

# 2022 Environmental, Social & Governance Report



**AMERICAN**  
Savings Bank

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 [Message from our President and CEO](#)

## Message from our President and CEO

**Aloha,**

I am pleased to share our American Savings Bank 2022 Environmental, Social and Governance report. Our bank has been proudly serving the people of Hawaii since 1925 and we are passionate about making dreams possible for our customers, community and 1,100 teammates.

The past few years have changed so much for Hawaii, however the one thing that has remained constant is our long-standing commitments to our customers, community and teammates. As one of the largest financial institutions in our state, we have the privilege and opportunity to build a stronger, resilient Hawaii for future generations. When the pandemic challenged Hawaii's economy and public health, we renewed our efforts to support our community. By supporting small businesses with Paycheck Protection Program loans, driving revenue to the restaurant and food supply industries and prioritizing our teammates' health and well-being, we demonstrated our commitment every step of the way.

As a local company located in an island state, we have a deep responsibility to protect and care for our land and natural resources. We see the direct and societal benefits of playing a role in our clean energy future and reducing

our impact on the environment. Through the planning and management of our facilities, we continue to be good environmental stewards and partners for our customers in their conservation efforts.

As I reflect on the last year, I'm especially proud of our teammates' passion for supporting our customers and communities. In the pages that follow, you'll find an overview of work that's underway at ASB. It is not an exhaustive list of all of our efforts, but I believe it is a good representation of our commitment to a better Hawaii. We're excited to share our progress through the stories in this report and are committed to finding more opportunities to create lasting positive impact across our state and beyond.

**Malama pono,**

**ANN TERANISHI**  
President and CEO



# ABOUT US





# American Savings Bank 2022 Environmental, Social & Governance Report

American Savings Bank (ASB) has been proudly serving the people and businesses of Hawaii since 1925 and we are committed and passionate about making dreams possible for our customers, community and 1,100 teammates across the state. While banking is our business, it's just one part of the bigger role we play in helping to uplift our community and make it a better place for future generations. Our commitment is reflected in everything we do – from supporting local businesses and entrepreneurs to being responsible stewards of our environment, hiring and investing in the best employees and bringing real impact to our community. We look forward to serving Hawaii for the next 100 years and beyond.

As one of the largest financial institutions in our state, ASB has the privilege and opportunity to create lasting positive change by enhancing the financial security and future of our customers, local businesses and economy. We are a great bank making people's dreams possible and provide a full range of financial products and services, including business and consumer banking, home loans, insurance and investments.

**We always:**

- Make banking easy for customers
- Deliver high performance
- Create a great place to work
- Bring real impact to our community

Our bankers go the extra mile to meet customers where they are in their financial journey. We make people feel bigger than their bank accounts and find no greater satisfaction than listening to our customers' unique needs and goals and providing them with personalized solutions to achieve their money – and life – milestones. We're not your average bank and we're proud of it.

In this report, we are happy to provide a glimpse of who we are, what we are doing to ensure our economy, customers, communities, employees and environment are thriving, and why it matters to us to be great stewards of healthy and responsible Environmental, Social and Governance practices.

**Mahalo for your shared interest!**



**AMERICAN**  
Savings Bank

**SIGNIFICANCE OF OUR LOGO:  
THE KALO**

The kalo (taro) is a sacred plant in Hawaiian culture and represents life, sustenance, growth and unity. Living in an island state requires that we take care of one another and work together in order to thrive. Much like the kalo roots that are interwoven in a loi kalo (taro patch), ASB is deeply rooted in our communities and we are committed to supporting the health and well-being of Hawaii's residents.

The land upon which the ASB Campus sits was once filled with lush loi kalo, nourished by the Nuuanu Stream, which still flows alongside our building today. Just as the loi previously provided sustenance and life to the residents of this special area, we are committed to doing our part to provide abundance and growth to the Kalihi-Palama neighborhood and all the communities we serve.





# 2022 ASB Highlights

THRIVING ECONOMY



\$1.85M Invested in Hawaii's Future Leaders & Entrepreneurs



\$750K for Food Industry Through Hawaii Restaurant Card



Supported Businesses Through Buy Local Campaign



Investments in 25+ Low-Income Housing Projects Statewide

THRIVING CUSTOMERS



Ranked #1 in "Easy-to-Use Online & Mobile Banking" in 2022 Brand Survey



77 Full-Service ATMs Located Across Five Islands



Committed to Delivering an Excellent Customer Experience

THRIVING COMMUNITIES



\$1.4M in Charitable Giving

12,300+ Teammate Volunteer Hours



Nationally Recognized Financial Literacy Efforts



\$250K Invested in Aala Park Revitalization

THRIVING EMPLOYEES



Received Local & National Awards for Employee Experience



Committed to a Workforce Enriched by Differences & Reflective of Community Diversity



Comprehensive Programs to Support Professional Growth, Career Development & Personal Wellness



Encourage Openness with Various Platforms for Employee Feedback - Every Voice Matters

THRIVING ENVIRONMENT



Sustainable Features at Campus



Retrofitted Existing Branches to Ensure Sustainability

\$135M Loans to Support Decarbonization Efforts



Green Benefits for Teammates



# Our Leadership and Governance

ASB is a Honolulu-based nationally chartered savings bank providing a full range of financial products and services, including business and consumer banking, home loans, insurance and investments. We are owned by ASB Hawaii, Inc., 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).

## OUR BOARD

ASB and HEI have separate boards of directors. In 2022, all members of HEI's board of directors joined ASB's board.

ASB's board of directors oversees its direction and the performance of the company's management team. In collaboration with HEI, the board periodically commits to a strategic planning process to provide guidance on ASB's priorities and plans. The board executes responsibilities through its annual retreat, regular board meetings, review of written reports and ongoing engagement with ASB's leadership team. ESG-related matters are an important focus and the board has been key in our long-term business strategy and operational planning processes.

To ensure our board is equipped to support ASB's vision, the HEI board and its Nominating & Corporate Governance (NCG) Committee carefully considers opportunities for improvement and identifies potential ASB directors with relevant experience on ESG topics applicable to our business and strategies.

ASB board members are committed to providing solutions related to ESG by serving on one of two committees – Audit and Risk.

- **The ASB Audit Committee** is responsible for ensuring ASB complies with legal and regulatory requirements. As legislatures and government agencies become increasingly involved in ESG-related issues, the Audit Committee ensures that ASB is in compliance and up-to-date on new laws and ensures that management is equipped to comply with those requirements.

- **The ASB Risk Committee** is responsible for overseeing ASB's Enterprise Risk Management (ERM) program. Environmental and societal changes, as well as how those are viewed and managed, have the potential to create additional risks to ASB. The ASB Risk Committee ensures that management identifies, manages, mitigates and reports on risk, including those that are ESG-related.

ASB board members may also collaborate on ESG-related matters through HEI board committees, including the Audit & Risk and Compensation & Human Capital Management committees.

## MANAGEMENT COMMITTEE

ASB is led by President and CEO Ann Teranishi and a team of executive vice presidents (EVP). Each EVP is responsible for specific functions and divisions of the bank, including Consumer Banking, Finance, Commercial Markets, Credit, Enterprise Risk and Technology. ASB's Management Committee is committed to the company's vision of being a great bank making people's dreams possible, advancing the strategy set forth by the board and ensuring efficiency and high performance. The team meets weekly to review business needs, address any issues and ensure alignment to keep the company moving forward.

Additionally, the Management Committee is responsible for identifying ESG-related trends that could materially impact the bank and escalating those risks and opportunities to the board for consideration.

## Board and Executive Diversity

	Board	Executives
Racial Minority	41.7%	80.0%
Female	41.7%	40.0%

As of 1/31/2023



**ANN TERANISHI**  
President  
Chief Executive Officer



**BETH WHITEHEAD**  
Executive Vice President  
Chief Administrative Officer



**BRIAN YOSHII**  
Executive Vice President  
Chief Information Officer



**DANE TERUYA**  
Executive Vice President  
Chief Financial Officer



**DANI AIU**  
Executive Vice President  
Consumer Banking



**GABE LEE**  
Executive Vice President  
Commercial Markets



**JOHN WARD**  
Executive Vice President  
Chief Marketing  
& Product Officer



**NATALIE TANIGUCHI**  
Executive Vice President  
Enterprise Risk &  
Regulatory Relations



**STEVEN NAKAHARA**  
Executive Vice President  
Chief Credit Officer





ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE CORE TEAM

ASB’s Chief Marketing & Product Officer John Ward and Chief Credit Officer Steven Nakahara oversee the company’s ESG efforts and reporting. They manage an ESG Core Team, comprised of leaders from various divisions at ASB, including the Legal, Enterprise Risk, Finance, Analytics and Communication departments.

With the support of ASB’s Management Committee, the ESG Core Team stays current on industry efforts related to decarbonization, economic health and affordability, secure digitalization, diversity and inclusion, employee engagement and other ESG topics. The team shares new trends, proposes changes to operations and product offerings and assists with ESG reporting efforts.

MANAGING RISK

We continually evaluate and address issues and activities that may pose potential risks to ASB, our teammates, customers, stakeholders and the community. This includes taking precautionary actions to anticipate, identify, mitigate, manage and report on risks related to our services.

Our board’s Risk Committee oversees the governance of the enterprise risk management program and provides a forum for detailed discussion and analysis of key issues and decisions designed to identify, mitigate, manage and report on risks potentially affecting ASB in categories, including:

- **Credit** (for loans, including related risk from sea level rise and investment portfolios)
- **Market** (including interest rate sensitivity, liquidity and capital)
- **Liquidity**
- **Operational** (including ESG)
- **Strategic**
- **Reputational**

ETHICAL BANKING PRACTICES

At ASB, “getting stuff done the right way” is one of our core expectations and every teammate is 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. We uphold and require ethical business practices, including not engaging in agreements that restrict trade or competition, such as price fixing, bid rigging and similar unfair practices, bribery or corruption.

A number of departments, including Legal, Regulatory Compliance, Enterprise Risk and Internal Audit are responsible for ensuring or evaluating ASB compliance with all laws and regulations. Additionally, the Audit Committee of the ASB Board of Directors assists with overseeing ASB’s compliance with legal and regulatory requirements.

PREVENTING 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. Our policies and practices are designed to comply with the Office of Foreign Assets Control’s regulations against engaging in transactions with governments, individuals or entities on the Specially Designated Nationals and Blocked Persons List.

OUR ESG PRIORITY AREAS

In collaboration with HEI, we identified seven ESG-related areas that are important to our business and our stakeholders:

- **Economic Health & Affordability** – strengthening the economy and addressing the high cost of living in Hawaii.
- **Reliability & Resilience** – investing in technology to provide critical financial services, especially in natural disasters and other disruptions.
- **Secure Digitalization** – protecting customer and proprietary information by staying ahead of cybersecurity threats and challenges.
- **Diversity, Equity & Inclusion** – advancing diversity, social equity and inclusion in our workforce, customer base and community.
- **Employee Engagement** – attracting, developing and retaining talented teammates by creating a great place to work.
- **Decarbonization** – reducing greenhouse gas emissions across our operations to help our state reach its carbon emissions goal by 2045.
- **Climate-Related Risks & Opportunities** – positioning our company to manage physical and transition risks and identify solutions for climate change.

See HEI’s 2022 Environmental Social Governance Report for a detailed description of each priority area, how they were selected and why they are important to us.



# THRIVING ECONOMY





# Thriving Economy

For decades, Hawaii has aimed to create a diverse and resilient economy. The Covid-19 pandemic only emphasized the importance of self-sufficiency, supporting small businesses as the lifeblood of our economy, adopting sustainable environmental and business practices and the need for collaboration across all sectors to solve key issues to truly enable our state to become less reliant on outside influences.

ASB is proud to share in and be at the forefront of this mission by expanding solutions and possibilities for Hawaii consumers and businesses. We foster innovation and entrepreneurship through monetary support and by providing business and financial expertise to Hawaii's startup community.

As part of our commitment to help businesses grow and thrive, we continue to increase financing for commercial and real estate projects.

## HELPING SMALL BUSINESSES THRIVE

More than 99 percent of Hawaii companies are considered small businesses and employ roughly half of the local workforce, according to the U.S. Small Business Administration. At ASB, our bankers are committed to understanding the needs, challenges and goals of our business customers. In fact, helping them navigate the ups and downs of owning a successful business is what makes us tick.

Our bankers understand that every business is unique and there isn't a one-size-fits all approach to solving problems. We take the time to ask questions, listen to customers' future plans and work with them to create personalized solutions that are right for their situation. For us, helping business customers reach the next level is a challenge we take personally. We also thoughtfully create programs that empower our community to take an active role in supporting and improving our local economy.





**WHEN SMALL BUSINESSES THRIVE,  
OUR ECONOMY THRIVES**

Community is at the heart of everything we do and our ASB Buy Local program is the perfect opportunity to support businesses while offering customers exclusive savings. Since 2021, ASB has teamed up with nearly 30 local merchants on Oahu, Hawaii Island, Kauai and Maui to offer special discounts when customers use their ASB personal Visa® debit card.



Participating restaurants and retailers have appreciated the boost in business, especially as they continue to recover from a loss of revenue during the pandemic, along with the free promotional opportunities that come with being a Buy Local partner. Eateries have seen an increase in customers using their ASB debit card since the start of the program.

“The Buy Local campaign is an organized effort created to unite our family, friends and neighbors with small local businesses,” said Sheryl Matsuoka, executive director of the Hawai’i Restaurant Association. “This program was created to help customers save money, while inviting them to dine-in at their favorite restaurants and continue creating forever memories with their friends and family.”

Anny Lin, owner of It’s Tea Hawaii and an ASB business customer, said her company struggled throughout the pandemic so she’s thankful for ASB’s Buy Local program.

“Not only does participating in the program boost our sales, it also gives us the opportunity to keep doing what we love for this community,” Lin said. “We’re really grateful to be a part of the program.”

In 2023, we are excited to expand our partnership with popular merchants offering exclusive savings for ASB customers. Our new Buy Local referral program even incentivizes participating businesses to sign on other companies and receive free perks. This year, partners will also have the opportunity to be featured at ASB-sponsored community events aimed at promoting small businesses, family-friendly activities, Hawaiian culture and free financial resources.

For a complete list of all participating businesses, visit [asbhawaii.com/BuyLocal](https://asbhawaii.com/BuyLocal).

“Not only does participating in the program boost our sales, it also gives us the opportunity to keep doing what we love for this community.”

— Anny Lin, Owner of It’s Tea Hawaii







▶ [A Message from Sheryl Matusoka, Executive Director at the Hawai'i Restaurant Association](#)



Between March and December 2020, during the height of the Covid-19 pandemic, more than 100 of our state's restaurants closed their doors and 2,000 restaurant staff were displaced, according to the Hawai'i Restaurant Association.

**SUPPORT FOR HAWAII'S  
STRUGGLING RESTAURANTS**

**As part of ASB's commitment to bring real impact to our community, we stepped up to support Hawaii's struggling restaurant and food supply chain industries when they needed it most by bringing back the Hawaii Restaurant Card (HRC) – Business Holiday Card program in 2021, following a successful launch the previous year.**

“The Hawaii Restaurant Card program served as a lifeline for those struggling to maintain the sustenance of their local businesses.”

— **Sheryl Matsuoka**, Executive Director at the Hawai'i Restaurant Association

**With the help of more than 200 businesses and organizations in Hawaii that purchased HRC Business Holiday Cards, more than \$750,000 was directly injected into the local restaurant and food supply chain industry during the program's second go-around.**

In 2020, ASB partnered with the State of Hawaii, Department of Business, Economic Development and Tourism, Hawai'i Restaurant Association and Chamber of Commerce Hawaii in a two-part economic stimulus relief program. The first part of the HRC program provided more than 105,000 Unemployment and Pandemic Unemployment Assistance claimants with \$500 pre-paid debit cards, provided by federal CARES money, to spend at local eateries across our state.

Following this successful program, ASB led the effort to involve the local business community. The HRC Business Holiday Card program gave businesses and entities the opportunity to multiply the impact of their employee holiday gift program by purchasing pre-paid gift cards for their employees, clients and partners, while making a direct impact on the local restaurant and food supply chain industries.

“This was truly a business-to-business effort and an opportunity for organizations statewide to step up, support one another and be a part of the bigger picture to help rebuild our economy,” said Sherry Menor-McNamara, president and CEO of the Chamber of Commerce Hawaii.



Combined, both HRC programs resulted in more than \$75 million of direct impact to our state's restaurant industry and food supply chain, including farmers, fishermen, ranchers, producers and distributors.

The Hawai'i Restaurant Association reported that between December 2021 and June 2022, revenue for Hawaii's restaurant owners grew as a result of the HRC program.

In September 2022, ASB announced the donation of \$129,000 in unused funds from the HRC program. Three nonprofits – Hawaii Chamber of Commerce Foundation, Hawai'i Agricultural Foundation and Hawai'i Restaurant Association Educational Foundation – each received \$43,000 to continue bringing nutritious meals and educational resources to the community.

“Through the support of ASB and our local business community, our food service industry is gaining strength, although it remains an uphill battle. On behalf of the Hawai'i Restaurant Association, I would like to thank American Savings Bank and all the Hawaii businesses that purchased the Hawaii Restaurant Card Business Holiday Cards in support of the food service industry,” Matsuoka said.



ASB CARES UPDATE

One of the most significant and rewarding ways our ASB teammates had a positive, direct impact on strengthening our economy was by helping thousands of local companies struggling to pay their employees secure make-or-break federal loans.

When Congress established the Paycheck Protection Program (PPP) in March 2020 through the CARES Act, ASB teammates from across the bank rallied to secure as much federal dollars as possible for Hawaii companies before funding ran out. From setting up loan application processes to verifying documents, our team members went above and beyond to support local companies during an extremely difficult time.

In March 2020, ASB established a loan payment deferment program for our commercial borrowers,

which continued through 2021. Business customers were able to request up to two 90-day deferments, which provided some breathing room as they took care of their own customers and workers and purchased protective equipment.

We helped our PPP customers navigate the subsequent loan forgiveness process, which was a huge relief and turning point for businesses as they transitioned from survival to recovery mode. As long as their loan proceeds were used on payroll costs, mortgage interest payments, rent payments, utilities, operations expenditures, property damage costs, supplier costs and worker protection expenditures and the borrower met all program requirements, the loan was eligible for forgiveness by the U.S. Small Business Administration. Banks received fees as loans were forgiven. In 2021, PPP fees contributed about \$14 million in revenue for ASB.

“Since our start in 2013, ASB has been there to see our small business grow and blossom. Receiving the PPP was a big relief and has allowed us to keep afloat during these uncertain times. Our team at the Kailua branch has been incredibly helpful and diligent in standing by our side when we needed it the most.”

— Lana Penaroza, Tag Aloha Owner



HELPING A BUSINESS SERVE THE COMMUNITY

At the peak of the pandemic in March 2020, when the Small Business Administration (SBA) launched the Paycheck Protection Program (PPP), something magical happened at ASB. Our bankers across the state put aside their own personal apprehensions about Covid-19 and stepped up like never before to be there for our customers.

We immediately set up a 24-hour operation at our ASB Campus to secure critical federal funding to keep Hawaii’s businesses afloat. Although our bankers are experienced troubleshooters and everyday problem solvers, the uncertainty of the pandemic provided us the opportunity to support our customers in new ways.

“The pandemic hit all of us so hard and we didn’t know how to navigate the complicated PPP process,” said Amanda Corby Noguchi, president of Under My Umbrella (UMU), Inc., an event planning and public relations company. “We weren’t sure if we would qualify, however, I didn’t want to let our employees go because we knew we could still be of service to the community by utilizing our logistics, strategy and communication skills to support our community.”

Corby Noguchi said she reached out to a few local banks for help. “American Savings Bank responded almost immediately and we received overwhelming support.” UMU was one of the thousands of small businesses that ASB assisted throughout the PPP process and received crucial funds to keep all of their employees working. This allowed them to have the resources to partner with communities and charities through their nonprofit arm, Chef Hui, an organization that brings together chefs, farmers and restaurants from across our state, to give back to the food service community in ways that will continue to benefit Hawaii for generations to come.

Through this partnership, UMU staff quickly connected businesses and organizations with excess food to those without and helped Chef Hui roll out several new programs and events addressing issues of food insecurity, including:



**Give & Go Community Meal Program:** Chef Hui purchased a set number of meals per week, giving locally-owned restaurants the opportunity to keep staff on their payroll while continuing to purchase local ingredients.

**Mahi’ai Produce Boxes and Meal Kits:** A partnership with local farmers and restaurants to purchase and redistribute extra produce and provide nutritious recipes, meal kits and cooking demonstrations for families.

**Festival of Hope:** A partnership with Child & Family Service that created 15 drive-thru events statewide, which provided meals made from fresh locally grown ingredients and other necessary items such as feminine hygiene, baby products and family resources.

“We were passionate about bringing the community together,” said Corby Noguchi. “We didn’t want any food to go to waste and we wanted to do our part to lessen layoffs in the food service industry and encourage farmers to keep farming. We were able to make all of these dreams possible through ASB’s support.”

More than 500,000 meals for families in-need were cooked, served and distributed by Chef Hui during the pandemic, resulting in over a million pounds of locally grown food distributed in just a couple of months.



FOSTERING ENTREPRENEURSHIP

For decades, tourism has been our No. 1 economic engine, but we know all too well how susceptible the industry is to national and global threats. We are committed to create a sustainable and diversified economy. With Hawaii’s unique geography, climate, culture, natural resources and population, we can attract the best and brightest talent from across the world. We are passionate about nurturing and developing local entrepreneurs and the innovation and accelerator community.

DEVELOPING HAWAII’S NEXT GENERATION OF ENTREPRENEURS

ASB is a proud supporter of several local business accelerator programs, including Blue Startups, a 13-week program for tech-focused companies, Mana Up, a 12-week program for consumer-packaged goods companies with a Hawaii influence and Elemental Exceleator, a nonprofit accelerator for climate tech deployment. We have also been long-time supporters of our state’s student entrepreneurs at the Hogan Entrepreneur Program at Chaminade University and the University of Hawai’i’s Shidler College of Business and Pacific Asian Center for Entrepreneurship (PACE).

We recognize that innovation and entrepreneurship begin from the earliest days in the classroom. In 2015, ASB created the KeikiCo Contest, designed to foster innovation and entrepreneurship among our state’s youngest learners. Students in grades 3 to 12 submit a written business plan and a two-minute video pitch

showcasing their best business plan ideas before a panel of esteemed judges for a chance to win up to \$25,000 for their school. ASB provides curriculum support and “how-to” videos to guide teachers and students through the process. Our bankers are paired with schools near their branch to provide additional support and mentorship throughout the 10-week program.

In 2022, the annual KeikiCo Contest received 128 entries from nearly 400 students and 17 schools across our state and ASB awarded more than \$140,000 in unrestricted funding to nine schools. As an added bonus, ASB sweetened the deal and gave students on the first place teams a \$250 cash prize to invest in their future education. As an additional incentive, students can earn a savings match bonus of up to \$250.

All winning schools join ASB’s Bank for Education Ohana. This group receives valuable perks, including priority consideration for additional grants, volunteer service projects performed by ASB teammates, student scholarships, internships and more.

Since the Bank for Education program began in 2010, ASB has donated more than \$1.6 million to public and private K-12 schools across our state.

In addition to KeikiCo, ASB has supported other K-12 entrepreneurship efforts, such as Center for Tomorrow’s Leaders, the Hawai’i Agricultural Foundation’s Young Entrepreneurship Program and Kupu’s Hawai’i Youth Sustainability Challenge, all of which are programs that teach Hawaii students about entrepreneurship, innovation, STEM, environmental stewardship and leadership.







### INVESTED IN TOMORROW'S LEADERS

ASB is invested in the growth and development of Hawaii's students and future workforce. In July 2021, ASB donated \$100,000 in support of Girl Scouts of Hawaii's STEM Center for Excellence at Camp Paumalu, a 135-acre living laboratory that provides year-round opportunities in cybersecurity, astronomy, robotics, computer coding, botany, chemistry, environmental stewardship and more. The center enables young women to enjoy outdoor adventures while exploring science, technology, engineering and careers in STEM through on-site experiments.

As part of our commitment to developing our state's future leaders and entrepreneurs, ASB and our holding company Hawaiian Electric Industries pledged \$250,000 each to the University of Hawai'i Foundation's live-learn-work community at Residences for Innovative Student Entrepreneurs (RISE). The combined pledge of \$500,000 will be used to fund the RISE center's furnishings, fixtures and equipment, along with operational programs and student scholarships over the next 10 years.

"At ASB, nearly 65 percent of our teammates are women and we know first-hand the tremendous things women and girls – especially those who are proficient in STEM – can accomplish when provided the right education, opportunities and support.

We are proud to support Girl Scouts of Hawai'i's STEM Center for Excellence, which will provide valuable skills and resources to our community."

— **Beth Whitehead**, Executive Vice President and Chief Administrative Officer at ASB







**INVESTING IN AFFORDABLE HOUSING**

According to the latest ALICE® (Asset Limited, Income Constrained, Employed) Report, published by Aloha United Way, the number of people living in poverty in Hawaii grew from 9 percent in 2018 to 15 percent in 2022. ALICE refers to those who have income above the federal poverty line but not enough to afford the basic household survival budget in Hawaii. Sadly, about 44 percent of Hawaii’s population falls into this category.

Purchasing a home in Hawaii is no simple feat and more kamaaina (residents of Hawaii) are finding it challenging to remain in the islands with the high cost of living. According to the Honolulu Board of Realtors, the median price of a single-family home on Oahu soared to \$1,105,000 in December 2022, an 11.6% increase from the previous year.

It’s more important than ever for us to encourage, support and invest in affordable housing in Hawaii and provide more quality living spaces for ohana (families), keiki (children) and kupuna (seniors). Currently, ASB has investments in more than 25+ low-income housing projects in Hawaii including:

- **\$9.2 million in Kaiaulu O Waikoloa**, a multi-family apartment development in Waikoloa, Hawaii Island, with 60 units for residents with a 30-60% AMI
- **\$8.3 million in Kaiaulu O Halelea**, a multi-family rental community in Kihei, Maui, that will offer 56 living units to residents with a 30-60% AMI
- **\$9.3 million in Kaiaulu O Kukuia**, an affordable workforce housing development in Lahaina, Maui, consisting of 100 two-bedroom, 75 three-bedroom and 25 four-bedroom units for residents earning 30-60% AMI
- **\$20.4 million in Halewaiolu Senior Residences**, a new construction with 156 units in the heart of Downtown Honolulu

We are also a major supporter of the Hawai’i Community Foundation’s House Maui Initiative, a program designed to expand access to affordable housing in Maui County.

In 2019 ASB’s primary regulator, the Office of the Comptroller of the Currency (OCC), recognized ASB’s “excellent level of qualified community development investments” on Oahu, Kauai and Hawaii Island.



**FINANCING AFFORDABLE HOUSING FOR COMMUNITIES IN NEED**

ASB is one of the few local lenders participating in the U.S. Department of Housing and Urban Development’s Section 184A Native Hawaiian Housing Loan Guarantee program, which will increase the financing options for Department of Hawaiian Home Lands (DHHL) beneficiaries. With nearly 30,000 Native Hawaiians on the waitlist for homes, we are committed to providing financial support and resources to help these families make their homeownership dreams possible. Our partnership with Hawaiian Community Assets will help to provide financial literacy to beneficiaries to elevate their financial education. The nonprofit operates financial opportunity centers statewide providing financial counseling, income support and employment and entrepreneurship coaching to low- and moderate-income households and communities.

Just steps away from the ASB Campus, Halewaiolu Senior Residences is an affordable housing project that will provide 156 living spaces to seniors in the surrounding Chinatown community. The project began in 2021 with ASB’s investment of \$20.4 million and is estimated to be completed in 2023.





# THRIVING CUSTOMERS





# Thriving Customers

As a local community bank, there is no greater measure of our success than when our customers thrive. We pride ourselves on making dreams possible and guiding customers through every major financial milestone in their lives.

## MEETING CUSTOMERS WHERE THEY ARE

At ASB, we are committed to making banking easy for our customers. All of our locations, products and services are designed to provide ease, convenience, personalization and the best possible experience for our individual and business customers, no matter if they choose to interact with us in-person, over the phone or by using one of our digital banking options.

We have branches on five islands – Oahu, Maui, Hawaii Island, Kauai and Molokai – and our online banking platforms and Customer Banking Center (telephone banking center) make our tools accessible to everyone.

Our customers are primarily residents and businesses in the state of Hawaii and while that may seem like it limits our potential for growth, we think being able to commit nearly 100 percent of our time, resources and energy to serving the people and businesses of Hawaii is one of our competitive advantages.





ANYTIME, ANYWHERE BANKING

The bread and butter of our business has always been our strong branch network and friendly and knowledgeable bankers who take the time to get to know customers and provide tailored solutions to address their specific needs and goals.

With 36 locations across our state and 29 offering weekend hours, we strive to provide customers with banking options that meet their needs and lifestyle. We are also seeking opportunities to enhance our Customer Banking Center, which customers can call for support seven days a week, including most holidays. While most customers go to our website for answers to their common questions, some prefer to speak with one of our Call Center bankers for more specific support. Our team of skilled bankers not only responds to customer inquiries, they also proactively reach out to customers to provide financial guidance and support based on their anticipated needs.

The pandemic certainly shifted the way our customers prefer to manage their finances, and we’ve had to adapt to those changes. Since many of our customers now complete their common banking transactions online or by using our ASB Hawaii Mobile App, we’ve made strategic decisions to consolidate some of our locations to align with customers’ evolving banking preferences.

To meet customers’ evolving needs, ASB continues to invest in technology and enhance our digital banking solutions. Along with these shifts, we’ve also gained opportunities to streamline and automate processes and support our teammates in delivering an even better customer experience.

In December 2019, prior to Covid-19, approximately 18 percent of deposit transactions were made using an ATM or our ASB Hawaii Mobile App. Just three years later, that number has increased to nearly 54 percent and customers have expressed interest in accessing their banking from home, on-the-go and at any time of the day.

In a 2022 Brand Equity Survey conducted by Ward Research, Hawaii residents indicated “easy to use online and mobile banking” as the most important factor in choosing a primary bank. And, for the second year in a row, ASB ranked No. 1 in this category among all other local financial institutions.





ONLINE BANKING

Our online tools and resources continue to be the preferred method of banking for many of our customers. Below are some of the easy and convenient digital banking services we offer, with more on the way.

- **Online Account Opening**  
Customers can easily open a checking, savings or Certificate of Deposit account within minutes on their tablet, phone, laptop or personal computer.
- **Online Mortgage Form**  
For many, obtaining a mortgage is one of the biggest financial decisions they will ever make. ASB makes dreams possible with end-to-end solutions that help remove some of the stress of buying a home. With our user-friendly online mortgage form, customers can provide information needed to apply for a mortgage and upload documents from their laptop, phone or tablet in a fraction of the time.

Once a completed form is submitted, one of our experienced ASB loan officers will follow-up on next steps. We go above and beyond to help customers quickly close on a new home so they can start living their dreams sooner.



ASB Hawaii Mobile App

Through the ASB Hawaii Mobile App, customers can safely manage their finances with ease. Below are some easy and convenient services that customers are loving on our app:

- **Zelle**  
In 2022, we upgraded our Pay-a-Friend service to Zelle, a fast and more convenient way to send money digitally to friends and family. With Zelle, customers can complete transactions within minutes if the recipient is enrolled in the platform, split payments, schedule one-time and recurring payments and easily view and track daily and monthly transaction limits.
- **Mobile Check Deposit**  
Our ASB Hawaii Mobile App makes it easy for customers to deposit checks directly into their ASB accounts. Customers can simply sign their check and complete their deposit by taking a picture of the front and back. No need to visit a branch or ATM. Now that's banking made easy!

Digital Centers

In response to our customers' changing needs and banking preferences, we opened three ASB Digital Centers (two on Oahu and one on Kauai) and introduced customers to a first-of-its-kind way of banking in Hawaii. With no traditional teller windows, customers complete their common banking transactions at our full-service ATMs. They can also speak in-person with an experienced banker for help with their unique financial needs and goals, learn through banker-guided demonstrations about our online and mobile banking options or connect virtually with other bankers for additional support and services using an on-site meeting room. At our ASB Digital Centers, customers can expect an easy and convenient digital banking experience and receive the same warm and friendly service they would at any ASB branch.



ATMS

At our full-service ATMs that are conveniently located across our state, customers can safely and securely complete common transactions, including deposits, withdrawals, balance inquiries and more. They can deposit a combination of up to 99 bills and checks without an envelope, choose to receive cash in denominations of 20s or 100s and select a paper, email or text receipt – and receipt preferences will be stored for future visits. Customers no longer need to visit a branch during business hours to complete common transactions; our ATMs make it faster and easier to bank on-the-go.

SCHEDULE APPOINTMENTS ONLINE

Our friendly and knowledgeable bankers are here to help make dreams possible, whether customers prefer to speak virtually, over the phone or in-person. Customers can visit asbhawaii.com or our mobile app and log in to online banking to quickly and easily schedule an appointment by choosing a date, time and location that fits their schedule. That means no more waiting at a branch for the next available banker. Customers can simply use our availability calendar and start receiving sound financial advice.



ENGAGING OUR CUSTOMERS

Customer Feedback

At ASB, feedback and collaboration are core to our company culture. We regularly seek customer feedback through surveys, comment forms and focus groups to ensure we are providing the best possible service, making banking easy and continually finding ways to improve.

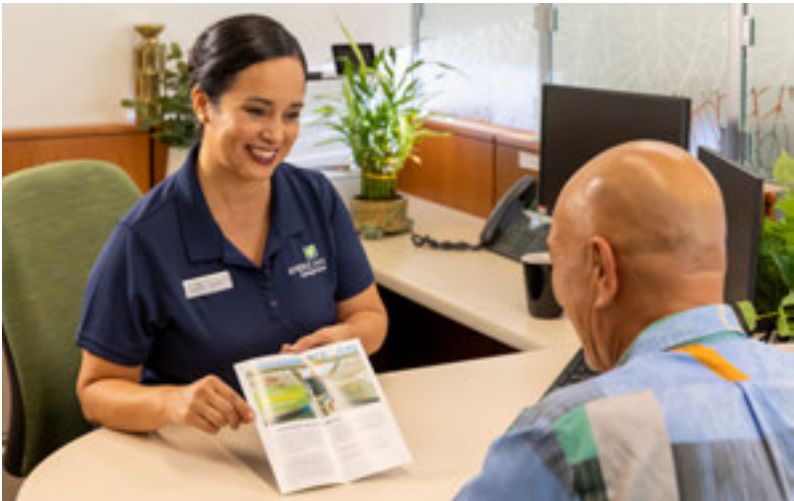
As more customers conduct their banking transactions online or through our mobile app, we are focused on ensuring their digital experience mirrors the simple, secure, personalized support they would receive from any of our bankers and locations.

Resolving Customer Complaints

In addition to surveys and focus groups, we invite customers to provide feedback directly to our branch or Customer Banking Center teammates. Although we wish every interaction was an exceptional one, from time to time we are made aware of issues and opportunities to improve, which we take very seriously.

Teammates who receive a complaint notify their manager, who will address the situation or escalate it to the appropriate team member for resolution. We also monitor ASB's social media sites and other online comment boards for customer feedback. Our Consumer Banking and Communications teams will reach out directly to customers to better understand any negative experiences and work with the appropriate ASB teammates to address concerns.

On a quarterly basis, our Consumer Banking, Legal and Compliance teams review trends in customer feedback to identify any accessibility issues and assess whether any policies or procedures need to be revisited.



COMMITTED TO DELIVERING AN EXCELLENT CUSTOMER EXPERIENCE

Building trust and creating strong relationships with our customers are key to our success. We don't just aim to assist customers with their everyday banking transactions – that's the easy stuff. Our bankers find real satisfaction in hearing about our customers' goals and challenges and then partnering to come up with personalized solutions to help achieve their financial milestones.

One indicator that we're making banking easy and delivering an excellent customer experience is our Net Promoter Score (NPS). We frequently survey customers and ask how likely they are to recommend ASB to their family and friends. The average of their responses is our NPS. While this is just one of the many metrics we use to track performance and improve our service, it's a strong indicator of how happy our customers are banking at ASB.

**In January 2023, our average NPS, whether customers interact with us in-person, over the phone or digitally was 72.** A higher NPS means we're on the right track and we are constantly looking for ways to enhance our customers' experience and build on our already strong reputation for being a bank that truly cares about taking care of our customers and uplifting Hawaii.

SECURE DIGITALIZATION

We recognize the trust that our customers place in us when they deposit their hard-earned money, consult our bankers 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 hold ourselves to high ethical standards and provide customers with appropriate disclosures as required of financial institutions.

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

Our Enterprise Risk and Fraud teams monitor transactions to identify potential fraud and other unlawful activity. If we detect suspicious activity, our experienced fraud investigators will promptly conduct an 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.

SAFEGUARDING CUSTOMER INFORMATION

Safeguarding our customers' confidential information is one of our top priorities. We devote significant resources to regularly maintain and update our systems and processes to protect the security of our computer systems, software, networks and other technology assets that store customer information.

As we continue to expand online access and tools for customers, ASB has adopted a robust information security program to monitor, detect and mitigate cyberattacks. We have implemented administrative, physical and technical controls, including layers of firewalls and data security software, regular risk and security assessments, access control, monitoring, penetration testing, vendor engagement reviews and training to protect sensitive information.

The ASB Information Security Program is based, in part, on section 501(b) of the Gramm-Leach-Bliley Act, the associated Interagency Guidelines Establishing Standards for Safeguarding Customer Information and guidance provided by the Federal Financial Institutions Examination Council, National Institute of Standards and Technology's Cybersecurity Framework (version 1.1) and the Center for Internet Security's 18 Critical Security Controls.

Globally, phishing and smishing are the primary methods 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 with simulated emails and attempts at phone-based social engineering. We also provide regular updates to our teammates and customers on the latest scams.



# THRIVING COMMUNITIES





# Thriving Communities

At ASB, community is at the core of everything we do. Through quarterly engagement surveys, our teammates consistently share that they are proud to work for a company that does such a phenomenal job bringing real impact to our community. From supporting our

nonprofit partners to sponsoring events and activities year-round that help advance local families, our team members give big and give from the heart to make Hawaii a better place.



## FINANCIAL INCLUSION AND CAPACITY BUILDING

We understand that financially healthy residents lead to a financially healthy state and economy. At ASB, no matter how much money someone earns, what their living situation or how big their bank account balance is, we believe that everyone should have access to free financial resources and support to succeed.

Some of the many ways we support a thriving community are by offering community development loans, affordable housing investments, small business development programs, charitable contributions, community service projects, financial education initiatives and pro bono services.

## EMPOWERING THE COMMUNITY WITH FINANCIAL LITERACY

We’re committed to helping our customers and the community improve their relationship with money and achieve their dreams – no matter how big or small they are – and make the best financial decisions.

ASB offers a free, online Financial Checkup, which provides customers and non-customers a real-time assessment of their financial wellness, as well as recommendations to help them learn about improving their situation. Our Financial Checkup tool provides insight for every stage of life, such as buying a home, having a baby, paying for a child’s education and saving for retirement. Users can also access our free online financial calculators, budgeting tools and helpful articles with financial tips and information from the convenience of their own home.

Thousands of residents have also improved their financial futures by taking advantage of our ASB Financial Education program, a free, comprehensive resource center available on [asbhawaii.com](https://asbhawaii.com). Users can

select from different playlists featuring a series of five-minute trainings designed to provide practical tips and information on topics such as debt management, budgeting, credit scores and more. After completing each course, customers can learn about next steps and make an appointment to meet with one of our knowledgeable bankers for more personalized support.

In addition to the online self-service tools and content, ASB regularly hosts free in-person and virtual seminars on a variety of topics such as first-time homebuyer tips, saving and investing, planning for retirement, cybersecurity tips, green energy loans and fraud prevention, among others.

Our bankers also frequently engage with local schools and nonprofit organizations, such as Junior Achievement and Girl Scouts of Hawai’i, to teach about personal financial responsibility and entrepreneurship. ASB partners with 46 public and private schools across our state through our Bank for Education program. The schools within our Bank for Education Ohana have special access to financial literacy education, grant awards and volunteer projects. Half of the schools have signed up for free training on topics such as Understanding Money, Entrepreneurship and Smart Money Skills for Teens.

Through our affiliations with nonprofits and other community partners, we support a variety of programs for some of the most vulnerable groups in our state. For example, we assist low- and moderate-income individuals and families with completing their income tax returns free of charge through our participation in the Internal Revenue Service’s Volunteer Income Tax Assistance program and partnership with Goodwill Hawaii. We also provided cybersecurity tips for kupuna, translation services to ensure non-English speaking residents have access to important financial tools and resources and created a “Quick Tip Tuesday” monthly video series, which features our bankers providing useful financial tips on our social media platforms.



HELPING LOW- AND MODERATE-INCOME FAMILIES

ASB strongly supports the Community Reinvestment Act (CRA), which 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,” the practice of denying or increasing the cost of banking to residents of racially defined neighborhoods.

We offer solutions that benefit 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.

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 and frees up their income for mortgage qualification purposes. Additionally, we participate in programs that provide down payment or reduced closing costs to qualified first-time homebuyers (ASB’s First Time Homebuyers program, Hometown Heroes program for frontline workers, Federal Home Loan Bank of Des Moines’ Home\$tart and Native American Homeownership Initiative programs).

In 2019, ASB received a “Satisfactory” CRA rating from the OCC. The OCC recognized ASB’s “excellent responsiveness to the credit needs” of Hawaii residents and commented that our bank’s service delivery systems were “readily” or “reasonably accessible” to people of “different income levels.”

ASB also offers a variety of additional banking products to help families get ahead. For example, our Kalo Essentials checking account, which does not have a monthly service fee or minimum balance requirement, is a great option for customers looking to build their savings. We even offer a free Moneyhune Savings account with no minimum monthly balance for children who want to start building their financial future early.



Through our nonprofit partners, we also offer Individual Development Accounts (IDA). With IDAs, nonprofit organizations match funds that are deposited by the account holder. This wealth-building tool helps low- and moderate-income individuals achieve their goals by providing funds for life events such as a college education, starting a small business or saving toward homeownership.

ASB is proud to be the official banking partner of Partners in Development Foundation’s Keiki Assets Account, or KAA, an initiative to improve financial literacy and help Hawaii families build wealth by establishing education savings accounts for their keiki. ASB worked closely with Partners in Development on the design and launch of the program and continues to provide technical support and financial literacy resources to the program’s coaches and participants.



PROVIDING A HAND UP FOR COMMUNITIES IN NEED

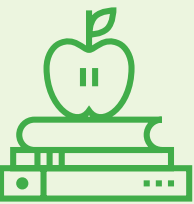
Access to financial resources and support are key to strengthening the overall health of our residents, community and economy. ASB is committed to providing financial education, tools and opportunities to assist low-income, under-served and disadvantaged populations to improve their financial situation.

In 2021, ASB offered its former Liliha Branch location rent-free to We Are Oceania (WAO), a nonprofit organization that supports the Micronesian and Pacific Island communities, including many families living near the ASB Campus. ASB learned about WAO’s great work through our long-time support of Partners in Development Foundation. By offering the space rent-free, WAO was able to expand their community services and provide activities focused on career and college readiness, cultural exhibitions, mentorship programs, study areas and resources for homeless youth and families.

ASB has also supported WAO in other ways over the past several years. In 2019, we raised **\$100,000** for the organization from our Hawaii Curling Club fundraiser. Then, in 2020, ASB donated **\$3,000** to WAO in support of the Kalihi community when we opened our Kalihi Branch. We also donated **\$30,000** to assist WAO with education and awareness communications to the Micronesian community in an effort to stop the spread of Covid-19 in the community.

“Just like a home means everything to a family, this center will be the same. It’s a place where they can come and seek help. Somebody is there to help and somebody is there who understands them.”

— **Josie Howard**, Chief Executive Officer of WAO



**\$133,000**  
DONATED TO SUPPORT  
MICRONESIAN AND  
PACIFIC ISLAND COMMUNITIES

To focus our giving efforts and ensure we are bringing real impact to our community in a meaningful way, ASB supports the following Kahiau partners through monetary and in-kind donations throughout the year: Child and Family Service, Kapiolani Health Foundation, Kupu, Partners in Development Foundation and United Way chapters in Hawaii (Aloha United Way, Friendly Isle United Fund, Hawai’i Island United Way, Kaua’i United Way and Maui United Way).



CHARITABLE GIVING

At ASB, bringing real impact to our community means more than just giving financially. Year-round our teammates generously give their time, “sweat equity,” best ideas and leadership to more than 180 nonprofit organizations across our state.

Our teammates raised more than \$212,000 during our annual Kahiau Giving Campaign, ASB’s annual workplace donation campaign. Combined with ASB’s matching contribution of \$150,000, ASB donated more than \$360,000 to ASB’s Kahiau Partners.

A remarkable 93 percent of ASB teammates participated in our annual Kahiau Giving Campaign resulting in the largest Kahiau program donation since 2011. Through the hard work of our teammates, ASB has donated nearly 112,000 volunteer hours and millions of dollars to Hawaii’s nonprofits and community organizations, including more than \$2.9 million raised through our Kahiau Giving Campaign since the programs inception in 2011.

READY TO LEARN

For the eighth year in a row, ASB partnered with Helping Hands Hawai’i to prepare Hawaii’s keiki for school through our Ready to Learn program. The month-long program encourages teammates, customers and community members to make a donation at any of our branches to ensure Hawaii’s low-income and homeless students receive the basic educational tools to start the school year off right and succeed in the classroom.

In 2022, through the Ready to Learn program, we distributed 1,300 backpacks filled with school supplies to Hawaii’s students.







**RESTORING HOPE TO  
A CHALLENGED COMMUNITY**

American Savings Bank has been committed to the ongoing revitalization of the Aala/Chinatown/Kalihi-Palama area since we purchased the land for our new ASB Campus in 2014. Since then, we've organized regular Aala Park and neighborhood cleanups and have made big investments to improve the area, which for decades, has been synonymous with illegal activity.

Since moving over 650 teammates to our Campus in 2019, we have stepped up our efforts to revitalize our neighborhood and continue to partner with a number of public and private entities, including the Trust for Public Land, Weed & Seed program, which was relaunched by the Honolulu Prosecutor's Office, Chinese Chamber of Commerce, Chinatown 808 and various art and community organizations to restore the area to the safe and thriving community gathering place it once was.



"Aala Park has a special place in our hearts and we are thrilled to collaborate with such visionary community partners to restore it to a vibrant gathering place for families and neighbors."

— **Beth Whitehead**, EVP, Chief Administrative Officer



As part of our partnership with the Trust for Public Land's Parks for People pilot program, the community was surveyed and asked to share their hopes and dreams for the area to inform future improvement plans. The goal is to create a shared vision for the future of Aala Park and honor its rich history and diversity through a collaborative, grassroots and community-based design process.



In 2022, ASB invested more than \$250,000 to provide positive, family-friendly activities in Aala Park, including:

- Weekly youth skateboard clinics and dog obedience trainings
- An immigration resource fair
- A Dragon Boat Festival – this year on land!
- Youth sports clinics for soccer, flag football and speed and agility, in partnership with i9 and Hawaii Speed & Quickness
- A skateboard giveaway and clinic for 50 youth where each participant received a brand new skateboard, ASB skateboard bag, helmet, sneakers, lessons from notable skateboarders and a professional skateboard demonstration by Jaime Reyes, a Hawaii native and one of only three women to be on the cover of Thrasher Magazine.



# THRIVING EMPLOYEES





# Thriving Employees



[American Savings Bank 2022 Highlights](#)

ASB matches its excellent customer experience with an employee experience that has garnered dozens of local and national awards over the years. Our 1,100 teammates are unified by a common vision to help make dreams possible. As bankers, we often double as coaches, cheerleaders, money gurus and even fairy godparents for our customers. For us, there’s no greater privilege than guiding customers through their most important life decisions, from sending their kids to college, starting a business, buying their first home or saving for a comfortable retirement.

“Unstuffy,” “rewarding,” “open” and “supportive” are just some of the words our teammates use to describe our award-winning workplace culture. We pride ourselves on being creative problem solvers and eager collaborators who find satisfaction in making banking easy for customers, driving innovation within our industry and challenging the status quo.

We are a people-first company and go to great lengths to design programs and benefits that teammates truly value. We work hard to create a culture in which people

feel welcome and want to come to work, motivated and empowered to reach their full potential and are enthusiastic about helping others live their best life.

## AWARD-WINNING CULTURE AND WORKPLACE

Our teammates are committed to making our customers’ dreams possible and we’re committed to doing the same for them. In addition to offering some of the best health and wellness benefits in our state, ASB provides numerous career advancement opportunities and tons of cool perks to support our valued teammates and their loved ones. Below are just some of the award-winning benefits our teammates rave about:

- Weekly paydays
- Casual dress code
- Generous Paid Time Off (PTO)
- 401(k) match
- Birthday and Wellness PTO
- Tuition loan repayment contributions
- Pet insurance

The hype is real! ASB has garnered numerous local and national awards for creating an excellent teammate culture. In 2023, we were named one of the Best Places to Work in Hawaii by Hawaii Business Magazine for the 14th year in a row and recognized by Great Place to Work®, a global authority on workplace culture, employee experience and leadership.

## AWARDS & RECOGNITIONS



The best thing about our award-winning culture is that our teammates own and drive it.

## CHECK OUT WHAT TEAMMATES SAID ABOUT WORKING AT ASB IN THE 2022 GREAT PLACE TO WORK SURVEY

- 86%** of teammates say ASB is a great place to work (compared to a benchmark of 57% at a typical U.S.-based company)
- 93%** of teammates say that when they join ASB, they are made to feel welcome
- 96%** of teammates feel that they are treated fairly, regardless of their sexual orientation
- 94%** of teammates feel physically safe at ASB
- 92%** of teammates feel good about the ways ASB contributes to the community



TRANSPARENCY AND COMMUNICATION ARE KEY TO OUR SUCCESS

Our teammates say that one of the best things about working at ASB is our open and transparent communication. We expect and encourage everyone, from our leaders to new hires, to provide feedback, ask questions and take an active role in making us the best company possible.

Ensuring our team members understand our vision and how their individual efforts contribute to our overall company goals are crucial to our success. We communicate frequently and hold people accountable for knowing our priorities and how we are performing throughout the year to ensure everyone is aligned.

We rely on a number of methods to keep the lines of communication open, including regular emails to teammates and managers, articles on our ASB intranet, digital signs throughout our Campus to share important updates and our Management Committee’s open door policy. Every quarter, our leadership team hosts a series of “Talk Story” sessions (town hall-style meetings) to share ASB’s financial performance, review operational and business updates, revisit priorities, discuss any challenges and celebrate accomplishments. Not only do these forums ensure that teammates are aligned, but they also give leaders the opportunity to share the rationale behind certain decisions so teammates understand the big picture and can ask questions.

Additionally, our Consumer Banking leadership teams meet three times a year to discuss goals, priorities and challenges. These touchpoints provide important opportunities for managers to stay in the loop about upcoming programs and initiatives, network with others, participate in training and get the support they need to lead our branch teammates.

We also share information through Virtual Update videos on our intranet that are accessible to everyone. Teammates can watch these brief updates when it’s convenient and learn about new initiatives, products and services, campaigns or other key updates.



FOSTERING A CULTURE OF FEEDBACK AND SPEAKING UP

As part of our core expectations, all teammates are encouraged to ask questions, challenge status quo and speak up when things are going well and especially when things don’t seem right. This culture of open and honest communication allows us to build trusting relationships and brings about the best ideas, collaboration and results. Being able to have candid discussions and share freely about how to tackle challenges together in the most productive way has contributed to our high performance, productivity and teammate engagement.

With varying communication styles, personalities and comfort levels, we offer a variety of ways for teammates to speak up, whether it’s through email, one-on-one

CO-CREATING OUR NEW BETTER TOGETHER WORK EXPERIENCE

Throughout the pandemic, we provided flexibility and support for teammates to help navigate unprecedented waters. With many teammates working remotely, we regularly solicited feedback through formal and informal channels including pulse surveys, talk story sessions, Campus chat tools, team huddles, and manager check-ins. This feedback gave a sense of how teammates were doing through modified work arrangements and guided decisions on future safety protocols, benefits and programs to support challenges they were experiencing. Teammates reported that they felt heard, cared for and proud to work for a company focused on their best interests both at and outside of work. As our state began transitioning from pandemic to endemic and many companies sent out an “all clear” for employees to return to the office, ASB gathered input from teammates to co-create and test possible future options - with a goal to balance collaboration and flexibility - *together*.

We are proud to offer a state-of-the-art workspace for relationship building, collaboration, and learning at our Campus. We also know teammates appreciate and value flexibility to handle personal priorities away from work. So, our test phase sought to experiment options that blend the best of both worlds: cultivate our culture of deep relationships, quick solutions and on-site collaboration while respecting teammates’ desire for flexibility to handle personal needs as they arise. Through open discussions and test-driving a variety of options, teammates and leaders shared potential concerns and productive solutions for our future. Rather than a one-size-fits all solution, we have continued to collaborate with leaders and teammates to capture the benefits of flexibility while leveraging our unique Campus space to deliver high-performance. This partnership in how we work exemplifies a tenet of our #bettertogether culture. We will continue to focus on providing a great employee experience, including the flexibility teammates value, without losing the in-person collaboration that is key to our success.

discussions with their manager or by posting a suggestion on our Idea Bank, a digital discussion board on our company intranet. We value all feedback and appreciate it when our teammates care enough to inform us of our potential blind spots and contribute ideas on how we can improve our customer and teammate experience.

Throughout the year, ASB participates in a handful of employee engagement surveys as one way to collect feedback from our teammates on what we’re doing well and how we can improve their experience. Some of these programs result in local and national awards, which we are always proud to receive since they are driven by teammate feedback. We invite feedback from all teammates twice a year through our Your Voice Matters Survey, to gain deeper insight on topics that contribute to engagement including clarity of direction, professional

development, career opportunities, personal well-being, and sense of belonging. Responses provide a road map for areas to focus and enhance our teammate experience.

Once our Human Resources and Organizational Development teams comb through results, they meet individually with team managers to discuss their results. To ensure everyone actively participates in making ASB a great place to work, managers host team meetings to share results and discuss ways to improve. These goals are entered into our survey action planning system and revisited throughout the year to keep engagement top of mind. As part of our annual Team Review process, managers provide updates and progress on their engagement plan.



COLLABORATION IS CORE TO WHO WE ARE AND WHAT WE DO

Developing teams that effectively work and communicate with one another allows us to better serve our customers, work more efficiently and maintain our great place to work culture. At ASB, we use DiSC, a tool that identifies team members’ communication and work styles, as a way to learn how we can best work together. DiSC not only improves productivity, it fosters understanding of different personalities and styles to enhance collaboration and engagement.

The ultimate opportunity to collaborate came in 2019, when nearly 650 teammates from five separate locations across Oahu moved into our new 11-story, 373,000-square-foot ASB Campus in downtown Honolulu. The ASB Campus is the single biggest investment ASB has ever made in its teammates, customers and community. Designed to promote a culture of openness and efficiency, our Campus puts collaboration at the forefront and is incorporated into every design element of the building.

In an effort to break down silos and physical barriers between teams, it was important to create an open-floor layout that encourages face-to-face collaboration. This way, managers are no longer separated into corner offices; every teammate from interns to directors sit together in pods organized by workflow.

Instead of scheduling one-hour meetings, teammates can now simply turn their chairs around or walk a few steps to quickly brainstorm an idea, discuss a project and make quick decisions to benefit customers. Not only does our collaborative workplace allow for greater efficiency, but it also allows for teammates to enjoy the opportunity to put faces to names, build stronger relationships and get stuff done faster. Everyone is accessible and we’re able to collect diverse ideas and perspectives, which lead to the best outcomes.

In addition to being able to work better together, the Campus also offers numerous spaces for team building, camaraderie and fun. Teammates can take advantage of two open-air lanai, a large breakroom for meals, snacks, meetings or socializing and lots of meeting spaces spread throughout the building to share ideas.



▶ [Tammy Freedman’s Dream Team Journey](#)

TRAINING AND DEVELOPMENT

As part of our core expectations, every teammate is responsible for taking ownership of their own self-development and we’re committed to supporting them every step of the way. Our professional development courses are designed to help teammates grow and build new skills, meet new people, explore other interests and thrive in their career.

We equip our bankers with the tools and training they need to make our customer’s dreams possible including, technical banker training programs that cover all aspects of banking laws, banking operations, new product and service offerings, legal and regulatory compliance, procedures and ethics. In addition to technical training courses, we offer a range of behavioral-based courses that focus on effective communication and relationship building. These are especially targeted toward our frontline teammates to equip them with skills to support and provide personalized solutions for customers. We also offer ongoing specialized courses for teammates in specific job functions to ensure they are kept abreast of all the current laws, regulations and industry trends.

Additionally, all ASB teammates receive complimentary

access to LinkedIn Learning courses, which offer thousands of online courses designed to enhance both professional and personal skills. Depending on teammates’ goals and interests, they can access custom playlists filled with recommended courses. Many of the trainings are offered in bite-sized sections, so teammates can decide how deep they want to dive in or can easily start and resume lessons at their convenience.

We also offer free financial education classes to all teammates so they can enhance their knowledge and improve their financial future. This, in turn, empowers them to provide sound financial guidance to our customers.

The possibilities are endless for motivated individuals who are eager to work hard, learn new skills and grow with us. We are proud of our culture of internal promotion and offer stretch projects to explore different career paths and develop new skills. At ASB, just because someone starts in one job, it doesn’t mean that’s where they’ll stay. Managers work on career plans with teammates to identify possible career paths that may be of interest. Teammates have the opportunity to test-drive opportunities in other departments and often transfer to new positions if they feel it’s a better fit.





HELPING TEAMMATES REACH THEIR FULL POTENTIAL

We’re so committed to growing and supporting our teammates that we devoted an entire floor at our ASB Campus for training. We offer numerous professional and leadership development classes throughout the year, such as Feedback Jiu-Jitsu, Embracing Change and Thinking with Heart. These interactive classes are led by knowledgeable and skilled facilitators and are offered in-person and virtually to make them accessible to all teammates.

There are also plenty of opportunities for managers to continue developing their leadership skills. We offer training on driving change within their teams and across the bank, increasing teammate engagement, managing performance and other leadership topics. Below are just a handful of examples:

- We provide a range of soft skills training, including emotional intelligence, change resilience, giving feedback, diversity and inclusion and respect in the workplace.
- To be a leader at ASB, teammates must complete our Leading the ASB Way course, which covers expectations for all managers and an annual leadership certification refresher course. We also provide monthly leadership training sessions open to all managers to help them sharpen their skills and lead their teams.
- We host quarterly Leader Round-Up sessions with team leaders to share key financial and business updates, engage them in strategic planning, request feedback and encourage relationship building and networking.
- We further invest in leadership development through leadership cohort programs designed to help teammates grow professionally and personally, enhance their leadership skills and broaden their understanding of the banking industry.

LEADERSHIP ACADEMY

In 2015, we launched our ASB Leadership Academy, a year-long program designed to give high-performing, high-potential team members a deeper understanding of leadership, professional skills and banking. In 2023, we’re kicking off our eighth Leadership Academy cohort. This group of ASB leaders meets once a month to experience engaging coursework, team-building exercises, interactive executive sessions and group/individual assignments. Many of the program graduates have gone on to assume greater responsibilities and leadership opportunities. In fact, two participants from our third cohort – Ann Teranishi and Dane Teruya – were even promoted to become our President and CEO and Chief Financial Officer, respectively.

RISE

As part of our continued efforts to develop leaders and high performers, in 2020, ASB launched RISE, an intensive six-month program designed to help managers flourish in their roles. These teammates engage in learning through in-person sessions, mentor circles and a 360-degree feedback process, which helps prepare them for greater leadership roles.

ASPIRE

In 2022, ASB launched ASPIRE, a six-week leadership program designed for teammates who are eager for growth and career development and want to build leadership skills, while influencing others in a positive way.

IGNITE

For teammates looking to “spark” their careers, we created an eight-week IGNITE program, which allows participants to learn about self-leadership, accountability, values and build confidence and credibility to create their own leadership pathway.





PACIFIC COAST BANKING SCHOOL

Each year, ASB selects teammates to attend the Pacific Coast Banking School, a three-year program that includes two-week resident sessions at the University of Washington’s Graduate School of Business and two years of written extension assignments. The curriculum is designed to provide graduate-level executive leadership, financial management education and valuable strategies to help tackle important banking issues.

Many of the teammates selected are graduates of ASB’s Leadership Academy program. This continued investment in their development prepares ASB leaders to take on expanded responsibilities to help advance their careers and our organization.





Our Recruitment team partners with Hawaii is Hiring, Job Corps, Hawaii Workforce Development Division, Goodwill Hawaii and other organizations to recruit active military, veterans and individuals with disabilities. In 2022, Forbes surveyed more than 7,000 U.S. veterans and recognized ASB as one of America’s Best Employers for Veterans based on veteran career development, recruitment and leadership opportunities.



HIRING AND RECRUITING

We pride ourselves on hiring talented individuals who share in our commitment to take care of our customers, community and each other. Through our partnerships with Hawaii high schools, colleges, professional networks and community organizations, we have recruited hundreds of new teammates from the communities we serve.

With the Covid-19 pandemic resulting in the loss of employment for many in our community, it is important to us to support the return of local jobseekers to the workforce. We partner with Hawaii is Hiring, a one-stop resource from the Chamber of Commerce Hawaii that connects Hawaii residents to job opportunities, training programs and career navigation. We’ve also worked with the Economic Development Alliance of Hawaii to support the Aloha Connects Innovation program, which provides unemployed workers with new job opportunities to help set a course for a more sustainable, resilient Hawaii. Not only has this program helped many of our state’s displaced workers, it has also helped to diversify and strengthen our economy.

We are deeply committed and invested in creating learning and mentorship opportunities for our future leaders. We’ve partnered with the Aloha Connects Innovation Program and Chamber of Commerce Kamaaina Connect Program to host several events at our ASB Campus encouraging young professionals to connect with top-level executives in Hawaii for career advice and networking.

In June, ASB hosts a robust 10-week summer internship program that attracts college students from near and far. Throughout the program, participants receive mentoring from some of Hawaii’s best bankers and are immersed in meaningful projects. Interns not only deepen their understanding of the banking industry, they also learn valuable professional and leadership skills that will help prepare them for lucrative careers no matter what path they pursue.

BUILDING A TALENT PIPELINE



Over the years, some of ASB’s best and brightest new hires have been selected from our summer internship program. For these new hires, it’s an opportunity to return home after graduating from college, receive on-the-job-training from experienced bankers and tell their friends they work for one of the coolest companies in Hawaii.

“I knew I wanted to intern at ASB the second I met my mentor, (ASB President and CEO) Ann Teranishi, at the University of Hawai’i’s Shidler Business Night,” said Miyu Saito, a standout 2022 ASB summer intern. “During the event, Ann told me to always focus on the wellness of the people around me and to always be respectful and caring of others. She invited me to stay in touch and always made me feel welcome at ASB – a true testament to the organization’s culture.”

ASB offers interns professional development opportunities through leadership programs, volunteer days and hands-on experience with some of Hawaii’s top companies and executives.

“You truly feel valued in ASB’s internship program,” Saito said. “Many people have the perception that an internship is just about getting coffee and filing paperwork. However, ASB goes above and beyond to help teammates grow professionally and personally.”

After a successful 10-week summer internship program, Saito was offered a permanent position on ASB’s Commercial Credit team.

“At ASB, I always feel empowered to share my ideas, ask questions and look for opportunities to learn new things,” Saito said. “I’m excited for the opportunity to be a part of a company that is invested in my learning and growth.”



COMPENSATION, BENEFITS AND WELLNESS

ASB’s amazing healthcare coverage and benefits are just a few of the reasons our teammates have voted us a Best Place to Work for 14 years in a row! When teammates work as hard as we do, it’s essential to take time off to rest, recuperate and enjoy free time with your loved ones and our robust Paid-Time Off program allows just that.

We offer a generous Paid Parental Leave of 16 weeks for teammates who are growing their family through the birth, adoption or foster of a child. Teammates may also be approved to return to work, following their 16 weeks, at a reduced schedule with full pay for up to an additional four weeks.

To show teammates how much we value them and care about their well-being, we offer a Birthday PTO day so they can celebrate their special day and a Wellness PTO day as a reward for completing a preventative care screening, such as a physical exam, teeth cleaning or eye exam. We also offer coverage for alternative care, such as acupuncture, chiropractic and massage therapy.

Our other popular benefits include a casual dress code, weekly paydays and pet insurance for our ASB four-legged family members.

Every year, our Human Resources team reviews our benefits to ensure we are offering teammates the best possible options to meet their needs. To ensure teammates are fairly compensated, we also annually review wages and conduct market comparisons to ensure our compensation is in line with – if not better than – what other employers in the financial services industry are offering.

In 2023, we launched several new benefits that reflect our investment in our amazing team:

- **401(k) Match** – We helped put more money in our teammates’ retirement fund by increasing our 401(k) match from 4 to 5 percent and eliminated the waiting period of one year of service to receive this benefit.
- **Student Loan Repayment Contributions** – We help make dreams possible for our customers every day and want to do the same for our teammates by helping to pay down their student loan debt faster. ASB contributes an extra \$100 per month to student loan balances as long as teammates makes their monthly payment.

LIFEBALANCE PROGRAM

Our teammates’ health and well-being are our top priority and we have the benefits and perks to prove it! Our award-winning LifeBalance program offers activities and fun bank-wide step and weight loss challenges to help team members reach their healthy goals. We offer free weekly outdoor fitness classes to teammates and the community, led by a professional instructor, and a weekly e-newsletter containing healthy tips and resources on topics from financial wellness to nutrition.

Teammates are also welcome to enjoy our ASB Campus Fitness Center, which is open from 5 a.m. to 8 p.m. Monday through Friday, plus weekend hours. For those who need a midday mental break, our Malama Relaxation Rooms are a cozy spot to relax, meditate or take a quick power nap.







APPRECIATION IS PART OF OUR DNA

Our teammates are the true champions of our company and we put tremendous energy into making them feel recognized and celebrated for their many contributions all year long. For example, teammates can post a public shout-out to one another using our Mahalo Message bulletin board on our company intranet and then send the recipient a link to the message. We also provide a variety of e-card options that teammates can send to one another to express their appreciation or to give someone a pat on the back at the completion of a major project.

We also spotlight individuals and teams bank-wide who are going above and beyond to live our ASB culture and core expectations. Our ASB Dream Makers profile features a team member who is doing an exceptional job of making our customers’ dreams possible. We also highlight individuals around our company who are making a positive impact in a video series called “My ASB Dream Team Journey.” We enjoy giving high performers the spotlight and using their success stories to inspire others to follow in their footsteps.

Across ASB, we host monthly birthday and anniversary celebrations with soft serve (we even have our own machine!) and other popular snacks and treats. Every month, we post fun birthday and anniversary announcements on our digital signs and intranet. We send reminder emails to the managers of birthday and anniversary celebrants so they can also help recognize their team members with personalized e-cards or in-person team gatherings.

Teammates also receive Makana (“gift”) points on their ASB work anniversary. These points can be redeemed online for prizes and gift cards.

For an entire month each year, we go full-court press to thank our team for their hard work and accomplishments. Teammate Appreciation Month is a big deal and we celebrate with snacks, ASB logo item giveaways and fun team-building activities. From “Caption This” photo contests to trendy social media challenges and dress-up spirit days, we pull out all the stops to build camaraderie and appreciate our amazing crew.

The highlight of Teammate Appreciation Month is our annual Mahalo Party – a bank-wide celebration for all 1,100 teammates that we host in Aala Park. We provide air and ground transportation for all our teammates living on the neighbor islands so that everyone can come together and celebrate.

In 2022, teammates were ecstatic to once again be able to celebrate together in-person after a two-year hiatus due to pandemic restrictions. We transformed Aala Park, which we refer to as our ASB Campus “front yard,” with a variety of food booths from our ASB customers and other neighborhood eateries, oversized lawn games, live entertainment, prizes and plenty of opportunities to connect with other teammates across the bank.

Later that year in November, we brought teammates together once again to express our gratitude for their hard work by hosting our first-ever ASB Pumpkin Pie Drive-By. Members of our leadership team got dressed up in fun turkey and pie hats and helped distribute nearly 700 pies and sweet treats from popular local bakeries

on five islands for teammates to enjoy with their family on Thanksgiving. Twenty randomly chosen teammates also won a “Lucky Pie,” a special dessert that came with a bonus \$200 gift card to help brighten their holidays. Leftover pies were donated to Family Life Center on Maui and Aloha Harvest on Oahu.





DIVERSITY AND INCLUSION

American Savings Bank is committed to creating a diverse, respectful and inclusive company for all teammates, customers and community members. We welcome and celebrate diversity in ideas, experiences, race, ethnicity, gender, age, disability, religion, sexual orientation and veteran status and do not tolerate racism, discrimination or harassment of any kind. We truly believe this diversity provides a wealth of experiences and perspectives that inform our decision making, leads to the best results, is key in maintaining our great place to work culture and allows us to better connect with our diverse customers.

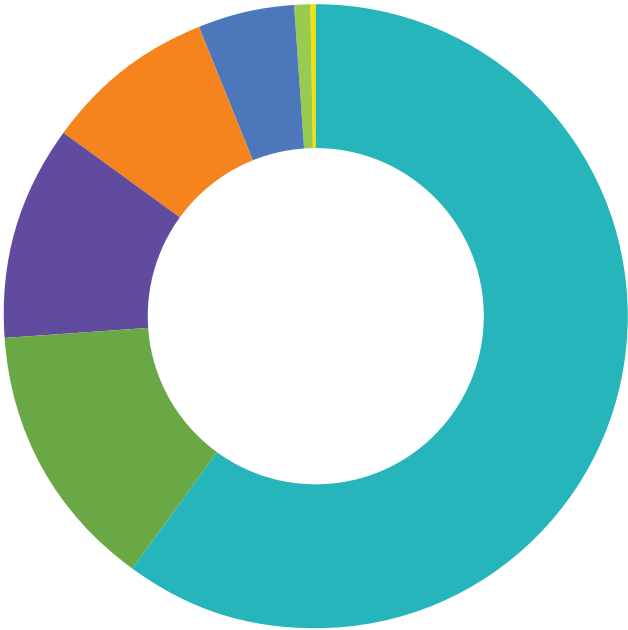
We are proud of both our racial and gender diversity.

Diverse Representation

	Female	Racially Diverse
Executives	40.0%	80.0%
Leaders	64.9%	84.6%
All Workforce	65.1%	88.9%

Source

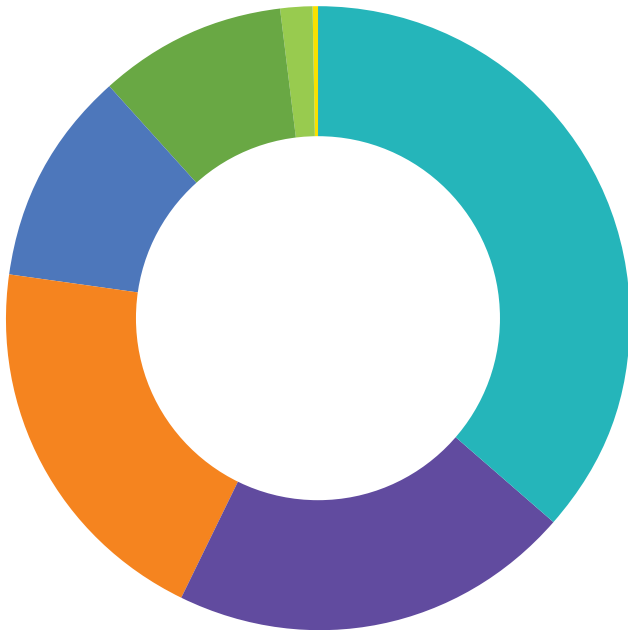
Racial Diversity – All Workforce



- 60.1% Asian
- 13.8% Native Hawaiian or Other Pacific Islander
- 11.1% White
- 8.9% Two or More Races
- 5.1% Hispanic
- 0.8% Black
- 0.2% American Indian or Alaska Native

Data as of 12/31/22

Racial Composition of Hawai'i



- 36.5% Asian
- 20.8% White
- 19.8% Two or More Races
- 11.1% Hispanic
- 9.6% Native Hawaiian or Other Pacific Islander
- 1.8% Black
- 0.1% Native American

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates

ASB HAS IDEAS

When it comes to diversity, equity and inclusion, ASB is committed to doing our part to drive positive change within our company and community. Our ASB has IDEAS (Inclusivity, Diversity, Equity, Allyship and Safety) Council is a committee of teammate volunteers who are committed to protecting and promoting our great place to work culture and ensuring everyone feels valued for their talents, feels a sense of belonging and knows that their voice matters.

The council, which is open to all teammates, meets regularly to discuss new ideas, organize various celebrations and educational opportunities and identify ways to ensure ASB remains a diverse, inclusive and respectful workplace.

In 2022, the ASB has IDEAS Council broadened awareness for Black History Month by creating an activity card that encouraged teammates to learn about the significance of the annual celebration and support black-owned businesses. For May Day, teammates from across ASB sewed more than 375 feet of lei, which was donated to a nearby senior center. The next month, at the IDEAS Council's recommendation, we decided to observe the Juneteenth holiday, even before it became an official federal holiday. Volunteers also hosted a workshop to help teammates learn how to better cope with and support loved ones dealing with challenges in honor of Mental Health Awareness Month. Then in December, the Council helped teammates learn about other types of cultural and religious holidays such as Christmas, Hanukkah, Kwanzaa and Winter Solstice.







“Creating a workplace culture that is truly founded on diversity and inclusion involves looking at data, tracking it to see how you’re using it to make better decisions, changing your practices and behaviors, and creating a safe space for open, honest dialogue. I’m proud to work for a company where nearly **65%** of our teammates are women, **40%** of our executives are female and **20%** of executives identify as LGBTQIA+.”

— **Beth Whitehead**, EVP, Chief Administrative Officer

Last October, we once again demonstrated our support for the LGBTQIA+ community as a Visionary Sponsor for the Honolulu Pride Festival and Parade. We rainbow-ed out our 11-story ASB Campus with colorful exterior building lights and decorated the front lawn with oversized illuminated “Aloha Wins” marquee letters flanked by hundreds of rainbow pinwheels.

Our ASB has IDEAS Council rallied more than 100 teammates to participate in the Honolulu Pride Parade by riding in our ASB Pride trolley and walking through Waikiki while handing out cool logo items. Thousands of community members stopped by our Pride Festival booth and were greeted by members of our IDEAS Council (wearing rainbow tutus, of course!) to learn more about our open, diverse and inclusive company culture.

To connect with those in the LGBTQIA+ community who are struggling with their own personal journey, our ASB Pride video series featured teammates, including two

members of our Management Committee, sharing their Pride stories.

To have a truly inclusive culture, it takes everyone doing their part and holding each other accountable. Every member of our team completes a Respect in the Workplace training and 90-minute interactive session on “Finding the ‘I’ in Diversity & Inclusion,” which encourages teammates to explore topics related to bias and non-inclusive behaviors.

We want people from all walks of life to feel welcome and we believe the world is a better place when people live authentically and share their unique experiences, backgrounds and journeys.

In 2022, ASB received Pacific Business News’ Business of Pride award, which celebrates individuals and companies in Hawaii that have contributed and supported diversity, inclusion and equity efforts in meaningful ways.







**WOMEN’S NETWORK**

Since 2015, our ASB Women’s Network has been bringing together female teammates from across the company to discuss issues unique to women in the workplace. Participants help select topics of interest and meet quarterly to hear from guest speakers, develop new skills and build their network. Attendees say they enjoy the candid conversations, camaraderie and support from other women leaders, including our female Management Committee members who often facilitate discussions and share personal stories of their career progression.

Over the years, the Women’s Network has also rallied to support important women’s causes in our community, such as YWCA’s Dress for Success program, Habitat for Humanity’s Wahine Build, the “Me Too” movement, and was one of the founding sponsor organizations of the Safe Spaces and Workplaces initiative.



**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. We are committed to providing a work environment that is safe, dignified, productive and free of harassment and discrimination. We encourage any teammate who believes they are being subjected to discrimination or harassment to report the conduct to a supervisor, anyone in the Legal or Human Resources teams or through EthicsPoint. We take all reports of discrimination or harassment seriously and all incidents are promptly investigated and appropriate action is taken.

**Protecting Our Teammates Against Domestic Violence**

ASB does not tolerate violence of any kind. If 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 their contact information and implementing additional methods for their protection.

We expect our managers to lead by example by fostering a culture of compliance and ethics and preventing Code of Conduct violations before they occur. We encourage all teammates to be role models for ethical behavior, engage in open communication, promptly respond to misconduct and maintain a safe and productive work culture.

**Stopping Child Labor**

We will not engage with any suppliers who are known to violate child labor laws.





# THRIVING ENVIRONMENT





# Thriving Environment

## FINANCING GREEN CAUSES

As a company located in an island state that is home to 1,100 of our teammates, it is our responsibility to protect and care for our land and natural resources. We see the direct and societal benefits of having our own clean energy system and know how important it is to help our customers save on energy costs and reduce their impact on the environment.

In 2022, ASB originated more than 270 new Clean Energy Loans totaling \$12 million. We also acquired a portfolio of residential clean energy loans from another lender, valued at \$115 million as of December 31, 2022. These loans allowed homeowners to purchase and install their own photovoltaic systems, solar water heaters, solar air conditioning and battery backup and storage. We work closely with local contractors to make financing easy for consumers. We offer financing for green purposes, such as electric transport, solar energy, storage and large-scale renewable energy systems.

We also financed over \$65 million in commercial clean energy projects from 2010 to 2022, supporting a total of 21.30 MW in renewable energy capacity. From nonprofits to large commercial real estate and apartment buildings, we are equipped to help customers finance medium and large-scale clean energy improvements. The following are just a few examples:

### GEMS

By partnering with the Hawaii Green Energy Market Securitization Program, ASB is able to provide customized financing options for commercial clients interested in clean energy improvements. Our tailored loan structures allow customers the time and flexibility they need to repay their outstanding loan balance, which means more local businesses can take advantage of energy efficiency opportunities.

### Apartment and Multi-Family Owners’ Associations

We work with apartment associations and owners of multi-family dwellings to help bring energy efficiencies to buildings across the islands. While most of our projects have centered around solar installations, we help condo associations finance other improvements, such as energy efficient lighting, HVAC, building envelope and water heating projects.

### Other

Recent commercial financing includes clean energy loans for non-profit customers, schools and both leased and owned commercial properties where our customers operate their businesses.

We also have opportunities to participate in tax credit programs, such as New Markets Tax Credits (NMTC), to help fund renewable energy and other projects in disadvantaged communities. Through a Hawaii-based community development entity formed in partnership with the Oahu Economic Development Board, we helped deploy over \$100 million in NMTCs and plan to apply for future allocations. These allocations help bring new investments, services and job creation to some of the most underserved, low-income communities in our state and include direct investment in renewable energy projects in support of our state’s clean energy transition.

## ADDRESSING POTENTIAL RISK FROM SEVERE WEATHER AND CLIMATE CHANGE

Operating on an island chain, we know that we must plan for extreme weather and sea level change and prudently mitigate related risks. One of the key potential risks from climate change is the potential for sea-level rise to affect properties that secure our loans.

We regularly monitor our credit risk exposure in areas at risk of future sea-level rise. All new residential and commercial real estate loans must undergo an

environmental due diligence review as part of the underwriting process, which analyzes whether the property is located in a floodplain, sensitive ecological area or on contaminated land. Owners of commercial and residential properties located within the Special Flood Hazard Area, as designated by the Federal Emergency Management Agency, must obtain flood insurance through the National Flood Insurance Program as a condition of obtaining a property loan. We also require mortgagors to obtain hazard and hurricane insurance on their residential properties.







 [ASB Campus Grand Opening](#)

**SUSTAINABLE BUILDINGS**

Our ASB Campus enabled us to bring more than 650 teammates, who were once spread out across five different office locations on Oahu, together under one roof. This consolidation enhances our operational efficiency and reduces emissions by significantly cutting down on the amount of time and energy commuting to meetings across town at other ASB locations.

In designing our Campus, we wanted a building that was reflective of our commitment to care for our customers, teammates and community. We saw the construction as an opportunity to rethink how we do business and what efforts we could implement to reduce our impact on the environment. Our Campus features some of the latest green technologies, including solar panels,

electric vehicle charging stations, self-tinting windows, responsive LED lighting, water bottle filling stations and reclaimed wood furniture. We also used this opportunity to evaluate our work processes and committed to being as paperless as possible.



**REDUCING EMISSIONS FROM COMMUTING**

We encourage our teammates to commute to work by carpool, mass transit, bike or other means — and reward those who do for their commitment to the environment. Teammates who find other means of getting to work and don't park at Campus receive a generous monthly Green Benefit stipend, which can be used to cover expenses for alternate transportation or whatever else they choose. Teammates who participate in a carpool receive one free parking stall per group at our ASB Campus, plus a monthly stipend for each member of the carpool.

**INCREASING ENERGY AND WATER EFFICIENCY IN OUR BRANCHES**

As we build and renovate our new locations, we are incorporating LED light fixtures and signage, self-tinting windows and low-flow water fixtures as part of our commitment to be more environmentally friendly. For our existing branches, we have rolled out green initiatives and are retrofitting the facilities with sustainable features. These include installing LED light fixtures, low-flow water fixtures and implementing recycling programs. In addition to having a positive impact on the environment, these features reduce our energy and water use and positively impact our bottom line.



# CLIMATE RISK STRATEGY





# Climate Risk Strategy

## GOVERNANCE AND RISK MANAGEMENT

The board recognizes that climate change, as well as other ESG-related risks, could have a significant impact on ASB’s long-term value. As a result, the board has determined that all physical and transition risks associated with climate change should be identified and formally integrated into our existing governance structures.

We are proud that five independent board members have direct experience in climate change and environmental management issues. Over the past few years, the board has also enlisted the assistance of third-party experts in climate change risk. This in-house and external expertise has enabled the board to have informed discussions on how climate change may potentially affect ASB’s financial risks, including financial, credit, market and liquidity, as well as operational, strategic and reputational risks.

The board holds a quarterly review of ESG-related strategic matters and manages an annual review of company strategy and enterprise risk at board strategy retreats. Topics of focus include:

- 2019: Deep dive on climate change risk and sea level rise, which included presentations by a leading climate risk analytics firm and discussion about climate-related risks and mitigation plans.
- 2020: Update on the integration of material ESG elements, including climate change into risk management and strategic planning.
- 2021: Investments in decarbonization strategies, alignment with global climate ambitions, and development of utility’s climate targets and pathways to achieve net zero carbon emissions.
- 2022: Analysis of cross-sector decarbonization pathways for Hawaii to achieve climate objectives.

Members of our ASB Management Committee team, including our EVP of Enterprise Risk & Regulatory Relations, EVP & Chief Credit Officer, EVP & Chief

Financial Officer, EVP & Chief Marketing and Product Officer and EVP & Chief Administrative Officer, play a critical role in identifying, mitigating, managing and reporting climate-related risks. They report important insights to the board during quarterly board meetings and on an as-needed basis.

The board oversees climate-related and other risks through comprehensive and integrated Enterprise Risk Management (ERM) program. The board also reviews and provides feedback on the company’s ERM program for identifying, mitigating, managing and reporting climate-related risks to ensure these processes are effective. Topics discussed by the board include business continuity, technology innovation and integration and potential implications for physical assets and financial assets such as the bank’s loan portfolio.

## STRATEGY

### RISKS

Climate change is expected to increase the severity and frequency of hurricanes, flooding and droughts in Hawaii while leading to rising temperatures and sea level across our state. If not appropriately planned for and addressed, these physical climate change impacts could cause damage to (i) ASB’s facilities and equipment, which could impact operations and reliability, (ii) the properties that secure our residential and commercial loans, which could impact the value of that collateral and (iii) our state economy, which could affect the financial health of our customer base.

We’re focused on managing and mitigating physical risks to our operations from climate change and we are leaders in community planning initiatives to promote physical and economic resilience in our state.

- We consider and plan for physical risks related to climate change, such as the potential for business interruption due to severe weather. To promote resilience and continued customer service, our core processing is located on the U.S. mainland with back-ups in several different U.S. states. This geographic diversification supports our ability to serve our customers even in the event of severe storms, flooding or other acute events impacting Hawaii.

- We regularly monitor our credit exposure in areas at risk of sea-level rise and increased exposure to climate-related weather events. Our appraisal team performs property research to confirm flood zones and our underwriting decisions evaluate flood zone maps, which consider property location, topography and elevation. We require borrowers with property in a Special Flood Hazard Area, as defined by the Federal Emergency Management Agency (FEMA), to maintain sufficient flood insurance throughout the life of the loan. Should Special Flood Hazard Areas change due to sea-level rise, we may require affected borrowers to obtain flood insurance. We monitor leading indicators to assess how and when market valuations may reflect potential future climate change impacts and discuss such indicators and any mitigation recommendations with the ASB Risk Committee.
- Our success is linked to the strength of the local economy, community and environment of our state. Adverse climate-related changes in Hawaii could impact our state’s environmental and cultural assets and its appeal as a visitor destination and place to live. These conditions could negatively impact our business if they affect our state’s tourism sector, which is currently the largest driver of Hawaii’s economy, or decisions by Hawaii businesses and families to relocate out of state. Other conditions that could pose a threat to Hawaii include warmer temperatures; warmer oceans that place stress on coral reefs and sea life, which could potentially reduce the abundance and variety of marine life; and sea-level rise and coastal erosion, which could adversely impact our state’s beaches and near-shore infrastructure, homes and businesses.

In addition to physical risks, we must also be prepared for risks associated with transitioning to a low-carbon economy, including increased climate-related government regulations and enforcement actions, the cost of converting to low-carbon technologies, uncertainty in the market due to shifts in consumer preferences and reputational impacts resulting from our response to climate change risks.

## OPPORTUNITIES

As with any challenge or issue, the threat of climate change presents an opportunity to think of innovative ways to better serve our customers, teammates and community, make our business more efficient and become better stewards of our environment and natural resources. For example, we:

- **Finance customer investments in energy efficiency,** renewable energy, storage, electric vehicles and resilience as businesses and consumers throughout Hawaii work to address climate change mitigation and adaptation.
- **Participate in tax credit programs,** such as New Markets Tax Credits (NMTC), to help fund renewable energy and other projects in disadvantaged communities.
- **Deepen customer relationships by offering educational resources** to help customers plan for climate change impacts, such as sea-level rise or increased severity of storms, to homes and businesses.
- **Enhance the energy and water efficiency of our real estate footprint** (reduced in recent years through office and branch consolidations) and incentivize employees to use low-carbon transportation options.
- **Reduce reliance on the physical retail branch network,** increasing resource efficiency as we upgrade facilities and transition to mobile-and technology-enabled “Anytime, Anywhere Banking.”
- **Finance the development of sustainable, affordable and workforce housing;** such housing can be equipped with features such as solar water heating, solar plus battery storage and efficient water and water reuse systems.

For more information about the risk and opportunity horizon over the short, medium and long-term, and an analysis of ASB’s strategy in different climate-related scenarios, please visit HEI’s 2022 ESG Report.



GREENHOUSE GAS (GHG) EMISSIONS INVENTORY

Given how central climate impact is to our state and our strategies, we understand the importance of measuring and reporting on our GHG emissions. We completed our first detailed emissions inventory in 2022 and continue working with experienced advisors to calculate and disclose our emissions in line with global and industry standards. This year, we’ve built upon our initial inventory by expanding coverage of Scope 3 categories.

The GHG emissions inventory captures the types of emissions listed in the table below over the last three years (relative to a 2015 baseline, the earliest year for which we have a complete enterprise-wide inventory). Net GHG emissions in measured categories decreased 19.2% from 2015 to 2022, driven largely by our consolidation of office spaces and branches.

GHG EMISSION SCOPES	
SCOPE 1	Direct emissions, including: Company vehicle fleet Fugitive emissions from company operations
SCOPE 2	Indirect emissions, primarily: Purchased electricity for use in own operations Fugitive emissions from HVAC units in leased facilities
SCOPE 3	Value chain emissions, including: Business travel and employee commuting

The following table includes a summary of our historical GHG emissions inventory and components.

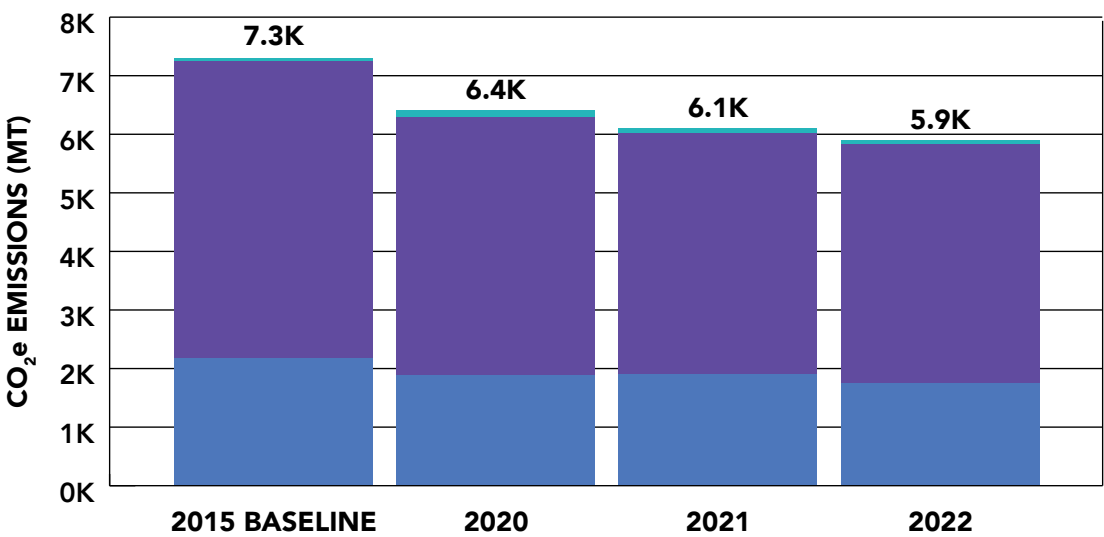
	2015 (BASE YEAR)			2020			2021			2022		
(MT CO <sub>2</sub> e)	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Mobile combustion <sup>1</sup>	-	-	-	2	-	-	2	-	-	3	-	-
Fugitives <sup>2</sup>	49	25	-	120	18	-	69	18	-	69	17	-
Purchased electricity <sup>3</sup>	-	5,028	-	-	4,377	-	-	4,114	-	-	4,029	-
Business travel <sup>4</sup>	-	-	200	-	-	43	-	-	33	-	-	129
Employee commuting <sup>5</sup>	-	-	1,958	-	-	1,850	-	-	1,867	-	-	1,618
Subtotals	49	5,053	2,158	122	4,395	1,893	71	4,132	1,900	72	4,046	1,747
Totals	7,260			6,410			6,103			5,865		

Note: Figures have been developed in partnership with an experienced GHG emissions advisor, and should be considered preliminary and subject to future verification. Certain totals for 2015, 2020, and 2021 have been revised slightly from previous disclosures to reflect considerations including: use of the Global Warming Potentials in the UN Intergovernmental Panel on Climate Change’s 4th Assessment Report consistent with regulatory reporting and addition of select Scope 3 categories.

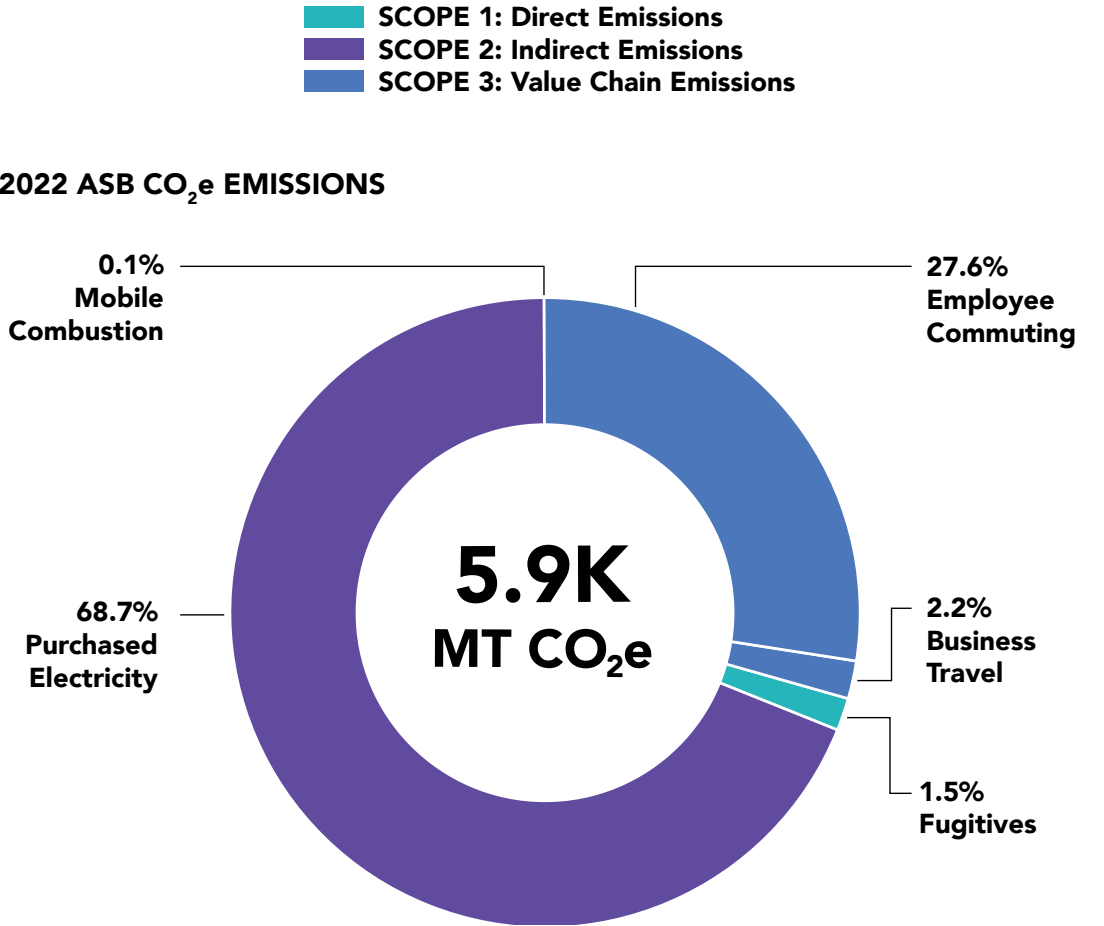
<sup>1</sup>Fuel consumption data was used to estimate CO<sub>2</sub> emissions, vehicle mileage data was used to estimate CH<sub>4</sub> and N<sub>2</sub>O emissions.  
<sup>2</sup>Associated emissions were calculated per Greenhouse Gas Protocol guidance, estimating an upper bound refrigerant leakage rate that is 10% of the total HVAC unit capacity. Office square footage was also used to estimate HVAC capacity. Scope 2 fugitive emissions include emissions from HVAC units not owned or controlled (generally leased facilities).  
<sup>3</sup>Associated emissions were calculated per EPA guidance using office space electricity consumption and EPA region-specific emissions factors. Location-based method.  
<sup>4</sup>Spend-based method in which business travel spend is used to estimate emissions.

<sup>5</sup>Data for 2021 and earlier is based on average (national) data on commuting patterns, adjusting for remote work percentages. 2022 data was calculated using Hawaii-specific commuting patterns. This Hawaii-specific data was derived by calculating estimated commute distances of 1,000+ employees, based on anonymized ZIP codes.

AMERICAN SAVINGS BANK GHG INVENTORY (MT CO<sub>2</sub>e)



Note: Changes driven largely by the bank’s move to its current campus in 2019 (overlapping administrative spaces during move in 2019 and reductions in administrative space since) and shrinkage of branch footprint.







DATA



CORE DEPOSIT ACCOUNTS BY SEGMENT

As of December 31, 2022

(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business						FN-CB-000.A
CORE DEPOSIT ACCOUNTS BY SEGMENT						
	2020		2021		2022	
(Dollars in thousands)	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)
Consumer	394,140	\$5,093,947	396,029	\$5,729,921	394,429	\$5,691,032
Commercial	33,368	1,729,498	34,895	2,008,284	35,924	1,857,968
Total	427,508	\$6,823,445	430,924	\$7,738,205	430,353	\$7,549,000

NON-REAL ESTATE LOANS\*

As of December 31, 2022

(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate						FN-CB-000.B
NON-REAL ESTATE LOANS*						
	2020		2021		2022	
(Dollars in thousands)	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)
Consumer	52,735	\$168,733	53,182	\$113,966	54,984	\$254,709
Commercial	7,184	936,748	4,862	793,304	3,878	779,691
Total	59,919	\$1,105,481	58,044	\$907,270	58,862	\$1,034,400

In the two charts above “Consumer” refers to deposits and loans “primarily for personal, family or household purposes.” Within its general population of deposit accounts and loans, ASB does not separately categorize accounts as “small business” accounts. However, according to the U.S. Small Business Administration, 99.3% of Hawaii companies are considered small businesses. As such, we believe a significant proportion of companies that are our customers would be considered “small businesses.”

\*Lines of credit that are not secured by real estate are included.

(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CF-230a.1
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CF-230a.1

\* See comment on page 95. ASB is in compliance with applicable requirements.

Description of approach to identifying and addressing data security risks	FN-CB-230a.2
Description of approach to identifying and addressing data security risks	FN-CF-230a.3

Two of the most significant cyberattack risks that ASB faces are e-fraud and loss of sensitive customer data. Please see page 24 of HEI’s 2022 Annual Report (10-K).

SMALL BUSINESS AND COMMUNITY DEVELOPMENT LOANS

As of December 31, 2022

(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development						FN-CB-240a.1
SMALL BUSINESS AND COMMUNITY DEVELOPMENT LOANS						
	2020		2021		2022	
(Dollars in thousands)	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)
Small business	5,389	\$300,090	1,911	\$132,523	1,171	\$88,823
Community development	59	\$307,078	60	\$314,978	113	\$591,139

DELINQUENT AND NONACCRUAL SMALL BUSINESS AND COMMUNITY DEVELOPMENT LOANS

As of December 31, 2022

(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development						FN-CB-240a.2
DELINQUENT AND NONACCRUAL SMALL BUSINESS AND COMMUNITY DEVELOPMENT LOANS						
	2020		2021		2022	
(Dollars in thousands)	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)
SMALL BUSINESS						
Delinquent	46	\$1,528	38	\$1,060	21	\$1,434
Nonaccrual	35	2,217	30	1,091	20	261
COMMUNITY DEVELOPMENT						
Delinquent	0	0	0	0	0	0
Nonaccrual	0	0	0	0	0	0
Total	81	\$3,745	68	\$2,151	41	\$1,695

Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3
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ASB does not collect data on customers’ unbanked or underbanked status.

Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4
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In early 2019, we launched an online financial checkup where individuals can answer a series of questions and get a basic financial health score. Based on their results, we make a recommendation on what area they could further explore. We also connect these individuals to bankers using an online appointment tool. In 2022, there were 585 financial checkups and 11,938 online appointments fulfilled.

On February 22, 2021, we launched an online financial education resource center. There, visitors can learn about Debt Management, Budgeting for Families, Credit Scores, Finance for Senior Caregivers and more. In 2022, 5,862 people accessed the center, with an average view time of 14 minutes and 14 seconds and an 18% conversion rate (measuring how many program users clicked through to a “custom moment”).

Customers also have the opportunity for financial education through our online financial calculators. In 2022, the calculators were viewed over 33,000 times. The most popular calculator was “Calculate a Mortgage Payment” with 6,343 page views.



COMMERCIAL AND INDUSTRIAL CREDIT EXPOSURE, BY INDUSTRY

As of December 31, 2022

Commercial and industrial credit exposure, by industry		FN-CB-410a.1
Industry*	Percentage of Total Exposure	
Real Estate Rental and Leasing	51.09%	
Accommodation and Food Services	6.86%	
Construction	6.20%	
Other Services (except Public Administration)	5.06%	
Health Care and Social Assistance	4.31%	
Other	26.48%	

\* The industry code is based on the North American Industry Classification System (NAICS) code that the customer provides. We have not reviewed the NAICS code for accuracy.

Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis

FN-CB-410a.2

While we seek to increase access to financial services and support those businesses that make a positive impact in the community, we primarily evaluate our borrowers’ creditworthiness based on the business’s commitment to honor the obligations to ASB. During our due diligence process, if we learn of any negative ESG factors that do not align with our values, we may decline financing the business.

Our Commercial Credit Policy team analyzes the potential impacts that sea level rise and natural disasters can have on properties that secure our loans. Additionally, we monitor other known ESG risks that can affect the quality of collateral or our customers’ ability to pay. These credit risks are regularly reported to senior leadership and the board.

Based on these potential environmental impacts, we continuously analyze our underwriting policies, credit policy and risk mitigation efforts.

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

FN-CB-510a.1

Please see page 33 of HEI’s 2022 Annual Report (10-K).

Description of whistleblower policies and procedures

FN-CB-510a.2

The Code of Conduct 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 of Conduct go beyond the requirements of the law.

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.

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.

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

Global Systemically Important Bank (G-SIB) score, by category

FN-CB-550a.1

ASB is not on the Financial Stability Board’s 2022 list of Global Systemically Important Banks, so it does not have a G-SIB score.

Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities

FN-CB-550a.2

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 manage risks related to our services and conducting regular stress tests.

With regard to stress testing, we analyze the impact of liquidity risk, interest rate risk, and credit risk on our financial position based on multiple adverse endemic and systemic scenarios. Our enterprise risk, finance and credit teams work in collaboration to perform this analysis at least on an annual basis. Additionally, we monitor risk indicators on a daily basis.

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, including related risk from sea level rise, and investment portfolios), Market (including interest rate sensitivity), Liquidity, Operations (including environmental, social, and governance), Strategic and Reputational.

Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account

FN-CF-000.A

Number of (1) credit card accounts and (2) pre-paid debit card accounts

FN-CF-000.B

ASB does not issue any credit cards and does not offer any pre-paid debit cards. ASB’s branded credit cards are issued by Elan Financial Services, through a license from Visa U.S.A.

Category of Credit Cards	Credit Cards	Cardholders
Personal	31,527	29,896
Business	3,306	2,736
Total	34,833	32,632

Number of account holders whose information is used for secondary purposes

FN-CF-220a.1

Similar to other financial institutions, we collect and maintain data, primarily to allow us to originate and maintain deposit accounts, loans, investment accounts and other products and services that we provide.

We may also use our customers’ data to provide us insight into products and services that would be beneficial for our customers, protect against fraud, security breaches and other wrongful conduct, and support the general operation of our business. We do not sell our customers’ data, nor do we plan to do so.

As a financial institution, we comply with the Gramm-Leach-Bliley Act, as implemented by Regulation P, and other federal, state and local laws and regulations. Our Privacy Notice can be found on our website at [www.asbhawaii.com/security-fraud-privacy](http://www.asbhawaii.com/security-fraud-privacy).

Total amount of monetary losses as a result of legal proceedings associated with customer privacy

FN-CF-220a.2

Please see page 33 of HEI’s 2022 Annual Report (10-K).

Card-related fraud losses from (1) card-not- present fraud and (2) card-present and other fraud

FN-CF-230a.2

Please see page 33 of HEI’s 2022 Annual Report (10-K).



Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold

FN-CF-270a.1

Eligible Branch Managers, Assistant Branch Managers and Personal Bankers who sell consumer loan products may receive incentive compensation of 10-15 basis points in their production of consumer loans, provided they meet the branch goal. These bankers must comply with all regulations and ethical rules to be eligible for incentive compensation. We may refuse to pay commissions to bankers who violate the law or ASB's policies.

In 2022, only 6% of these teammates' total compensation was variable and linked to the amount of products and services sold (e.g., referral fees, commissions, and bonuses).

APPROVAL RATE FOR CONSUMER LOANS BY CREDIT SCORE\*

Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660

FN-CF-270a.2

APPROVAL RATE FOR CONSUMER LOANS BY CREDIT SCORE*						
	2020		2021		2022	
	≤ 660	> 660	≤ 660	> 660	≤ 660	> 660
Approved applications	50	1,872	1	998	9	2,932
Total applications received	2,387	4,646	1,728	3,546	2,713	5,440
Approval rate	2.09%	40.29%	0.06%	28.14%	0.33%	53.90%

ASB does not sell pre-paid products.

\* The 2020 and 2021 figures have been restated. This year's disclosures are based on: (1) the decision status date or loan booking date, rather than loan application date; (2) the FICO score of the borrower with the lowest FICO score, rather than each borrower being counted; and (3) categorization of borrowers by "below or equal to 660" and "greater than 660."

(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660

FN-CF-270a.3

We offer various consumer loan products with a range of interest rates. As of December 31, 2022, the average interest rate for all of our consumer loan accounts was 7.72% and the average age was 1.1 years.

(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB

FN-CF-270a.4

See comment on page 95. ASB is in compliance with applicable requirements.

Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products

FN-CF-270a.5

Please see page 33 of HEI's 2022 Annual Report (10-K).

ORIGINATED REAL ESTATE LOANS, BY YEAR

(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial

FN-MF-000.A

ORIGINATED REAL ESTATE LOANS, BY YEAR						
(Dollars in thousands)	2020		2021		2022	
	Qty.	Total (\$000)	Qty.	Total (\$000)	Qty.	Total (\$000)
Residential mortgages	2,526	\$1,179,021	2,461	\$1,200,233	1,025	\$594,753
Home equity lines	1,428	288,225	1,921	398,998	2,705	622,850
Commercial real estate	73	426,981	66	359,971	81	546,171
Total mortgage originations	4,027	\$1,894,227	4,448	\$1,959,202	3,811	\$1,763,774

(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial

FN-MF-000.B

We did not purchase any new real estate loans in 2020, 2021, or 2022.

RESIDENTIAL LOANS BY FEATURES AND FICO SCORE\*

As of December 31, 2022

(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660

FN-MF-270a.1

RESIDENTIAL LOANS BY FEATURES AND FICO SCORE*								
	2020				2021			
	FICO ≤ 660		FICO > 660		FICO ≤ 660		FICO > 660	
	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)
Adjustable Rate Mortgages (ARM)	2	\$691	288	\$136,496	2	\$673	288	\$108,960
Higher rate	-	-	-	-	-	-	-	-
Prepayment penalty	-	-	-	-	-	-	-	-

	2022				* The loans are classified based on the borrowers' FICO score at the time of origination.  In the prior disclosure, missing FICO scores were included in the category "FICO > 660."  This disclosure excludes those with missing FICO scores.
	FICO ≤ 660		FICO > 660		
	Qty.	Balance (\$000)	Qty.	Balance (\$000)	
Adjustable Rate Mortgages (ARM)	3	\$965	369	\$206,761	
Higher rate	-	-	-	-	
Prepayment penalty	-	-	-	-	

\* The loans are classified based on the borrowers' FICO score at the time of origination.

In the prior disclosure, missing FICO scores were included in the category "FICO > 660."

This disclosure excludes those with missing FICO scores.



RESIDENTIAL MORTGAGE MODIFICATIONS, FORECLOSURES, AND SHORT SALES OR DEEDS IN LIEU OF FORECLOSURE, BY FICO SCORES\*\*

(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660								FN-MF-270a.2
RESIDENTIAL MORTGAGE MODIFICATIONS, FORECLOSURES, AND SHORT SALES OR DEEDS IN LIEU OF FORECLOSURE, BY FICO SCORES*								
	2020				2021			
	FICO ≤ 660		FICO > 660		FICO ≤ 660		FICO > 660	
(Dollars in thousands)	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)	Qty.	Balance (\$000)
MODIFICATIONS**								
Residential mortgages	1	\$144	4	\$668	1	\$84	16	\$9,094
Home equity lines of credit	-	-	3	85	-	-	-	-
Total	1	\$144	7	\$ 753	1	\$84	16	\$9,094
FORECLOSURES†								
Residential mortgages	3	185	-	-	-	-	1	353
Home equity lines of credit	-	-	-	-	-	-	-	-
Total	3	\$185	-	-	-	-	1	\$ 353
SHORT SALES OR DEEDS IN LIEU OF FORECLOSURE								
Residential mortgages	-	-	-	-	-	-	1	187
Home equity lines of credit	-	-	-	-	-	-	1	45
Total	-	-	-	-	-	-	2	\$232

\* The loans are classified based on the borrowers’ FICO score at the time of origination.  
\*\* Loan modifications are limited to those requested by customers facing financial hardship.  
† Foreclosures are limited to those where the borrower defaulted and a sale of the underlying property was forced.

Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	FN-MF-270a.3
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Please see page 33 of HEI’s 2022 Annual Report (10-K).

	2022			
	FICO ≤ 660		FICO > 660	
(Dollars in thousands)	Qty.	Balance (\$000)	Qty.	Balance (\$000)
MODIFICATIONS**				
Residential mortgages	2	\$467	4	\$1,211
Home equity lines of credit	-	-	-	-
Total	2	\$467	4	\$1,211
FORECLOSURES†				
Residential mortgages	-	-	2	230
Home equity lines of credit	-	-	1	156
Total	-	-	3	\$386
SHORT SALES OR DEEDS IN LIEU OF FORECLOSURE				
Residential mortgages	-	-	-	-
Home equity lines of credit	-	-	-	-
Total	-	-	-	-

Description of remuneration structure of loan originators	FN-MF-270a.4
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Our residential loan officers receive a base wage, plus commissions of 40-90 basis points on originated residential mortgages. The actual rate of incentive compensation depends on whether the mortgages were externally sourced and the total monthly production of the loan officer.  
Residential loan officers must comply with all regulations and ethical rules to be eligible for incentive compensation. We may refuse to pay commissions to loan officers who violate the law or ASB’s policies.



TOTAL ORIGINATED RESIDENTIAL LOANS\* AND HOME EQUITY LINES OF CREDIT BY MINORITY AND CREDIT SCORE\*\*

(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660							FN-MF-270b.1
TOTAL ORIGINATED RESIDENTIAL LOANS* AND HOME EQUITY LINES OF CREDIT BY MINORITY AND CREDIT SCORE							
	2021			2022			
(Dollars in thousands)	Qty.	Total (\$)	Avg. CLTV	Qty.	Total (\$)	Avg. CLTV	
MINORITY							
Credit score ≤ 660	33	\$10,940	63.00	34	\$9,102	55.49	
Credit score > 660	2,839	982,266	57.32	2,676	838,742	56.49	
NON-MINORITY							
Credit score ≤ 660	5	1,485	49.39	4	932	43.11	
Credit score > 660	494	210,483	58.85	520	178,803	58.61	
Total	3,371	\$1,205,174	57.59	3,234	\$1,027,579	56.80	

\* Land loans are excluded.  
\*\* Since last year's ESG report, we modified some of the variables. 2021 figures are restated.

Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	FN-MF-270b.2
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Please see page 33 of HEI's 2022 Annual Report (10-K).

Description of policies and procedures for ensuring nondiscriminatory mortgage origination	FN-MF-270b.3
As a covered financial institution, we comply with the Fair Housing Act and Equal Credit Opportunity Act, which prohibit discrimination in residential real estate credit-related transactions based on certain protected classes, such as race, color, national origin, religion, sex and marital or familial status. To prevent discriminatory lending practices, we regularly review our application processes and requirements, sales practices, policies and marketing material to ensure that all protected classes are fairly and equally treated. We also periodically review lending data to identify any policies or practices that may potentially affect protected consumers unfairly and unequally.	

RESIDENTIAL MORTGAGE LOANS IN 100-YEAR FLOOD ZONES

As of December 31, 2022

(1) Number and (2) value of mortgage loans in 100-year flood zones			FN-MF-450a.1
RESIDENTIAL MORTGAGE LOANS IN 100-YEAR FLOOD ZONES			
(Dollars in thousands)	Qty.	Unpaid Principal Balance (\$)	
Investor	228	\$61,223	
Residential portfolio*	763	308,565	
Home equity lines of credit	600	36,962	
Total	1,591	\$406,750	

\* Residential Portfolio includes two loans held for sale (total unpaid principal balance of \$0.8 million).

(1) Total expected loss (EL) and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region	FN-MF-450a.2
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The data is not available specific to weather-related natural catastrophes. ASB intends to expand its environmental risk analysis in the future.

Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	FN-MF-450a.3
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Operating on an island chain, we know that we must prepare to adapt to the impacts of climate change and take steps to prudently mitigate related risks. Climate change may cause more frequent and intense weather-related natural catastrophes, such as hurricanes, storms, and flooding, and may result in sea level rise. We require all homeowners who live in a Special Flood Hazard Area, as defined by FEMA, to maintain sufficient flood insurance throughout the life of the loan. We also require all mortgages, with the exception of some home equity lines of credit, to secure hurricane and hazard insurance.

We regularly monitor our credit exposure in areas at risk of future sea-level rise. We perform property research to confirm flood zones, and our underwriting decisions consider factors such as the property location, topography and elevation.

**GENERAL NOTE:**

Based on ASB's products and loan portfolio, we have selected the Commercial Banks, Mortgage Finance and Consumer Finance Standards published by the Sustainability Accounting Standards Board (SASB).

While we have endeavored to provide fulsome responses to the SASB metrics, there are certain metrics for which we are not providing information due to the confidential nature of such information.



