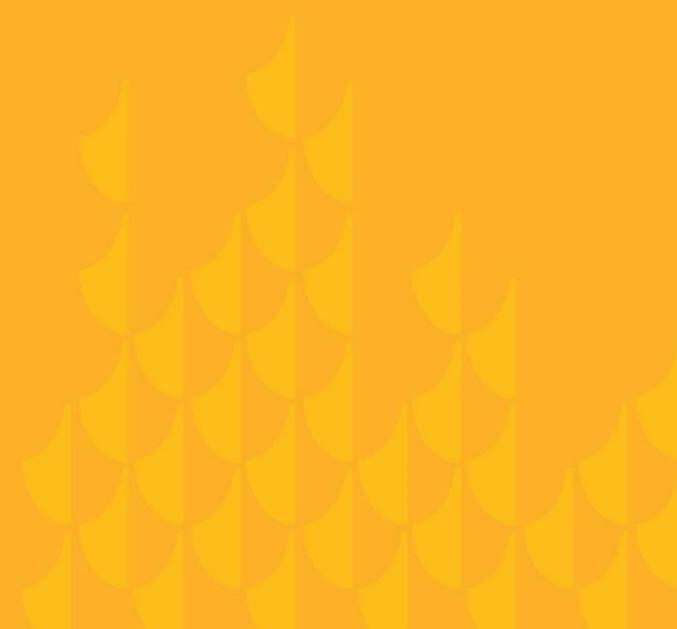




 First Hawaiian, Inc.

Investor Presentation

November 2021



Forward-Looking Statements

This presentation contains, and from time-to-time in connection with this presentation our management may make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements reflect our views at such time with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would,” “annualized,” and “outlook,” or the negative version of these words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, and any such forward-looking statements are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Further, statements about the potential effects of the COVID-19 pandemic on our businesses and financial results and conditions may constitute forward-looking statements and are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and us. Actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Factors that could cause our actual results to differ materially from those described in the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the domestic and global economic environment and capital market conditions and other risk factors, can be found in our SEC filings, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2020, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021, which are available on our website (www.fhb.com) and the SEC’s website (www.sec.gov). Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Use of Non-GAAP Financial Measures

The information provided herein includes certain non-GAAP financial measures. We believe that these core measures provide useful information about our operating results and enhance the overall understanding of our past performance and future performance. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. The reconciliation of such measures to the comparable GAAP figures are included in the appendix of this presentation.

Other

References to “we,” “us,” “our,” “FHI,” “FHB,” “Company,” and “First Hawaiian” refer to First Hawaiian, Inc. and its consolidated subsidiaries.

COVID-19 UPDATE

STATE OF HAWAII VACCINATION PROGRESS¹



PERCENT OF
POPULATION
FULLY
VACCINATED

71.6%



PERCENT OF
POPULATION 12+
FULLY
VACCINATED

83.9%



PERCENT OF
POPULATION 12+
INITIATED

96.1%

Source: <https://health.hawaii.gov/coronavirusdisease2019/current-situation-in-hawaii/> as of 11/5/21

(1) Totals include Jurisdiction (state), Federal Agency, and Federal Pharmacy doses

STATE OF HAWAII – DAILY NEW CASES



AVERAGE DAILY
NEW CASES
(Last 7 days)

98



TEST POSITIVITY
RATE
(Last 7 days)

1.7%

Source: <https://health.hawaii.gov/coronavirusdisease2019/current-situation-in-hawaii/> as of 11/5/21

STATE OF HAWAII DAILY NEW CASES - TREND



Source: <https://hiema-hub.hawaii.gov/pages/covid-dashboard> as of 11/5/21

HIGHLIGHTS

- First state where over 90% of eligible residents have initiated vaccination process
- State began administering COVID-19 vaccinations to children ages 5 to 11 on Nov 3
- State welcomed back vaccinated domestic visitors on Nov 1
- State vaccination and testing requirements for international travelers now in alignment with new federal requirements
- State and local officials have begun relaxing restrictions put into place during the recent peak

Q3 2021 HIGHLIGHTS¹

	Q3 2021	Q2 2021
Net Income (\$mm)	\$64.3	\$86.7
Diluted EPS	\$0.50	\$0.67
Net Interest Margin	2.36%	2.46%
Efficiency Ratio	55.1%	54.7%
ROA / ROATA ²	1.02% / 1.06%	1.45% / 1.51%
ROE / ROATCE ²	9.31% / 14.63%	12.92% / 20.51%
Tier 1 Leverage Ratio	7.39%	7.68%
CET 1 Capital Ratio	12.63%	12.76%
Total Capital ratio	13.88%	14.01%
Dividend ³	\$0.26 / share	\$0.26 / share

- Net income \$64.3 mm
- Grew loans \$38.6 mm (ex PPP)
- Deposits grew \$1.3 bn, 1 bp decrease in cost of deposits
- Excellent credit quality, \$4 mm negative provision expense
- Well capitalized: 12.63% CET1 ratio
- Declared \$0.26 / share dividend
- Repurchased \$21.6 mm of common stock

(1) Comparisons to Q2 2021

(2) ROATA and ROATCE are non-GAAP financial measures. A reconciliation of average tangible assets and average tangible stockholders' equity to the comparable GAAP measurements is provided in the appendix of this slide presentation.

(3) Declared on October 20, 2021. Payable December 3, 2021 to shareholders of record at close of business on November 22, 2021.

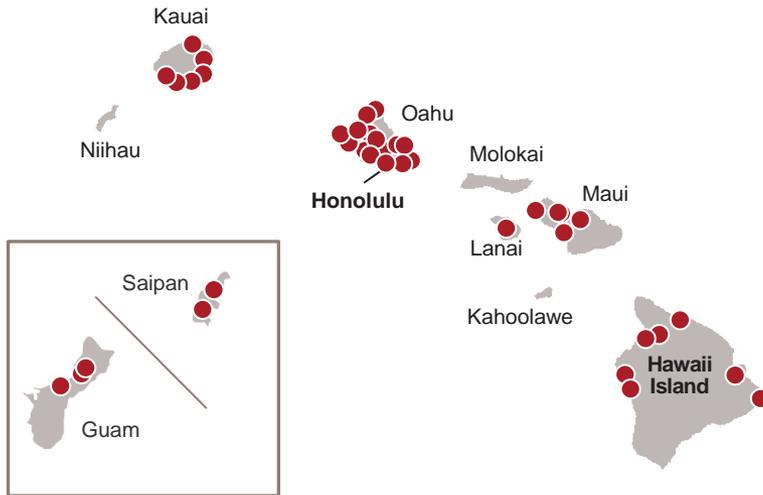
INVESTMENT HIGHLIGHTS

- 1 Strong, Consistent Financial Performance**
- 2 Leading Position In Attractive Markets**
- 3 Experienced Leadership Team**
- 4 High Quality Balance Sheet**
- 5 Proven Through The Cycle Performance**
- 6 Well-Capitalized With Attractive Dividend**

STRONG PERFORMER IN ATTRACTIVE MARKET

Branch Presence

54 branches



Company Highlights

- ✓ Oldest and largest Hawaii-based bank
- ✓ Full-service community bank with complete suite of products & services
- ✓ Largest combined deposit base in Hawaii, Guam and Saipan
- ✓ Largest Hawaii-based lender
- ✓ \$16.9 bn assets under administration as of 3Q21
- ✓ Proven through the cycle and outstanding operating performance

Source: Public filings and S&P Global Market Intelligence as of 4-Nov-2021

Note: Financial data as of 30-Sep-2021. Market data as of 29-Oct-2021.

(1) Peer median is based on public banks \$10–\$50bn in assets constituted as of 31-Dec-2020; excludes merger targets.

(2) FHB ratios shown as core. Core operating measures exclude certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliation of core net income, core net interest income, core noninterest income and core noninterest expense in the appendix.

(3) Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

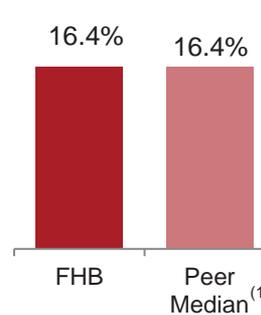
(4) ROATA (Return On Average Tangible Assets) and ROATCE (Return on Average Tangible Common Equity) are non-GAAP financial measures. A reconciliation to the comparable FHB GAAP measures is provided in the appendix.

(5) Dividend yield based on dividend paid in 3Q 2021 and closing market price as of 29-Oct-2021.

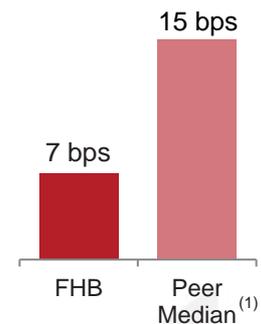
Financial Overview – 3Q 2021 YTD (\$ billions)

Market Cap	\$3.5	Loans	\$ 12.8
Assets	\$ 25.5	Deposits	\$ 22.1

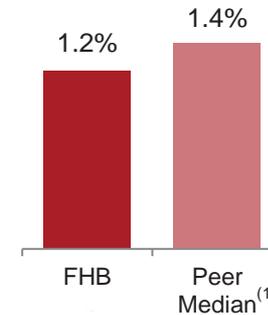
ROATCE^{(2), (4)}



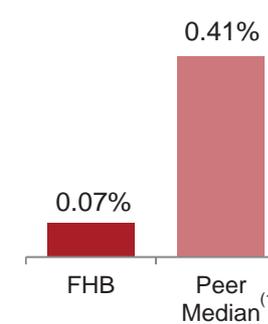
Cost of Deposits



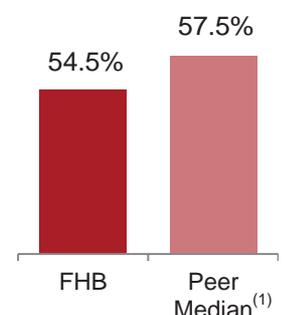
ROATA^{(2), (4)}



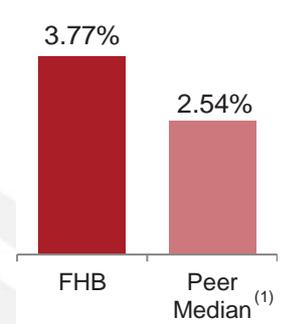
NALs / Loans



Efficiency Ratio^{(2), (3)}



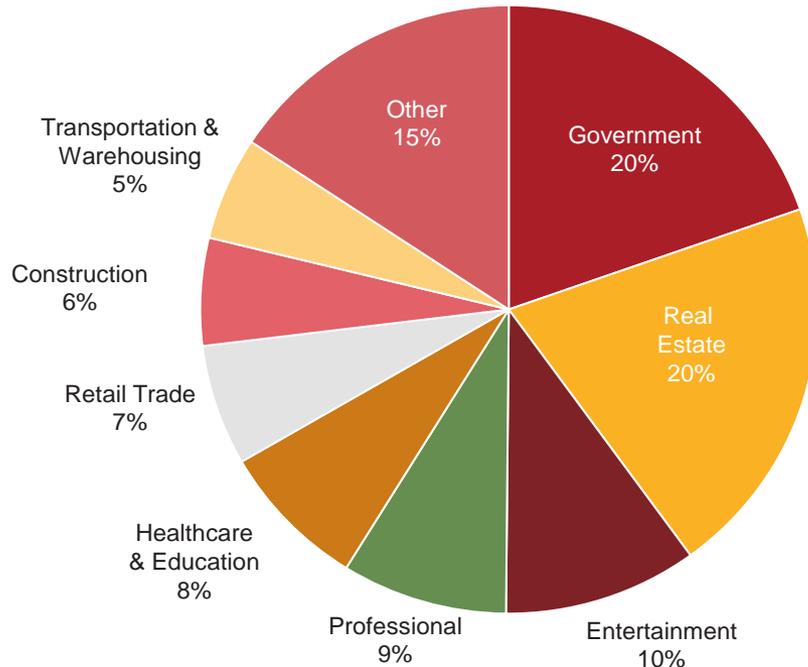
Dividend Yield⁽⁵⁾



DESPITE NEAR-TERM CHALLENGES, THE FUNDAMENTAL STRENGTHS OF HAWAII'S ECONOMY REMAIN INTACT

Hawaii GDP by Industry (2019)⁽¹⁾

Visitor spending is ~19% of Hawaii GDP⁽²⁾



Fundamental Strengths

- Attractive destination for domestic and international travelers
 - Attractive alternative for travelers concerned about international travel
 - Well-developed visitor industry infrastructure
 - High quality medical care
- Strategically important
 - Headquarters of US Indo-Pacific Command and regional component commands: Army, Navy, Air Force, Marines
 - Estimated total defense spending in Hawaii in 2020: \$7.7bn ⁽³⁾
 - Defense spending is 8.5% of state GDP ⁽³⁾
 - Over 50k active duty, National Guard and Reserve personnel stationed in Hawaii ⁽³⁾
 - Almost 20k civilian employees⁽³⁾

⁽¹⁾ US Bureau of Economic Analysis

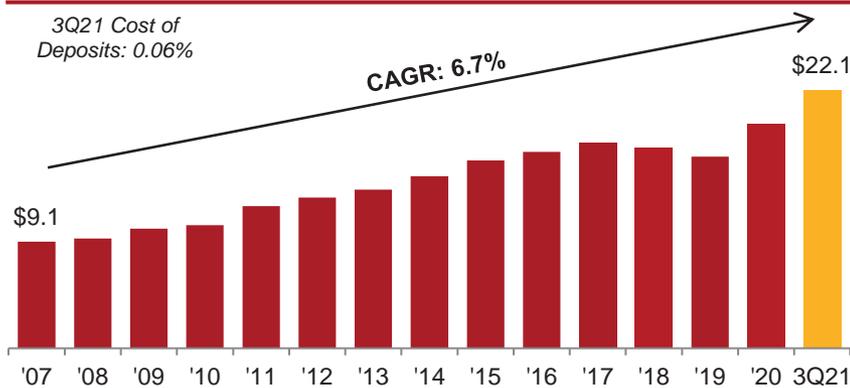
⁽²⁾ Based on \$17.9bn of 2019 visitor spending according to Hawaii Department of Business, Economic Development and Tourism.

⁽³⁾ defenseeconomy.hawaii.gov

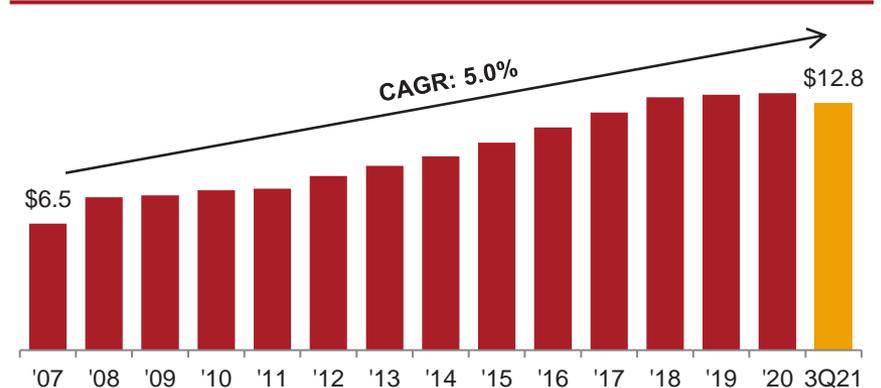
STRONG PERFORMANCE THROUGH THE CYCLE



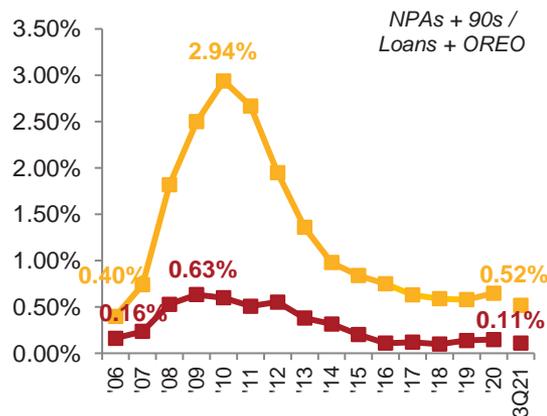
Consistent Deposit Growth (\$bn)



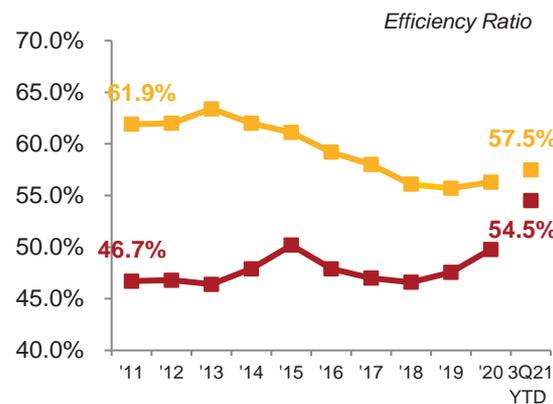
Steady, Balanced Loan Growth (\$bn)



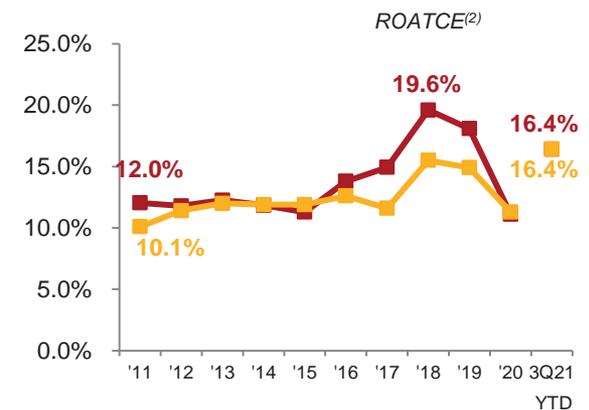
Through the Cycle Credit Performer



Strong Expense Mgmt. Culture⁽¹⁾



Consistent Record of Profitability⁽¹⁾



■ First Hawaiian, Inc.

■ Public U.S. Banks with \$10-\$50bn of Assets

Source: Public filings and S&P Global Market Intelligence as of 4-Nov-2021

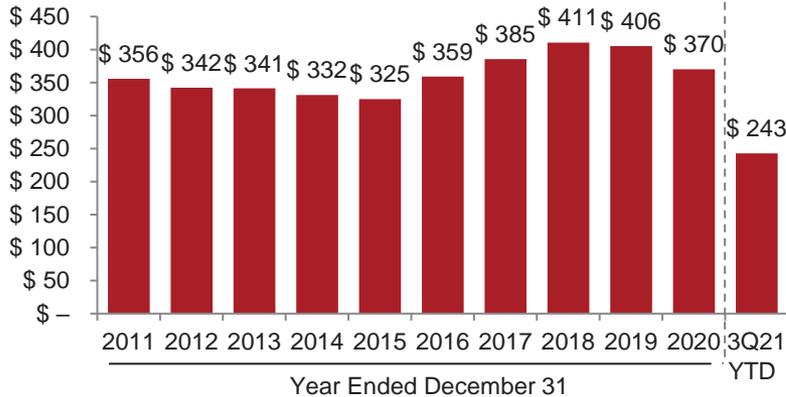
Note: Financial data as of 30-Sep-2021. \$10-\$50bn banks constituted as of 31-Dec-2020; excludes merger targets.

(1) FHB ratios shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

(2) ROATCE (Return on Average Tangible Common Equity) is a non-GAAP financial measure. A reconciliation to the comparable FHB GAAP measure is provided in the appendix.

CONSISTENT TRACK RECORD OF STRONG PROFITABILITY

Core Pre-Tax, Pre-Provision Earnings (\$mm)^{(1) (2)}

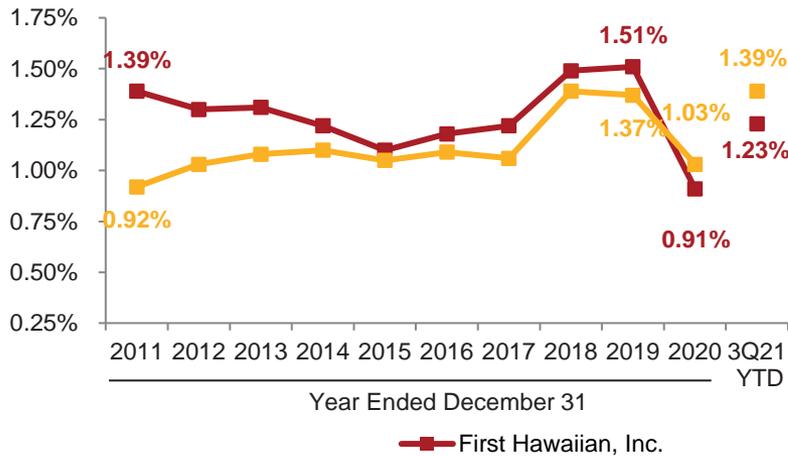


Consistent PTPP Earnings

Stable Earnings Drivers

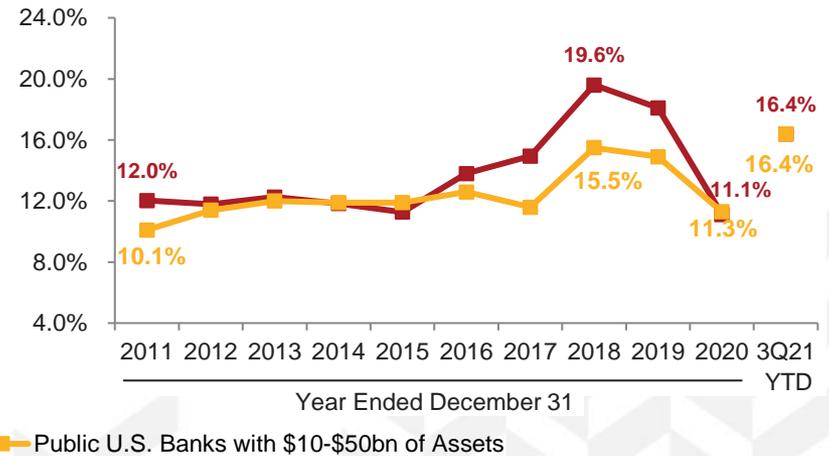
- Dominant loan and deposit positions in attractive markets
- Consistent underwriting standards with proven performance through the credit cycle
- Demonstrated history of disciplined expense management

ROATA^{(1),(2)}



Consistent History of Strong Profitability

ROATCE^{(1),(2)}



Source: Public filings and S&P Global Market Intelligence, as of 4-Nov-2021

Note: Financial data as of 30-Sep-2021. \$10-\$50bn banks constituted as of 31-Dec-2020; excludes merger targets.

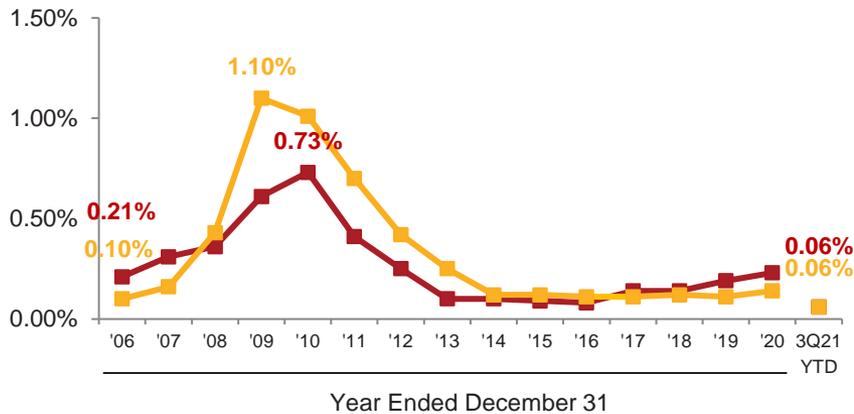
(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

(2) PTPP (Pre-Tax, Pre-Provision) income, ROATA (Return On Average Tangible Assets) and ROATCE (Return On Average Tangible Common Equity) are non-GAAP financial measures. A reconciliation to the comparable FHB GAAP measures is provided in the appendix.

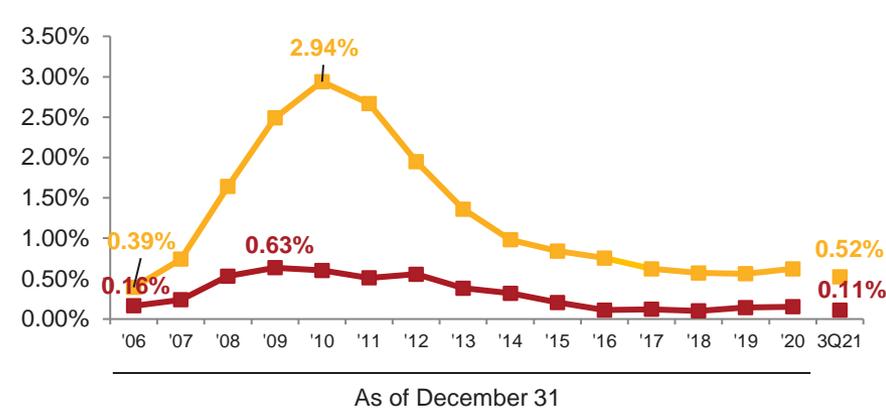
PROVEN, CONSISTENT, AND CONSERVATIVE CREDIT RISK MANAGEMENT

Strong through the cycle credit performance driven by conservative approach to credit risk management

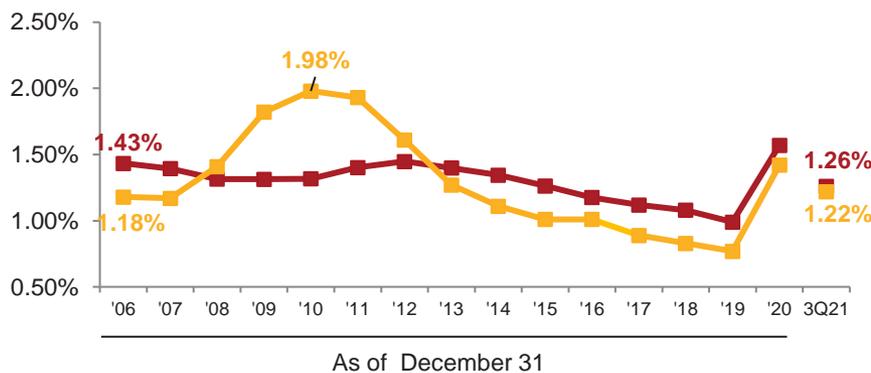
NCOs / Average Loans



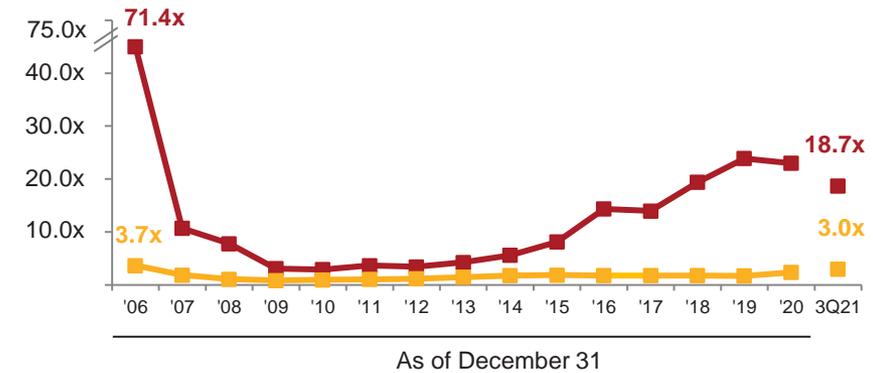
NPAs + 90s / Loans + OREO



Reserves / Loans



Reserves / Non-Accrual Loans



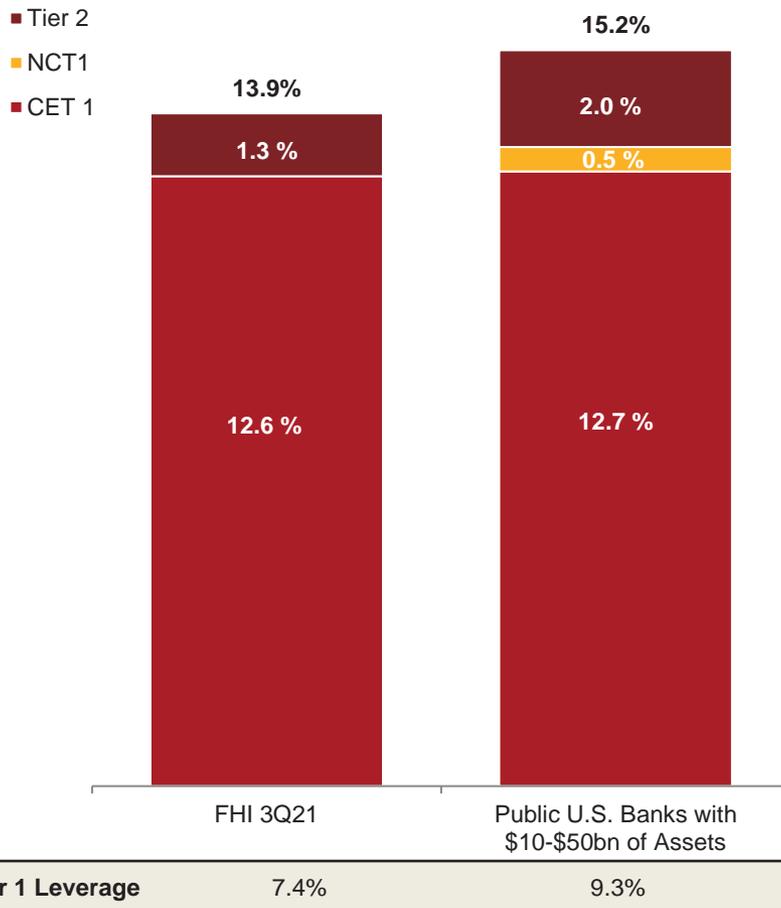
■ First Hawaiian, Inc.

■ Public U.S. Banks with \$10-\$50bn of Assets

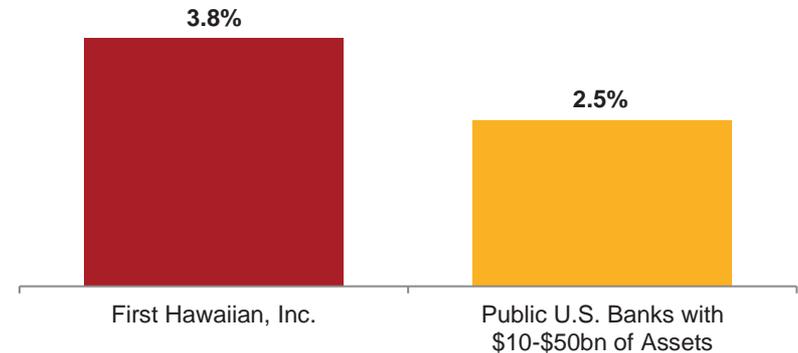
Source: Public filings and SNL Financial, available as of 4-Nov-2021
 Note: Financial data as of 30-Sep-2021. \$10-\$50bn banks constituted as of 31-Dec-2020; excludes merger targets.

WELL-CAPITALIZED WITH AN ATTRACTIVE DIVIDEND \$75MM STOCK REPURCHASE PROGRAM IN 2021

Robust Capital Position



Attractive Dividend Yield⁽¹⁾⁽²⁾



Capital Management Approach

- Retain sufficient earnings to support growth and maintain strong capital levels
- Held dividend at \$0.26/share in Q3
- On February 8, 2021, announced stock repurchase program for up to \$75mm of common stock during 2021
- Repurchased 1.9mm shares at a total cost of \$53.5mm under the stock repurchase program YTD through September 30, 2021

Source: Public filings and S&P Global Market Intelligence as of 4-Nov-2021

Note: Financial data as of 30-Sep-2021. \$10-\$50bn banks constituted as of 31-Dec-2020, excludes merger targets. Percentages may not total due to rounding.

⁽¹⁾ Dividends and share repurchases are subject to approval of FHI's board of directors, future capital needs and regulatory approvals.

⁽²⁾ Dividend yield (MRQ) based on 3Q 2021 paid dividend and market data as of 29-Oct-2021.

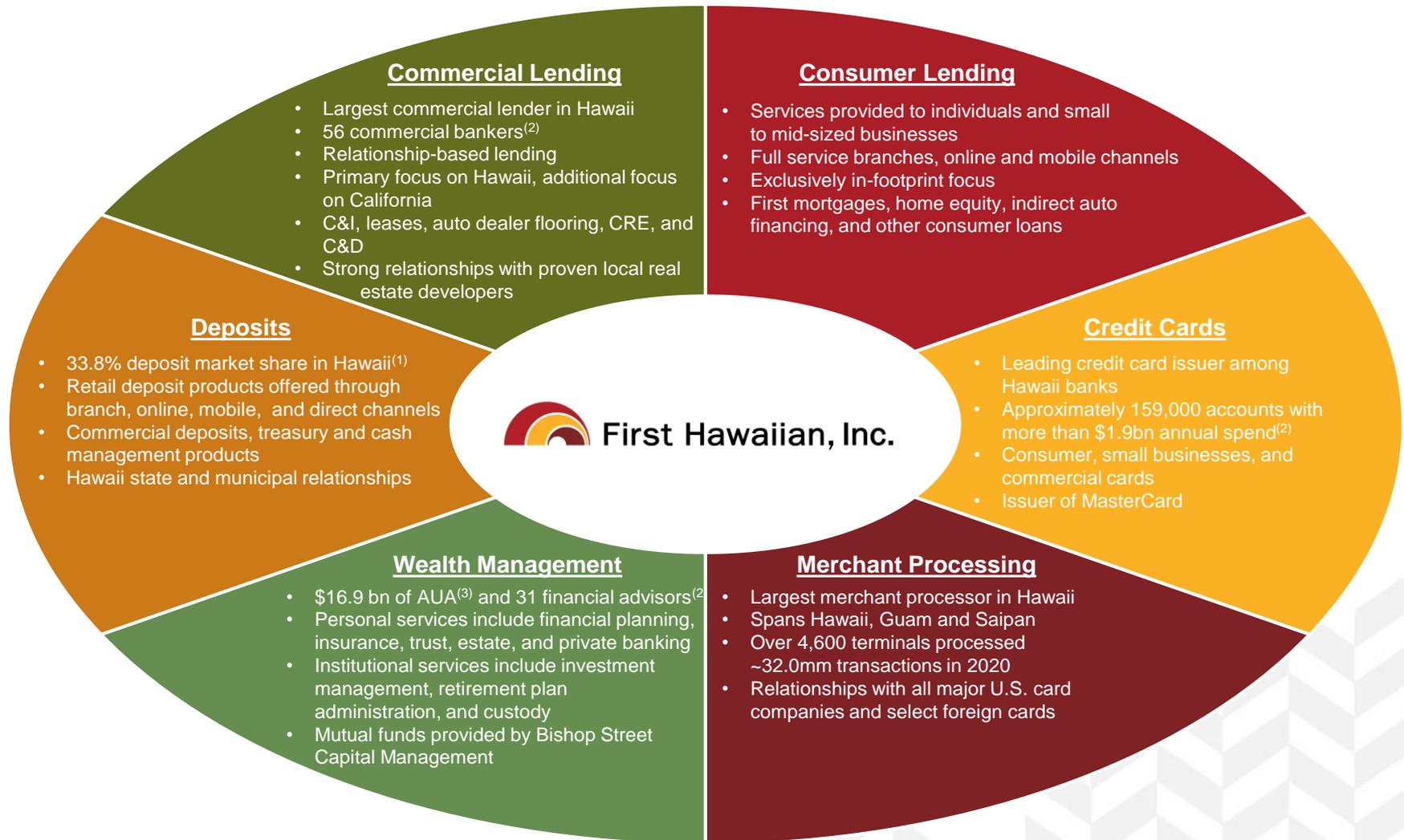
Appendix



First Hawaiian, Inc.

FULL SUITE OF PRODUCTS AND SERVICES

First Hawaiian is a full service community bank focused on building relationships with our customers



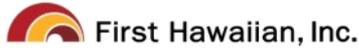
(1) Source: FDIC as of 30-Jun-2021

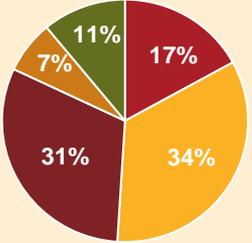
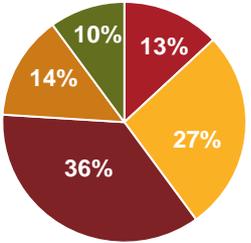
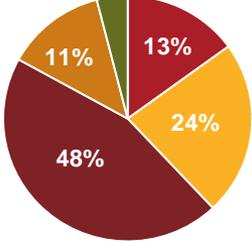
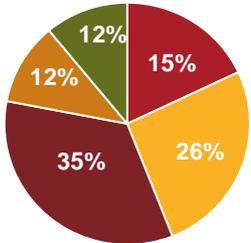
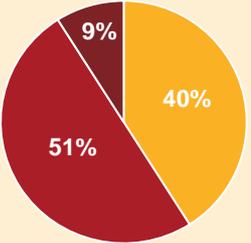
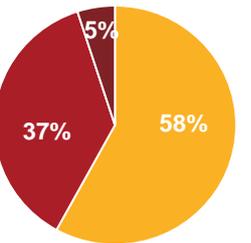
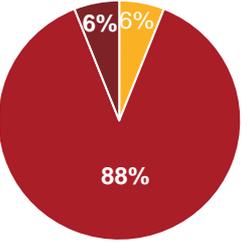
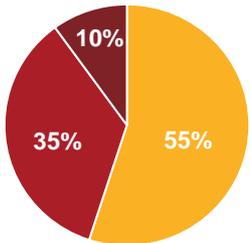
(2) As of 31-Dec-2020

(3) As 30-Sep-2021

A LEADER IN HAWAII

The banking market in Hawaii is dominated by local banks, with the top 4 banks accounting for ~93% of deposits



	First Hawaiian, Inc.	Bank of Hawaii	AMERICAN Savings Bank	CENTRAL PACIFIC BANK
Branches	54	54	42	31
FTEs	2,025	2,049	1,075	800
Assets (\$bn)	25.5	23.0	9.0	7.3
Loans (\$bn)	12.8	12.1	5.1	5.0
Deposits (\$bn)	22.1	20.5	8.0	6.5
YTD 3Q 2021 ROATCE	16.4% ^{(1),(2)}	17.7%	16.1%	13.9%
YTD 3Q 2021 ROATA	1.23% ^{(1),(2)}	1.15%	1.22%	1.10%
Loan Portfolio	 <ul style="list-style-type: none"> Commercial Commercial RE Residential RE HELOC Consumer & Other 	 <ul style="list-style-type: none"> Commercial Commercial RE Residential RE HELOC Consumer & Other 	 <ul style="list-style-type: none"> Commercial Commercial RE Residential RE HELOC Consumer & Other 	 <ul style="list-style-type: none"> Commercial Commercial RE Residential RE HELOC Consumer & Other
Deposit Portfolio	 <ul style="list-style-type: none"> Transaction Accounts Savings / MMDA Time Deposits 	 <ul style="list-style-type: none"> Transaction Accounts Savings / MMDA Time Deposits 	 <ul style="list-style-type: none"> Transaction Accounts Savings / MMDA Time Deposits 	 <ul style="list-style-type: none"> Transaction Accounts Savings / MMDA Time Deposits
Hawaii Deposits³				
Balance (\$bn)	\$19.1	\$19.2	\$7.9	\$6.4
Share	33.8%	34.0%	14.0%	11.3%

Sources: S&P Global Market Intelligence, FDIC, SEC and company filings. Company filings used for peers where available, otherwise regulatory data used.

Note: Financial data as of 30-Sep-2021.

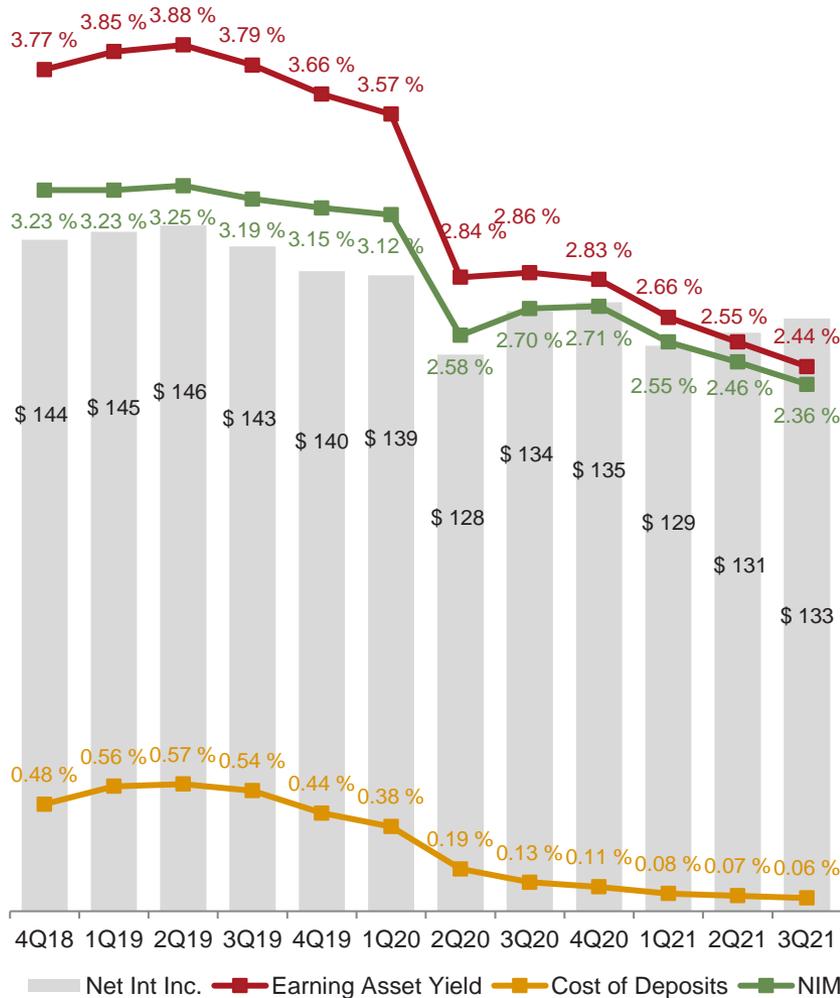
(1) ROATCE (return on average tangible common equity) and ROATA (return on average tangible assets) are non-GAAP financial measures. Reconciliations to the comparable FHB GAAP measures are provided in the appendix.

(2) FHB ROATCE and ROATA shown as core. Core excludes certain expenses, gains and one-time items. See reconciliation of core net income to the comparable FHB GAAP measure in the appendix.

(3) Deposit market share based on FDIC data as of 30-Jun-2021.

MANAGING NIM THROUGH A CHALLENGING INTEREST RATE ENVIRONMENT

NIM Negatively Impacted by Excess Liquidity



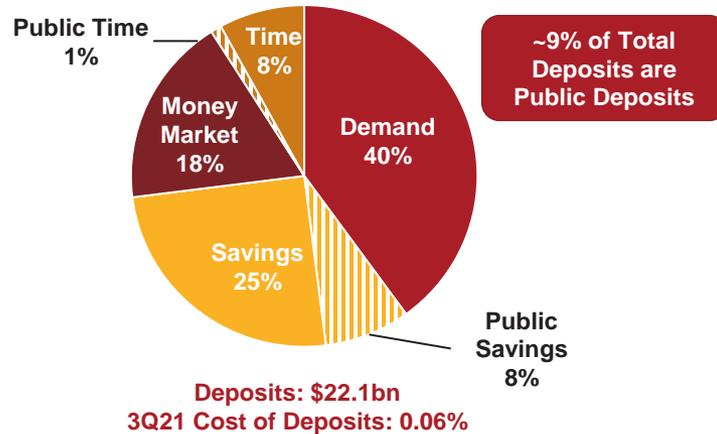
Actively Managing Funding Costs

- Active repricing of high-cost commercial and consumer deposit accounts has helped to partially offset the impact of the low interest rate environment on asset yields
 - Cost of deposits declined 38 basis points from 4Q 2019 to 3Q 2021
- Actively working to reduce average cash balances
- Public time deposits being allowed to mature and roll off
- Hawaii banks experience more favorable deposit behavior than national banks across all rate cycles (see slide 20)

SOLID, LOW-COST CORE DEPOSIT BASE

Strong brand, deep ties to the community and a leading market share position have driven an attractive, low-cost deposit base

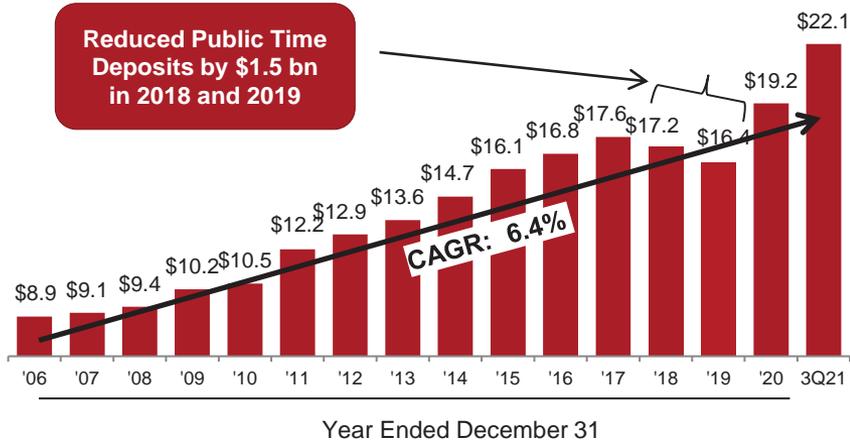
Deposit Portfolio Composition



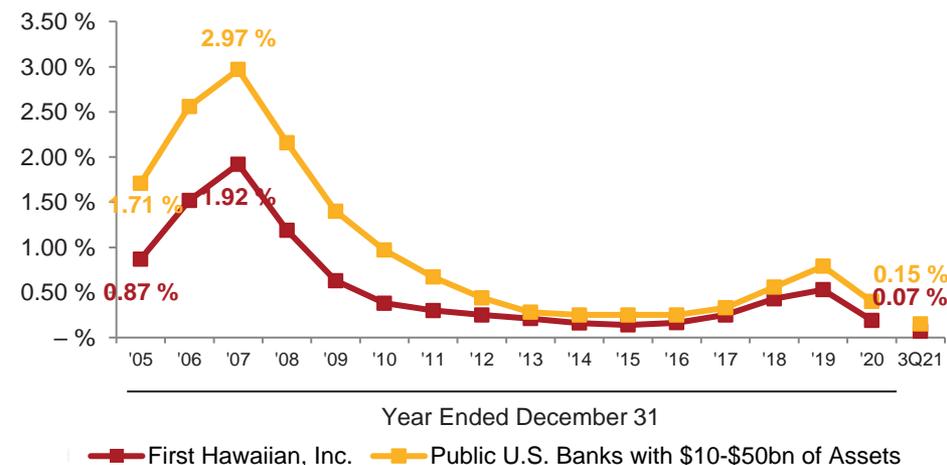
Growing Consumer and Commercial Deposits, Reducing Public Time Deposits

- Reduced the balance of public time deposits by about \$1.5bn in 2018 and 2019 as part of our balance sheet optimization strategy
- YTD through September 30, 2021, total deposits increased \$2.9 bn, or 15.0%
 - Consumer and commercial deposits increased by \$2.4bn
 - Public deposits decreased by \$0.4bn

Consistent Deposit Growth (\$bn)



Best-in-Class Cost of Deposits

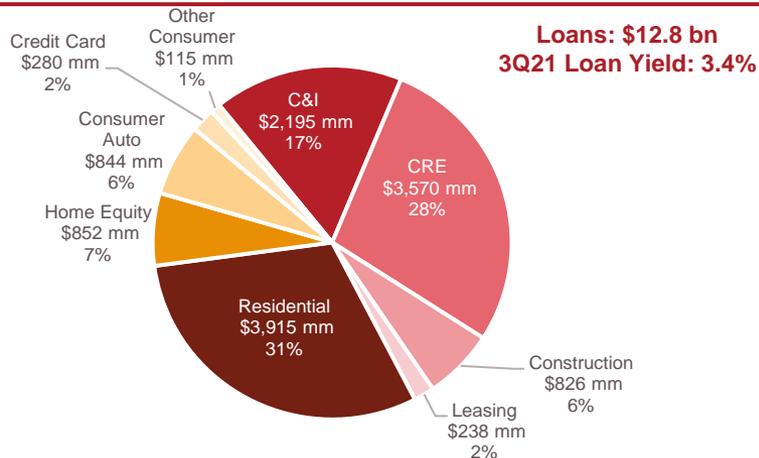


Source: Public filings and S&P Global Market Intelligence, as of 3-Nov-2021
Note: Financial data as of 30-Sep-2021. \$10-\$50bn banks constituted as of 31-Dec-2020; excludes merger targets.

STEADY ORGANIC GROWTH AND BALANCED LOAN PORTFOLIO

Steady through the cycle organic loan growth and balanced loan portfolio

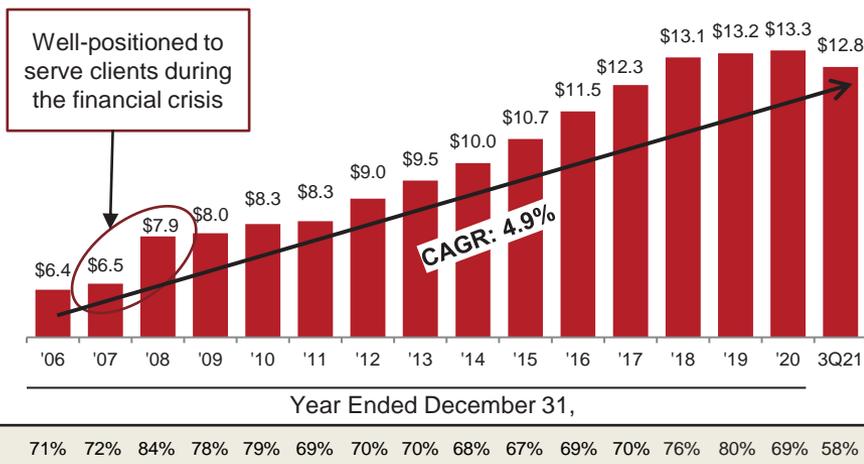
Balanced Loan Portfolio (as of 9/30/21)



Loan Portfolio Highlights (as of 9/30/21)

- Largest Hawaii-based lender
- Balanced Portfolio
 - 53% Commercial, 47% Consumer
 - 82% Hawaii/Guam/Saipan, 18% Mainland
- Commercial
 - Hawaii's leading commercial bank with most experienced lending team.
 - Average commercial loan officer experience > 25 years
 - 66% Hawaii/Guam/Saipan, 34% Mainland
 - \$1,199 mm Shared National Credit portfolio
 - Participating in SNC lending for over 20 years
 - 27% Hawaii-based, 73% Mainland
- Leading SBA lender Hawaii
 - SBA Lender of the Year (Category 1) 2017, 2018, 2019
 - Leveraged SBA experience to quickly launch PPP program
 - Originated over 10k PPP loans for over \$1.4bn in principal balances in 2020 and 2021
- Consumer
 - Primarily a Prime and Super Prime lender
 - ~90% of portfolio collateralized
 - Financing consumer auto loans for over 40 years

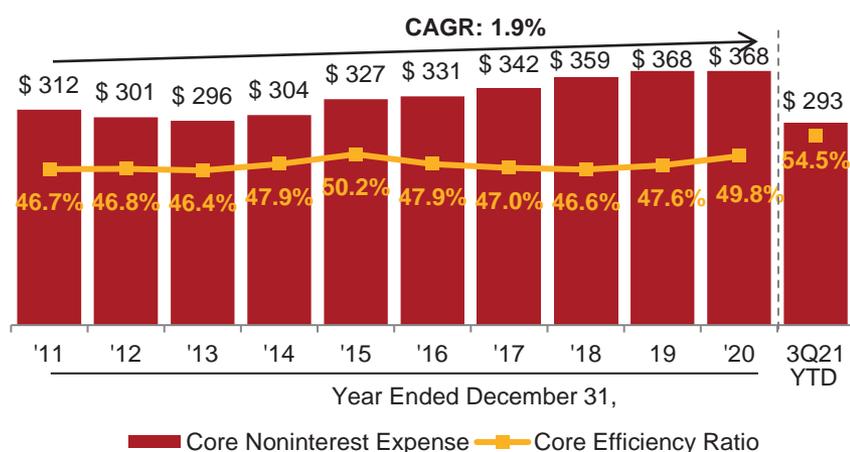
Steady Loan Growth (\$bn)



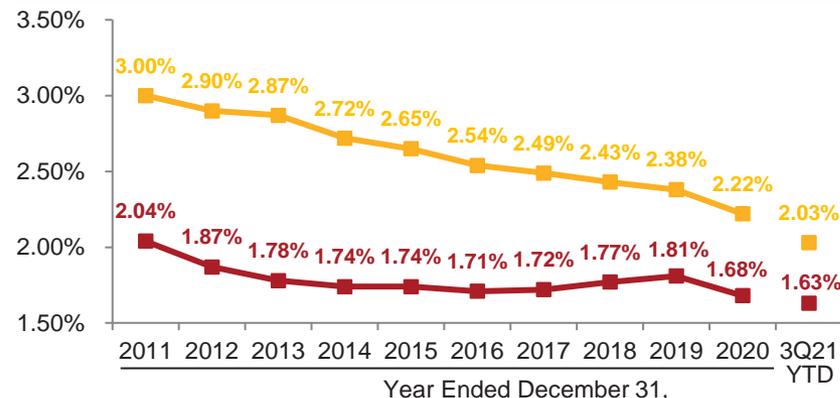
Note: Financial data as of 30-Sep-2021

DEMONSTRATED HISTORY OF DISCIPLINED EXPENSE MANAGEMENT

Well Managed Core Noninterest Expense (\$mm)^{(1),(2)}

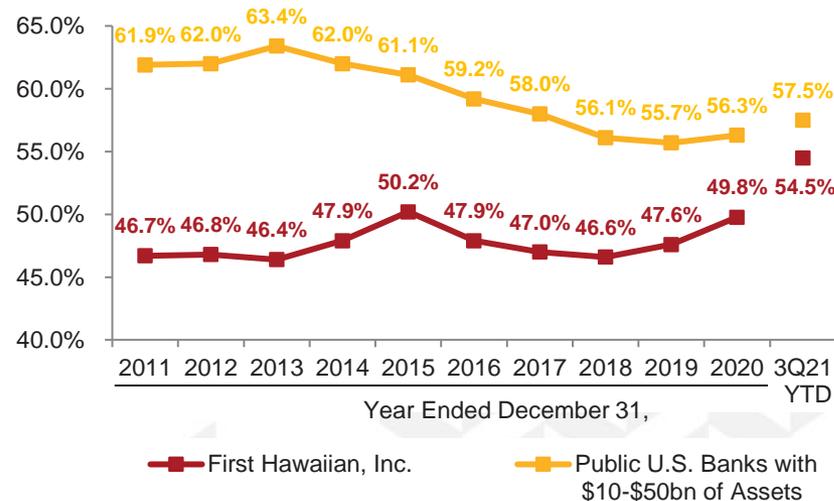


Noninterest Expense / Average Assets⁽¹⁾



- Maintained expense discipline during pandemic
 - 2020 core expenses flat to 2019 core expenses
- In Q3 2020 announced permanent closure of four branches
- 2021 expense outlook: 2020 expenses + ~7%
 - Inflation and contractual related increases
 - Normalization of customer activity levels
 - Investments in technology

Efficiency Ratio^{(1),(2)}



Source: Public filings and S&P Global Market Intelligence, as of 4-Nov-2021

Note: Financial data as of 30-Sep-2021. \$10-\$50bn banks constituted as of 31-Dec-2020; excludes merger targets.

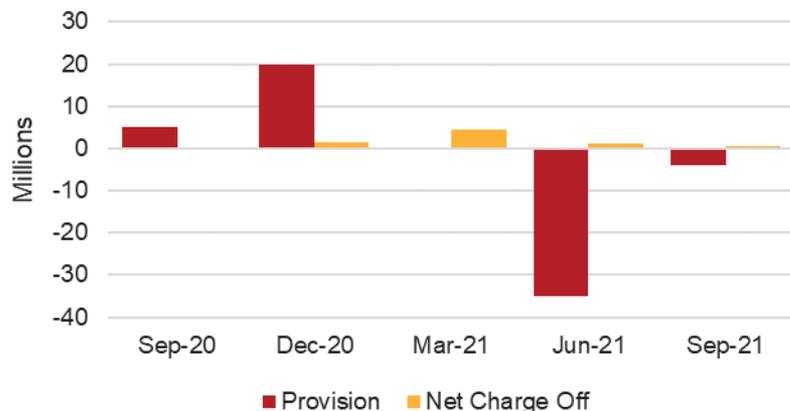
(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

(2) Core efficiency ratio is a non-GAAP financial measure. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

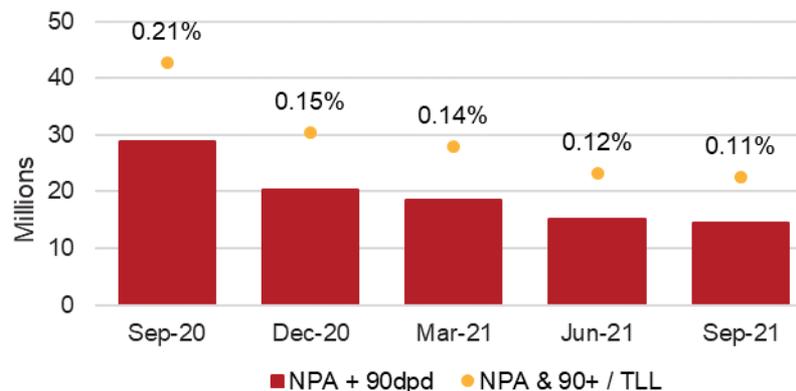
ASSET QUALITY

GOOD CREDIT PERFORMANCE

Provision and NCO

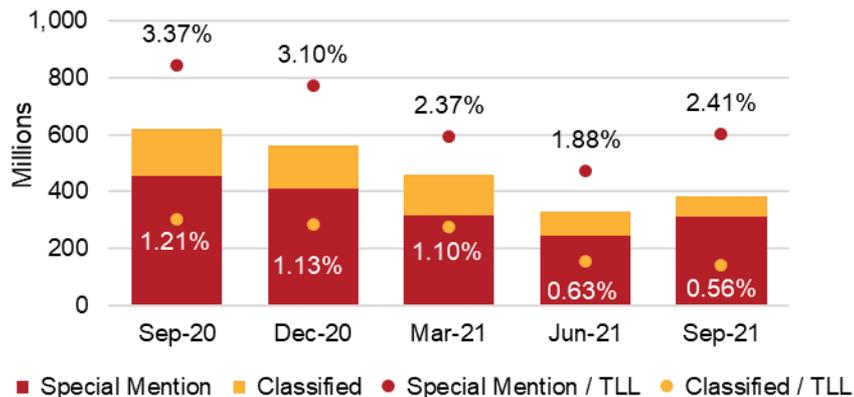


NPA and 90 Past Due

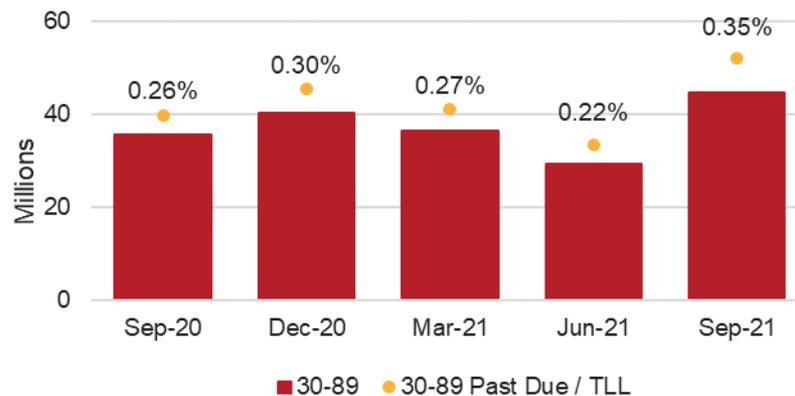


• 90 past due comprised of accruing loans

Commercial Criticized Assets



30-89 Past Due



• 30-89 past due comprised of accruing and non-accruing loans

Note: TLL - Total Loans and Leases

ALLOWANCE FOR CREDIT LOSS

RESERVE LEVELS PROVIDE FOR UNCERTAINTY

The economic outlook remained unchanged from Q2 due to the slowing recovery resulting from the Delta variant.

Q3 Asset ACL decreased by 4.7% or \$7.9 million to \$161.2 million. The reserve for unfunded commitments increased by \$3.3 million to \$32.5 million.

The ACL decrease is primarily the result of balance changes and some upward movement in FICOs.

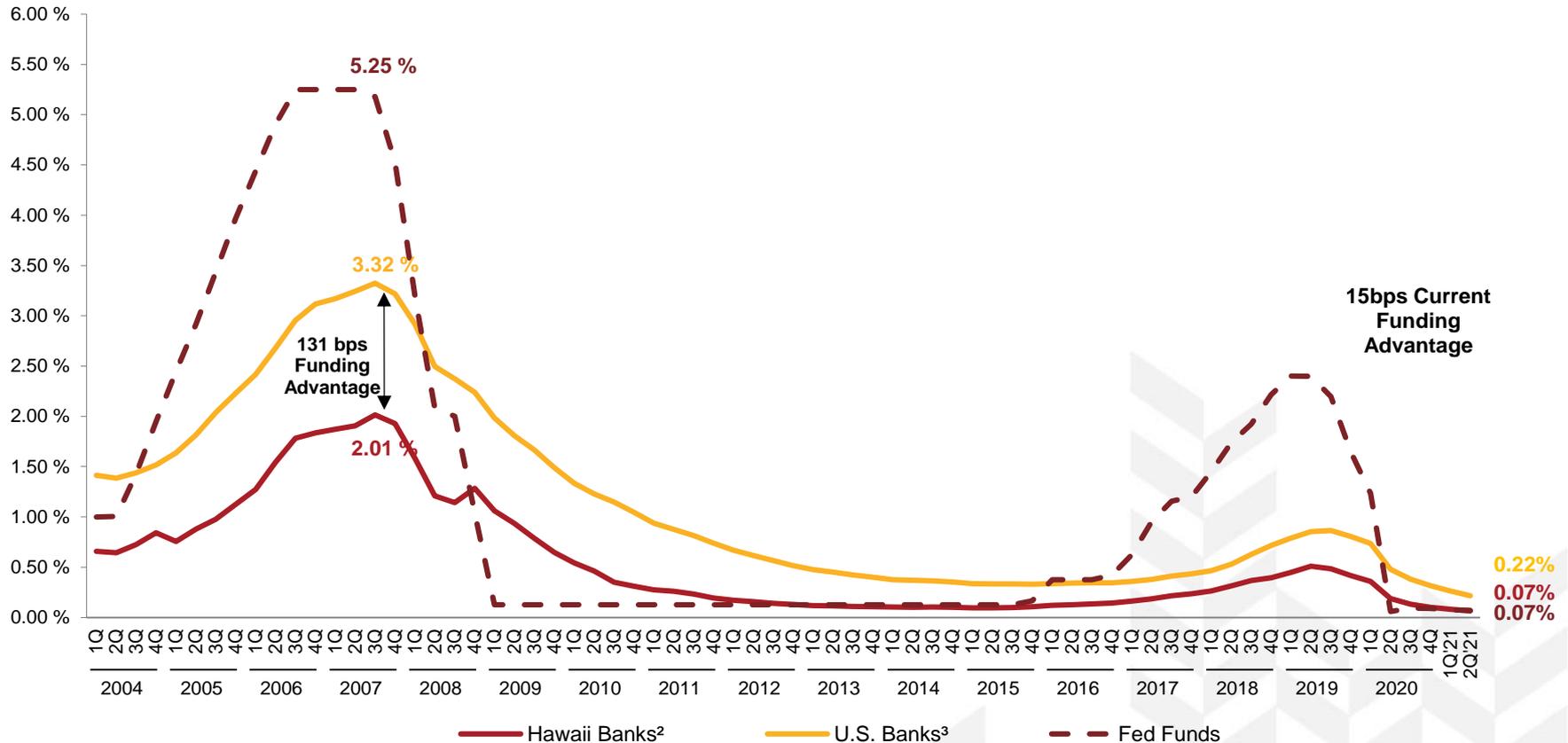
Q3 ACL / Total Loans and Leases is 1.26% of all loans and 1.31% net of PPP loans.

Asset Rollforward of the Allowance for Credit Losses

(\$ in 000's)	C&I	CRE	Const	Lease	Mortgage	Home Equity	Consumer	Total
06/30/2021 ACL	23,063	47,033	10,152	3,067	34,208	6,250	45,375	169,148
Charge-offs	-224	-	-	-	-	-235	-2,926	-3,385
Recoveries	121	15	-	-	215	27	2,405	2,783
Provision	796	-3,449	-398	-833	-655	-325	-2,436	-7,300
9/30/2021 ACL	23,756	43,599	9,754	2,234	33,768	5,717	42,418	161,246
% of Total ACL	14.7%	27.0%	6.0%	1.4%	20.9%	3.5%	26.3%	100.0%
Total Loan Balance	2,195,384	3,569,768	826,078	237,689	3,914,632	852,074	1,238,714	12,834,339
ACL/Total LL (w/ PPP)	1.08%	1.22%	1.18%	0.94%	0.86%	0.67%	3.42%	1.26%
ACL/Total LL (no PPP)	1.40%	1.22%	1.18%	0.94%	0.86%	0.67%	3.42%	1.31%

HAWAII BANKS HAVE A SIGNIFICANT DEPOSIT ADVANTAGE

Hawaii banks experience more favorable deposit behavior across all rate cycles; Hawaii banks experienced a deposit beta⁽¹⁾ of ~34% vs. ~47% for broader U.S. banks during the last rising rate cycle



Source: SNL Financial and the Federal Reserve website

⁽¹⁾ Deposit beta is defined as the change in deposit costs as a percentage of the change in Fed Funds over a particular period. Deposit cost uses starting point (2Q04) to peak (3Q07); one quarter lag.

⁽²⁾ Includes First Hawaiian, Bank of Hawaii, American Savings, Central Pacific, Territorial Bancorp, Hawaii National. 2Q21 cost of deposits based on publicly available company reported information.

⁽³⁾ Includes all U.S. bank holding companies excluding Hawaii-based banks.

GAAP TO NON-GAAP RECONCILIATIONS



We present net interest income, noninterest income, noninterest expense, efficiency ratio, net income, pre-tax, pre-provision earnings, basic and diluted earnings per share and the related ratios described below, on an adjusted, or “core,” basis, each a non-GAAP financial measure. These core measures exclude from the corresponding GAAP measure the impact of certain items that we do not believe are representative of our financial results. We believe that the presentation of these non-GAAP financial measures helps identify underlying trends in our business from period to period that could otherwise be distorted by the effect of certain expenses, gains and other items included in our operating results. We believe that these core measures provide useful information about our operating results and enhance the overall understanding of our past performance and future performance. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition.

Core efficiency ratio, core return on average total assets and core return on average total stockholders’ equity are non-GAAP financial measures. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. We compute our core return on average total assets as the ratio of core net income to average total assets. We compute our core return on average total stockholders’ equity as the ratio of core net income to average total stockholders’ equity.

Return on average tangible stockholders’ equity, core return on average tangible stockholders’ equity, return on average tangible assets, core return on average tangible assets and tangible stockholders’ equity to tangible assets and tangible book value per share are non-GAAP financial measures. We compute our return on average tangible stockholders’ equity as the ratio of net income to average tangible stockholders’ equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders’ equity. We compute our core return on average tangible stockholders’ equity as the ratio of core net income to average tangible stockholders’ equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders’ equity. We compute our return on average tangible assets as the ratio of net income to average tangible assets, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total assets. We compute our core return on average tangible assets as the ratio of core net income to average tangible assets. We compute our average tangible stockholders’ equity to average tangible assets as the ratio of average tangible stockholders’ equity to average tangible assets, each of which we calculate by subtracting (and thereby effectively excluding) the value of our goodwill. We compute our tangible book value per share as the ratio of tangible stockholders’ equity to outstanding shares. We believe that these measurements are useful for investors, regulators, management and others to evaluate financial performance and capital adequacy relative to other financial institutions. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP.

The following tables provide a reconciliation of these non-GAAP financial measures with their most directly comparable GAAP measures.

GAAP TO NON-GAAP RECONCILIATION



(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	
	2021	2021	2020	2021	2020
Income Statement Data:					
Net income	\$ 64,279	\$ 86,741	\$ 65,101	\$ 208,713	\$ 124,015
Core net income	\$ 65,819	\$ 87,704	\$ 65,083	\$ 211,216	\$ 124,090
Average total stockholders' equity	\$ 2,738,540	\$ 2,691,966	\$ 2,704,129	\$ 2,719,442	\$ 2,687,632
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,743,048	\$ 1,696,474	\$ 1,708,637	\$ 1,723,950	\$ 1,692,140
Average total assets	\$ 25,058,085	\$ 24,015,065	\$ 22,341,485	\$ 24,013,691	\$ 21,667,948
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 24,062,593	\$ 23,019,573	\$ 21,345,993	\$ 23,018,199	\$ 20,672,456
Return on average total stockholders' equity ⁽¹⁾	9.31 %	12.92 %	9.58 %	10.26 %	6.16 %
Core return on average total stockholders' equity (non-GAAP) ⁽¹⁾	9.54 %	13.07 %	9.57 %	10.38 %	6.17 %
Return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾	14.63 %	20.51 %	15.16 %	16.19 %	9.79 %
Core return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾	14.98 %	20.74 %	15.15 %	16.38 %	9.80 %
Return on average total assets ⁽¹⁾	1.02 %	1.45 %	1.16 %	1.16 %	0.76 %
Core return on average total assets (non-GAAP) ⁽¹⁾	1.04 %	1.46 %	1.16 %	1.18 %	0.76 %
Return on average tangible assets (non-GAAP) ⁽¹⁾	1.06 %	1.51 %	1.21 %	1.21 %	0.80 %
Core return on average tangible assets (non-GAAP) ⁽¹⁾	1.09 %	1.53 %	1.21 %	1.23 %	0.80 %
⁽¹⁾ Annualized for the three and nine months ended September 30, 2021, and 2020 and three months ended June 30, 2021.					
	As of	As of	As of	As of	
	September 30,	June 30,	December 31,	September 30,	
	2021	2021	2020	2020	
Balance Sheet Data:					
Total stockholders' equity	\$ 2,711,734	\$ 2,731,341	\$ 2,744,104	\$ 2,733,934	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible stockholders' equity	\$ 1,716,242	\$ 1,735,849	\$ 1,748,612	\$ 1,738,442	
Total assets	\$ 25,548,322	\$ 24,246,328	\$ 22,662,831	\$ 22,310,701	
Less: goodwill	995,492	995,492	995,492	995,492	
Tangible assets	\$ 24,552,830	\$ 23,250,836	\$ 21,667,339	\$ 21,315,209	
Shares outstanding	128,255,570	129,019,871	129,912,272	129,911,789	
Total stockholders' equity to total assets	10.61 %	11.26 %	12.11 %	12.25 %	
Tangible stockholders' equity to tangible assets (non-GAAP)	6.99 %	7.47 %	8.07 %	8.16 %	
Book value per share	\$ 21.14	\$ 21.17	\$ 21.12	\$ 21.04	
Tangible book value per share (non-GAAP)	\$ 13.38	\$ 13.45	\$ 13.46	\$ 13.38	

GAAP TO NON-GAAP RECONCILIATION



	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	2020
(dollars in thousands, except per share amounts)					
Net interest income	\$ 132,593	\$ 131,481	\$ 134,002	\$ 393,232	\$ 400,507
Core net interest income (non-GAAP)	\$ 132,593	\$ 131,481	\$ 134,002	\$ 393,232	\$ 400,507
Noninterest income	\$ 50,104	\$ 49,371	\$ 48,898	\$ 143,343	\$ 143,782
(Gains) losses on sale of securities	—	(102)	(24)	(102)	102
Core noninterest income (non-GAAP)	\$ 50,104	\$ 49,269	\$ 48,874	\$ 143,241	\$ 143,884
Noninterest expense	\$ 101,036	\$ 99,388	\$ 91,629	\$ 296,730	\$ 279,545
Loss on litigation	(2,100)	—	—	(2,100)	—
One-time items ⁽¹⁾	—	(1,160)	—	(1,160)	—
Core noninterest expense (non-GAAP)	\$ 98,936	\$ 98,228	\$ 91,629	\$ 293,470	\$ 279,545
Net income	\$ 64,279	\$ 86,741	\$ 65,101	\$ 208,713	\$ 124,015
(Gains) losses on sale of securities	—	(102)	(24)	(102)	102
Loss on litigation	2,100	—	—	2,100	—
One-time noninterest expense items ⁽¹⁾	—	1,160	—	1,160	—
Tax adjustments ⁽²⁾	(560)	(95)	6	(655)	(27)
Total core adjustments	1,540	963	(18)	2,503	75
Core net income (non-GAAP)	\$ 65,819	\$ 87,704	\$ 65,083	\$ 211,216	\$ 124,090
Basic earnings per share	\$ 0.50	\$ 0.67	\$ 0.50	\$ 1.61	\$ 0.95
Diluted earnings per share	\$ 0.50	\$ 0.67	\$ 0.50	\$ 1.61	\$ 0.95
Efficiency ratio	55.07 %	54.74 %	50.01 %	55.10 %	51.32 %
Core basic earnings per share (non-GAAP)	\$ 0.51	\$ 0.68	\$ 0.50	\$ 1.63	\$ 0.96
Core diluted earnings per share (non-GAAP)	\$ 0.51	\$ 0.68	\$ 0.50	\$ 1.63	\$ 0.95
Core efficiency ratio (non-GAAP)	53.92 %	54.13 %	50.02 %	54.51 %	51.31 %

1) One-time items consisted of severance costs.

2) Represents the adjustments to net income, tax effected at the Company's effective tax rate for the respective period

GAAP TO NON-GAAP RECONCILIATION - ANNUAL



As of and for the Twelve Months Ended December 31,

(Dollars in millions, except per share data)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Income	\$185.8	\$284.4	\$264.4	\$183.7	\$230.2	\$213.8	\$216.7	\$214.5	\$211.1	\$199.7
Basic EPS	\$1.43	\$2.14	\$1.93	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80
Diluted EPS	\$1.43	\$2.13	\$1.93	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80
Core Net Income	\$189.4	\$291.8	\$286.7	\$230.4	\$217.1	\$196.3	\$201.6	\$205.0	\$196.7	\$198.0
Average Total Stockholders' Equity	\$2,698.9	\$2,609.4	\$2,457.8	\$2,538.3	\$2,568.2	\$2,735.8	\$2,698.4	\$2,667.4	\$2,664.2	\$2,640.6
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Average Tangible Stockholders' Equity	\$1,703.4	\$1,613.9	\$1,462.3	\$1,542.8	\$1,572.7	\$1,740.3	\$1,702.9	\$1,672.0	\$1,668.7	\$1,645.1
Total Stockholders' Equity	2,744.1	2,640.3	2,524.8	2,532.6	2,476.5	2,736.9	2,675.0	2,651.1	2,654.2	2,677.4
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Tangible Stockholders' Equity	\$1,748.6	\$1,644.8	\$1,529.3	\$1,537.1	\$1,481.0	\$1,741.4	\$1,679.5	\$1,655.6	\$1,658.7	\$1,681.9
Average Total Assets	21,869.1	20,325.7	20,247.1	19,942.8	19,334.7	18,785.7	17,493.2	16,653.6	16,085.7	15,246.8
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Average Tangible Assets	\$20,873.6	\$19,330.2	\$19,251.6	\$18,947.3	\$18,339.2	\$17,790.2	\$16,497.7	\$15,658.1	\$15,090.2	\$14,251.3
Total Assets	22,662.8	20,166.7	20,695.7	20,549.5	19,661.8	19,352.7	18,133.7	17,118.8	16,646.7	15,839.4
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5
Tangible Assets	\$21,667.3	\$19,171.2	\$19,700.2	\$19,554.0	\$18,666.3	\$18,357.2	\$17,138.2	\$16,123.3	\$15,651.2	\$14,843.9
Return on Average Total Stockholders' Equity	6.88%	10.90%	10.76%	7.24%	8.96%	7.81%	8.03%	8.04%	7.92%	7.56%
Core Return on Average Total Stockholder's Equity (non-GAAP)	7.02%	11.18%	11.67%	9.08%	8.45%	7.18%	7.47%	7.68%	7.38%	7.50%
Return on Average Tangible Stockholders' Equity (non-GAAP)	10.91%	17.62%	18.08%	11.91%	14.64%	12.28%	12.72%	12.83%	12.65%	12.14%
Core Return on Average Tangible Stockholder's Equity (non-GAAP)	11.12%	18.08%	19.61%	14.93%	13.80%	11.28%	11.84%	12.26%	11.79%	12.04%
Return on Average Total Assets	0.85%	1.40%	1.31%	0.92%	1.19%	1.14%	1.24%	1.29%	1.31%	1.31%
Core Return on Average Total Assets (non-GAAP)	0.87%	1.44%	1.42%	1.16%	1.12%	1.05%	1.15%	1.23%	1.22%	1.30%
Return on Average Tangible Assets (non-GAAP)	0.89%	1.47%	1.37%	0.97%	1.26%	1.20%	1.31%	1.37%	1.40%	1.40%
Core Return on Average Tangible Assets (non-GAAP)	0.91%	1.51%	1.49%	1.22%	1.18%	1.10%	1.22%	1.31%	1.30%	1.39%

Note: Totals may not sum due to rounding.

GAAP TO NON-GAAP RECONCILIATION - ANNUAL



For the Fiscal Year Ended December 31,

(Dollars in millions)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Interest Income	\$ 535.7	\$ 573.4	\$ 566.3	\$ 528.8	\$ 491.7	\$ 461.3	\$ 443.8	\$ 439.0	\$ 447.5	\$ 470.0
Accounting Change (ASC 310 Adjustment)	–	–	–	–	–	–	–	(4.3)	–	–
Early Buyout on Lease	–	–	–	–	–	–	(3.1)	–	–	–
Early Loan Termination ⁽¹⁾	–	–	–	–	–	(4.8)	–	–	–	–
Core Net Interest Income (Non-GAAP)	\$ 535.7	\$ 573.4	\$ 566.3	\$ 528.8	\$ 491.7	\$ 456.5	\$ 440.7	\$ 434.7	\$ 447.5	\$ 470.0
Noninterest Income ⁽²⁾	\$ 197.4	\$ 192.5	\$ 179.0	\$ 205.6	\$ 226.0	\$ 219.1	\$ 216.0	\$ 214.4	\$ 219.1	\$ 200.2
OTTI Losses on Available-For-Sale Securities	–	–	24.1	–	–	–	–	–	–	–
Loss (Gain) on Sale of Securities	0.1	2.7	–	–	(4.6)	(7.7)	–	(0.2)	(16.7)	(1.7)
Costs (Gain) associated with the Sale of Stock (Visa/MasterCard) ⁽³⁾	4.8	4.5	–	–	(22.7)	(4.6)	(20.8)	(11.1)	–	–
Gain on Sale of Bank Properties	–	–	–	(6.9)	–	(3.4)	–	(0.4)	(6.4)	–
Other Adjustments ^{(1),(4)}	–	–	–	–	–	(7.5)	–	–	–	(0.9)
Core Noninterest Income (Non-GAAP)	\$ 202.3	\$ 199.7	\$ 203.1	\$ 198.7	\$ 198.8	\$ 195.9	\$ 195.1	\$ 202.7	\$ 196.0	\$ 197.6
Noninterest Expense ⁽²⁾	\$ 367.7	\$ 370.4	\$ 365.0	\$ 347.6	\$ 337.3	\$ 327.3	\$ 304.4	\$ 296.7	\$ 301.9	\$ 311.7
Loss on Litigation Settlement	–	–	(4.1)	–	–	–	–	–	–	–
Non-Recurring Items ⁽⁵⁾	–	(2.8)	(2.3)	(5.5)	(6.2)	–	–	(0.7)	(0.7)	–
Core Noninterest Expense (Non-GAAP)	\$ 367.7	\$ 367.6	\$ 358.6	\$ 342.1	\$ 331.1	\$ 327.3	\$ 304.4	\$ 296.0	\$ 301.2	\$ 311.7
Income Before Provision for Income Taxes	\$ 243.7	\$ 381.7	\$ 358.2	\$ 368.4	\$ 371.8	\$ 343.2	\$ 344.2	\$ 344.5	\$ 329.8	\$ 316.4
Provision For Credit Losses	121.7	13.8	22.2	18.5	8.6	9.9	11.1	12.2	34.9	42.1
Pre-Tax Core Adjustments	4.9	10.0	30.5	(1.4)	(21.1)	(28.0)	(23.9)	(15.3)	(22.4)	(2.6)
Core Pre-Tax, Pre-Provision Earnings (Non-GAAP)	\$ 370.3	\$ 405.5	\$ 410.8	\$ 385.4	\$ 359.3	\$ 325.1	\$ 331.5	\$ 341.4	\$ 342.3	\$ 355.9

Note: Totals may not sum due to rounding.

- (1) Adjustments that are not material to our financial results have not been presented for certain periods.
- (2) Noninterest income and expenses prior to 2017 have been revised from the amounts previously reported to reflect the reclassifications described in the footnote to Table 1 of the fourth quarter 2017 earnings release.
- (3) Costs associated with the sale of stock for the years ended December 31, 2020 and 2019 related to changes in the valuation of the funding swap entered into with the buyer of our Visa Class B restricted sales in 2016. Gains associated with the sale of stock for the years ended December 31, 2013 through December 31, 2016 related to the sale of MasterCard stock.
- (4) Other adjustments include a one-time MasterCard signing bonus and a recovery of an investment that was previously written down.
- (5) One-time items for the year ended December 31, 2019 included a nonrecurring payment to a former executive of the Company pursuant to the Bank's Executive Change-in-Control Retention Plan, nonrecurring offering costs and the loss on our funding swap as a result of a 2019 decrease in the conversion rate of our Visa Class B restricted shares sold in 2016. One-time items for the year ended December 31, 2018 included public company transition-related costs, the loss on our funding swap as a result of a 2018 decrease in the conversion rate of the aforementioned Visa Class B restricted shares and nonrecurring offering costs. One-time items for the year-ended December 31, 2017 included salaries and benefits stemming from the Tax Act, nonrecurring offering costs and public company transition-related costs. One-time items for the year-ended December 31, 2016 included public company transition-related costs and nonrecurring offering costs.

GAAP TO NON-GAAP RECONCILIATION - ANNUAL



For the Fiscal Year Ended December 31,

(Dollars in millions, except per share data)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Income	\$ 185.8	\$ 284.4	\$ 264.4	\$ 183.7	\$ 230.2	\$ 213.8	\$ 216.7	\$ 214.5	\$ 211.1	\$ 199.7
Accounting Change (ASC 310 Adjustment)	—	—	—	—	—	—	—	(4.3)	—	—
Early Buyout on Lease	—	—	—	—	—	—	(3.1)	—	—	—
Early Loan Termination ⁽¹⁾	—	—	—	—	—	(4.8)	—	—	—	—
OTTI Losses on Available-For-Sale Debt Securities	—	—	24.1	—	—	—	—	—	—	—
Loss (Gain) on Sale of Securities	0.1	2.7	—	—	(4.6)	(7.7)	—	(0.2)	(16.7)	(1.7)
Costs (Gain) associated with the Sale of Stock (Visa/MasterCard) ⁽²⁾	4.8	4.5	—	—	(22.7)	(4.6)	(20.8)	(11.1)	—	—
Gain on Sale of Real Estate	—	—	—	(6.9)	—	(3.4)	—	(0.4)	(6.4)	—
Loss on Litigation Settlement	—	—	4.1	—	—	—	—	—	—	—
Other Adjustments ^{(1),(3)}	—	—	—	—	—	(7.5)	—	—	—	(0.9)
Non-Recurring Items ⁽⁴⁾	—	2.8	2.3	5.5	6.2	—	—	0.7	0.7	—
Pre-Tax Core Adjustments	4.9	10.0	30.5	(1.4)	(21.1)	(28.0)	(23.9)	(15.3)	(22.4)	(2.6)
Tax Reform Bill	—	—	—	47.6	—	—	—	—	—	—
Tax Adjustments ⁽⁵⁾	(1.3)	(2.6)	(8.2)	0.6	8.0	10.6	8.9	5.8	8.1	1.0
Total Core Adjustments	3.6	7.4	22.3	46.7	(13.1)	(17.5)	(15.0)	(9.5)	(14.3)	(1.7)
Core Net Income (Non-GAAP)	\$ 189.4	\$ 291.8	\$ 286.7	\$ 230.4	\$ 217.1	\$ 196.3	\$ 201.6	\$ 205.0	\$ 196.7	\$ 198.0
Core Basic EPS (Non-GAAP)	\$ 1.46	\$ 2.14	\$ 2.09	\$ 1.65	\$ 1.56	\$ 1.41	\$ 1.45	\$ 1.47	\$ 1.57	\$ 1.79
Core Diluted EPS (Non-GAAP)	\$ 1.45	\$ 2.13	\$ 2.09	\$ 1.65	\$ 1.56	\$ 1.41	\$ 1.45	\$ 1.47	\$ 1.57	\$ 1.79

Note: Totals may not sum due to rounding.

(1) Adjustments that are not material to our financial results have not been presented for certain periods.

(2) Costs associated with the sale of stock for the years ended December 31, 2020 and 2019 related to changes in the valuation of the funding swap entered into with the buyer of our Visa Class B restricted sales in 2016. Gains associated with the sale of stock for the years ended December 31, 2013 through December 31, 2016 related to the sale of MasterCard stock.

(3) Other adjustments include a one-time MasterCard signing bonus and a recovery of an investment that was previously written down.

(4) One-time items for the year ended December 31, 2019 included a nonrecurring payment to a former executive of the Company pursuant to the Bank's Executive Change-in-Control Retention Plan, nonrecurring offering costs and the loss on our funding swap as a result of a 2019 decrease in the conversion rate of our Visa Class B restricted shares sold in 2016. One-time items for the year ended December 31, 2018 included public company transition-related costs, the loss on our funding swap as a result of a 2018 decrease in the conversion rate of the aforementioned Visa Class B restricted shares and nonrecurring offering costs. One-time items for the year-ended December 31, 2017 included salaries and benefits stemming from the Tax Act, nonrecurring offering costs and public company transition-related costs. One-time items for the year-ended December 31, 2016 included public company transition-related costs and nonrecurring offering costs.

(5) Represents the adjustments to net income, tax effected at the Company's effective tax rate, exclusive of one-time tax reform bill expense, for the respective period.