



Corporate Social Responsibility 2019 Report



AMERICAN
Savings Bank

We are a great bank
making people's dreams possible.

our vision



AMERICAN
Savings Bank

Highlights

Our highlights of 2017-2019



New, lean, and green Campus

\$16/hr starting wage

Strong governance framework

Real impact to the Kalihi-Pālama
and Chinatown neighborhoods

Increased efforts in community

Who we are

At American Savings Bank, we are committed to making people's dreams possible. Since 1925, we have been serving Hawai'i's businesses and communities.



Who we are

With 50 branches across the Hawaiian Islands, over 1,100 employees, \$7 billion in assets, and \$6.2 billion in deposits, ASB is one of Hawai'i's leading financial institutions. Our bank prides itself on serving the unique needs of each customer. Today, we offer a full range of financial products and services, including business and consumer banking, home loans, insurance, and investments.



Executive Vice President & Chief Administrative Officer Beth Whitehead and President & CEO Rich Wacker receive the "key" to the ASB Campus from Glen Kaneshige, President of Nordic PCL Construction, Inc., on December 3, 2018.

BETTER TOGETHER

"Bringing our teammates together under one roof will help us to better serve our customers, teammates and our community."



Rich Wacker
President &
Chief Executive Officer

Making big moves

In April 2019, ASB celebrated the biggest and most significant investment in its customers, teammates, and the community to date – the construction of its new ASB Campus. The 11-story building, located in the Kalihi-Pālama neighborhood of Honolulu, is one of the state's most innovative and collaborative workspaces.

Approximately 660 teammates from five separate office locations moved into the Campus, which also serves as a home base for all ASB teammates throughout the state. At the Campus, teammates have full access

to amenities including a teammate fitness center, breakroom, outdoor lanai, coffee *hui*, arcade, relaxation rooms and collaboration and training spaces.

Focused on being a responsible community partner, ASB has held numerous Seeds of Service community cleanup projects in the Kalihi-Pālama and Chinatown neighborhoods, even before breaking ground on the building. To date, hundreds of volunteers have gathered for nine cleanup projects, and ASB has invested in affordable housing projects in the area.

Who we are

SPOTLIGHT

Working better together

Eighteen years ago, Mark Tanouye drove to ASB's Mililani Service Center to start his first day of work. Things were a lot different back then. Teammates were literally (and figuratively) separated by high cubicle walls and closed doors and spread across 18 different operations and administrative offices across the state.

"Trying to meet with people and get work done efficiently was always a big challenge," said Mark.

ASB knew that removing the physical barriers would empower team members to work "better together" to truly provide an excellent experience for its customers, teammates and the community.

Fast forward to 2019 and the bank's once fragmented 660 support team members – basically, everyone who doesn't work in an ASB branch – are now under one roof at the newly constructed ASB Campus.

The new, lean, and green headquarters sits directly atop what was once an important Ancient Hawaiian waterway, which ran from *mauka* (mountain) to *makai* (ocean), providing fresh water to the people of the

area. This same source supplied water for a number of *lo'i kalo* (taro patch), which provided a rich source of food to the community. Just as the *kalo* (taro), which is represented in ASB's logo, symbolizes growth and abundance, ASB's vision is to help the community thrive and prosper.

Today, Mark is a Retail Credit Analyst and a member of ASB's Campus Council, which consists of 40 teammates who began meeting once a month while the building was still under construction to discuss key Campus issues, ensure transparency around decisions, solicit feedback, and generate excitement.



"I'm really enjoying my experience on Campus Council," said Mark. "I really feel that ASB places a high priority on the employee experience and bringing real impact to the community."

Mark is excited that he is among the first generation of ASB teammates who will work at the 373,000-square-foot Campus, featuring open workstations, a massive teammate breakroom, arcade, outdoor lanai space, an ASB Training Center, tons of collaboration and meeting spaces, and a new ASB Campus Branch on the ground floor. But he knows that being a trailblazer in the Campus is a privilege that comes with responsibility.

Who we are

Branching out

In 2017 and 2018, we opened two newly constructed branches in Kapolei, O'ahu, and Kahului, Maui. Additionally, we have invested significant resources in upgrading and improving existing branches to reduce our impact on the environment and provide better services and facilities for our customers and teammates.

We currently have 50 branches across the State of Hawai'i – 36 on O'ahu, six on Maui, four on Hawai'i Island, three on Kaua'i, and

one on Moloka'i. Our branches provide our customers direct access to ASB's offerings, including deposit accounts, consumer loans, and business services.

We understand that our customers are busy and working hard. That is why many of our branches are open for extended hours in the evenings, on weekends, and on holidays, making it easier for busy customers to manage their banking needs. Several branches also have drive-through teller windows for customers on the go.



KAHULUI FLAGSHIP

"We are pleased to welcome the Maui community to our brand new campus in Kahului," said Rich Wacker.

ASB opened its flagship branch in Kahului in May 2018. The 10,000 sq. ft. branch features training facilities and amenities for teammates, and a drive-through teller lane and convenient hours for customers.

Kapolei Branch ►

We opened our Kapolei branch in May 2017. This branch was the first building in Hawai'i to use View Dynamic Glass throughout. View is a digitally connected glass that intelligently tints to control glare and heat. This feature helps make the branch more comfortable for our customers and teammates, while producing significant energy savings.



Our numbers at a glance

\$6.2 billion
in deposits

\$3.1 billion
in loans for homeowners*

\$1.4 billion
in loans to businesses**

\$266 million
in consumer loans

* Includes mortgages, home equity lines of credit, residential land loans, and residential construction loans (loan balance as of December 31, 2018)

** Includes commercial and commercial real estate loans (loan balance as of December 31, 2018)

Who we are



Solutions for our customers

To make our customers' dreams possible, we offer a variety of solutions to fit their diverse needs:

- Consumer banking.** Customers can save their money by opening a checking or savings account, or certificate of deposit account. ASB offers numerous options for deposit accounts, including our Kalo Simple Checking with no monthly service fee or minimum balance requirement. Additionally, we help make our customers' dreams possible by offering home equity lines of credit, clean energy loans, credit cards, overdraft protection on checking accounts, and other personal loans.
- Business banking.** ASB continues to look for ways to serve the unique needs of Hawai'i's businesses, in particular small businesses and start-ups. At any ASB branch, businesses can open specialized accounts and obtain business loans. Business customers can also work one-on-one with their Business Relationship Manager to receive non-banking services such as cash management, payroll, and merchant services, from ASB's preferred providers.
- Home loans.** For many Hawai'i residents, owning their home is an important goal. ASB's Home Loans team helps customers construct or purchase the home of their dreams by offering mortgages at competitive rates.
- American Savings Investment Services.** Our American Savings Investment Services team helps our customers meet their financial goals through careful planning and investing. Whether our customers wish to save for education, retirement, or plan for the unexpected, our financial consultants are there for them. American Savings Investment Services offers its securities and insurance products through Cetera Investment Services LLC and its advisory services through Cetera Investment Advisers LLC. Cetera is not affiliated with ASB.

Our values and principles

At American Savings Bank, we believe in doing the right thing – for our customers, teammates, and the communities in which we live and work. This philosophy is ingrained in who we are.



Our values and principles

Long before ASB began serving Hawai'i's communities, the Native Hawaiian people relied upon *kalo* (taro) for sustenance. Island families gathered around the 'umeke (poi bowl) to celebrate together. In the Hawaiian tradition, *kalo* represented growth and unity. As a local company, we are proud of our roots in Hawai'i and take our responsibility to the people of Hawai'i seriously. Our logo features the *kalo* leaf, which is symbolic of our responsibility to our customers, teammates, and fellow community members.

Lo'i Kalo Mini Park ►

ASB teammates volunteer their time clearing debris and planting *kalo* at the Lo'i Kalo Mini Park in June 2018.

OUR VISION

We are a great bank making people's dreams possible.

To achieve our vision, we seek to always:

Make banking
easy for
customers

Deliver high
performance

Create a great
place to work

Bring real impact
to our
community





It starts with strong leadership

We expect that all of our leaders work to advance ASB's vision. Although our leadership team is responsible for providing the strategic direction and oversight for ASB, each of our leaders plays an integral role in achieving our goals.

At ASB, we believe that strong leadership requires setting goals for our teams, holding ourselves and each other accountable for high performance, providing and demanding feedback, driving change, communicating with candor, insisting on honest dialogue and dissent, and investing in the development and engagement of our teams. Additionally, our leaders are expected to serve as role models for other teammates.

To develop strong leaders, we make it a priority to provide the necessary support and resources to our teammates for personal and professional growth.

Our values and principles

Building trust

As a financial institution, we are entrusted with safeguarding our customers' hard-earned money and cherished belongings. Our teammates also rely on us – one of the largest employers in Hawai'i – to pay the wages and benefits they've earned and to create a safe and respectful work environment.

We believe it is important to build a relationship of trust with our customers, teammates, and fellow members of the community. Without a solid foundation of trust, we cannot fulfill our vision.

One of our core expectations is that we get things done the right way. ASB expects that its teammates take ownership of their actions and not blame others when things go wrong. We believe this accountability is vital to building trust across the organization. Furthermore, with our teammates, transparency is key. Our leadership team strives to communicate a clear vision and set of priorities, so our over 1,100 teammates work to achieve the same goals.

Managing Risks

On an ongoing basis, we evaluate and address issues and activities that may pose potential risks to ASB, our teammates, customers, stakeholders, and the community at large. This includes taking precautionary actions to anticipate, identify, and avoid risks related to our services.

The Risk Committee of ASB's Board of Directors assists with governance of ASB's enterprise risk management program and provides a forum for detailed discussion and analysis of key issues and decisions designed to identify the significant risks potentially affecting ASB and to manage these risks. The enterprise risk management program focuses on various risk categories, including:

- Credit (for loan and investment portfolios);
- Market (environmental, interest rate sensitivity, liquidity);
- Operations (including regulatory compliance, reporting, legal, insurance);
- Strategic; and
- Reputational.

A sustainable future

Fulfilling our vision requires a sustainable Hawai'i. We are working to ensure that future generations of Hawai'i residents have more and better opportunities to succeed than we have today.



At American Savings Bank, we care deeply about the economic, environmental, and social future of Hawai'i. We not only rely on a sustainable and enduring Hawai'i; we know it's our *kuleana* (responsibility) to make these islands a better place to live, work, and play for everyone.

SUPPORTING HAWAII

"We focus on supporting Hawai'i and lending to businesses within our market. We really try to stay local and grow our loan portfolio commensurate with the growth of Hawai'i."

Dane Teruya

Executive Vice President
& Chief Financial Officer



A sustainable future



ASB teammates take a picture on the site of the Campus in February 2017, after volunteering for a Seeds of Service project in the Kalihi-Pālana and Chinatown neighborhoods.

Working to improve the economy

Our success is closely tied to the health of our state's economy. Most of ASB's customers are Hawai'i residents, and substantially all of the real estate underlying ASB's residential and commercial real estate loans are located in Hawai'i. Because our deposits and loan portfolio are concentrated in Hawai'i, we closely monitor the economic, political, and business climate here.

Although we know that helping the people in our community is *pono* (the right thing), we recognize that it also makes good business sense. One of the byproducts of our community development efforts is the increased number of people who can save portions of their income, make investments, and borrow money to make their dreams possible.

Given that Hawai'i's residents have many choices when it comes to financial services,

we are grateful to have developed long-lasting relationships with our customers. We view competition as a reminder that we must constantly provide value to our customers. Competition is also healthy for Hawai'i, as it will improve options for Hawai'i's residents. We want to continue being one of the best banks in the country, so we are always committed to developing new technologies and solutions for our customers.

Currently, most of our loan portfolio is secured by residential properties, but we are expanding our solutions for Hawai'i businesses and increasing the amount of financing for commercial and commercial real estate projects. These loans have higher risk profiles than residential loans, but we believe that small businesses are an important driver for the local economy. We will continue doing what we can to promote innovation and entrepreneurship in Hawai'i and to support companies that provide jobs to Hawai'i's people.



A sustainable future

Respecting our institutions and preventing corruption

While we encourage our teammates to vote, serve in a public office, and participate in political campaigns, ASB does not support any candidates for office nor contribute to any political causes or campaigns. Teammates who engage in political activities are required to take measures to ensure that they do not position themselves as representing the views of ASB.

We also prohibit our teammates from giving or offering to give money or anything of value to a domestic or foreign official, political party, a party official, or a candidate for political office in order to influence official acts or decisions of that person or entity, or to gain an improper advantage.

Reducing our impact on the environment

We share the concerns of many regarding the potential effects and human impacts of global climate change. While the timing, extent, and ultimate effects cannot be determined with any certainty, experts agree

that sea-level rise due to climate change could impact coastal and other low-lying areas, and cause erosion of beaches, saltwater intrusion into aquifers and surface ecosystems, and higher water tables. Additionally, climate change could cause increased flooding and storm damage due to heavy rainfall.

The effects of climate change on the weather, sea levels, and water availability and quality have the potential to adversely affect the overall health of the Hawai'i economy. Severe weather and natural disasters, such as hurricanes, earthquakes, tsunamis and lightning storms, which may become more severe or frequent as a result of global climate changes, could also cause damage to our physical facilities and the properties that secure our residential and commercial loans.

We all need to do our part to find a solution to climate change. We will continue to invest in green technologies at our facilities, rethink how we approach our work, consider ways we can change our practices to reduce our impact on the environment, and continue to finance clean energy and other green projects in the community.

A sustainable future

Improving access and developing our communities



ASB teammates volunteered at Kupu 'Aina with PIDF cutting *kalo* leaves, laying irrigation pipes, and painting a mural.

ASB is proud to have an ongoing relationship with Partners in Development Foundation (PIDF), one of its Kahiau Partners and the 2015 beneficiary of the Hawai'i Curling Club.

Since 1997, PIDF has strived to inspire and equip families and communities for success using Native Hawaiian values and traditions by developing and implementing programs to address the needs of at-risk groups within the community, such as preschool children, their caregivers, foster families and homeless communities.

Through ASB's annual Kahiau Employee Giving Program, teammates raise money for Kahiau Partners, such as PIDF. Teammates' donations helped PIDF secure and expand vital resources, boost recruitment among disadvantaged communities, and support its early education programs.

Living in paradise comes with a steep price. In 2018, Hawai'i once again took the top spot as the most expensive place to live in the United States, due in large part to skyrocketing home values. Many Hawai'i residents struggle to make a living here, and some segments of the population are sadly left behind.

The absence of financial knowledge in some populations is a key determinant of wealth inequality. That is why we are committed to improving financial literacy and improving access to financial services in our community. This includes continuously re-analyzing our efforts to serve low-income, underserved, and disadvantaged populations.

We will also continue to do our part to invest in affordable housing projects, support small businesses and entrepreneurs, and contribute our resources, time, and talent to charitable and community organizations, among other efforts.

Further, as one of the largest employers in Hawai'i, we can improve the financial situation for many in our community merely by taking care of our 1,100-plus teammates. We seek to hire local people, pay a fair wage, offer a robust benefits package, provide a safe and respectful work environment, and constantly support our teammates'

development. We can also place pressure on suppliers and contractors to comply with all consumer protection and labor laws.

Lastly, we can do our part to improve human rights in Hawai'i and across the globe by continuing not to serve those individuals, entities, and government organizations engaged in terrorism, organized crime, money laundering, human trafficking, and other human rights violations. Our policy is not to allow potential customers suspected of such activities to open accounts with us, and we constantly monitor transactions and work with law enforcement to stop suspicious activity.

BRINGING FINANCIAL LITERACY TO YOUTH

"We are so appreciative for ASB's support, both financially and through dedicated volunteers. We could not do what we do without the support of institutions like ASB, and we look forward to our continued partnership as we bring financial literacy to students across Hawai'i."

Nate Gytaku
President, Junior Achievement of Hawai'i

Our high standards

In order to deliver high performance, we set high standards for ourselves. We expect that each of our teammates lives the “ASB Way” – the values and expectations that unite our teammates and set us apart from other financial institutions.



Through living and working in Hawai'i and listening to our *kūpuna* (elders), we are fortunate to benefit from the *na'auao* (wisdom) passed down from generations of Native Hawaiians. They had a saying, *kūlia i ka nu'u*, which means “strive to reach the summit.” We believe this involves, not only doing our best, but also doing what's right – what's *pono*.

At American Savings Bank, we hold ourselves to a high standard and are always working toward excellence – for our customers, teammates, and community. Our vision and core expectations are so important to us, that each new teammate spends two full days learning the “ASB Way.”

Our high standards

Our core expectations

To fulfill our vision, we expect all of our teammates to:

- Relentlessly pursue an excellent customer experience
- Get stuff done the right way
- Embrace change and drive innovation with a sense of urgency
- Speak up, collaborate and break down silos
- Take ownership of their learning and self-development

This list of core expectations is not just feel-good rhetoric. Our teammates are evaluated on their performance in meeting these core expectations on an annual basis.

Code of Conduct

Our ethical principles and expectations are summarized in the company's Code of Conduct. Each teammate has a duty to understand and live by our Code and to meet our high standard of ethics. The Code applies to all board members, executive officers, and employees, including part-time, contract, and temporary employees, as well as vendors, suppliers, and independent contractors to the extent that they are carrying out their duties with respect to the company.

The Code is a statement of the fundamental principles and key policies that govern our conduct; it is not intended to cover every applicable law or provide answers to every question that might arise. In many instances, the policies referenced in the Code go beyond the requirements of the law.

Compliance with laws and regulations

All teammates are expected to comply with all laws and regulations, including fair dealing, antitrust, and anti-tying laws intended to provide customers with a variety of products and services at competitive prices. In addition, ASB demands ethical business practices and does not engage in agreements that restrict trade or competition, such as price fixing, bid rigging, similar unfair practices, bribery, or corruption.

ASB has a number of departments responsible for ensuring that the bank complies with all laws and regulations. These include the Legal, Bank Regulatory Compliance, Enterprise Risk, and Internal Audit departments. In addition, the Audit Committee of ASB's Board of Directors assists with overseeing ASB's compliance with legal and regulatory requirements.

Our high standards

Speaking up

We recognize that honest feedback is essential to improving our operations and delivering high performance. With that, we expect and encourage our teammates to speak up whenever they have a concern, whether perceived illegal or unethical behavior or suggestions for improving our operational efficiency, product offerings, customer experience, teammate experience, or community service.

To encourage our teammates to speak up, ASB holds regular “Speaking Up Effectively” workshops, where teammates discuss the importance of providing feedback. We also train our leaders on receiving feedback and creating a supportive environment.

While most feedback is exchanged between teammates and their direct managers, we believe that it is important for our senior leadership to remain accessible. Our executive team frequently communicates with department leaders on ASB’s strategic plan, operational issues, and results. Managers also attend Leadership Forums,

where they can voice concerns or ask questions of the CEO and other members of the management committee. Additionally, our leadership team engages directly with teammates at “Talk Story” sessions, through “Town Halls,” e-mails, and during one-on-one meetings.

As an alternative communication channel, ASB maintains a few “Idea Banks” for teammates to provide suggestions on how to improve the experience for customers and teammates. Leaders at ASB regularly review the comments, and many suggestions are eventually implemented across the company.

As a result of our efforts to encourage feedback, we are pleased to have seen a rise in the number of teammates speaking up about issues that concern them and suggesting improvements to our business. This feedback allows us to address issues in a timely fashion, provide better solutions for our customers, and enhance the teammate experience.



Our high standards



Reporting suspected violations of the Code of Conduct

Teammates who wish to report violations of ASB's Code of Conduct may notify their managers, Human Resources, or anyone in the Legal Department. Teammates may also submit their concerns to EthicsPoint, a third-party reporting administrator. EthicsPoint permits teammates to make reports anonymously, through its website or hotline, and provides the content of the report to the appropriate individuals within the company to investigate. Teammates who make EthicsPoint reports also have the opportunity to answer questions anonymously and track the progress of their report through EthicsPoint's website.

Protecting those who speak up

Speaking up can be extremely difficult for a number of reasons—one of which is a fear of retaliation. We believe that our teammates should feel comfortable raising their concerns. We do not tolerate retaliation against people who report suspected illegal conduct or violations of the Code of Conduct. Teammates who engage in retaliation are subject to discipline up to and including termination of employment.

Training on laws and ethics

All teammates receive regular in-person and computer-based training and certification relating to identifying and reporting Code violations and inappropriate conduct. Additionally, teammates must undergo annual training on compliance issues relevant to their job duties.

CREATING OPEN ENVIRONMENTS

"We create environments for open collaboration to get to the root cause of issues and achieve the very best customer-focused results."

Nat Taniguchi

*Executive Vice President,
Enterprise Risk &
Regulatory Relations*



Our leadership

Our Board of Directors and management committee ensure that we are fulfilling our vision.



Our directors and management committee are a diverse set of leaders who oversee ASB's financial and business strategies, major corporate actions, and plan to face risks and opportunities. They are responsible for ensuring that we make banking easy for customers, deliver high performance, create a great place to work, and bring real impact to our community.



Leadership Forum ►

President & CEO Rich Wacker addresses questions regarding the direction of ASB to managers at a Leadership Forum in April 2019.

Our leadership

Corporate governance guidelines

American Savings Bank is a subsidiary of Hawaiian Electric Industries, Inc. (HEI), a publicly traded company. To learn more about HEI and its other subsidiaries, please review HEI's latest Annual Report (10-K).

The Board of Directors of HEI has adopted Corporate Governance Guidelines to provide a corporate governance framework in which the Board oversees the business and affairs of HEI and its subsidiaries, including ASB. These guidelines are intended to reflect the Board's commitment to ensuring transparency, integrity, and effectiveness of policy and decision making both at the Board and management level. The Board's primary objective is to maximize long-term shareholder value and ensure the vitality of the Company for its owners, customers, employees, and others who depend on the Company.

Board structure

The Board has four standing committees: Audit, Nominating and Corporate Governance, Compensation, and Executive.

Each standing committee has a written charter that has been approved by the Board.

Executive team

In addition to the HEI Board, the American Savings Bank Board of Directors provides oversight to ASB's Chief Executive Officer and the executive management team. ASB's management committee represents a seasoned group of professionals who are promoting the bank's vision – to be the involved, local bank committed to helping Hawai'i's businesses and communities grow and prosper.

Diversity in leadership

As of June 2019, four of the 10 directors on ASB's Board of Directors are female, which constitutes 40% of the ASB Board. Four of the nine members of ASB's management committee are also female.

Detailed information on the HEI and ASB Boards of Directors can be accessed at <http://www.hei.com/govdocs>.



Improving access

One of our goals is to make banking easy for customers. We believe this includes providing excellent service and banking solutions for existing customers and engaging underserved and disadvantaged members of our community.



Improving access

While more than 92% of our customers have indicated that it's easy to interact with ASB and easy to do their banking with us, we know there is still room for improvement! We will continue to assess our branch locations, maintain a helpful Customer Banking Center, and empower customers with access to online tools. We also recognize that improving access requires us to continuously scrutinize our efforts to ensure that no population is denied access to financial services.



ASB celebrated the opening of its newest branch at its Campus headquarters in April 2019.

Serving Hawai'i's communities

We primarily serve the people and businesses of Hawai'i. We have branches on five islands – O'ahu, Maui, Hawai'i Island, Kaua'i, and Moloka'i. Additionally, our online banking platforms and Customer Banking Center (our 24-hour telephone banking center) enable us to serve customers throughout the state.

Some of our customers are former Hawai'i residents who have moved away or have property or projects in Hawai'i. We are proud to retain their trust and business, and we strive to continually provide the same high-quality customer service.

Expanding digital banking

With computers and smartphones, customers now have the ability to manage their ASB accounts, view account statements and balances, pay bills, and perform transactions at home, work, or on the go through their secure online account at asbhawaii.com. We've designed easy-to-use online and mobile banking platforms, which give more customers access to our financial services than ever before.

ASB also has a mobile app available for Apple and Android users. Customers can access many of the same online banking features through their smartphone. Additionally, in 2012, we were the first financial institution in Hawai'i to accept mobile check deposits. We continue to expand our online features to best serve our customers' needs.

Since 1993, we have received an “Outstanding” CRA rating from the Office of the Comptroller of the Currency.



Our teammates often volunteer their time building homes for Habitat for Humanity.

Improving access

Helping low- and moderate-income families

As a financial institution, ASB is proud to be subject to the Community Reinvestment Act (CRA). The CRA is a federal law that encourages financial institutions to help meet the credit needs of the communities in which we operate, including low- and moderate-income neighborhoods, consistent with safe and sound operations. The law also prohibits “redlining,” which is the practice of denying or increasing the cost of banking to residents of racially defined neighborhoods.

ASB offers solutions to low- and moderate-income families. For instance, we participate in the Fannie Mae HomeReady® and Freddie Mac Home Possible® programs, which help make homeownership a possibility for credit-qualified low- and moderate-income families. Additionally, low-income families seeking to live in rural communities, which includes West Oahu and most areas on the neighbor islands, may qualify for a USDA Rural Development loan.

ASB is also a participating lender in the Mortgage Credit Certificate Program, which reduces the amount of federal taxes that low- and moderate-income borrowers pay,

thereby freeing up their income for mortgage qualification purposes. Further, ASB helps Hawai‘i’s teachers purchase homes by participating in the Landed down-payment assistance and homebuyer education program.

For deposit accounts, we offer a checking account with no minimum balance requirement and no monthly service fees.

Tearing down barriers of discrimination

As a financial institution, we comply with the Fair Housing Act and Equal Credit Opportunity Act, which prohibit discrimination in residential real estate-related transactions and credit transactions based on certain protected classes, such as race, color, national origin, religion, sex, and marital or familial status.

We also comply with fair lending laws. To prevent discriminatory lending practices, we regularly review our application requirements, sales practices, policies, and marketing material to ensure that they do not disadvantage any protected class. We also periodically review lending data to identify any policies or practices that result in a disparate impact.

Improving access



Empowering the community with financial literacy

At ASB, we believe that we cannot improve access to financial services without first educating members of our community on personal finances.

Our knowledgeable teammates regularly hold seminars on financial topics, such as purchasing a home, saving and investing money, managing credit, planning for retirement, insuring against losses, and applying for VA loans.

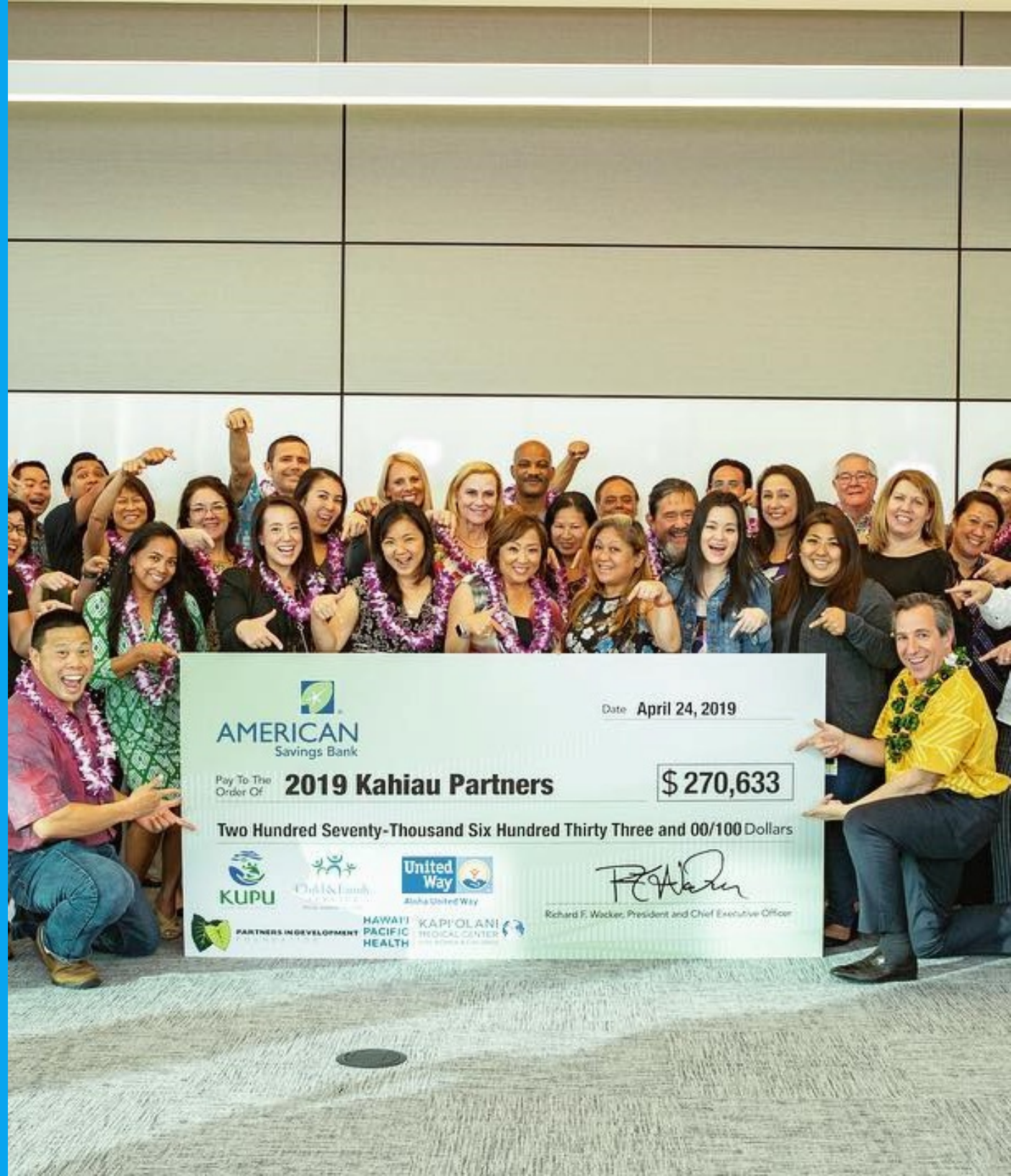
Our teammates also volunteer in schools through our Bank for Education program and commitment to Junior Achievement. Teammates teach students about personal financial responsibility and entrepreneurship – knowledge that will help the students later in life.

◀ Imparting financial knowledge

In April 2019, our teammates taught the basics of business planning to a group of aspiring entrepreneurs at the Pacific Asian Center for Entrepreneurship (PACE) at the University of Hawai'i at Mānoa, Shidler College of Business.

Developing our local communities

At American Savings Bank, community is at the core of everything we do. One of our goals is to bring real impact to our community.



Developing our local communities

With the skyrocketing cost of living in Hawai'i, local families are finding it harder to live in the islands. ASB is committed to helping Hawai'i's families and children, and improving the islands' neighborhoods through community development loans, affordable housing investments, small business development programs, donations to charitable organizations, community service projects, and pro bono service.



Investing in our community

In 2017 and 2018, ASB lent more than \$207 million for community development projects in Hawai'i. These loans benefited affordable housing, community services, economic development, and revitalization and stabilization efforts for low- and moderate-income communities.

In 2017 and 2018, ASB also committed over \$35 million in new investments to develop, acquire, or rehabilitate affordable rental housing for low-income families in Hawai'i. These included:

- An ongoing investment of \$2.1 million to rehabilitate Kekuilani Gardens, a 55-unit apartment complex in Kapolei, Oahu, for families meeting the qualifications of the USDA's Rural Development Program;
- An ongoing investment of \$3.04 million to rehabilitate River Pauahi, a 49-unit apartment for low-income residents, and

upgrade fire safety, security, and ADA features;

- An ongoing investment of \$7.61 million to construct Koa'e Workforce Housing Development Project, a 134-unit townhouse complex in Koloa, Kauai; and
- An ongoing investment of \$8.7 million to construct Keahumoa Place, a 320-unit affordable housing townhouse complex in East Kapolei.

In addition to these new commitments, ASB is in the process of providing more than \$35 million for affordable rental housing projects originally committed from 2009 to 2016. These funds will be disbursed as the developers proceed with construction or rehabilitation.

Because of our efforts, we received a 2017 Honorable Mention in the Affordable Housing category by the American Banker Association Foundation.



President & CEO Rich Wacker speaks to a group of aspiring entrepreneurs at XLR8HI.

Supporting small businesses

According to the U.S. Small Business Administration, 99.3% of Hawai'i companies are considered "small businesses." These small businesses employ roughly half of the Hawai'i workforce.

At ASB, our Business Relationship Managers work closely with small businesses to understand their goals and unique needs and to find customized solutions. We strongly believe there is no "one-size-fits-all" approach when it comes to banking for small businesses.

We are one of the largest providers of SBA loans in Hawai'i. In 2017, ASB lent more than \$150 million to small businesses through 3,481 loans.

Developing our local communities

Fostering entrepreneurship

We believe it's important to empower and support our local entrepreneurs and innovators. We are proud supporters of several local incubator and accelerator programs, including Mana Up, a 12-week accelerator program for consumer package goods with a Hawai'i influence, and Elemental Excelerator, a nonprofit created in collaboration with Emerson Collective, an investment and philanthropic platform.

We have also been longtime supporters of the Pacific Asian Center for Entrepreneurship (PACE) at the University of Hawai'i at Mānoa, Shidler College of Business and the Hogan Entrepreneurial Program at Chaminade University of Honolulu. In fact, ASB has been the title sponsor for both programs' business plan competitions.

Further, we recognize that innovation and entrepreneurship begin from the earliest days in the classroom. In 2015, ASB created its own business plan competition for youth called the KeikiCo Contest. KeikiCo, which is held every other year, challenges students in grades 3 to 12 to

come up with their brightest business ideas for a chance to win substantial monetary awards for their school. Students submit a written business plan and a two-minute long video pitch. To guide students through the process, ASB developed a written curriculum and a series of "how-to" videos. Branch teammates are paired with schools to serve as mentors and provide guidance throughout the 10-week long program.

Through KeikiCo, students can win cash prizes for their schools. Schools that earn first or second place in KeikiCo also receive preferential consideration for grants, scholarships, ASB Seeds of Service projects, and other opportunities. Most recently, students from Mililani Waena Elementary School, which placed first in the 2017 KeikiCo competition, were able to meet Olympic gold medalists Joe Polo and Tyler George during the 2018 Annual Hawai'i Curling Club Charity Classic.

In addition to KeikiCo, ASB supports other K-12 financial literacy efforts, such as Lemonade Alley, a program that teaches children about entrepreneurship.

Developing our local communities

Charitable giving

Every year, ASB makes monetary donations to dozens of nonprofits and community organizations in Hawai'i. We like to focus our efforts on three areas:

- Improving education, with an emphasis on financial literacy;
- Strengthening families; and
- Promoting innovation and entrepreneurship.

Over the past ten years, ASB has donated more than \$8.4 million to charitable causes in Hawai'i. Specifically, in 2018, we gave just over \$1 million to various community organizations, including Child & Family Service, one of Hawai'i's oldest charities.

In addition to direct charitable gifts, ASB partners with USA Curling to host the Hawai'i Curling Club Charity Classic. This much anticipated annual event brings a popular winter sport to the tropics to raise money and awareness for worthy community organizations. The 2017 event raised \$100,000 for Child & Family Service, which is dedicated to strengthening families and promoting the healthy development of children. In 2018, ASB's Hawai'i Curling Club raised another \$100,000 for Kahauiki Village, which provides affordable housing to local homeless families.



ASB teammates are truly committed to giving back to the community. Our annual Kahiau Employee Giving Program encourages teammates to donate funds directly to our local nonprofit partners and ASB matches gifts up to \$100,000. In 2017, ASB teammates raised \$164,624. In 2018, 94% of our teammates gave \$163,617. Along with ASB's matching funds, ASB has raised over \$1.1 million dollars for community organizations since the program began in 2011. From funding Hawai'i's first American Cancer Society Hope Lodge to making preschool accessible for homeless families, our Kahiau donations have touched thousands of lives in our community.

ASSISTING CHILDREN AND FAMILIES

"We're extremely grateful to the employees at American Savings Bank for their continued generosity. Being in the hospital can be an unfamiliar and stressful situation for children. [ASB's contributions] support our Child Life staff in their work with pediatric patients and their families to help them cope positively with their illness, hospitalization and recovery."

Martha Smith

CEO, Kapiolani Medical Center for Women & Children

Developing our local communities

SPOTLIGHT

Supporting tomorrow's leaders

Since 2007, Kupu has risen to meet the increasing demands of the green economy by empowering future generations to create a more sustainable Hawai'i through hands-on training programs that educate and mentor youth to be stewards of the community.

The invaluable job training and life experiences they gain through Kupu's innovative programs help to inspire and prepare our youth and young adults with the knowledge and skills they need to build a greener and more resilient Hawai'i.

Because of the generosity of the ASB Dream Team, Kupu has been able to provide hundreds of local youth like Kohana with an opportunity to learn core life values and become stewards of our environment. Today, Kohana is a culinary student at Kapiolani Community College. Kupu believes that the right programming alone does not make the greatest impact it can,

but in conjunction with the right people, lives are changed.

With the support from our Kahiau Giving Campaign, Kupu has been able to provide the right program and people to impact the lives of many youth.



"I came [to Kupu] at first with low expectations of myself, and I doubted that I would make it to graduation because prior to Kupu I had never completed any plans I had made for myself. I had low self-esteem, hung out with the wrong type of people, and followed others with no real sense of who I was as an individual. From the day I joined Kupu until now, I have seen both small and profound changes in my thinking and values. Now I strive to be the best I can. I am persistent even when times are hard, the people I choose to hang out with are pretty positive (probably because I'm almost always hanging around the Net Shed) and I actually have confidence in the choices I make in myself as a person."

Kohana, a student supported by ASB in Kupu's Hawai'i Youth Conservation Corps CommunityU program

Developing our local communities

Seeds of Service

We understand that making a difference means more than just donating money. It also requires the commitment of our time, “sweat equity,” best ideas, and leadership to worthy causes.

Throughout the year, teammates are provided many opportunities to give back to the community through ASB’s Seeds of Service volunteer projects. Each branch and department team is encouraged to participate in at least one Seeds of Service project per year. Teammates receive a helpful Seeds of Service Guide that walks them through how to plan their own project. The Community Advancement team provides support for branches and departments planning their own project, including connecting the team with local nonprofits, and providing needed supplies and volunteer refreshments.

ASB also coordinates several bank-wide Seeds of Service projects throughout the year to make it easy for teammates to get involved and make an impact. This includes an annual Statewide Seeds of Service Day which features volunteer projects on five islands on the same day. Collectively, our teammates have contributed more than 48,000 hours of volunteer service to the community. Seeds of Service projects and financial contributions to organizations are communicated on our company intranet

page so that all our teammates can recognize and take pride in the impact of our collective efforts, and be inspired to continue their support.

Teammates can share their service project ideas and help plan Seeds of Service events through ASB’s Community Council. Teammates also may join the Kokua Club, a group of community-minded teammates who enjoy volunteering for local organizations.

Gifts of talent

Our teammates generously volunteer their time for ASB’s Bank for Education program and other notable organizations, such as Junior Achievement and Lemonade Alley, in which they share their financial, banking, and business knowledge with children in the community.

We also have many teammates who generously donate their skills and talents to help those in need in our community. In addition to dozens of teammates who serve on the board of directors of local nonprofits, we have teammates who speak publicly at conferences, workshops, and seminars, sharing their guidance with the community. Many of our teammates also donate their professional services, such as legal counsel, auditing, and public relations and marketing support to organizations in need.



Teammates donate their time to assist with many Seeds of Service projects, such as beautifying ‘A‘ala Park.

Our suppliers

Our values and principles guide our decisions to contract with vendors. We expect that our vendors will conduct their businesses responsibly and legally, too.

As part of ASB's efforts to promote a responsible supply chain, our Third Party Relationships team is responsible for contracting with vendors for products and services for use by ASB and its customers. In doing so, ASB conducts due diligence on vendors and ongoing monitoring to help identify and prevent potential risks, including financial viability and operational risks. In addition, we require that parties that we contract with comply with all laws, rules, and regulations applicable to that party, including labor and employment laws. ASB also expects its vendors to conduct operations in accordance with ASB's Code of Conduct.



Our teammates

Our teammates are the
reason we are successful.



Our teammates

We have over 1,100 teammates across five islands. We are proud of their diverse backgrounds and experiences, and we truly value the contributions of our ASB “Dream Team.”



Executive Vice President Dani Aiu served teammates soft serve ice cream from a neighborhood restaurant, The Pig & Lady, during Teammate Appreciation Month in May 2019.



Creating a great place to work

At ASB, we strive to create a great place to work. We believe that teammates who enjoy coming to work take better care of our customers. In fact, highly engaged teammates contribute more in just about every way, especially when it comes to living our vision of making people’s dreams possible, making banking easy, delivering

high performance, and bringing real impact to our community.

In 2018, we were recognized as a “Certified Great Place to Work” by Fortune Magazine and by American Banker Magazine as one of the “Best Banks to Work For.” Additionally, 2019 marked the tenth year in a row that ASB received recognition from *Hawaii Business* Magazine as one of Hawaii’s “Best Places to Work.”

Our teammates

Improving the workplace through two-way communication

At ASB, we believe that feedback should be both given and received. So, while managers provide feedback to teammates through annual performance evaluations and regular one-on-one meetings, we also expect that managers actively solicit feedback from their teammates.

We participate in quarterly employee surveys to check in regularly with our teammates about what we're doing well and what can improve. Of the four surveys we participate in annually, the "Your Voice Matters" is a bank-wide survey that identifies engagement drivers, which become our road map for how to improve the employee experience in the year ahead.

But we don't stop there. Our Human Resources team meets individually with team managers to discuss their individual results and create an action plan to improve in specific areas. Again, these goals are entered into our survey action planning system and revisited throughout the year. To keep engagement top of mind, managers hold team meetings to share team survey results and plans.

Hiring and recruiting Dream Makers

We are proactive in our efforts to identify and connect with talented individuals. Through our partnerships with Hawai'i high

schools, colleges, professional networks, and community organizations, we recruited hundreds of new teammates in 2017 and 2018 – many of whom are local residents.

We make extra effort to recruit veterans and individuals with disabilities. In the past, our Recruitment team has attended job fairs hosted on military bases, posted open positions on veteran-focused job boards, and worked with agencies such as Goodwill, Job Corps, and Hawai'i Workforce Development Division, to attract veteran and disabled candidates.

Since we expect our teammates to work cohesively as a team, we assess candidates on their skills and experience, as well as whether their values align with our ASB culture. If the fit is right, we are willing to provide any required training and will even consider candidates for other available positions.

All new teammates, whether they are a fresh-out-of-high-school teller or an experienced Executive Vice President, begin their ASB experience by attending a two-day orientation session, which covers, among other things, how to live the "ASB Way." New teammates learn about ASB's vision, goals, and expectations, and on their very first day, they enjoy a casual lunch with members of our management team, which sets the tone for our open-door policy.

CREATING AN ENVIRONMENT OF TRUST

"Establishing trust within the team is important for collaboration. The leader of the team has to take the first steps and demonstrate trust, transparency and willingness to take feedback. That helps create a collaborative and trusting culture."



Ann Teranishi
Executive Vice President,
Operations

ASB has been recognized for its outstanding diversity by *Working Mother* and *Fortune*.

72%

of our teammates are women*

87%

of our teammate are non-white*



Campus Pride. ASB lights up its façade in June 2019 in celebration of Pride Month.

\$98.3 million

paid out in compensation and spent on teammate benefits in 2018

Our teammates

Leveraging our diversity

Our Dream Team is comprised of teammates from all walks of life. This diversity provides an advantage, as it provides us with a wealth of experiences and perspectives, which better inform our decision-making. It also allows us to connect better with our customers, who are a diverse group themselves.

Showing our appreciation

We believe it's important to say "mahalo" (thank you) and celebrate our teammates' many contributions and accomplishments. While we strive to show our appreciation year-round, we make one month every year extra special. During Teammate Appreciation Month, we treat our teammates to snacks, refreshments, and fun activities ranging from friendly competitions to our Statewide Seeds of Service day.

By far, the highlight of Teammate Appreciation Month is our Mahalo Party – a celebration for all 1,100 teammates that we host in Honolulu. We provide air and ground transportation for all our teammates living on the Neighbor Islands so that everyone can come together and celebrate.

Paying a fair wage

To ensure that our teammates are fairly compensated, we annually review wages to detect any disparities among teammates and

any gaps between our average pay and the market's average pay rate.

We do our best to beat minimum and average pay rates. In fact, in 2018, we raised our starting wage – twice! Our starting wage at ASB is now \$16/hour, which is significantly higher than Hawai'i's minimum wage of \$10.10/hour.

Also, every Friday is payday. Our weekly paycheck tradition began in 2009 at the request of one of our teammates through our online Idea Bank.

Assisting our teammates through life's ups and downs

We provide some of the best benefits in the state, which are available from the first day of employment. In addition to great health care coverage, we offer a Keiki Paid Time Off (PTO) benefit (two additional weeks of PTO for teammates on leave of absence for the birth or adoption of a child), 'Ohana PTO (four additional weeks of PTO to care for self or a family member), Life and AD&D Insurance with a rate of 1.5x the teammate's salary, fully paid Long Term Disability and Long Term Care insurance, Business Travel Accident Insurance with 24-hour Identity Theft Assistance, a 529 College Savings Plan and discounted pet insurance. We also offer coverage for alternative care (acupuncture, chiropractic and massage therapy), a casual dress code, and a birthday holiday.

Our teammates



Training and developing future leaders

One of our core expectations is that teammates will take ownership of their own learning and self-development. Our Leadership & Development team provides many opportunities for our teammates to develop new skills and gain knowledge.

To show our commitment to our teammates' growth and development, we dedicated an entire floor for learning at our new Campus. Teammates can attend sessions in one of six classrooms or perfect their customer service skills at our new training branch.

Knowledge development

We offer regular training for branch teammates on banking laws, company procedures, software applications, and best practices. The courses are tailored to teammates' position type and skill level. In 2018, we offered 23 different knowledge-based courses and 267 sessions total.

Professional development

We also offer a variety of professional development training to help teammates reach their full potential. Classes such as "Making Banking Easy" and "Creative Problem Solving" allow teammates to build essential skills that will help them grow in their careers.

Leadership development

To be a leader at ASB, teammates must complete a training course called "Leading the ASB Way," which covers expectations for all leaders. After that, leaders are required to complete an annual refresher course called the Leadership Certification.

We also hold two Leadership Forums a year in which we gather 200-plus ASB managers for a full-day of leadership training workshops, and provide updates on business objectives and goals. These forums are part inspirational, part skills building, part networking, and an opportunity for us to recalibrate, stay on track, and have fun as a leadership team.

Leadership Labs are one-hour training sessions that are offered to all managers on a monthly basis, ensure that our leaders continue to build new skills and keep their current skills sharp. Again, these trainings reinforce key business messages and make sure our managers are aligned and well-equipped to lead their teams.

In 2018, we offered 13 different leadership courses and 71 sessions total.

Leadership Academy

Teammates can also take part in ASB's Leadership Academy – a robust cohort-based leadership program designed to help leaders grow professionally and personally, enhance their leadership skills, and broaden their understanding of the banking industry. Teammates selected for Leadership Academy participate in a variety of engaging coursework, team building exercises, collaborative problem-solving, interactive executive sessions, and group and individual assignments.

Women's Network

The Women's Network brings ASB's female teammates together quarterly to discuss issues unique to women in the workplace. Recently, they discussed the #MeToo Movement and why speaking up is critical. For these discussions, the Women's Network brings in guest speakers and provides executive-level support for women leaders.



BEING THE BALANCE POLICE

"No one gives their best on an empty tank, so providing a healthy work/life balance is essential to attract, develop and retain top talent."

Beth Whitehead
Executive Vice President
& Chief Administrative
Officer



Our teammates

Encouraging wellness

We care about our teammates' overall health and wellbeing. When designing our Campus, we listened to the concerns and suggestions of teammates on our Campus Council, which was comprised of representatives from most departments. Many of their ideas were incorporated into the building, such as the Fitness Center and height-adjustable desks.

At our new Campus, teammates can unwind by escaping to one of the relaxation rooms, getting a breath of fresh air on one of two large lanai, playing their favorite game in the arcade room, celebrating life's big (and small) moments in the teammate breakroom, taking a fitness class in 'A'ala Park, or exercising in the Fitness Center.

Every workstation includes a height-adjustable desk, which allows teammates to work in a seated or standing position. Desks are also outfitted with an ergonomic keyboard, a wireless headset, and comfortable chair. Teammates can choose to work anywhere in the building since the Campus has wireless internet throughout, including on the lanai.

LifeBalance program

In 2009, we created a wellness program called LifeBalance. Our award-winning program focuses on improving our teammates' overall health and well-being. We offer fun activities and challenges to help

teammates reach their wellness goals. From our Biggest Loser weight loss challenge to plank and push up challenges to our Weekend Warrior hikes, teammates can compete individually or in teams to earn prizes and recognition.

We also offer outdoor fitness classes, including High Intensity Interval Training and Power Hour circuit classes. Onsite chair massages are offered monthly for \$1/minute, and we host informational workshops on such topics as Social Security, 401(k) Savings, Eldercare, 529 College Savings Plans, and Long Term Care.

Active&Fit program

We participate in the Active&Fit program, which allows our teammates to enjoy national fitness center chains, including 24 Hour Fitness, YMCA, YWCA, and Curves. Teammates who prefer to exercise at home can elect to receive an exercise kit for only \$10.

Employee assistance program

For teammates and their families who need support through life's challenges, we offer an employee assistance program, which provides counseling for marital, parental, or financial challenges, and assistance for specific conditions such as substance abuse, smoking, or gambling. All services are free and confidential.

Our customers

We relentlessly seek to provide an excellent customer experience and continuously look for ways to make banking easy for our customers.



Our customers

Although not everyone has face-to-face customer interactions on a regular basis, we expect that all of our teammates – even those working in branch support roles – pursue an excellent customer experience. This involves listening to customers' feedback, working to provide solutions, and protecting our customers' information and assets.



Engaging our customers

To ensure that we are best serving our customers and making banking easy for them, we regularly seek their feedback through customer surveys, comment forms, and focus groups.

In 2017 and 2018, we sought comments from customers through online and mail surveys. Many of our surveys are sent out to customers at random on a weekly basis.

In our Benchmark Survey, which is conducted once a year, 92.5% of customers responded that they were either extremely or very satisfied with ASB, and 90.6% indicated that they would recommend ASB to others. The weekly surveys produced similar results when averaged.

Resolving customer complaints

In addition to surveys and focus groups, we invite customers to provide their feedback directly to branch or Customer Banking Center teammates. Teammates who receive complaints are required to notify the Customer Experience team, which works to find a solution for the customer.

We also monitor ASB's social media webpages and other online comment boards, such as Yelp, Yellow Pages, and Google Reviews, for customer feedback. Our Customer Experience and Communications teams frequently reach out to customers to address any issues raised.

On a quarterly basis, our leadership team and Customer Experience, Legal, and Compliance teams review trends in customer feedback to identify any accessibility issues and to assess whether we should make any changes to our policies or procedures.

Our customers



Our teammates are expected and required to follow security protocols and controls to guard against theft, unauthorized access, and loss of customers' assets and personal information.

Protecting our customers' privacy and assets

We recognize the trust that our customers place in us when they deposit their hard earned money, store their prized valuables, or take out a loan with us.

Protecting our customers begins with ASB providing the information customers need to make informed decisions about opening an account, taking out a loan, or making an investment. We believe it's important to be open and honest with the solutions we provide to customers. We also comply with all disclosure requirements.

Customers who open accounts with us should know that we have their best interests in mind. We train our tellers, personal bankers, and operations staff to spot counterfeit, forged, or altered checks, as well as recognize the signs of identity theft and elder abuse.

Our Enterprise Risk and Fraud Departments monitor transactions to identify potential fraud and other unlawful activity. If we detect suspicious activity, our experienced fraud investigators will conduct a prompt investigation and provide any appropriate redress to the customer.

If customers detect any fraudulent or suspicious activity on their ASB accounts, they are encouraged to immediately contact our Customer Banking Center at (808) 627-6900 or toll-free (800) 272-2566.

Safeguarding customer information

We are serious about safeguarding our customers' confidential information. We devote significant resources to regularly maintain and update our systems and processes to protect the security of the computer systems, software, networks, and other technology assets that access and store our customers' information.

As we continue to expand online access and tools for customers, we will face threats of loss due to cyber-attacks. Our Information Security program is designed to monitor, detect, and mitigate cyber-attacks.

Phishing continues to be a primary method of attack for unauthorized access to systems and information. Our teammates receive regular training on how to protect information and avoid social engineering attacks. Our Information Security team routinely tests our teammates' knowledge by sending out fake e-mails and attempts at phone-based social engineering. These tests help ASB measure progress and additional training needs.

Our commitment to human rights

We believe that each person
should be treated with
respect and dignity.



We are committed to taking a stand against unlawful discrimination, harassment, violence, and other injustices.

Our commitment to human rights

Preventing discrimination and harassment

At ASB, we do not tolerate discrimination or harassment against our teammates by anyone, including fellow teammates, customers, or suppliers. We expect our teammates and suppliers to comply with federal and state anti-discrimination laws and our Code of Conduct. Our teammates must also adhere to our Equal Employment Opportunity and Anti-Discrimination Policy.

We encourage any teammate who believes he or she is being subjected to discrimination or harassment to report the conduct to a supervisor, or anyone in the Legal or Human Resources Departments, or through EthicsPoint. We take all reports of discrimination or harassment seriously; incidents are promptly investigated and any appropriate action is taken.

Protecting our teammates against domestic violence

We do our best to help teammates who are victims of domestic violence. When we suspect that a teammate may be subject to domestic violence or threats of violence, we make reasonable accommodations to remove the teammate from harm's way by relocating the teammate, changing the teammate's contact information, or other means.

Stopping child labor

We do not hire anyone under 18 years of age. We will also not engage with any suppliers who are known to violate child labor laws.

Thwarting terrorism, organized crime, and human trafficking

As a financial institution, we must comply with the Bank Secrecy Act, which requires us to identify and report suspicious transactions and potential money laundering to law enforcement authorities. We have developed a program to screen new customers, monitor transactions, and prevent unlawful activity.

We also must comply with U.S. economic and trade sanctions against foreign countries, terrorists, and other individuals and entities. Based on the Office of Foreign Asset Control's regulations, we do not engage in any transactions with governments, individuals, or entities on the Specially Designated Nationals and Blocked Persons List.

Our commitment to the environment

We believe that everyone has a responsibility to care for our islands and our planet. We are taking steps to reduce our impact on the land and environment.



Our commitment to the environment

We must follow the lead of the first people to inhabit Hawai'i, who believed it was their *kuleana* (responsibility) to care for the land (*mālama ka 'āina*), which sustained life for everyone in the islands.

We have designed our Campus and newly constructed branches to incorporate the latest green features, and we are working to improve our existing branches to further reduce our impact on the environment. We also continue to help local families and businesses convert to clean energy and construct sustainable buildings.



Constructing a sustainable headquarters

Our new Campus is now home to approximately 660 teammates. These teammates, who were once spread out across five different office locations, are now able to collaborate within the same building. This consolidation significantly cuts down on the amount of time and energy commuting for meetings during the day.

In designing the new Campus, we wanted a building that was reflective of our commitment to our customers, our teammates, and the community. We are

proud that our Campus features some of the latest green technologies. We also saw the move as an opportunity to analyze how we do business and what efforts we could implement to reduce our impact on the environment.

The building includes sustainable features, which reduce ASB's impact on the environment. These include photovoltaic panels, electric vehicle charging stations, self-tinting View Dynamic Glass, responsive LED lighting, and reclaimed wood furniture. We also used the move to evaluate our work habits, and we made the decision to become as paperless as possible.

Our commitment to the environment



A perfect site

We chose Downtown Honolulu as the location for our new Campus. Our Campus is within walking distance of many restaurants, businesses, community services, parks, residential buildings, and office buildings – where many of our customers and vendors work – which reduces the need for teammates to use their cars during work hours.

Our Campus is located in O’ahu’s urban core, which means that many of our teammates have relatively short commutes to work. Teammates can choose to ride the bus or bike to work, as the new Campus is located along major bus lines and within the Biki Bikeshare program area. Further, in preparation for the move, ASB worked with Biki to set up more bike stations near Campus. Teammates who bike to Campus also have access to a safe bike storage and showers.

With those “green” teammates in mind, ASB also worked with the Hui Car Share program to station two cars at our new Campus. Teammates who walk, bus, or bike to work can use the Hui cars to run errands or drive to meetings.

The relatively short commutes for our teammates makes electric vehicle ownership a possibility for those with range anxiety. Teammates who drive electric vehicles have

access to four charging stations in the Campus parking garage.

We believe that the thoughtful selection of the Campus site, coupled with our “Green Benefit” incentive (discussed below) will cut down on vehicle-generated carbon emissions.

Water conservation and filtration

We’ve also designed our Campus building to reduce water consumption. In all of our restrooms and locker rooms, we have installed efficient, low-flow water fixtures, which moderate water output.

Additionally, when designing the landscaping around the Campus building, ASB selected plants that are native to Hawai’i, including hala, and kalo. Besides the cultural significance, native plants tend to consume less water as they have adapted to survive the local climate and conditions.

We have included an infiltration basin on our Campus grounds, which will reduce storm water runoff. This basin allows rainwater to permeate the Earth’s natural infiltration layers, rather than washing water pollutants into storm drains and nearby canals.

Our commitment to the environment

Energy conservation

Our new Campus is a prime example of our commitment to reducing our reliance on non-renewable power sources. Our teammates work under 469 photovoltaic panels, which produce renewable energy. This will reduce our dependence on non-renewable power sources.

The Campus also features many energy saving materials and fixtures. We are proud that the Campus is the first commercial office building in Hawai'i to completely use View Dynamic Glass – a high-tech glass that automatically adjusts its tint to the intensity of sunlight. This feature reduces glare and heat, and cuts down on the need for air conditioning.

In addition to the View Dynamic Glass, we've designed our Campus building to include exterior vertical fins, which block direct sunlight from entering the building. This feature will likewise reduce glare and heat.

Both the View Dynamic Glass and the exterior vertical fins allow us to control the intensity of natural light without resorting to sun shades or blinds. Our teammates can enjoy the outside views of the city and Honolulu Harbor. The natural sunlight that permeates our open office also reduces the need for interior lighting.

Another energy-efficient feature of our Campus are light sensors that automatically adjust the brightness of the lighting fixtures depending on the level of natural sunlight, and occupancy sensors which switch off the lights when no one is working in the area.

Additionally, the Campus building is equipped with Energy Star appliances and the latest, energy-saving lighting fixtures and air conditioning systems.

Sustainable materials

In designing the interior of the Campus building, we selected furniture that is not only stylish, functional, and ergonomic, but also environmentally friendly because of the use of recycled or regionally sourced materials. The manufacturers of the tables and chairs also processed the materials to reduce volatile organic compounds, which, if not properly treated, give off toxic gasses that could be harmful to our teammates' health.

We also worked with a local woodworker who turned fallen Monkeypod trees into benches, railings, and conference room tables at our Campus building. The trees were otherwise destined for the landfill, and have instead been transformed into functional and beautiful furniture.



From the landfill to the conference room: ASB worked with a local woodworker to salvage Monkeypod trees destined for the landfill.

Our commitment to the environment



The central staircase in the Campus building allows teammates to meet with each other, without resorting to riding the elevator.

Encouragement of better, green habits

In preparation of the move to the new Campus building, we had extensive discussion on how and why we use paper. Together, we committed to reducing the amount of paper we use and rely more on our computer systems, which will decrease the waste we produce and help us with our records retention processes.

We also introduced a formal recycling program at Campus. Teammates can dispose of their waste into convenient recycling bins on each floor. For confidential documents, we continue to use a vendor to destroy the documents, with the debris sent for recycling.

Additionally, through our LifeBalance wellness program, we encourage our teammates to be responsible stewards of the environment with challenges, such as "Reduce, Reuse Recycle" and "Reduce your Carbon Footprint." We urge our teammates to bring a reusable bottle, which they can fill with filtered water at one of our water filling stations at Campus, and use the stairs if possible. We don't supply Styrofoam or paper products, and we only use recycled coffee cups for our guests.

We also encourage our teammates to commute to work by carpool, mass transit, bike, or other means. Teammates who participate in a carpool receive one free

parking stall per group plus a monthly carpool stipend. Teammates who find other means of arriving at work can receive a larger "green" stipend, which can cover any expenses for alternate transportation and which rewards the teammates for their commitment to the environment.

Building new branches

In 2017 and 2018, we celebrated the opening of two newly constructed branches – one in Kapolei, Oahu, and the other in Kahului, Maui. For these new branches, we implemented many of the sustainable features found at our new Campus, including:

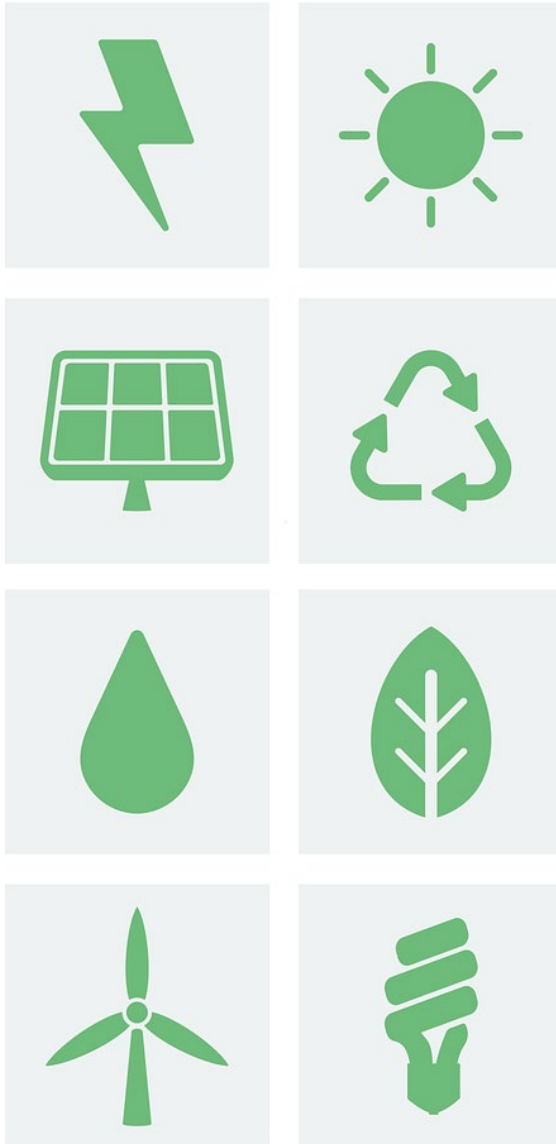
- LED light fixtures and signage
- View Dynamic Glass
- Low-flow water fixtures

Retrofitting existing branches

For our existing branches, we have begun rolling out green initiatives and retrofitting the facilities with sustainable features, such as:

- Installing LED light fixtures
- Recycling of paper, cardboards, and other materials
- Installing low-flow water fixtures

Our commitment to the environment



Financing green causes

We see the direct and societal benefits of having our own clean energy system, and we think it's important for our customers to have the same opportunity to save money on energy costs and reduce their impact on the environment.

In 2017 and 2018, ASB originated more than \$3.1 million in residential clean energy loans. These loans allowed homeowners to purchase and install their own photovoltaic systems, solar water heaters, solar air conditioning, and battery backup and storage.

ASB also financed more than \$63.3 million in commercial clean energy projects from 2010-2018, generating a total of 19.67 mW in renewable energy. These projects include:

- **Forest City Hawai'i project at Kapolei Sustainable Energy Park** – transforming a brownfield waste site into a productive greenfield development which houses over 4,200 solar panels.
 - **Hilo Hawaiian Hotel** – ensuring the long-term viability of Hilo's visitor industry and enabling the installation of photovoltaic panels and retrofitting for improved energy efficiency.
 - **Lalamilo Wind Farm project** – providing renewable energy to eight water wells operated by Hawai'i County's Department of Water Supply – the biggest power consumer on Hawai'i Island. The project was recognized for reducing greenhouse gas emissions at no cost to taxpayers.
- In addition, since 2006, ASB has financed the construction of at least seven commercial and residential LEED-certified projects.

Our awards



Psychologically Healthy Workplace Honors
2010, 2012, 2014, 2016



Spirit of Community
Ho'okela Award
Large Business
2016-2019

