of 2022, ASB recorded a negative provision for credit losses of $0.2 million in the allowance for credit losses reflecting good credit trends including lower net charge-offs and credit upgrades in the commercial real estate and commercial loan portfolios, partly offset by loan reserves for growth in the commercial real estate loan portfolio and solar and sustainable home improvement loans purchased during the year.

(in thousands)	(in thousands)	Nine months ended September 30 2023	Nine months ended September 30 2022	Year ended December 31, 2022	Three months ended March 31	Year ended December 31, 2023
Allowance for credit losses, beginning of period	Allowance for credit losses, beginning of period	$ 72,216	$ 71,130	$ 71,130		
Allowance for credit losses, beginning of period						
Allowance for credit losses, beginning of period						
Provision for credit losses						
Provision for credit losses						

Provision for credit losses	Provision for credit losses	9,353	(192)	2,537				
Less: net charge-offs	Less: net charge-offs	5,203	532	1,451				
Allowance for credit losses, end of period	Allowance for credit losses, end of period	$ 76,366	$ 70,406	$ 72,216				
Ratio of net charge-offs during the period to average loans outstanding (annualized)	Ratio of net charge-offs during the period to average loans outstanding (annualized)	0.11 %	0.01 %	0.03 %	Ratio of net charge-offs during the period to average loans outstanding (annualized)	0.14 %	0.14 %	0.12 %

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 provision for credit losses. For the nine three months ended September 30, 2023 March 31, 2024, ASB recorded a negative provision for credit losses for unfunded commitments of $0.7 million $1.0 million and a negative no provision for credit losses $0.5 million for unfunded commitments for the nine three months ended September 30, 2022 March 31, 2023. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the reserve for unfunded loan commitments was $5.1 million $4.1 million and $4.4 million $5.1 million, respectively.

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."

FINANCIAL CONDITION

Liquidity and capital resources.

(dollars in millions)	(dollars in millions)	September 30, 2023	December 31, 2022	% change	(dollars in millions)	March 31, 2024	December 31, 2023	% change
Total assets	Total assets	$ 9,657	$ 9,546	1				
Investment securities	Investment securities	2,478	2,681	(8)				
Loans held for investment, net	Loans held for investment, net	6,115	5,907	4				
Deposit liabilities	Deposit liabilities	8,224	8,170	1				
Other bank borrowings	Other bank borrowings	750	695	8				

As of September 30, 2023 March 31, 2024, ASB was one of Hawaii's largest financial institutions based on assets of $9.7 billion $9.4 billion and deposits of $8.2 billion $8.0 billion.

As of September 30, 2023 March 31, 2024, ASB's unused FHLB borrowing capacity was approximately $1.9 billion $1.4 billion. As of September 30, 2023 March 31, 2024, ASB had commitments to borrowers for loans and unused lines and letters of credit of $1.9 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.

For the nine three months ended September 30, 2023 March 31, 2024, net cash used by ASB's operating activities was $1 million. Net cash provided by ASB's investing activities during the same period was $95 million, primarily due to a net decrease in loans receivable of $43 million, receipt of investment security repayments and maturities of $39 million and proceeds from the sale of commercial loans of $31 million partly offset by a net increase in FHLB stock of $18 million. Net cash used by financing activities during this period was $302 million, primarily due to a net decrease in other borrowings of $157 million, decrease in deposit liabilities of $141 million and a net decrease in mortgage escrow deposits of $4 million.

For the three months ended March 31, 2023, net cash provided by ASB's operating activities was $80 million $15 million. Net cash used during the same period by ASB's investing activities was $38 million $16 million, primarily due to a net increase in loans receivable of $283 million $69 million, purchases of loans held for investment of $26 million $13 million and additions to premises and equipment of $5 million $1 million, partly offset by the receipt of investment security repayments and maturities of $170 million, proceeds from the sale of commercial loans of $95 million, $50 million and a net decrease in FHLB stock of $9 million and proceeds from the redemption of bank owned life insurance of $3 million $17 million. Net cash provided by financing activities during this period was $65 million $28 million, primarily due to a net increase increases in other borrowings deposit liabilities of $336 million, $61 million partly offset by a net decrease in repurchase agreements other borrowings of $183 million, decreases in deposit liabilities of $44 million $14 million, a net decrease in mortgage escrow deposits of $5 million $4 million and $39 million $14 million in common stock dividends to HEI (through ASB Hawaii).

For the nine months ended September 30, 2022, net cash provided by ASB's operating activities was $82 million. Net cash used during the same period by ASB's investing activities was $553 million, primarily due to a net increase in loans receivable of $395 million, purchases of available-for-sale securities of $366 million, purchases of loans held for investment of $77 million, bank owned life insurance purchases of $5 million, additions to premises and equipment of $3 million and a net increase in FHLB stock of $5 million, partly offset by the receipt of investment security repayments and maturities of $296 million, proceeds from the redemption of bank owned life insurance of $2 million and proceeds from the sale of real estate of $1 million. Net cash provided by financing activities during this period was $370 million, primarily due to increases in deposit liabilities of $87 million, a net increase in short-term borrowings of $125 million and a net increase in repurchase agreements of $196 million, partly offset by a net decrease in mortgage escrow deposits of $6 million and $32 million in common stock dividends to HEI (through ASB Hawaii).

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 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 September 30, 2023 March 31, 2024, ASB was well-capitalized (well-capitalized ratio requirements noted in parentheses) with a Tier-1 leverage ratio of 8.0% (5.0%), common equity Tier-1 ratio of 12.7% (6.5%), Tier-1 capital ratio of 12.7% (8.0%) and total capital ratio of 13.8% (10.0%). As of December 31, 2023, ASB was well-capitalized (well-capitalized ratio requirements noted in parentheses) with a Tier-1 leverage ratio of 7.7% (5.0%), common equity Tier-1 ratio of 12.2% 12.3% (6.5%), Tier-1 capital ratio of 12.2% 12.3% (8.0%) and total capital ratio of 13.3% (10.0%). As of December 31, 2022, ASB was well-capitalized (well-capitalized ratio requirements noted in parentheses) with a Tier-1 leverage ratio of 7.8% (5.0%), common equity Tier-1 ratio of 12.2% (6.5%), Tier-1 capital ratio of 12.2% (8.0%) and total capital ratio of 13.1% 13.4% (10.0%). All dividends are subject to review by the OCC and FRB and receipt of a letter from the FRB communicating the agencies' non-objection to the payment of any dividend ASB proposes to declare and pay to HEI (through ASB Hawaii). The As of March 31, 2024, ASB Board of Directors determined did not request a dividend distribution from the OCC and FRB and will reevaluate its ability to suspend its quarterly cash dividends to HEI, starting after the second quarter dividend, to help ensure maximum possible Bank liquidity and capital. distribute excess capital next quarter.

<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>

The Company considers interest-rate risk (a non-trading market risk) to be a significant market risk for ASB as it could potentially have material impacts on the Company's results of operations, financial condition and liquidity. For additional quantitative and qualitative information about the Company's market risks, see HEI's and Hawaiian Electric's Quantitative and Qualitative Disclosures About Market Risk in Part II, Item 7A of HEI's 2022 2023 Form 10-K (pages 78 81 to 80) 83).

ASB's interest-rate risk sensitivity measures as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 constitute "forward-looking statements" and were as follows:

Change in interest rates (basis points)	Change in interest rates (basis points)	Change in NII (gradual change in interest rates) September 30, 2023	Change in NII (gradual change in interest rates) December 31, 2022	Change in EVE (instantaneous change in interest rates) September 30, 2023	Change in EVE (instantaneous change in interest rates) December 31, 2022	Change in interest rates (basis points)	Change in NII (gradual change in interest rates) March 31, 2024	December 31, 2023	Change in (instantaneous change in March 31, 2
+300	+300	0.2 %	(0.1 %)	1.8 %	5.1 %	+300	1.5 %	2.1 %	3.1
+200	+200	0.2	—	1.7	3.8				
+100	+100	0.1	—	1.3	2.1				
-100	-100	(0.4)	(0.3)	(2.1)	(3.4)				
-200	-200	(1.0)	(0.9)	(4.7)	(7.8)				
-300	-300	(1.7)	(1.7)	(8.5)	(13.8)				

ASB's net interest income (NII) sensitivity profile remained neutral was less asset sensitive as of September 30, 2023 March 31, 2024 compared to December 31, 2022 as expected asset repricing was relatively matched December 31, 2023 primarily driven by lower cash balances, partially offset by maturing borrowings from the Federal Reserve Bank that were replaced with liability repricing within the twelve-month simulation period. one-year FHLB advances.

Economic value of equity (EVE) sensitivity was lower increased as of September 30, 2023 March 31, 2024 compared to December 31, 2022 December 31, 2023 due to slower than anticipated higher seasonal mortgage prepayments and a shift in the bank's liability mix as longer duration core deposits were replaced prepayment expectations, partially offset by rate sensitive deposits and shorter term wholesale funding. lower deposit duration.

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.

<u>Item 4. Controls and Procedures</u>

HEI:

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Exchange Act. Management, including the Company's Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective, as of the end of the period covered by this report, at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in internal control over financial reporting during the third first quarter of 2023 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Hawaiian Electric:

Disclosure Controls and Procedures

Hawaiian Electric maintains a set of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by Hawaiian Electric in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC's rules and forms, and that such information is accumulated and communicated to Hawaiian Electric's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

An evaluation was performed under the supervision and with the participation of Hawaiian Electric's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Hawaiian Electric's disclosure controls and procedures, as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Exchange Act. Management, including Hawaiian Electric's Chief Executive Officer and Chief Financial Officer, concluded that Hawaiian Electric's disclosure controls and procedures were effective, as of the end of the period covered by this report, at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in internal control over financial reporting during the third first quarter of 2023 2024 that have materially affected, or are reasonably likely to materially affect, Hawaiian Electric's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The descriptions of legal proceedings (including judicial proceedings and proceedings before the PUC and environmental and other administrative agencies) in HEI's and Hawaiian Electric's 2022 2023 Form 10-K (see "Part I. Item 3. Legal Proceedings" and proceedings referred to therein) and this Form 10-Q (see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Notes 2, 4 and 5 of the Condensed Consolidated Financial Statements) are incorporated by reference in this Item 1. With regard to any pending legal proceeding, alternative dispute resolution, such as mediation or settlement, may be pursued where appropriate, with such efforts typically maintained in confidence unless and until a resolution is achieved. Certain HEI subsidiaries (including Hawaiian Electric and its subsidiaries, ASB and Pacific Current and its subsidiaries) may also be involved in ordinary routine PUC proceedings, environmental proceedings and litigation incidental to their respective businesses.

Item 1A. Risk Factors

For information about Risk Factors, see pages 20 to 33 of HEI's and Hawaiian Electric's 2022 2023 Form 10-K and "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures about Market Risk" and the Condensed Consolidated Financial Statements herein. Also, see "Cautionary Note Regarding Forward-Looking Statements" on pages iv through vi herein and as supplemented below.

Potential losses resulting from the Maui windstorm and wildfires could have a material adverse effect on HEI's and Hawaiian Electric's financial condition, liquidity, cash flows and results of operations. 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 at least 99 fatalities in Lahaina (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 County of Maui, in addition to the loss of life, over 3,450 acres burned and over 2,500 structures were destroyed. 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 the Intermediate School. The Maui County 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 County fire chief subsequently reported that the Fire Department had determined that the Morning Fire was "extinguished." 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 County 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 material impact on 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 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, 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.

A material reduction or delay of dividends or other distributions from one or more operating subsidiaries to HEI for an extended period of time could have a material adverse effect on HEI's financial condition, liquidity, cash flows and results of operations. As a holding company with no significant operations of its own, HEI's cash flows and consequent ability to service its obligations 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 could have a material adverse effect on the Company's business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

(c) Purchases of HEI common shares were made on the open market during the third first quarter of 2023 2024 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
July 1 to 31, 2023	14,114	$37.46	—	NA
August 1 to 31, 2023	101,641	$14.96	—	NA
September 1 to 30, 2023	103,693	$12.53	—	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
January 1 to 31, 2024	36,473	$13.90	—	NA
February 1 to 29, 2024	21,802	$12.87	—	NA
March 1 to 31, 2024	28,397	$11.48	—	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 DRIP, the 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," 8,970 15,978 of the 14,114 36,473 shares, 44,934 2,419 of the 101,641 21,802 shares and 10,696 of the 28,397 shares were purchased for the DRIP; 3,986 17,583 of the 14,114 36,473 shares, 52,931 16,123 of the 101,641 21,802 shares and 91,116 14,922 of the 103,693 28,397 shares were purchased for the HEIRSP; and the remainder was 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.

Item 5. Other Information

During the three months ended September 30, 2023, none of the Company's directors or officers 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.

Item 6. Exhibits

HEI Exhibit 4.1		Personalized Planning and Advice Amendment effective April 1, 2024 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company
HEI Exhibit 4.2	Letter Amendment effective April 30, 2024 to Master Trust Agreement (dated September 4, 2012) between HEI and ASB and Fidelity Management Trust Company	
HEI Exhibit 31.1	Certification Pursuant to Rule 13a-14 promulgated under the Securities Exchange Act of 1934 of Scott W. H. Seu (HEI Chief Executive Officer)	
HEI Exhibit 31.2	Certification Pursuant to Rule 13a-14 promulgated under the Securities Exchange Act of 1934 of Scott T. DeGhetto (HEI Chief Financial Officer)	
HEI Exhibit 32.1	HEI Certification Pursuant to 18 U.S.C. Section 1350	
HEI Exhibit 101.INS	XBRL Instance Document - the instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	
HEI Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document	
HEI Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	
HEI Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	
HEI Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	
HEI Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	
HEI Exhibit 104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	
Hawaiian Electric Exhibit 31.3	Certification Pursuant to Rule 13a-14 promulgated under the Securities Exchange Act of 1934 of Shelee M. T. Kimura (Hawaiian Electric Chief Executive Officer)	
Hawaiian Electric Exhibit 31.4	Certification Pursuant to Rule 13a-14 promulgated under the Securities Exchange Act of 1934 of Paul K. Ito (Hawaiian Electric Chief Financial Officer)	
Hawaiian Electric Exhibit 32.2	Hawaiian Electric Certification Pursuant to 18 U.S.C. Section 1350	

SIGNATURES

Pursuant to the requirements 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 signature of the undersigned companies shall be deemed to relate only to matters having reference to such companies and any subsidiaries thereof.

HAWAIIAN ELECTRIC INDUSTRIES, INC.	**HAWAIIAN ELECTRIC COMPANY, INC.**
(Registrant)	(Registrant)
By /s/ Scott W. H. Seu	By /s/ Shelee M. T. Kimura
Scott W. H. Seu	Shelee M. T. Kimura
President and Chief Executive Officer	President and Chief Executive Officer
(Principal Executive Officer of HEI)	(Principal Executive Officer of Hawaiian Electric)
By /s/ Scott T. DeGhetto	By /s/ Paul K. Ito
Scott T. DeGhetto	Paul K. Ito
Executive Vice President,	Senior Vice President,
Chief Financial Officer and Treasurer	Chief Financial Officer and Treasurer
(Principal Financial Officer of HEI)	(Principal Financial Officer of Hawaiian Electric)
Date: November 13, 2023 May 10, 2024	Date: November 13, 2023 May 10, 2024

HEI Exhibit 4.1

Personalized Planning & Advice Amendment

January 24, 2024

Fidelity Investments
Workplace Investing, Contracts
245 Summer St., V7A
Boston, MA 02110

Re: Addition of Fidelity® Personalized Planning & Advice to the Plans below (collectively and individually the "Plan"):

Plan Name	Fidelity Plan Number
Hawaiian Electric Industries Retirement Savings Plan	56566
American Savings Bank 401(k) Plan	75615

Dear Fidelity:

This letter, along with its attachments (collectively, the “Letter”), relates to the addition of the Fidelity® Personalized Planning & Advice at Work service (“Personalized Planning & Advice”) in connection with the Master Trust Agreement for thePlans which have been entered into between Hawaiian Electric Industries, Inc. and American Savings Bank, F.S.B. (collectively and individually, the “Sponsor”) and Fidelity Management Trust Company (“Fidelity”), 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, by a Sixth Amendment effective January 1, 2023, and further amended by letters of direction executed by the Hawaiian Electric Industries, Inc. Pension Investment Committee (the “Client”) and Fidelity Management Trust Company (the “Trustee”), which specifically state that both parties intend and agree that each such letter of direction shall constitute an amendment (the “Agreement”). The parties hereto intend and agree that this Letter shall constitute a further amendment to the Agreement to the extent the direction contained herein modifies the services under the Plans.

The Client hereby directs Fidelity to implement Personalized Planning & Advice and amend the applicable Agreement to add the Personalized Planning & Advice Terms and Investment Management Agreement, attached below.

Fidelity will implement Personalized Planning & Advice onJanuary 26, 2024,provided Fidelity is in receipt of this signed Letter by April 1, 2024. In the event such implementation date is no longer reasonably practicable, the parties will establish another date for implementation.

There are no representations, understandings or agreements relating to the directions given in this Letter that are not fully expressed herein. Client recognizes the importance of changes to a Plan's investment choices and the significant risks (financial and otherwise) associated with any incorrect actions in this regard and therefore confirms that it has read this Letter fully, understands and confirms the accuracy of the directions being provided herein.

By signing below, the undersigned represent that they are authorized to execute this document on behalf of the respective parties and in the case of Fidelity also for each of the individual applicable Fidelity entities. Notwithstanding any contradictory provision of any Agreement, each party may rely without duty of inquiry on the foregoing representation. This Amendment may contain service and/or compensation information intended by Fidelity to satisfy the requirements of Department of Labor regulation Section 2550.408b-2(c)(1) and which require review by the responsible plan fiduciary.

Hawaiian Electric Industries, Inc. and American Savings Bank, F.S.B.

By: Hawaiian Electric Industries, Inc. Pension Investment Committee

By: /s/ Scott W. H. Seu
Name: Scott W. H. Seu
Title: Chairman
Date: 1/24/2024

By: /s/ Kurt K. Murao
Name: Kurt K. Murao
Title: Secretary
Date: 1/24/2024

Fidelity Management Trust Company

By: /s/ Jayant Kacholiva
Name: Jayant Kacholiva
Title: SVP/Workplace Services Relationship Manager
Date: 1/25/2024

Attachment A -Managed Account Services

1. Fidelity® Personalized Planning & Advice at Work ("Personalized Planning & Advice")

This Section applies only to Plans that have selected Personalized Planning & Advice and shall be construed in a manner that is consistent with the Investment Management Agreement.

a. **Selection of Personalized Planning & Advice.** Fidelity and its Affiliates shall have no responsibility for the Client or Named Fiduciary's decision to offer Personalized Planning & Advice and will not render investment advice to any person in connection with the selection of Personalized Planning & Advice.

The Parties acknowledge that Client is capable of evaluating investment risks independently. Client affirms that at all times the decision to offer Personalized Planning & Advice shall be made by exercising independent judgment.

b. **Participant Direction for Personalized Planning & Advice.** As authorized under the Plan, each Participant may direct Fidelity to invest such Participant's Accounts among the Plan's available investment options in accordance with investment directions provided by Strategic Advisers and FPWA pursuant to the Investment Management Agreement. Fidelity will not be liable for any loss or expense arising from a Participant exercising its right to participate in or to continue participation in Personalized Planning & Advice.

c. **Personalized Planning & Advice.**

i. Investment Managers/investment advisers. This section is intended to authorize the appointments of an Investment Manager and investment adviser. To the extent a Plan is governed by ERISA, such appointment of an Investment Manager is as contemplated in Section 402(c)(3) of ERISA. Pursuant to the Investment Management Agreement executed by and among Client, Authorizing Party, FPWA, and Strategic Advisers. Client or Named Fiduciary has appointed (i) Strategic Advisers as an Investment Manager with respect to the Managed Assets and (ii) FPWA and Strategic Advisers as investment advisers with respect to the Managed Assets. For so long as Personalized Planning & Advice is offered, FPWA's and Strategic Advisers' authority with respect to Managed Assets will begin when Fidelity has confirmed receipt of an election in Good Order from an eligible Participant who has elected to participate in Personalized Planning & Advice (and in the case of Plans or portions thereof transferring to Fidelity recordkeeping services, at the conclusion of the Participant Recordkeeping Reconciliation Period).

ii. Composition of Assets. Managed Assets will be comprised of those assets held in or contributed to the Plan Accounts of eligible Participants from whom Fidelity or its agent has received in Good Order an election to participate in Personalized Planning & Advice, and whose participation has not been terminated in accordance with subparagraph (iv) below. The Managed Assets shall be identified on the books and records of the Account separately from all other assets held by Fidelity under the MSA.

iii. Purchases and Sales. Purchases and sales of investment options initiated by Personalized Planning & Advice shall be governed by the operating guidelines set out in the Section below titled "Operating Guidelines for Personalized Planning & Advice".

iv. Termination of Personalized Planning & Advice. FPWA's and Strategic Advisers' authority with respect to Managed Assets shall end with respect to a Participant when (A) the Participant's termination of their election to participate in Personalized Planning & Advice becomes effective, as described below; (B) Managed Assets are withdrawn (e.g. through loan, withdrawal, or distribution) or otherwise transferred out of the Participant's Account for any reason (but only to the extent of such withdrawal or transfer); (C) the Participant's Account is transferred to another plan, unless that plan also offers Personalized Planning & Advice and Fidelity is directed to transfer the Participant's enrollment; (D) receipt of notice of a Participant's death; (E) FPWA or Strategic Advisers notifies a Participant that the Participant is no longer eligible for Personalized Planning & Advice, or that it will no longer provide Personalized Planning & Advice to such Participant for any reason; (F) when the Plan's Named Fiduciary or Client, as applicable, directs FPWA and Strategic Advisers to discontinue its service to any Participant (whether through termination of the appointments of FPWA and Strategic Advisers with respect to Personalized Planning & Advice, or otherwise); or (G) when Fidelity or its Affiliate ceases to provide recordkeeping services for the Plan.

v. Directions of FPWA or Strategic Advisers. Strategic Advisers shall have the duty and power to direct Fidelity and its Affiliatess as to the investment of Managed Assets among available investment options, in accordance with governing investment guidelines and Investment Management Agreement. Fidelity shall follow the direction of Strategic Advisers or its agent regarding the investment and reinvestment of the Managed Assets. Fidelity shall have no authority or responsibility to review, question or countermand any instruction provided by FPWA or Strategic Advisers to it, unless it has knowledge that by its action or failure to act, it will be participating in or undertaking to conceal a breach of fiduciary duty by FPWA or Strategic Advisers. Managed Assets shall be managed consistent with the Participant's retirement goal, regardless of distribution dates applicable to such Managed Assets. Fidelity may execute such documents (such as powers of attorney) as may be necessary to authorize FPWA, Strategic Advisers, and/or their applicable agents to exercise their investment management duties.

vi. Appointment of Agents. FPWA and Strategic Advisersmay appoint as their agents any entity that is also used by Fidelity in performing its duties hereunder, including but not limited to FIIOC.

vii. Provision of Information. Neither Fidelity nor its Affiliatess performing recordkeeping and administrative services for the Plan shall have any obligation to provide any information concerning an enrolled Participant to FPWA and Strategic Advisers (including, without limitation, any holdings of such Participant outside of the assets allocated to Personalized Planning & Advice), provided, however, FPWA may use certain information on Fidelity systems to facilitate a Participant's enrollment in the Personalized Planning & Advice Service and Fidelity and such Affiliatess shall be obligated to notify FPWA and Strategic Advisers of an event terminating some or all of its management responsibilities for enrolled Participants.

viii. Enrollment by Participant. A Participant may elect to participate in Personalized Planning & Advice by enrolling via the internet, via telephone with a Fidelity representative, or by other means as agreed to by Client and Fidelity. After the conclusion of any applicable Participant Recordkeeping Reconciliation Period, exchanges shall be made within the next 5 Business Days after a Participant has provided in Good Order all information necessary for Personalized Planning & Advice to determine an appropriate target asset mix and model portfolio, and the receipt of their election to participate in Personalized Planning & Advice has been confirmed. For so long as a Participant participates in Personalized Planning & Advice, he or she may not make exchanges in their account except for exchanges related to the common stock of HEI ("HEI Common Stock") or self-directed brokerage, if applicable.

ix. Un-enrollment by Participant. A Participant may elect to terminate participation in Personalized Planning & Advice via telephone with a Fidelity representative, or such other means agreed to by Client and Fidelity and such termination shall be effective immediately when Fidelity confirms receipt of such instruction, provided that if confirmation is received after Market Close and one or more exchange transactions are pending for processing in the nightly cycle for such date, such exchanges shall be processed as of the Market Close on such date. In the absence of such pending transactions, upon completion of unenrollment process of their participation in Personalized Planning & Advice, a Participant may request exchanges immediately, and such transactions shall be implemented in accordance with the standard guidelines set forth in the PAM for such investment option.

d. **Operating Guidelines for Personalized Planning & Advice.** The following operating guidelines govern exchanges of investment options for Participants enrolled in Personalized Planning & Advice and do not govern exchanges of Mutual Funds pursuant to Participant request which are processed in accordance with the fund exchange provisions set forth in the PAM. These guidelines are subject to change upon written notice to the Client.

i. Rebalancing Participant Accounts. Assets in the Participant's Plan Account are rebalanced on an ongoing basis to ensure alignment with the assigned asset allocation strategy and the current model portfolio. There are two primary types of rebalancing activities:

1. Portfolios may be rebalanced periodically to account for changes in market valuations to ensure Participant Accounts are properly aligned to their model portfolio allocations.

2. Portfolios are also monitored each Business Day to ensure that any Participant directed activities (such as withdrawals or loans) have not caused the Participant Account to vary from the assigned market-adjusted model portfolio by more than a standard drift allowance set by Strategic Advisers.

Rebalance transactions will be created in the nightly cycle for processing on the following Business Day and will be reflected in Participant Accounts on the day following the rebalance transaction date.

ii. Reallocation of Model Portfolios. If there is a reallocation of the model portfolio (resulting from review of the Plan's investment options or a change in the Plan investment option menu), those Participant Accounts that vary from the revised model portfolio by more than a standard drift allowance set by Strategic Advisers will be flagged for reallocation. Reallocation transactions will be processed using the same rules as for rebalance transactions.

iii. Changes to Investor Profile. If a change in model portfolios is required as a result of an annual or ad hoc review of the Participant's investor profile completed before Market Close on a Business Day, the required exchanges shall be processed within the next 5 Business Days, and reflected in the Participant's Account within three Business Days.

iv. Termination of Service. If receipt of a Participant's election to terminate Personalized Planning & Advice is confirmed before Market Close, the Account will not be flagged for rebalancing or reallocation, and any pending rebalance or reallocation transactions will be automatically cancelled. If receipt of a Participant's election to terminate Personalized Planning & Advice is confirmed after Market Close, and an exchange is then pending for processing in the nightly cycle for such date, such exchanges shall be processed as of the Market Close on such date.

Exhibit A - Investment Management Agreement
(FPPA) Coversheet

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Party Information

Party	Legal Name	State of Formation	Address	Contact for Notices
FPWA:	Fidelity Personal and Workplace Advisors LLC	DE	245 Summer Street, V7A Boston, MA 02210	WI Contracts
Strategic Advisers:	Strategic Advisers LLC	DE	245 Summer Street, V7A Boston, MA 02210	WI Contracts
Plan Sponsor(s):	Hawaiian Electric Industries, Inc. and American Savings Bank, F.S.B.	HI	1001 Bishop Street, Suite 2900 Honolulu, HI 96813 300 N. Beretania St. Honolulu, HI 96817	Employee Benefits
Client and Authorizing Party:	Hawaiian Electric Industries, Inc. Pension Investment Committee	HI	1001 Bishop Street, Suite 2900 Honolulu, HI 96813	Employee Benefits

Plan Information

Plan Name	Plan Number	Authorizing Party
Hawaiian Electric Industries Retirement Savings Plan	56566	Hawaiian Electric Industries, Inc. Pension Investment Committee
American Savings Bank 401(k) Plan	75615	Hawaiian Electric Industries, Inc. Pension Investment Committee

IMA Authorization

By signing below, the undersigned represent that they are authorized to execute this IMA on behalf of the respective Parties effective as of the date last signed below (the "**Effective Date**"). Each Party may rely without duty of inquiry on the foregoing representation.This IMA may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one agreement binding on the Parties. Each Party's electronic signature below authenticates this writing and has the same force and effect as a manual signature.

Party	Signature	Name	Date
FPWA:	/s/ Wilson Owens	Wilson Owens	1/25/2024
Strategic Advisers:	/s/ Stephanie Caron	Stephanie Caron	1/25/2024
Sponsor, Client and Authorizing Party:	/s/ Scott W. H. Seu	Scott W. H. Seu	1/24/2024
Sponsor, Client and Authorizing Party:	/s/ Kurt K. Murao	Kurt K. Murao	1/24/2024

This Investment Management Agreement, including the Coversheet, IMA Glossary, and attached Schedules ("**IMA**") is entered into between FPWA, Strategic Advisers, Client, and Authorizing Party (the "**Parties**") as of the Effective Date set forth on the Coversheet. To the extent that the Authorizing Party and Client are the same, the Authorizing Party's execution of this IMA shall also bind Client.

1. Services

Client has entered into an MSA with an Affiliate of FPWA and Strategic Advisers with respect to the Plan listed on the Coversheet to this Exhibitwhich permits certain assets held in such Plan to be managed by a duly appointed investment manager.

2. Appointment of FPWA and Strategic Advisers

The Authorizing Party has the authority to appoint investment advisers and investment managers with respect to the assets held in such Plan, and hereby appoints FPWA and Strategic Advisers to provide discretionary management of the Managed Assets and certain non-discretionary advice to enrolled Participants consistent with the Investment Guidelines.

3. Acceptance of Appointment

FPWA and Strategic Advisers accept the appointment to manage the Managed Assets and provide the Managed Account Service consistent with the Investment Guidelines. FPWA and Strategic Advisers each represents that it is an investment adviser registered under the Investment Advisers Act of 1940, and that it has full power and authority to enter into this IMA. FPWA and Strategic Advisers are ERISA fiduciaries only to the extent of their discretionary authority over the Managed Assets. To the extent the Plan is governed by ERISA, Strategic Advisers is a fiduciary under Section 3(21) of ERISA, and it is an investment manager under Section 3(38) of ERISA, in each case only to the extent of its discretionary authority over the Managed Assets.

4. Powers, Rights and Duties of FPWA

FPWA will assist Participants in determining an appropriate investment strategy with one of the model portfolios designed by Strategic Advisers for the Plan. Each model portfolio consists only of the Plan Investment Options. FPWA shall provide the Managed Account Service consistent with the Investment Guidelines and ensure the Managed Assets are invested in accordance with the Investment Guidelines. FPWA will also provide on-going customer service to each of the Participants such as answering client questions and addressing service issues.

5. Powers, Rights and Duties of Strategic Advisers

Strategic Advisers will design model portfolios for each Plan. Subject to its fiduciary duties, Strategic Advisers will use best efforts to provide an opportunity for enhanced returns, consistent with appropriate risk diversification, by investing the Managed Assets only in the Plan Investment Options.

Strategic Advisers has authority and discretion to manage the investment of the Managed Assets subject to the Investment Guidelines and this IMA.

Strategic Advisers has authority to:

i. direct the trustee, custodian or either of their agents to make purchases and sales of securities or other property for the Participant Accounts that are enrolled in the Managed Account Service;

ii. direct the trustee, custodian or either of their agents to perform any or all of the powers, duties, and authority given to such trustee, custodian or agent in the relevant agreements which are therein subjected to direction by Strategic Advisers and to enforce performance by such trustee, custodian or agent of such powers, duties, and authority;

iii. execute the documents necessary to make investments within the scope of the Investment Guidelines and carry out other duties of Strategic Advisers.

6. Limitations on Duties of FPWA and Strategic Advisers:

6.01 Shareholder Rights and Legal Proceedings. FPWA and Strategic Advisers will have no responsibility or authority to exercise any shareholder rights that arise with respect to investments in which Managed Assets are invested, nor will they have responsibility or authority to make decisions arising out of the Account's ownership of any such investments, including matters such as litigation or bankruptcy.

6.02 Responsibility for Other Assets. FPWA and Strategic Advisers are not responsible for managing Other Assets but may

consider Other Assets when identifying an asset allocation strategy as specifically described in Part 2A of FPWA's and Strategic Advisers' Form ADV pertaining to the Managed Account Service.

6.03 Treatment of Multiple Accounts. If FPWA and Strategic Advisers manage a Participant's Accounts in multiple Plans, all such managed Plans will be managed using the same investment strategy, however, each Plans' model portfolio may differ based on the Investment Options available under that Plan.

6.04 Selection of Investment Options and Interpretation of Plan Rules. FPWA and Strategic Advisers shall have no duty to advise the Authorizing Party or any other person with respect to the Investment Options, or to exercise management authority to add or remove Investment Options to or from the Plan. FPWA and Strategic Advisers shall have no duty or authority to advise or make recommendations to the Authorizing Party or Client with respect to any other matter, including without limitation, the impact of Plan rules on the management or diversification of Managed Assets.

7. FPWA's and Strategic Advisers' Standard of Care

FPWA and Strategic Advisers shall comply with all laws and regulations applicable to its duties under this IMA and shall discharge such duties:

i. solely in the interest of the Participants and for the exclusive purpose of providing benefits to such Participants and their beneficiaries and defraying reasonable expense of administering the Plan, subject to the provisions in Section 11;

ii. with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

iii. in accordance with the Plan documents provided to FPWA, Strategic Advisers, or its agents, and this IMA; provided, this IMA shall control in the event of any inconsistency.

Regardless of whether the Plan is subject to ERISA, FPWA and Strategic Advisers will perform all of its duties hereunder as if the Plan were subject to ERISA, provided, however, that governing Plan documents need not be consistent with ERISA.

8. Duties of the Authorizing Party

The Authorizing Party will:

i. direct, or cause to be directed, the trustee, custodian, recordkeeper or their agents to invest the Managed Assets at the direction of Strategic Advisers;

ii. authorize the trustee, custodian or recordkeeper to provide, FPWA and Strategic Advisers with such information pertaining to the Managed Assets and the Plan as FPWA and Strategic Advisers may reasonably request, which information FPWA and Strategic Advisers shall keep as confidential and shall not disclose, except as required by law, to any party other than its employees, Affiliates, permissible assigns, subcontractors, advisors, or agents, without the prior consent of the Authorizing Party;

iii. to the extent not paid by Client, compensate FPWA and Strategic Advisers, or cause the trustee or custodian to compensate FPWA and Strategic Advisers, by deduction from the Participant Accounts enrolled in the Managed Account Service, for FPWA and Strategic Adviser services under this IMA in the amounts set forth on Schedule A to this Exhibit as it may be amended by FPWA and Strategic Advisers in accordance with this Agreement;

iv. provide, or cause its agent to provide, communications to Participants as required by FPWA and Strategic Advisers, and

v. maintain a menu of Investment Options that meets the requirements of the Managed Account Service by providing adequate diversification opportunities necessary for the implementation and operation of the Managed Account Service, as determined in the sole discretion of Strategic Advisers. If the Authorizing Party fails to maintain a menu of Investment Options as set forth above Strategic Advisers will notify the Authorizing Party and has no obligation to manage the Managed Assets until the Authorizing Party modifies the Investment Options to provide adequate diversification opportunities necessary for the implementation and operation of the Managed Account Service, as determined in the sole discretion of Strategic Advisers.

vi. provide at least thirty (30) days' prior written notice to FPWA or Fidelity of an Investment Options change. Strategic Advisers has no obligation to manage the Managed Assets until thirty (30) days after being notified of an Investment Option change.

vii. fulfill or comply with such other obligations or restrictions as are outlined in the Investment Guidelines.

9. Liability and Indemnification

9.01 General Indemnity. FPWA and Strategic Advisers shall indemnify the Authorizing Party, Sponsors, and Client with respect to any third-party claims or regulatory proceedings asserted or commenced against the Authorizing Party, Sponsors, or Client to the extent resulting from FPWA's or Strategic Advisers' negligence, or willful misconduct under, or breach of the terms of, this IMA. The Authorizing Party, Sponsors, and Client shall indemnify FPWA and Strategic Advisers with respect to any third-party claims or regulatory proceedings asserted or commenced against FPWA and Strategic Advisers to the extent resulting from the Authorizing Party's, Sponsors' or Client's negligence or willful misconduct under, or breach of the terms of, this IMA, or from any act done, or any act failed to be done, by any individual or person with respect to the Plans, except to the extent such claim results from FPWA's or Strategic Advisers' negligence or willful misconduct under, or breach of the terms of, this IMA. For purposes of this *General Indemnity* Section, any reference to the Authorizing Party, Sponsors, or Client or to FPWA or Strategic Advisers as an indemnified Party includes their respective directors, officers, Affiliates, and subsidiaries.

9.02 Fiduciary Liability. Except for liability under ERISA §405 that may be imposed with respect to FPWA's and Strategic Advisers' conduct related to ERISA-governed Plans, FPWA and Strategic Advisers shall have no responsibility for the acts or omissions of the Authorizing Party, Sponsors, Client, the trustee, custodian or any of its agents. FPWA and Strategic Advisers shall have no responsibility for any loss resulting from (i) any breach of fiduciary duty of the Authorizing Party in selecting and monitoring FPWA and Strategic Advisers, the selection of investment alternatives or the administration of the Plan, (ii) anything done or omitted to be done in good faith and reasonable reliance on any written, electronic or telephonic directions from the Authorizing Party or any authorized representative thereof or any information provided by a Participant who is enrolled in the Managed Account Service, (iii) anything done or omitted to be done in good faith and reasonable reliance on any inaccurate, outdated or incomplete employee, Participant or Plan data provided by Clients, the Authorizing Party or Participant as the case may be, or (iv) the Authorizing Party's failure to perform its obligations hereunder.

9.03 Federal and state securities laws impose liability, under certain circumstances, on persons who act in good faith. Nothing in this IMA shall waive or limit any rights that the Authorizing Party and Client may have under those laws.

10. Compensation

Fees are attached hereto as Schedule A to this Exhibit. FPWA and Strategic Advisers may change the Fees once per year upon sixty (60) days prior written notice to Client; provided, however, that should the Authorizing Party change or modify the Investment Options, FPWA and Strategic Advisers may modify the Fees at any time upon sixty (60) days written notice to the Authorizing Party. Any other changes to the Fees shall require written consent of the Parties to this IMA.

11. Confidential Information; Other Clients and Services

Any information or recommendations supplied by or through FPWA and/or Strategic Advisers in connection with the Managed Account Service, which are not otherwise in the public domain or previously known to the Authorizing Party or Client, are to be regarded as proprietary and confidential to FPWA, Strategic Advisers and their Affiliates, and for use only in connection with Managed Assets by Participants, the Authorizing Party, Client or such persons as any of them may designate in connection with the Managed Assets.

FPWA and Strategic Advisers shall comply with substantially similar confidentiality provisions as those set forth in the MSA and shall safeguard confidential information using the same degree of care that Fidelity is required to use under the MSA and in any event, no less than reasonable care.

The Parties acknowledge that FPWA and Strategic Advisers may provide similar services to other trusts, accounts and plans, and that nothing in this IMA shall require FPWA and Strategic Advisers to disclose to the Authorizing Party or Client, the Plan or its Participants the existence of such other engagements or prohibit FPWA and Strategic Advisers from rendering services to such other clients. The Authorizing Party and Client acknowledge that FPWA and Strategic Advisers may use identical, similar or different investment methodologies in providing education or other investment services to the Plan(s) or its (their) Participants, or to other plans, participants or clients. With respect to the allocation of trades among clients, FPWA and Strategic Advisers will treat each of its client accounts in a fair and equitable manner when allocating orders for the purchase and sale of securities, including mutual fund shares. All allocations among client accounts will be made in a manner consistent with FPWA's and Strategic Advisers' fiduciary duties.

12. ERISA, Tax and Other Considerations

The Authorizing Party and Client acknowledge that FPWA and Strategic Advisers are affiliated with other entities that may receive asset-based compensation in connection with the Investment Options, including, but not limited to, Fidelity Mutual Funds.

To the extent that the Plans are governed by ERISA, the Parties acknowledge that the Managed Account Service, to the extent it would otherwise constitute a prohibited transaction, is intended to comply with Prohibited Transaction Class Exemption 77-4, as it may be amended from time to time (PTCE 77-4), with respect to Fidelity Mutual Funds. To that end, the Authorizing Party acknowledges that it is the named fiduciary of the Plans that are ERISA-governed, it is independent of FPWA and Strategic Advisers within the meaning of PTCE 77-4, that it has received prospectuses for the Fidelity Mutual Funds available under the Plan, and a full and detailed disclosure of the investment advisory and other fees charged to or paid by the Plan with respect to the Managed Account Service and the investment company(ies). An explanation of the reasons why Strategic Advisers may consider purchases or sales of Fidelity Mutual Funds for accounts of Plan Participants electing the Managed Account Service is provided to the Authorizing Party in the Investment Guidelines. The Authorizing Party acknowledges receipt of such disclosure and hereby authorizes the purchase and sale of Fidelity Mutual Funds for accounts of Participants electing the Managed Account Service.

13. Receipt of Part 2A of Form ADV

The Authorizing Party acknowledges receipt of the Fidelity Personalized Planning & Advice at Work Terms and Conditions (Part 2A of Form ADV), which is also available at:

https://nb.fidelity.com/bin-public/070_NB_IA_Pages/documents/dcl/shared/PPAW/ADV.PDF.

14. Inspection

Once annually, unless otherwise required as a matter of law or for regulatory compliance, Client or Authorizing Party, or either of their Auditors, may request information and documentation regarding FPWA's and Strategic Advisers' records of investment direction provided pursuant to this IMA to audit the Managed Account Service, upon prior written notice of at least 90 days along with a proposed scope and at the expense of Client.

15. Assignment of IMA or Duties

The Parties will not assign this IMA, in whole or in part, nor delegate except as contemplated herein, all or part of the performance of duties required of it by this IMA without the consent of the other party, except as permitted by applicable law or regulation, provided, however, that FPWA and Strategic Advisers may assign all or a portion of this IMA to any Affiliate using a negative consent process whereby the Authorizing Party has no less than sixty (60) days to respond to a notice of intended assignment, and failure to respond to any such notice of such intended assignment shall constitute assent to such proposed assignment.

16. Governing Law

The validity, interpretation, and performance of this IMA will be governed and construed in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions), except as superseded and preempted by ERISA.

17. Conflicts; Validity

In the event of a conflict between this IMA and the Managed Account Services provisions of the MSA, this IMA will govern. An adjudication or other determination that a provision of this IMA is invalid or unenforceable shall not affect the validity or enforceability of any remaining provision of this IMA.

18. Termination

The Authorizing Party may at any time, without prior notice, order FPWA and Strategic Advisers to cease activity, subject to completion of the execution of investment directions already in process with respect to the Managed Assets. FPWA and Strategic Advisers may cease to provide models for the Managed Account Service in the event Authorizing Party fails to maintain a menu of Investment Options as required by this IMA and nothing herein shall prohibit FPWA and Strategic Advisers from terminating management of any Participant's Account in accordance with the MSA.

Without limitation to the foregoing, this IMA continues until the termination of recordkeeping services to the Plan by an Affiliate of FPWA and Strategic Advisers, or upon sixty (60) days' notice of termination.

If this IMA is terminated during any period of time for which FPWA and Strategic Advisers have not been compensated, the Fees due to FPWA and Strategic Advisers for such period shall be prorated to the date of termination.

19. Notices

All legal notices, demands, or other non-routine communications will be given in writing by actual delivery or by mail, postage prepaid at the address set forth on the Coversheet or at such other place as a Party designates in writing.

20. Due Authorization

The Authorizing Party represents it has authority to appoint investment advisers and an investment manager for the Plan for which it serves as Authorizing Party, and to enter into this IMA with respect to and on behalf of the Plan. To the extent the Plan is associated with a trust for which the trustee is not an Affiliate of FPWA and Strategic Advisers, the Authorizing Party represents that the provisions of the trust authorize the appointment of investment advisers and an investment manager. To the extent that the Plan is governed by ERISA, the Authorizing Party represents that it is the Plan's named fiduciary acting in accordance with its duties and obligations under ERISA and the Plan.

Each Party to this IMA hereby represents to the others that it is duly authorized by all applicable laws and regulations to enter into this IMA, and to be bound thereby, including the indemnification provision set forth in Section 9.

21. Entire Agreement; Amendment; Survival

This IMA, including the Coversheet, IMA Glossary, and attached Schedules, as well as any provisions of any MSA governing the Managed Account Service, constitute the entire agreement and understanding among the Parties, and, except as specifically provided otherwise herein, may not be modified or amended except by a writing executed by the Parties. Each Party's obligations under this IMA that by their nature would continue beyond termination of this IMA shall survive termination of this IMA.

Schedule A to Investment Management Agreement (FPPA)
Fees for Managed Account Service

Fees

Annual Fee Type	**Average Daily Balance of Managed Assets**	**Less Than 20% Eligible Participant Enrollment**	**Equal to, or Greater Than, 20% Eligible Participant Enrollment**[1]
Gross Advisory Fee	For the first $100,000 in assets, or portion thereof	0.64%	0.59%
	For the next $150,000 in assets, or portion thereof	0.59%	0.49%
	All assets over $250,000	0.44%	0.34%
Target Net Advisory Fee	For the first $100,000 in assets, or portion thereof	0.50%	0.45%
	For the next $150,000 in assets, or portion thereof	0.45%	0.35%
	All assets over $250,000	0.30%	0.20%
Range of Target Net Advisory Fee	For the first $100,000 in assets, or portion thereof	0.64% -0.36%	0.59% -0.31%
	For the next $150,000 in assets, or portion thereof	0.59% -0.31%	0.49% -0.21%
	All assets over $250,000	0.44% -0.16%	0.34% -0.06%

Note: If applicable, HEI Common Stock and self-directed brokerage assets are not Managed Assets and are excluded from the fee calculation.

Fee Terms

Net Advisory Fee

Net Advisory Fee=Gross Advisory Fee-Plan Credit Amount

Description: The net advisory fee is charged to cover ongoing management of the Managed Assets, related servicing, and Participant communications, and is solely attributable to advisory services associated with facilitating and providing discretionary investment management services for the Managed Assets. The net advisory fee is not for any non-discretionary financial planning services provided by FPWA.

Calculation: The net advisory fee for the Managed Account Service is a percentage of the average daily balance of Managed Assets of enrolled Participants. It is calculated by deducting a credit amount (as defined below) from the Plan's gross advisory fee.

Plan Credit Amount

Description: The credit amount reduces the Plan's gross advisory fee by the amount of asset-based fees, if any, FPWA, Strategic Advisers or its Affiliates receive and retain for management of Fidelity Mutual Funds and other Fidelity Investment Options in which Managed Assets are invested, and for other services related to any other Investment Option.

Calculation: For each Investment Option in which Managed Assets are invested, the credit amount is calculated daily by adding together:

(i) the underlying investment management fees paid to FPWA, Strategic Advisers or its Affiliates from such investment if it is a Fidelity Mutual Fund or other Fidelity Investment Options (but, if applicable, not other fund expenses); and

(ii) the servicing or other fees paid to and retained by FPWA, Strategic Advisers and its Affiliates based on assets or Participants in any Investment Option other than Fidelity Mutual Funds or other Fidelity Investment Options.

On a quarterly basis, the credit amount is then divided by the average daily amount of Managed Assets for the Plan to establish a percentage that is applied equally across all Participant Accounts to arrive at the net advisory fee for that Participant. It is expected that the credit amount will vary over time, based upon the investment management fees and servicing or other fees as described in (i) and (ii) above as well as the total amount of Managed Assets.

Gross Advisory Fee

Because the credit amount will vary over time, the net advisory fee paid by any Participant will also vary for the reasons above. The gross advisory fee is determined by estimating the credit amount and adding it to the target net advisory fee.

[1] If a Plan exceeds the Fee enrollment threshold, the Fee reduction applies on the first day of the quarter in which the threshold was met or exceeded (calculated on a per Plan basis).

[2] The net advisory fee is charged in addition to any applicable management fees, purchase fee, short-term trading fee, similar fees payable to the applicable Investment Options, and/or any fee paid to FPWA and Strategic Advisers' Affiliates for services rendered to the Plan.

If a Participant is enrolled in the Managed Account Service through other qualified plans record kept by Fidelity outside of this IMA, the Participant's aggregate total average daily balance of managed assets determines the breakpoints at which the gross advisory fee rates set forth above are applied, which may reduce the Participant's advisory fee. Non-qualified plan accounts are not included in the Participant's total average daily balance of Managed Assets.

Range for Target Net Advisory Fee

Given the Investment Options as of the Effective Date and expected allocation of Managed Assets, FPWA and Strategic Advisers anticipate that the net advisory fees paid by any Participant will fall within the range for target net advisory fee shown above. In rare circumstances, due to the variable nature of the credit amount, the net advisory fee payable by Participants may fall outside of the ranges shown above.

Payment Terms

The Fees are payable quarterly in arrears and will be calculated based on each Participant's average daily balance of Managed Assets. Unless paid by Client, Fidelity or its agent will redeem investments in the amount of the net advisory fee directly from enrolled Participants' Accounts. Fees are generally calculated on the 25th day of the last month of the billing cycle (or the next Business Day if the 25th is not a Business Day) and deducted on the day following the calculation and such amount will be noted on the Participant's statement.

Impact of Participant or Managed Account Service Termination

- Managed Account Service is Terminated but Participant Remains in Plan or Plan Discontinues Managed Account Service

In the event a Participant's enrollment in the Managed Account Service is terminated before the end of a quarter but such Participant remains enrolled in the Plan or the Plan discontinues the Managed Account Service before the end of a quarter, the gross advisory fee applicable to that quarter will be prorated based on the number of days the Account was managed during the quarter, and such Participant's net advisory fee for the pro-rated quarter will be calculated using the Plan credit amount.

- Managed Account Service is Terminated and Participant Takes Full Plan Distribution

If, prior to the end of a billing quarter, a Participant's enrollment in the Managed Account Service is terminated and the Participant does not remain invested in the Plan, then the gross advisory fee applicable to that quarter will be prorated based on the number of days the Account was managed during the quarter. In such cases, a Participant's gross advisory fee for the pro-rated quarter will be reduced by a credit amount based on only those Investment Options in which such Participant was invested.

In providing discretionary management, Strategic Advisers shall manage Managed Assets in an enrolled Participant's Account by selecting from among the Investment Options in order to provide diversification appropriate for the enrolled Participant. Strategic Advisers will allocate the Participant's portfolio across various asset classes to try to achieve the long-term goal of seeking an appropriate level of returns for a given level of risk.

FPWA shall assign the Participant to an appropriate asset mix based on the appropriate risk/reward trade-offs for the Participant. To determine the appropriate mix, FPWA will consider the Participant's date of birth, assumed retirement age, Account balance, and other personal information provided by the recordkeeper or by the Participant directly through a series of questions or through the incorporation of available online information. This profile information may include the Participant's risk preferences, investment experience, current and future income, and potential withdrawal needs, depending on the availability of such information and the willingness of the Participant to provide such information. It may also include information about assets held by the Participant in other accounts (including amounts held in other plans or accounts serviced by its Affiliates) and the asset allocation of these accounts. FPWA will base its proposed asset mix on the amount of information provided by the Participant but shall not require information from the Participant beyond (i) correct date of birth information for each plan Participant, and (ii) designating the expected retirement age for each Participant.

Strategic Advisers shall design model portfolios for the plan by selecting a combination of Investment Options that track the risk and diversification attributes of the targeted asset allocation within an appropriate range. Based on the information outlined above, FPWA will assign the Participant to one of the model portfolios.

Client or the Authorizing Party has chosen the Managed Account Service's "core" investment management approach (the "core approach") for the management of Managed Assets of enrolled Participants. The core approach evaluates all eligible Investment Options, including actively managed funds, index-based funds, and extended asset class investment strategies when building portfolios. The Managed Account Service chosen by Client and/or the Authorizing Party employs active asset allocation as part of this investment process. Strategic Advisers' active asset allocation process attempts to adjust the long-term asset allocation of the portfolios to increase return potential and/or diversification benefits by applying research-driven primary asset class weightings. Please see Terms and Conditions brochure for the Managed Account Service for more information.

Participant asset allocations generally will be reviewed three to six times per year, and a Participant may be reassigned to an asset allocation that matches his or her updated profile. A Participant may be reassigned to an appropriate asset allocation and portfolio any time the Participant informs FPWA and Strategic Advisers of a change to his or her profile.

Authorizing Party shall be responsible for providing correct date of birth information for each Participant. In addition, if the Participant does not provide information designating their

expected retirement date, the Authorizing Party will either (i) provide a default retirement date to be used in scoring Participants or (ii) direct FPWA and Strategic Advisers to use the default retirement date designated by the Social Security Administration for such Participant.

Strategic Advisers shall invest eligible amounts held in, or contributed to, the accounts of enrolled Participants in accordance with the model portfolio, as it may be adjusted from time to time for market fluctuation, provided that Strategic Advisers shall not manage amounts held in HEI Common Stock (if applicable), or contributions required to be invested in HEI Common Stock, except to counterbalance against such HEI Common Stock as described below. Enrolled Participant Accounts may be rebalanced periodically to align their Accounts to their assigned model portfolio, or if their Accounts drift materially from the market-adjusted model portfolio designated by Strategic Advisers. Strategic Advisers may change the model portfolios as appropriate for changes in the Investment Options, market performance, or economic conditions.

FPWA and Strategic Advisers shall have no independent obligation under this IMA to value assets under its management but shall instead rely upon valuations provided by the trustee, custodian, recordkeeper or its agent, or an external money manager, if applicable.

Special Guidelines for HEI Common Stock Holdings (if applicable): Strategic Advisers will not invest Managed Assets in HEI Common Stock. An enrolled Participant whose Account is invested in HEI Common Stock will be offered the choice whether to (i) have FPWA ignore such holdings in assigning an asset allocation to the Participant or (ii) assign an asset allocation that attempts to offset the risk characteristics associated with an investment in a security. If a Participant elects to offset the HEI Common Stock holdings, FPWA will assign the Participant to a portfolio that attempts to account for their holdings in HEI Common Stock, based on the Participant's level of HEI Common Stock holdings in their Account. If a Participant fails to direct Strategic Advisers as to whether to offset or ignore his or her HEI Common Stock positions, the Authorizing Party hereby directs FPWA to assign the Participant into a portfolio that attempts to offset the risk characteristics of the Participant's HEI Common Stock position.

Strategic Advisers will not make decisions with respect to the exercise of any rights accruing to Investment Options including, without limitation, shareholder rights to vote proxies or tender or exchange shares, or rights arising out of bankruptcy or litigation. Decisions with respect to the exercise of any such rights shall be made in accordance with the provisions of the MSA, and Strategic Advisers shall not be required to take such matters into account in making its investment decisions.

Managed Assets of enrolled Participants may be invested in any Investment Options available for new investment by enrolled Participants other than assets held in or investment options available in self-directed brokerage accounts (and HEI Common Stock, if applicable) subject to the restrictions described below.

To the extent a Participant is enrolled in more than one Account within the Managed Account Service, FPWA and Strategic Advisers will share such Participant data across Accounts and Plans. FPWA and Strategic Advisers will use such Participant's data provided in connection with one Account for updating or management purposes in other Accounts of such Participant that are also managed by the Managed Account Service.

Managed Assets of enrolled Participants will not be invested in any core Investment Option that is closed to new investment by eligible Participants. Certain investments – such as "investment strategy options" – may be excluded from the model portfolio construction process. The Authorizing Party shall have the right to impose reasonable restrictions upon Strategic Advisers with respect to investment management, other than those set out here, provided that it shall first propose such restrictions in writing to Strategic Advisers, and provided that Strategic Advisers shall have thirty (30) business days to determine whether such restriction is reasonable.

To the extent that the Authorizing Party or Client has determined to allow Participants who have self-directed brokerage assets to invest in the Managed Account Service, any self-directed brokerage assets held by the Participant will not be included in the Managed Assets. In addition, all future contributions into the Participant Account will be directed into the portion of the Participant's Account to be managed by Strategic Advisers. Participants will have the opportunity, if they choose, to reinvest assets from their self-directed brokerage account into the portion of the Participant's Account to be managed by Strategic Advisers, but such participants will not have the option of withdrawing such assets to reinvest through their self-directed brokerage account.

With respect to any stable value option or custom fund option within a Plan lineup, Strategic Advisers will use such stable value option as the short-term position in constructing its portfolios. The Authorizing Party shall be responsible for obtaining the approval of the stable value option or custom fund provider prior to the implementation of the Managed Account Service.

The Managed Account Service will only consider Fidelity Mutual Funds if such funds have been selected by Client or the Authorizing Party and included in the Plan Investment Options offered to Participants and beneficiaries. To the extent that the Managed Account Service includes one or more Fidelity Mutual Funds in model portfolios utilized by Participants, Strategic Advisers believes such fund or funds are appropriate because each such fund is an Investment Option that, in combination with other Investment Options in the model portfolio, provide a resulting portfolio that tracks the risk and diversification attributes of the targeted asset allocation. Strategic Advisers constructs and manages each model portfolio by applying a quantitative investment methodology. In constructing model portfolios, Strategic Advisers employs a process that is independent with respect to fund family or investment manager.

In addition to the discretionary investment management services described above, through the Managed Account Service FPWA provides non-discretionary, web-based and representative-led financial planning and participant assistance. This financial planning is designed to help enrolled Participants who wish to create, implement, and track a holistic, integrated financial wellness and retirement plan. A team of FPWA advisors will be available to provide ongoing support and to help enrolled participants with financial planning and the servicing of their Managed Assets in their Account. In general, FPWA advisors will only be available via telephone or web access.

These Investment Guidelines may be changed upon sixty (60) days written notice to the Authorizing Party.

Personalized Planning & Advice and IMA Glossary

Unless otherwise defined herein, the terms used in this IMA shall have the same meaning as in the MSA.

"Account" means an account established and maintained hereunder at a Client's direction for receiving contributions under a Plan for the benefit of Participants, and any income, expenses, gains, or losses incurred thereon.

"Advisers Act" means the Investment Advisers Act of 1940, as amended.

"**Affiliate**" means any other person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a referenced party.

"Authorizing Party" with respect to a Plan means the entity with authority to retain an investment manager for the Plan, and in the case of a Plan governed by ERISA, shall be the Named Fiduciary. The Authorizing Party for each Plan shall be listed on the Coversheet to this Exhibit.

"Fees" means those fees set forth on Schedule A to this Exhibit that are payable to FPWA and Strategic Advisers for the Managed Account Service.

"Investment Guidelines" means the guidelines set forth in Schedule B.

"Investment Options" means each Plan's designated investment options offered to Participants under the Plan.

"Managed Account Service" means Fidelity® Personalized Planning & Advice *at Work*, an investment management service provided by FPWA and Strategic Advisers, consisting of discretionary investment management services and certain non-discretionary advice to Participants with respect to assets allocated to eligible Participants in the Plan.

"Managed Assets" means the assets in enrolled Participants' Accounts per the Investment Guidelines but do not include, if applicable, any assets for which the Participant has no authority to provide investment directions under the terms of the Plan, HEI Common Stock, or assets held in self-directed brokerage.

"MarketClose" means the New York Stock Exchange's (NYSE) normal closing time of 4:00 p.m. (ET), however, in the event the NYSE closes before such time or alters its closing time, all references to the NYSE closing time shall mean the actual or altered closing time of the NYSE.

"Other Assets" means the (i) assets of the Plan in Participant Accounts enrolled in the Service that are not Managed Assets, including, if applicable, HEI Common Stock or assets held in self-directed brokerage and (ii) assets of the Participant held outside of the Plan.

"Plan" means, collectively and individually, the Plan(s) listed on the Coversheet to this Exhibit.

"MSA" means the trust, custodial, service or recordkeeping agreement governing servicing of the Plan by Affiliates of FPWA and Strategic Advisers, which sets forth the conditions for eligibility, enrollment, and termination of enrollment in the Managed Account Service.

HEI Exhibit 4.2

03/18/2024

Letter Amendment to Change Investment Options with respect to the plan specified below (the "Plan")

Legal Plan Name (as specified in the service agreement)	Fidelity Plan Number	Plan Type (reference only)
Hawaiian Electric Industries Retirement Savings Plan	56566	Qualified Plan
American Savings Bank 401(k) Plan	75615	Qualified Plan

This letter, along with its attachments (collectively, the "Letter"), relates to the Plans and is made pursuant to the Master Trust Agreement for the Plans entered into between Hawaiian Electric Industries, Inc. and American Savings Bank, F.S.B (collectively and individually, the "Sponsor") and Fidelity Management Trust Company ("Fidelity") 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, by a Sixth Amendment effective January 1, 2023, and further amended by letters of direction executed by Sponsor and Fidelity which specifically state that both parties intend and agree that each such letter of direction shall constitute an amendment (the "Agreement"). Sponsor and Fidelity (the "Parties") intend and agree that this Letter shall constitute a further amendment to the Agreement to the extent the direction contained herein modifies the investment options available under the Plans.

Direction. Sponsor hereby (i) directs Fidelity to act in accordance with the following attachments, and (ii) acknowledges its receipt and understanding of, and agreement with, all included terms and disclosures:

- **Attachment A - Summary of Additions to Plan Investments**
- **Attachment B - Summary of Removed Plan Investment(s)**
- **Attachment C - Summary of Changes to Other Plan Designations**
- **Attachment D - Additional Terms and Disclosures**
- **Attachment E - Strategy to Communicate Changes**

Sponsor Affirmation. Sponsor affirms that the Hawaiian Electric Industries, Inc. Pension Investment Committee (the "Named Fiduciary") (i) is capable of evaluating investment risks independently, and (ii) has exercised independent judgment for all decisions concerning the Plans' investment line-up and investment strategies, including, but not limited to, evaluations of information provided by Fidelity or its affiliates.

Time is of the Essence. Sponsor must deliver this signed Letter to Fidelity on or before 03/21/2024. Upon receipt of Sponsor's properly signed Letter, Fidelity will begin implementation.

Authorization. The undersigned represent that they are authorized to execute this Letter on behalf of the respective Parties. The Parties may rely without duty of inquiry on the foregoing representation.

Importance of Review. The Named Fiduciary will promptly review any reports Fidelity may from time to time provide, including reports posted to Plan Sponsor Workstation, and notify Fidelity as soon as it becomes aware of any errors and/or omissions.

Sponsor understands that Fidelity (i) is available to discuss and explain any of the terms herein before Sponsor provides the completed form to Fidelity, and (ii) will remain available to review the actions taken based on the directions provided.

Sponsor recognizes the importance of changes to a Plan's investment choices and the significant risks (financial and otherwise) associated with any incorrect actions in this regard. Sponsor confirms that it (i) has read this Letter fully, (ii) has sought clarification to the extent necessary, and (iii) understands its terms. Sponsor is responsible for any incomplete, inaccurate, or inconsistent information supplied to Fidelity by Sponsor, its consultants or other designees.

Hawaiian Electric Industries, Inc. and American Savings Bank, F.S.B.

By: Hawaiian Electric Industries, Inc. Pension Investment Committee

By: /s/ Scott W. H. Seu
(Signature of Authorized Individual)

Name: Scott W. H. Seu

Title: Chairman

Date: 3/19/2024

By: /s/ Kurt K. Murao
(Signature of Authorized Individual)

Name: Kurt K. Murao

Title: Secretary

Date: 3/20/2024

A copy of the Letter will be returned to Sponsor after it has been countersigned by Fidelity.

Agreed to and accepted by:

Fidelity Management Trust Company

By: /s/ Kevin Wright
(Signature of Authorized Individual)
Name: Kevin Wright
(Printed Name)
Title: Director
Date: 4/26/2024

Attachment A - Summary of Additions to Plan Investments

A. **Added Investments**

The funds listed below will be added after 4:00 PM ET on the business day immediately preceding the Live Date.

Plan #	Live Date	Ticker/ Cusip	Legal Fund Name	Fidelity Code	Redemption/ Short-Term Trading Fees
56566	04/30/2024	31565A406	Fidelity Freedom Index 2005 Commingled Pool Class T	4112	N/A
56566	04/30/2024	31565A604	Fidelity Freedom Index 2010 Commingled Pool Class T	4114	N/A
56566	04/30/2024	31565A802	Fidelity Freedom Index 2015 Commingled Pool Class T	4116	N/A
56566	04/30/2024	31565A877	Fidelity Freedom Index 2020 Commingled Pool Class T	4118	N/A
56566	04/30/2024	31565A851	Fidelity Freedom Index 2025 Commingled Pool Class T	4119	N/A
56566	04/30/2024	31565A836	Fidelity Freedom Index 2030 Commingled Pool Class T	4120	N/A
56566	04/30/2024	31565A810	Fidelity Freedom Index 2035 Commingled Pool Class T	4122	N/A
56566	04/30/2024	31565A786	Fidelity Freedom Index 2040 Commingled Pool Class T	4123	N/A
56566	04/30/2024	31565A760	Fidelity Freedom Index 2045 Commingled Pool Class T	4124	N/A

56566	04/30/2024	31565A745	Fidelity Freedom Index 2050 Commingled Pool Class T	4126	N/A
56566	04/30/2024	31565A729	Fidelity Freedom Index 2055 Commingled Pool Class T	4127	N/A
56566	04/30/2024	31565A695	Fidelity Freedom Index 2060 Commingled Pool Class T	4128	N/A
56566	04/30/2024	31564E540	Fidelity Freedom Index 2065 Commingled Pool Class T	3446	N/A
56566	04/30/2024	31565A208	Fidelity Freedom Index Income Commingled Pool Class T	4111	N/A
56566	04/30/2024	FBGKX	Fidelity® Blue Chip Growth Fund Class K	2078	N/A
75615	04/30/2024	31565A406	Fidelity Freedom Index 2005 Commingled Pool Class T	4112	N/A
75615	04/30/2024	31565A604	Fidelity Freedom Index 2010 Commingled Pool Class T	4114	N/A
75615	04/30/2024	31565A802	Fidelity Freedom Index 2015 Commingled Pool Class T	4116	N/A
75615	04/30/2024	31565A877	Fidelity Freedom Index 2020 Commingled Pool Class T	4118	N/A
75615	04/30/2024	31565A851	Fidelity Freedom Index 2025 Commingled Pool Class T	4119	N/A
75615	04/30/2024	31565A836	Fidelity Freedom Index 2030 Commingled Pool Class T	4120	N/A
75615	04/30/2024	31565A810	Fidelity Freedom Index 2035 Commingled Pool Class T	4122	N/A
75615	04/30/2024	31565A786	Fidelity Freedom Index 2040 Commingled Pool Class T	4123	N/A
75615	04/30/2024	31565A760	Fidelity Freedom Index 2045 Commingled Pool Class T	4124	N/A
75615	04/30/2024	31565A745	Fidelity Freedom Index 2050 Commingled Pool Class T	4126	N/A
75615	04/30/2024	31565A729	Fidelity Freedom Index 2055 Commingled Pool Class T	4127	N/A
75615	04/30/2024	31565A695	Fidelity Freedom Index 2060 Commingled Pool Class T	4128	N/A
75615	04/30/2024	31564E540	Fidelity Freedom Index 2065 Commingled Pool Class T	3446	N/A
75615	04/30/2024	31565A208	Fidelity Freedom Index Income Commingled Pool Class T	4111	N/A
75615	04/30/2024	FBGKX	Fidelity® Blue Chip Growth Fund Class K	2078	N/A

References to "Fidelity Codes" in this document are used to identify the fund on Fidelity's system and Fidelity is not requesting Sponsor to confirm such codes.

Because of the number of funds/options available and the similarity among many of their names, the possibility for oversight or error is high. Fidelity requires therefore that you take the time to confirm the exact fund/investment name, share class, Ticker/CUSIP, the timing of the additions, and all other information specified above and indicate that you have confirmed that each investment option specified is correct after a word-for-word check.

Please initial here to confirm the above additions: ACM

B. **Fidelity Freedom Fund**

As a result of Sponsor's electing to include a Fidelity Freedom Fund in the Plan's investment line-up, Fidelity is to add (i) each existing Fidelity Freedom® Fund to the Fund Additions section above, and (ii) any additional Fidelity Freedom® Funds as investment options as they are launched, with such newly launched funds being available to Plan Participants as of the open of trading on the NYSE on their respective inception dates or as soon thereafter as administratively possible. In the event that the Fidelity Freedom® Funds are being added as the Age Based Default such funds will be included in the preceding methodology and the corresponding date ranges will be extended as appropriate.

Please initial here to confirm the above direction: ACM

C. **Restrictions**

All added investment options will be opened for all money-in and money-out, Rebalance, Investment Election transactions, and will not be restricted from any transaction.

Please initial here to confirm the above restriction(s): ACM

D. **Investment-Specific Acknowledgments**

1. **Sponsor Electronic Prospectus Delivery Election.** In lieu of receiving a printed copy of the prospectus for each Fidelity and Non-Fidelity Mutual Fund selected by the Named Fiduciary as a Plan investment option or short-term investment fund, Sponsor hereby consents to receiving such documents electronically. The Named Fiduciary shall access each prospectus as described below after receiving notice from Fidelity that a current version is available

online at a website maintained by Fidelity or its affiliate. Sponsor, on behalf of itself or the Named Fiduciary, as applicable, acknowledges that on the effective date of this Letter amendment, prospectuses are on Fidelity NetBenefits at *https://nb.fidelity.com/public/nb/401k/home/library*. Fidelity may from time to time notify the Named Fiduciary or Sponsor as applicable that prospectuses are available at alternative website locations. Sponsor on behalf of itself or the Named Fiduciary, as applicable, represents that it has accessed each such prospectus by the effective date. In the event a prospectus for a Plan investment option cannot be accessed, the Named Fiduciary will contact Fidelity to receive (or if applicable to ensure Named Fiduciary's receipt of) the prospectus.

Please initial here to confirm and agree to the above Investment-Specific Acknowledgments: ACM

Attachment B - Summary of Removed Plan Investment(s)

A. **Removed Investments and Mapping**

As indicated in the chart below, the Plans specified will be (i) redirecting future contributions, or (ii) reallocating the balances in frozen funds in the Plans (whether frozen within this or a previous direction), or (iii) both. "Redirecting" means freezing and redirecting contributions with respect to the **"From"** fund specified. "Reallocating" means transferring fund balances from the **"From"** fund specified to the **"To"** fund specified.

Redirecting and Reallocating will become effective as of the market close (generally 4:00 PM ET) on the applicable dates specified below.

Plan #	Indicate "Redirection", "Reallocation" or "Both"	Re-Direct Trade Date	Re- Allocate Trade Date	Fidelity (FROM) Code & Ticker/ cusip	From Legal Name		To Legal Name	Fidelity (TO) Code & Ticker/ cusip	Redemption/ Short-Term Trading Fees on From Fund
56566	Both	4/30/2024	4/30/2024	2765 FFGFX	Fidelity Freedom® Index 2005 Fund Institutional Premium Class	]	Fidelity Freedom Index 2005 Commingled Pool Class T	4112 31565A406	N/A
56566	Both	4/30/2024	4/30/2024	2766 FFWTX	Fidelity Freedom® Index 2010 Fund Institutional Premium Class	]	Fidelity Freedom Index 2010 Commingled Pool Class T	4114 31565A604	N/A
56566	Both	4/30/2024	4/30/2024	2767 FIWFX	Fidelity Freedom® Index 2015 Fund Institutional Premium Class	]	Fidelity Freedom Index 2015 Commingled Pool Class T	4116 31565A802	N/A
56566	Both	4/30/2024	4/30/2024	2768 FIWTX	Fidelity Freedom® Index 2020 Fund Institutional Premium Class	]	Fidelity Freedom Index 2020 Commingled Pool Class T	4118 31565A877	N/A
56566	Both	4/30/2024	4/30/2024	2769 FFEDX	Fidelity Freedom® Index 2025 Fund Institutional Premium Class	]	Fidelity Freedom Index 2025 Commingled Pool Class T	4119 31565A851	N/A
56566	Both	4/30/2024	4/30/2024	2770 FFEGX	Fidelity Freedom® Index 2030 Fund Institutional Premium Class	]	Fidelity Freedom Index 2030 Commingled Pool Class T	4120 31565A836	N/A

Plan #	Indicate "Redirection", "Reallocation" or "Both"	Re-Direct Trade Date	Re- Allocate Trade Date	Fidelity (FROM) Code & Ticker/ Cusip	From Legal Name		To Legal Name	Fidelity (TO) Code & Ticker/ Cusip	Redemption/ Short-Term Trading Fees on From Fund
56566	Both	4/30/2024	4/30/2024	2771 FFEZX	Fidelity Freedom® Index 2035 Fund Institutional Premium Class	]	Fidelity Freedom Index 2035 Commingled Pool Class T	4122 31565A810	N/A
56566	Both	4/30/2024	4/30/2024	2772 FFIZX	Fidelity Freedom® Index 2040 Fund Institutional Premium Class	]	Fidelity Freedom Index 2040 Commingled Pool Class T	4123 31565A786	N/A
56566	Both	4/30/2024	4/30/2024	2773 FFOLX	Fidelity Freedom® Index 2045 Fund Institutional Premium Class	]	Fidelity Freedom Index 2045 Commingled Pool Class T	4124 31565A760	N/A
56566	Both	4/30/2024	4/30/2024	2774 FFOPX	Fidelity Freedom® Index 2050 Fund Institutional Premium Class	]	Fidelity Freedom Index 2050 Commingled Pool Class T	4126 31565A745	N/A
56566	Both	4/30/2024	4/30/2024	2775 FFLDX	Fidelity Freedom® Index 2055 Fund Institutional Premium Class	]	Fidelity Freedom Index 2055 Commingled Pool Class T	4127 31565A729	N/A
56566	Both	4/30/2024	4/30/2024	2776 FFLEX	Fidelity Freedom® Index 2060 Fund Institutional Premium Class	]	Fidelity Freedom Index 2060 Commingled Pool Class T	4128 31565A695	N/A
56566	Both	4/30/2024	4/30/2024	3427 FFIKX	Fidelity Freedom® Index 2065 Fund Institutional Premium Class	]	Fidelity Freedom Index 2065 Commingled Pool Class T	3446 31564E540	N/A
56566	Both	4/30/2024	4/30/2024	2764 FFGZX	Fidelity Freedom® Index Income Fund Institutional Premium Class	]	Fidelity Freedom Index Income Commingled Pool Class T	4111 31565A208	N/A

Plan #	Indicate "Redirection", "Reallocation" or "Both"	Re-Direct Trade Date	Re- Allocate Trade Date	Fidelity (FROM) Code & Ticker/ Cusip	From Legal Name		To Legal Name	Fidelity (TO) Code & Ticker/ Cusip	Redemption/ Short-Term Trading Fees on From Fund
56566	Both	4/30/2024	4/30/2024	OF4J PRGFX	T. Rowe Price Growth Stock Fund	]	Fidelity® Blue Chip Growth Fund Class K	2078 FBGKX	N/A
75615	Both	4/30/2024	4/30/2024	2765 FFGFX	Fidelity Freedom® Index 2005 Fund Institutional Premium Class	]	Fidelity Freedom Index 2005 Commingled Pool Class T	4112 31565A406	N/A
75615	Both	4/30/2024	4/30/2024	2766 FFWTX	Fidelity Freedom® Index 2010 Fund Institutional Premium Class	]	Fidelity Freedom Index 2010 Commingled Pool Class T	4114 31565A604	N/A
75615	Both	4/30/2024	4/30/2024	2767 FIWFX	Fidelity Freedom® Index 2015 Fund Institutional Premium Class	]	Fidelity Freedom Index 2015 Commingled Pool Class T	4116 31565A802	N/A
75615	Both	4/30/2024	4/30/2024	2768 FIWTX	Fidelity Freedom® Index 2020 Fund Institutional Premium Class	]	Fidelity Freedom Index 2020 Commingled Pool Class T	4118 31565A877	N/A
75615	Both	4/30/2024	4/30/2024	2769 FFEDX	Fidelity Freedom® Index 2025 Fund Institutional Premium Class	]	Fidelity Freedom Index 2025 Commingled Pool Class T	4119 31565A851	N/A
75615	Both	4/30/2024	4/30/2024	2770 FFEGX	Fidelity Freedom® Index 2030 Fund Institutional Premium Class	]	Fidelity Freedom Index 2030 Commingled Pool Class T	4120 31565A836	N/A
75615	Both	4/30/2024	4/30/2024	2771 FFEZX	Fidelity Freedom® Index 2035 Fund Institutional Premium Class	]	Fidelity Freedom Index 2035 Commingled Pool Class T	4122 31565A810	N/A

Plan #	Indicate "Redirection", "Reallocation" or "Both"	Re-Direct Trade Date	Re- Allocate Trade Date	Fidelity (FROM) Code & Ticker/ Cusip	From Legal Name		To Legal Name	Fidelity (TO) Code & Ticker/ Cusip	Redemption/ Short-Term Trading Fees on From Fund
75615	Both	4/30/2024	4/30/2024	2772 FFIZX	Fidelity Freedom® Index 2040 Fund Institutional Premium Class	]	Fidelity Freedom Index 2040 Commingled Pool Class T	4123 31565A786	N/A
75615	Both	4/30/2024	4/30/2024	2773 FFOLX	Fidelity Freedom® Index 2045 Fund Institutional Premium Class	]	Fidelity Freedom Index 2045 Commingled Pool Class T	4124 31565A760	N/A
75615	Both	4/30/2024	4/30/2024	2774 FFOPX	Fidelity Freedom® Index 2050 Fund Institutional Premium Class	]	Fidelity Freedom Index 2050 Commingled Pool Class T	4126 31565A745	N/A
75615	Both	4/30/2024	4/30/2024	2775 FFLDX	Fidelity Freedom® Index 2055 Fund Institutional Premium Class	]	Fidelity Freedom Index 2055 Commingled Pool Class T	4127 31565A729	N/A
75615	Both	4/30/2024	4/30/2024	2776 FFLEX	Fidelity Freedom® Index 2060 Fund Institutional Premium Class	]	Fidelity Freedom Index 2060 Commingled Pool Class T	4128 31565A695	N/A
75615	Both	4/30/2024	4/30/2024	3427 FFIKX	Fidelity Freedom® Index 2065 Fund Institutional Premium Class	]	Fidelity Freedom Index 2065 Commingled Pool Class T	3446 31564E540	N/A
75615	Both	4/30/2024	4/30/2024	2764 FFGZX	Fidelity Freedom® Index Income Fund Institutional Premium Class	]	Fidelity Freedom Index Income Commingled Pool Class T	4111 31565A208	N/A
75615	Both	4/30/2024	4/30/2024	OF4J PRGFX	T. Rowe Price Growth Stock Fund	]	Fidelity® Blue Chip Growth Fund Class K	2078 FBGKX	N/A

References to Fidelity "Codes" in this document are used to identify the fund on Fidelity's system and Fidelity is not requesting Sponsor to confirm such codes.

Because of the number of funds/options available and the similarity among many of their names, the possibility for oversight or error is high. Fidelity requires therefore that you take the time to confirm the exact fund/investment name, share class, Ticker/CUSIP, the timing of the changes, and all other information specified above and indicate that you have confirmed that each investment option specified is correct after a word-for-word check.

Please initial here to confirm: <u>ACM</u>

B. **<u>Restrictions</u>**

1. All of the **"From Fund"** investment options will be closed for all money-in and money-out transactions and will be restricted from all transactions.

   Please initial here to confirm above restriction(s): <u>ACM</u>

Attachment C - Summary of Changes to Other Plan Designations

A. **Designations**

Except as stated otherwise below, Sponsor is electing to continue use of the Plan's current designations.

1. **Participant Default for Age Based Table**
Series Methodology for Participants' Account.

a. Date (change to occur for contribution on the date specified): 04/30/2024.

b. The table below describes the methodology for applying the Fidelity Freedom Index Commingled Pool Class T by Date of Birth.

c. Default for Participants with an invalid Date of Birth is Fidelity Freedom Index Income Commingled Pool Class T (4111) already pulls in.

d. Age Based Default will apply to these sources: All Sources

Plan		Table Description	
56566		Fidelity Freedom Index Commingled Pool Class T	
Fund Name	Ticker/ Cusip	Fidelity Fund Code	Date of Birth Range
Fidelity Freedom Index Income Commingled Pool Class T	31565A208	4111	1/1/1900 - 12/31/1937
Fidelity Freedom Index 2005 Commingled Pool Class T	31565A406	4112	1/1/1938 - 12/31/1942
Fidelity Freedom Index 2010 Commingled Pool Class T	31565A604	4114	1/1/1943 - 12/31/1947
Fidelity Freedom Index 2015 Commingled Pool Class T	31565A802	4116	1/1/1948 - 12/31/1952
Fidelity Freedom Index 2020 Commingled Pool Class T	31565A877	4118	1/1/1953 - 12/31/1957
Fidelity Freedom Index 2025 Commingled Pool Class T	31565A851	4119	1/1/1958 - 12/31/1962
Fidelity Freedom Index 2030 Commingled Pool Class T	31565A836	4120	1/1/1963 - 12/31/1967
Fidelity Freedom Index 2035 Commingled Pool Class T	31565A810	4122	1/1/1968 - 12/31/1972
Fidelity Freedom Index 2040 Commingled Pool Class T	31565A786	4123	1/1/1973 - 12/31/1977
Fidelity Freedom Index 2045 Commingled Pool Class T	31565A760	4124	1/1/1978 - 12/31/1982
Fidelity Freedom Index 2050 Commingled Pool Class T	31565A745	4126	1/1/1983 - 12/31/1987
Fidelity Freedom Index 2055 Commingled Pool Class T	31565A729	4127	1/1/1988 - 12/31/1992

Fidelity Freedom Index 2060 Commingled Pool Class T	31565A695	4128	1/1/1993 - 12/31/1997
Fidelity Freedom Index 2065 Commingled Pool Class T	31564E540	3446	1/1/1998 - 12/31/2099

In addition to the confirmation below, due to the level of informational and numeric detail in the above chart and the consequent risk of error or oversight, Fidelity requires an additional sign-off with respect to the above table of information (including all fund names/tickers/CUSIPS/ranges). *References to "Fidelity Codes" in this document are used to identify the fund on Fidelity's system and Fidelity is not requesting Sponsor to confirm such codes.*

Please initial here to confirm accuracy: ACM

Plan	Table Description
75615	Fidelity Freedom Index Commingled Pool Class T

Fund Name	Ticker/ Cusip	Fidelity Fund Code	Date of Birth Range
Fidelity Freedom Index Income Commingled Pool Class T	31565A208	4111	1/1/1900 - 12/31/1937
Fidelity Freedom Index 2005 Commingled Pool Class T	31565A406	4112	1/1/1938 - 12/31/1942
Fidelity Freedom Index 2010 Commingled Pool Class T	31565A604	4114	1/1/1943 - 12/31/1947
Fidelity Freedom Index 2015 Commingled Pool Class T	31565A802	4116	1/1/1948 - 12/31/1952
Fidelity Freedom Index 2020 Commingled Pool Class T	31565A877	4118	1/1/1953 - 12/31/1957
Fidelity Freedom Index 2025 Commingled Pool Class T	31565A851	4119	1/1/1958 - 12/31/1962
Fidelity Freedom Index 2030 Commingled Pool Class T	31565A836	4120	1/1/1963 - 12/31/1967
Fidelity Freedom Index 2035 Commingled Pool Class T	31565A810	4122	1/1/1968 - 12/31/1972
Fidelity Freedom Index 2040 Commingled Pool Class T	31565A786	4123	1/1/1973 - 12/31/1977
Fidelity Freedom Index 2045 Commingled Pool Class T	31565A760	4124	1/1/1978 - 12/31/1982
Fidelity Freedom Index 2050 Commingled Pool Class T	31565A745	4126	1/1/1983 - 12/31/1987
Fidelity Freedom Index 2055 Commingled Pool Class T	31565A729	4127	1/1/1988 - 12/31/1992
Fidelity Freedom Index 2060 Commingled Pool Class T	31565A695	4128	1/1/1993 - 12/31/1997
Fidelity Freedom Index 2065 Commingled Pool Class T	31564E540	3446	1/1/1998 - 12/31/2099

In addition to the confirmation below, due to the level of informational and numeric detail in the above chart and the consequent risk of error or oversight, Fidelity requires an additional sign-off with respect to the above table of information (including all fund names/tickers/CUSIPS/ranges). *References to "Fidelity Codes" in this document are used to identify the fund on Fidelity's system and Fidelity is not requesting Sponsor to confirm such codes.*

Please initial here to confirm accuracy: ACM

Because of the number of funds/options available and the similarity among many of their names, the possibility for oversight or error is high. Fidelity requires therefore that you take the time to confirm, after a word-for-word check, that (i) the exact fund/investment name(s) specified above, along with the Plan designation to which the fund/investment name applies, and (ii) all dates specified, are correct.

Please initial here to confirm: ACM

Attachment D - Additional Terms and Disclosures

I. ***Additions To Plan Investment(s)***

A. **Performance**

Fund Performance will be made available to Plan Participants on NetBenefits and on Statements and is also available through a Customer Service Representative. Fidelity displays certain investment-performance-related and holdings-based data for investment products on NetBenefits that may be based on data received from various third-party sources including but not limited to Morningstar, LLC, investment managers, trustees, or plan sponsors. Depending on such source and type of underlying data and the particular investment product, information may not be available or updated on NetBenefits for several days after receipt; for custom investment options where past performance is not available, at least thirty days may be required for performance history to be generated and calculated.

The following Standard Performance will be made available, where applicable

- 1, 3, 5, 10 Year Average Annual
- Life Of Fund Average Annual
- 3 Month Cumulative
- Year-To-Date Cumulative
- 52 Week High
- 52 Week Low

B. **Distribution And Fee Redemption Methodology**

The new funds will be added to the redemption methods for all withdrawals, loans and/or fee processing, as currently provided in the Master Trust Agreement and Plan Administration Manual.

- For redemption methods and/or fee processing using hierarchal method, the new funds will be added in the last position and/or,
- For redemption methods and/or fee processing using a pro-rata method, the new funds will be added to the list.

II. ***Removed Plan Investment(s)***

A. **Liquidations**

All assets will be liquidated and processed as a cash transaction.

B. **Real Time Traded Stock Restrictions**

The **Hawaiian Electric Industries Retirement Savings Plan (56566) and American Savings Bank 401(k) Plan (75615)** offers Real Time Traded Stock. Exchanges out of **HEI Common Stock (RT3L), HEI Common Stock (RT3N)** into funds listed in the "From Fund" column above will be restricted after 4:00 PM ET on **04/26/2024**. The restriction will be lifted, and exchanges will be permitted into the funds listed in the “To Fund” column above on April 30, 2024.

Please notify your Fidelity Implementation Project Manager if you have any questions regarding the above Additional Terms and Disclosures.

Attachment E - Strategy to Communicate Changes

Sponsor requests that Fidelity draft the fund change notification for the Named Fiduciary's review and approval. The Named Fiduciary has confirmed that all status codes should be included with the fund change notifications. Fidelity will distribute the approved fund change notification electronically, via email and NetBenefits and via print to Participants for whom electronic delivery cannot occur. Communications will be sent out at least 30 days prior to the earliest effective date unless otherwise directed by the Named Fiduciary or unless the Named Fiduciary fails to approve notification with sufficient time for Fidelity to so distribute. The Named Fiduciary has considered whether the directions herein implicate the Sarbanes-Oxley Act of 2002 and, to the extent implicated, has determined that any applicable requirements have been or will be satisfied.

Please notify your Fidelity Service Team if you have any questions regarding this section.

HEI Exhibit 31.1

CERTIFICATION

I, Scott W. H. Seu, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 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: November 13, 2023 May 10, 2024

/s/ Scott W. H. Seu

Scott W. H. Seu

President and Chief Executive Officer

HEI Exhibit 31.2

CERTIFICATION

I, Scott T. DeGhetto, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 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: November 13, 2023 May 10, 2024

/s/ Scott T. DeGhetto

Scott T. DeGhetto

Executive Vice President, Chief Financial Officer
and Treasurer

Hawaiian Electric Exhibit 31.3

CERTIFICATION

I, Shelee M. T. Kimura, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 of Hawaiian Electric Company, 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: November 13, 2023 May 10, 2024

/s/ Shelee M. T. Kimura

Shelee M. T. Kimura
President and Chief Executive Officer

Hawaiian Electric Exhibit 31.4

CERTIFICATION

I, Paul K. Ito, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 of Hawaiian Electric Company, 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: November 13, 2023 May 10, 2024

/s/ Paul K. Ito

Paul K. Ito

Senior Vice President, Chief Financial Officer and Treasurer

HEI Exhibit 32.1

Hawaiian Electric Industries, Inc.

Certification Pursuant to
18 U.S.C. Section 1350

In connection with the Quarterly Report of Hawaiian Electric Industries, Inc. (HEI) on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission (the Report), each of Scott W. H. Seu and Scott T. DeGhetto, Chief Executive Officer and Chief Financial Officer, respectively, of HEI, certify, pursuant to 18 U.S.C. Section 1350, that to the best of our knowledge:

(1) The Report complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of HEI and its subsidiaries as of, and for, the periods presented in this report.

Date: November 13, 2023 May 10, 2024

/s/ Scott W. H. Seu

Scott W. H. Seu

President and Chief Executive Officer

/s/ Scott T. DeGhetto

Scott T. DeGhetto

Executive Vice President, Chief Financial Officer and Treasurer

A signed original of this written statement has been provided to HEI and will be retained by HEI and furnished to the Securities and Exchange Commission or its staff upon request.

Hawaiian Electric Exhibit 32.2

Hawaiian Electric Company, Inc.

Certification Pursuant to
18 U.S.C. Section 1350

In connection with the Quarterly Report of Hawaiian Electric Company, Inc. (Hawaiian Electric) on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission (the Hawaiian Electric Report), each of Shelee M. T. Kimura and 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 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: November 13, 2023 May 10, 2024

/s/ Shelee M. T. Kimura

Shelee M. T. Kimura
President and Chief Executive Officer

/s/ Paul K. Ito

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.

DISCLAIMER

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