Hawaiian Electric Industries, Inc.

Second Quarter
Financial Results and Outlook

August 3, 2012

YTD Highlights

- **Executing on Strategies**:
  - First half of year tracking with our 2012 objectives
  - Significant regulatory activity; all three utilities decoupled
  - Bank continues to deliver solid performance in very low interest rate environment
- **HEI continues to offer a unique combination** of:
  - Attractive and stable earnings growth
  - Reduced risk and volatility
  - Above average dividend yield

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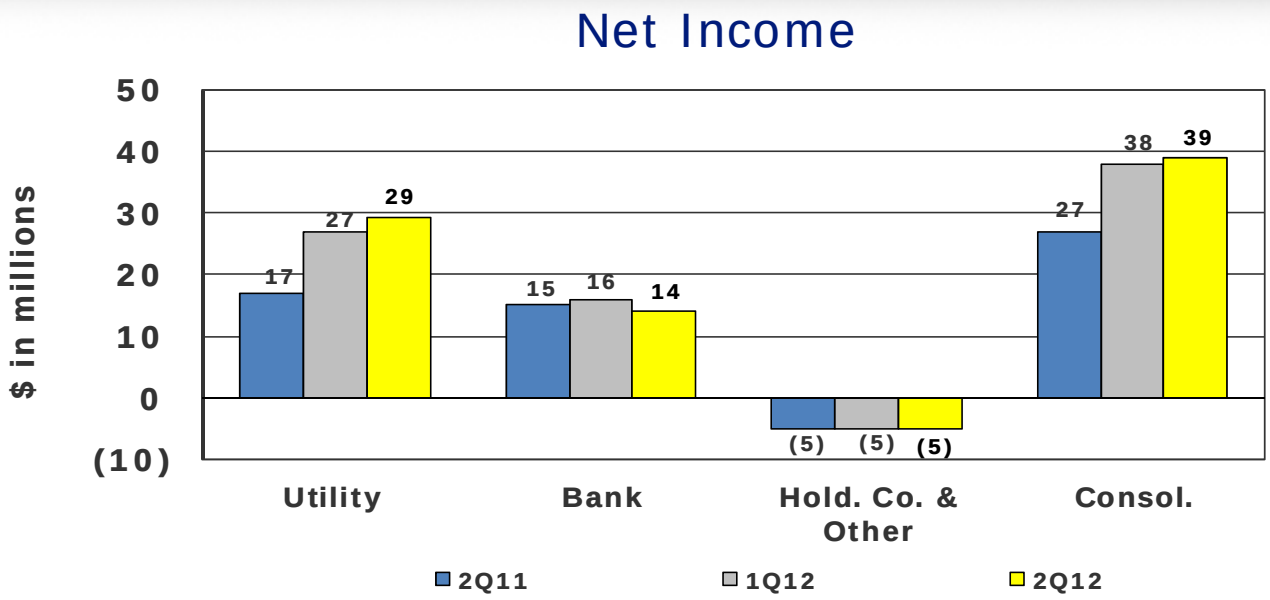
Consolidated Results



EPS (diluted)			
	HECO	ASB	Cons
2Q12	$0.30	$0.15	$0.40
1Q12	$0.28	$0.16	$0.40
2Q11	$0.18	$0.16	$0.28

Utility YTD Strategic Progress

Regulatory

- PUC issued over 50 decisions on energy in 2Q
- HECO Oahu 2011 Test Year (TY) Final D&O
- MECO 2012 TY Interim D&O
- All three utilities are decoupled

Clean Energy

- RPS of over 13% through June 2012
- Progressing on 200 MW renewable generation/interisland cable procurement process

Capital Projects

- 2012 projects on track
- Executed $115M of $300M 2012 capex budget

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YTD Bank Highlights

- Continued solid performance in very low interest rate environment

		YTD 2012 Actual		
$ in Millions ($M)	2012 Performance Targets*	ASB*	Peers*[1]	High Performing Peers*[2]
Return on assets	1.15% - 1.20%	1.22%	0.89%	1.25%
Loan growth	Low to mid-single digit %	2.86%	4.91%	5.19%
Net interest margin	~4%	4.01%	3.77%	4.03%
Efficiency ratio	Mid-50s	58%	62%	52%
Noninterest expense	$145M	$146M	n/a	n/a
Pretax Preprovision Income	$100M - $105M	$103M	n/a	n/a

[1] Median for peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See appendix.
[2] Median for peer group of 12 high performing banks. See appendix.
Source for peer data: SNL Financial (based upon data available as of August 1, 2012)

* Year-to-date (YTD) information is annualized.

Hawaii Economic Trends*

- Tourism continues strong recovery

Year-over-year percent change	June 2012	YTD June 2012	2012 Forecast**
Arrivals	+11.5%	+10.2%	+6.5%
Expenditures	+20.4%	+21.4%	+9.0%

- Expect construction to begin its recovery this year
- Hawaii's unemployment rate remains low at 6.4% vs the nation at 8.2% in June 2012
- In June, statewide single family home sales increased over the prior year, but median sales prices were mixed
- Gradual improvement expected for Hawaii's economy in 2012

* Additional reference in the appendix
** Source: DBEDT

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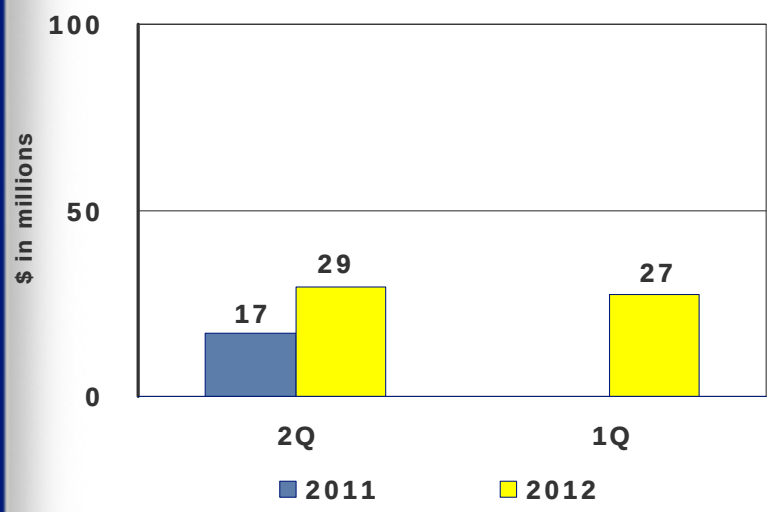
2nd Quarter Utility & Bank Financial Highlights

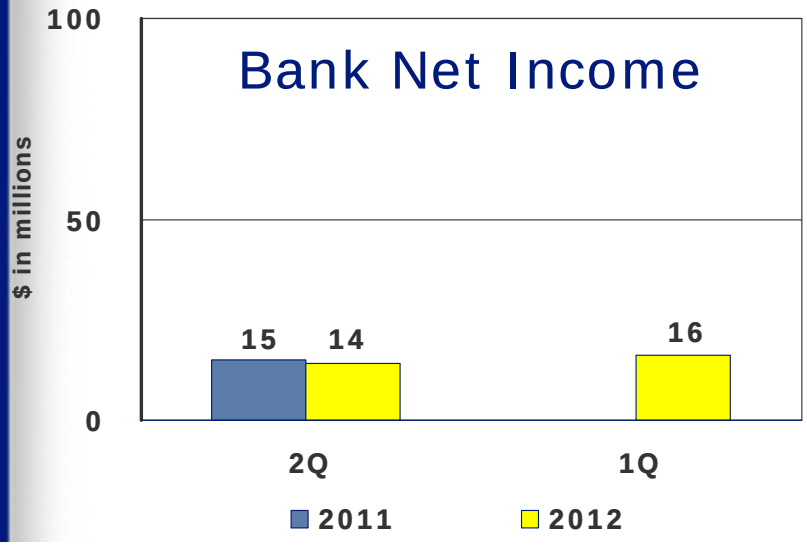
Utility Net Income



Key utility earnings drivers fav/(unfav) ($ in millions after-tax)	2Q12 vs 2Q11
Net revenues*	9
O&M, excluding DSM	2
AFUDC	1

*Net revenues = Operating revenues less the following operating expenses: fuel oil, purchased power and taxes, other than income taxes

Bank Net Income

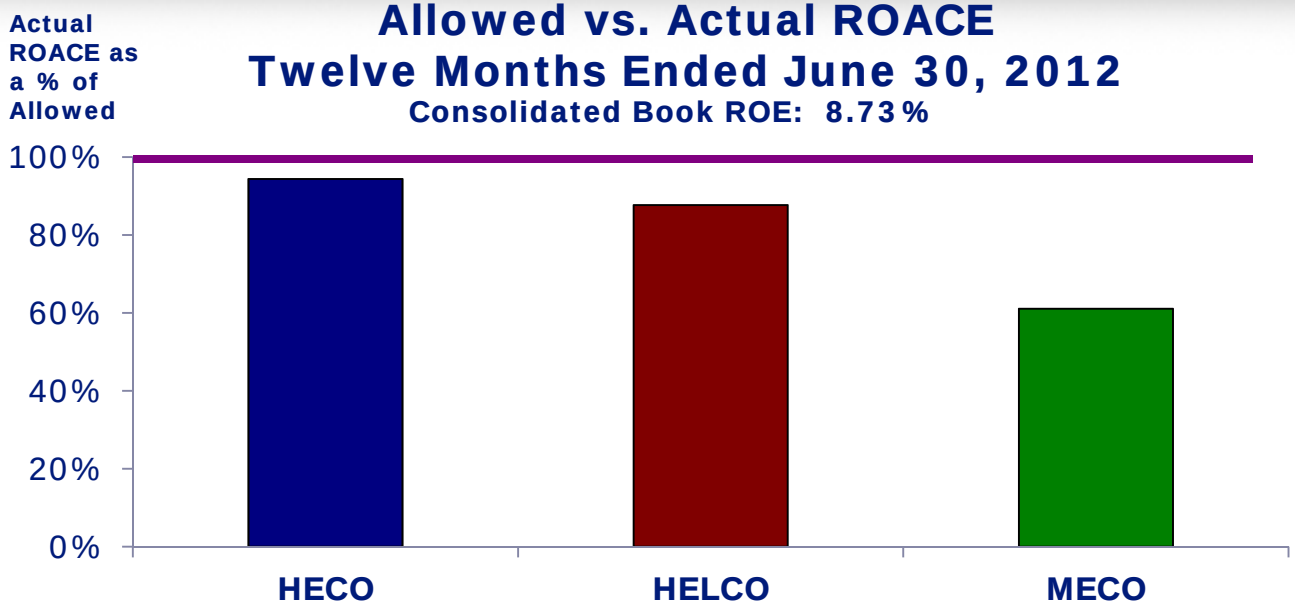


Key bank earnings drivers fav/(unfav) ($ in millions after-tax)	2Q12 vs 1Q12	2Q12 vs 2Q11
Provision for loan losses	$1	--
Noninterest expense	($1)	($1)
Release of a tax reserve	($1)	--

Hawaiian Electric Company

Executing on its Clean Energy Plan

Improved Consolidated ROE



Book**	9.44%	8.77%	6.11%
Allowed*	10.00%	10.00%	10.00%

ROE Goal for HECO Oahu: 8.5% for 2012

Appendix includes additional details of the decoupling mechanisms and implementation

* Based on PUC decisions in effect on June 30, 2012

** Calculated using GAAP net income divided by average common equity, simple average method

Utility Summary of Key Earnings Drivers 2nd Half 2012

Regulatory

- MECO 2012 Interim D&O of $13.1M effective June 1, 2012
- Projects subject to regulatory audits: CIS, CT-1

Decoupling

- 2012 RAMs of $4.9 million effective June 2012
- ~$1.5 million of HELCO heat rate savings to be reduced in 2H 2012 vs. 2H 2011

O&M

- Expectations unchanged at ~6% higher than full year 2011, ~15% higher 2H 2012 vs 2H 2011

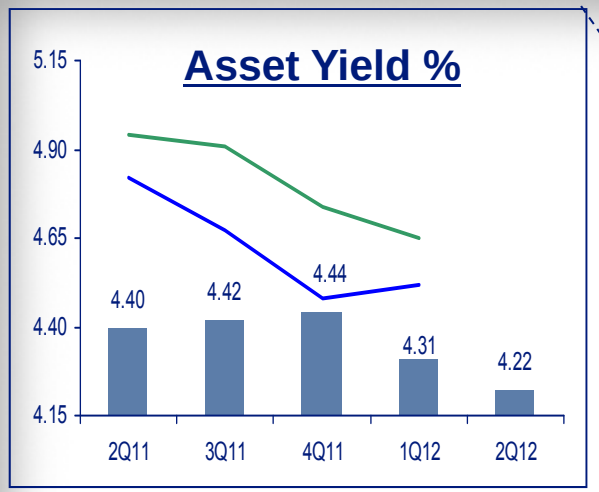
CapEx/ Rate Base

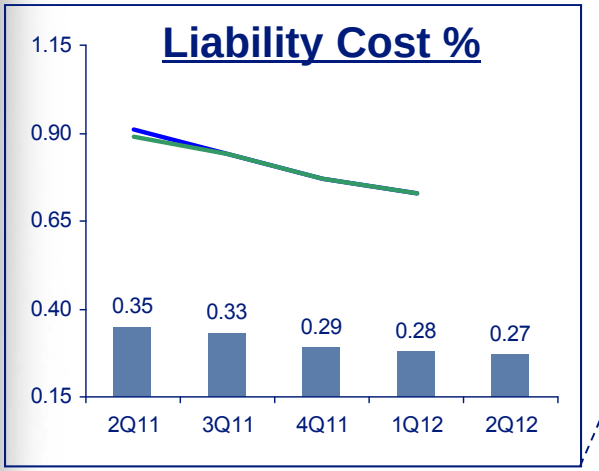
- Expectations unchanged at 4% to 5% for the year

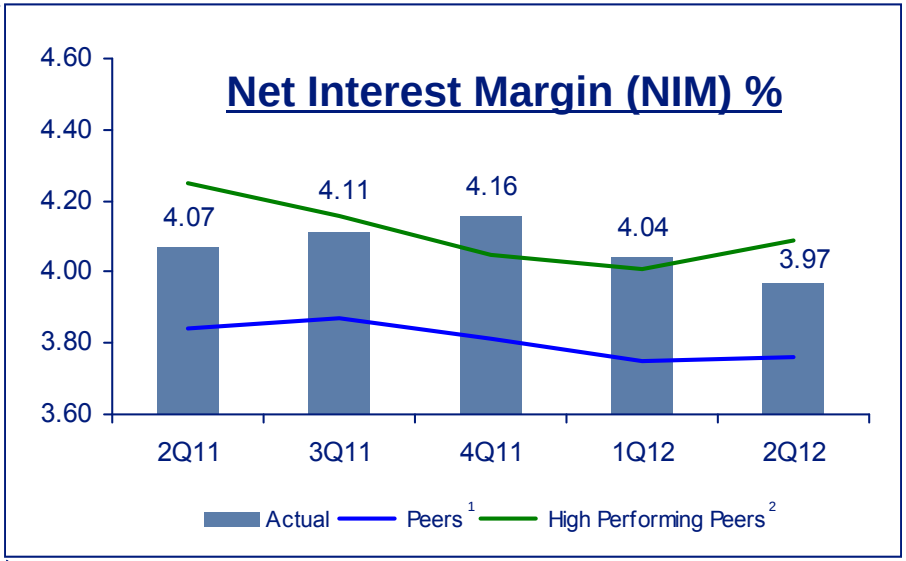
American Savings Bank

Sound, profitable and efficient franchise to maintain high-performing status

Net Interest Margin Declining But Strong at Almost 4%



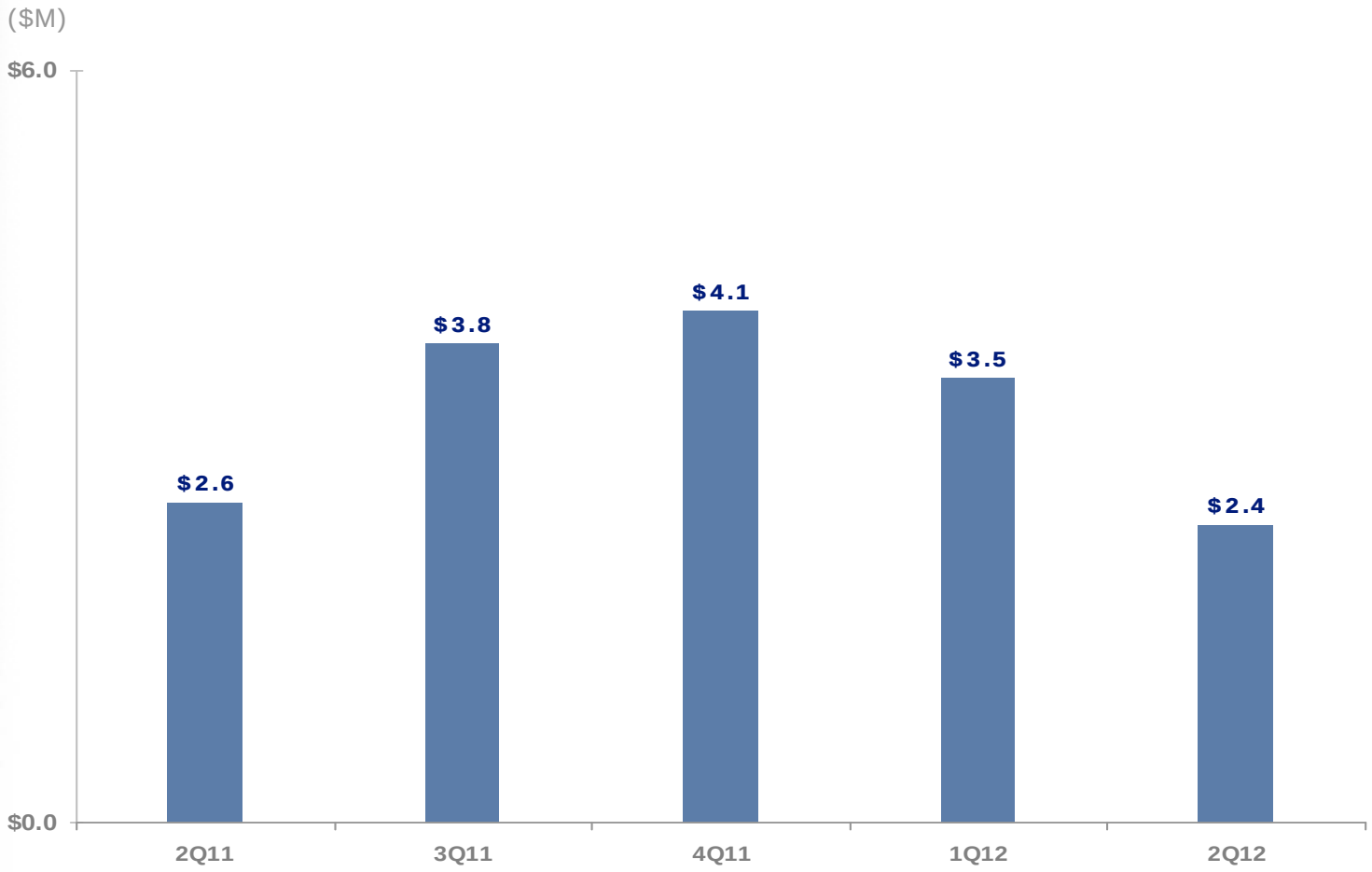




Asset Yield: Total interest income as a percentage of average interest-earning assets
Liability Cost: Total interest expense as a percentage of average interest-bearing and non-interest bearing liabilities
Net Interest Margin: Net interest income as a percentage of average interest-earning assets

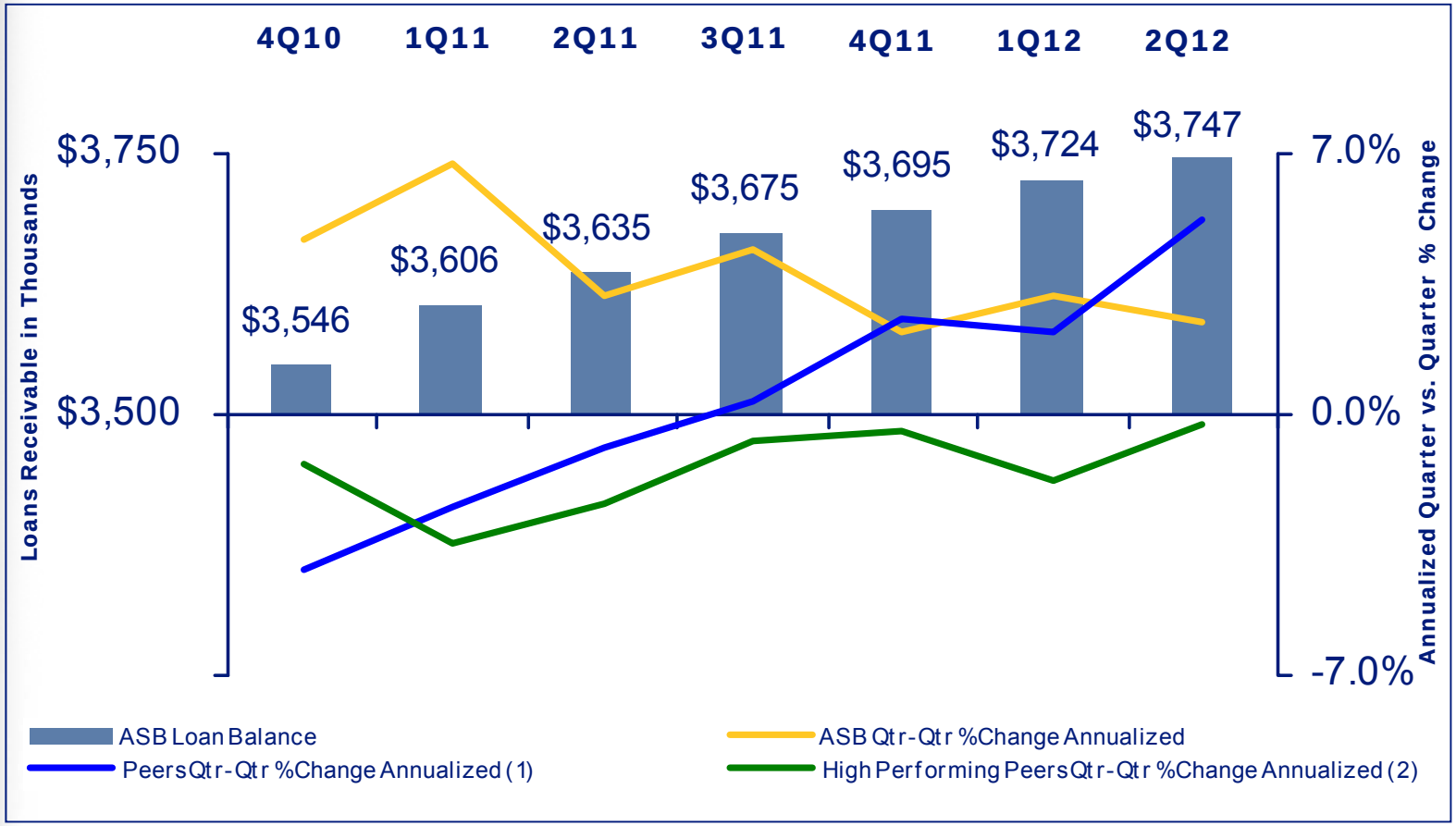
[1] Median for peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See appendix.
[2] Median for peer group of 12 high performing banks. See appendix.
Source for peer data: SNL Financial (based upon data available as of August 1, 2012)

Lower Provision for Loan Losses



Continued Loan Growth in Line with Target

Quarterly Loan Growth



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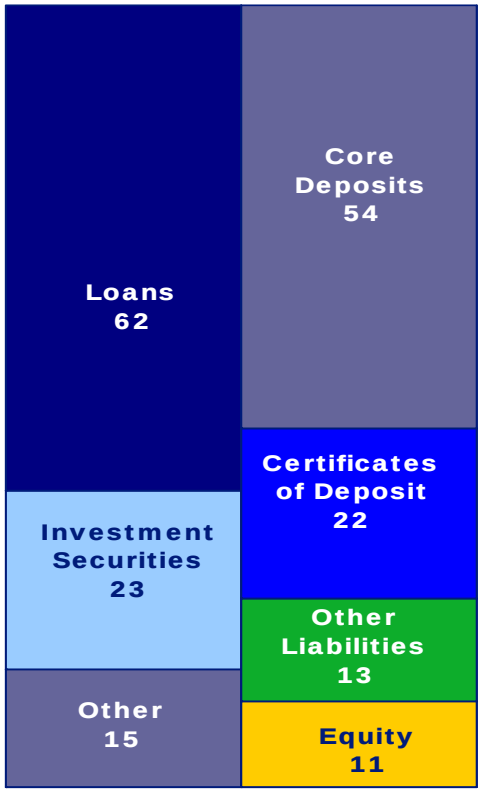
Source for peer data: SNL Financial (based upon data available as of August 1, 2012)

Quality Balance Sheet

- Overall loan-to-deposit ratio of 90%
- 97% of ASB loans funded with low-cost core deposits

Peer Banks[1]

3/31/12 (%)

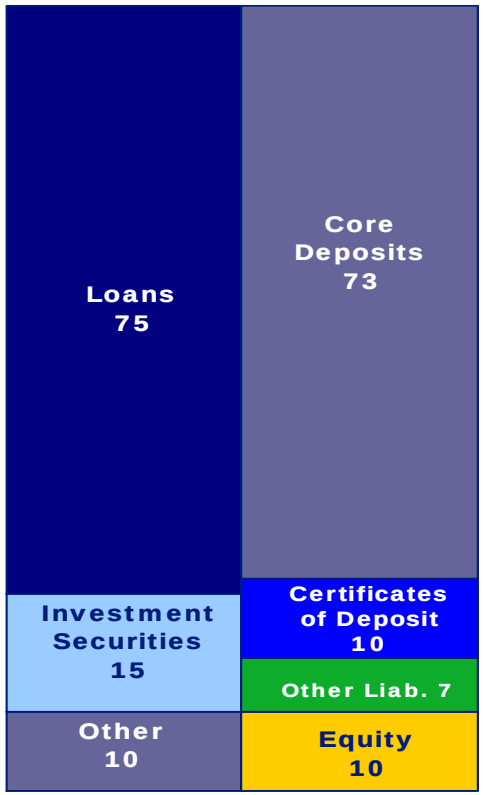


Median yield on earning assets 1Q12: 4.52%

Median cost of funds 1Q12: 0.73%

ASB

6/30/12 (%)



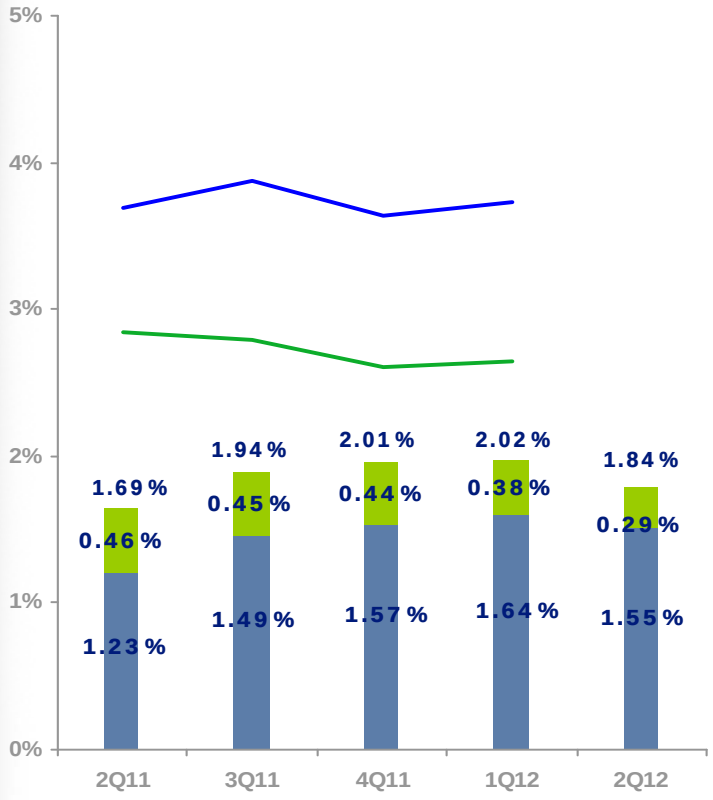
Avg yield on earning assets 2Q12: 4.22%

Avg cost of funds 2Q12: 0.27%

[1] Peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See appendix.
Source for peer data: SNL Financial (based upon data available as of August 1, 2012)

Nonperforming Assets Ratio Low Compared to Peers

Percentages

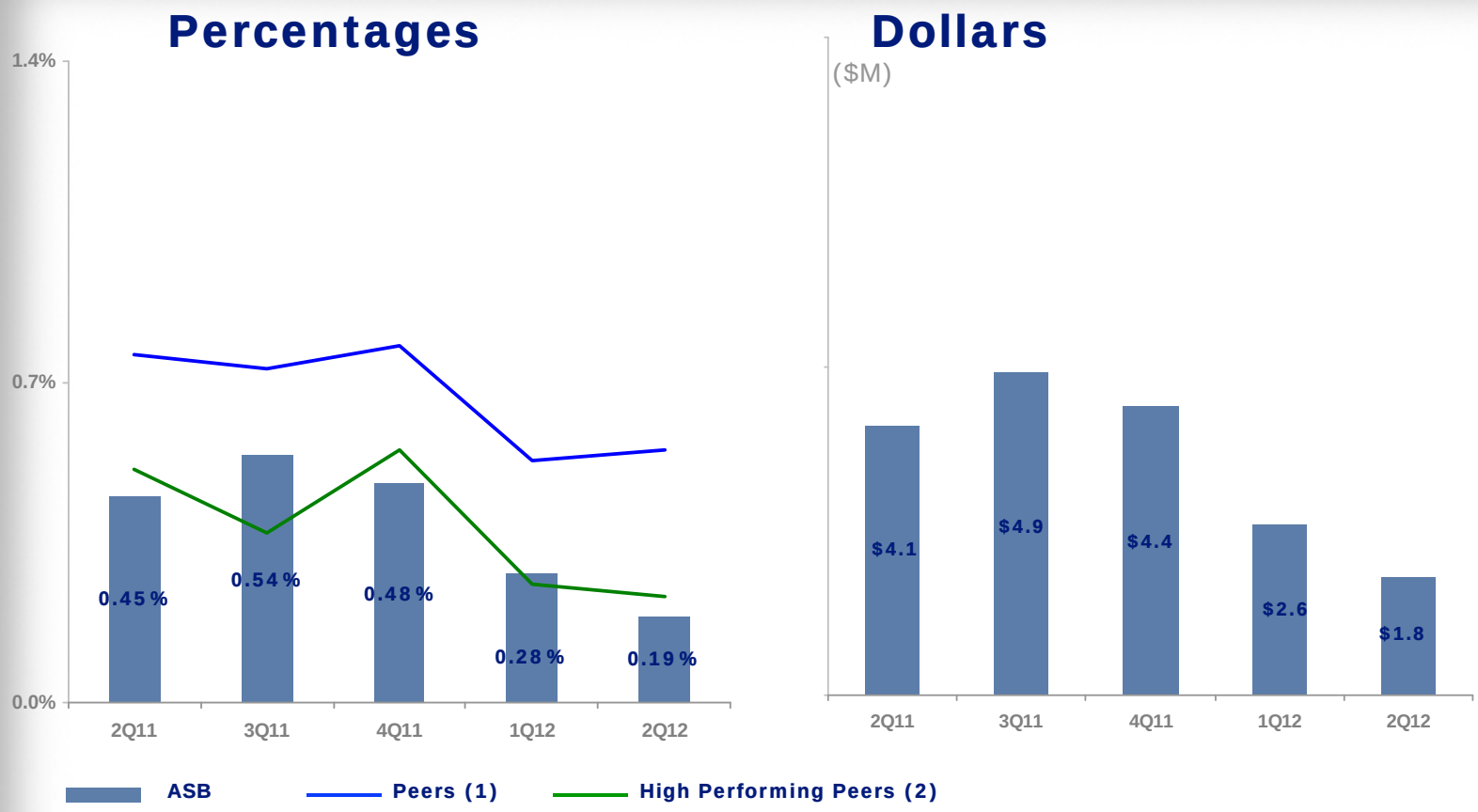


Dollars

All Other ASB Loans | Residential Lot Loans | Peers (1) | High Performing Peers (2)

Percentages represent regulatory nonperforming assets to regulatory end of period loans and real estate owned.
Dollars are in millions at the end of the period.
[1] Median for peer group based on publicly traded banks and thrifts between $3.5B and $8B in total assets. See appendix.
[2] Median for peer group of 12 high performing banks. See appendix.
Source for peer data: SNL Financial (based upon data available as of August 1, 2012)

Net Loan Charge-offs Decline



Annualized quarterly net loan charge-offs ratio reflected as a percentage of average loans held during the period.
Charge-off dollars are in millions.
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[2] Median for peer group of 12 high performing banks. See appendix.
Source for peer data: SNL Financial (based upon data available as of August 1, 2012)

Bank Summary of Key Earnings Drivers 2nd Half 2012

Net Interest Income

- Low-interest rate environment to persist
- NIM to decline but close to 4% for 2012
- Expect low to mid-single digit loan growth
- Shift to shorter duration, adjustable rate products to manage interest rate risk

Noninterest Income

- Working to expand fee income from products and services within the regulatory environment
- Gains on sales will depend on interest rates and loan origination volumes

Provision for loan losses

- Estimate approximately $13M - $16M for 2012
- Assumes continued modest improvement in the economy

Noninterest Expense

- Approximately $145M for 2012

Expect net income to be 3% to 5% lower than 2011, however, low-cost funding base, reduced cost structure and lower risk profile should continue to benefit our relative performance to the industry

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HEI Well-Positioned Going Forward

Summary

- Continuing to execute on our strategies:
  - Utility fulfilling clean energy role in our state and improving returns
  - Bank continues to deliver solid results
- HEI continues to offer a unique combination of:
  - Attractive earnings growth
  - Reduced risk and volatility
  - Above average dividend yield of 4.4%*

* As of August 2, 2012

Appendix

Rate Case Schedule

MECO 2010 Test Year

July 2010 – Interim D&O $10.3M; ROE 10.5%; Jan 2011 - Adjusted Interim D&O - $8.5M; ROE 10.5%
May 2012 - Final D&O – $4.7M[1]; ROE 10%[1]

HELCO 2010 Test Year

Nov 2010 – Interim D&O $6.0M; ROE 10.5%; Jan 2011 – Adjusted Interim D&O - $5.2M; ROE 10.5%
April 2012 - Final D&O – $4.5M[2]; ROE 10%[2]

HECO 2011 Test Year

July 2011 – Interim D&O $53.2M; April 2012 – Adjusted Interim D&O $58.8[3]; ROE 10%;
June 2012 – Final D&O –$58.1M[4]; ROE 10%

MECO 2012 Test Year

Requested – $27.5M; ROE 11%;
May 2012 - Interim D&O –$13.1M[5]; ROE 10%

HELCO 2013 Test Year

To be filed in mid-2012

HECO 2014 Test Year

To be filed in 2013

2010 2011 2012 2013 2014

1 On May 2, 2012, the PUC issued the final D&O approving the updated settlement, which incorporated the final decoupling D&O, final 2007 test year rate case D&O, final MECO depreciation D&O, and HECO's D&O related to D&Os related to ROE and implementation of decoupling.
2 On April 4, 2012, the PUC issued an order approving the revised revenue requirements and tariff sheets incorporating the PUC-approved depreciation rates, lower ROE due to the implementation of decoupling and other provisions of the final D&O issued in February 2012.
3 On February 24, 2012 the PUC ordered the Company to include the ERP/EAM system evaluation costs into base rates. On March 13, 2012 the PUC approved a decrease of $0.5M to the interim rate relief for modifications to the composite income tax rate, DSM and regulatory commission expenses. On March 29, 2012 the PUC approved an upward adjustment of $5.5M to the interim for all remaining EOTP costs. On May 14, 2012 the PUC approved the interim relief for all adjustments totally $58.8M, which became effective May 21, 2012.
4 On June 29, 2012, the PUC issued the final D&O for the HECO 2011 TY rate case. The final D&O reduced the revised interim increase by $0.7M to reflect the removal of HEI non-incentive executive compensation costs. The Company filed revised schedules and tariffs for final rates on July 24, 2012, requesting an effective date of September 1, 2012.
5 On May 21, 2012, the PUC issued the Interim D&O approving $13.1M on interim relief, which became effective June 1, 2012.

HECO Rate Case: 2011 Test Year

(Hawaii PUC Docket number: 2010-0080)

	Application (7/30/10)	Interim D&O (7/26/11)	Adjusted Interim D&O (5/20/12)	Final D&O (6/29/12)
Base Request New Programs	$74M (4.3% increase) $40M (2.3% increase)	$53.2M(2) (3.1% increase)	$58.8M(2),(3) (3.4% increase)	$58.1M(4) (3.4% increase)
Deprec. & amort. expenses	$90M	$87.5M	$88.8M	$88.8M
Return on average common equity	10.75% with mechanisms	10.00% with mechanisms	10.00% with mechanisms	10.00% with mechanisms
Common equity capitalization (%)	56.3%	56.3%	56.3%	56.3%
Return on average rate base	8.54%	8.11%	8.11%	8.11%
Average rate base amount(1)	$1.569B	$1.354B	$1.386B	$1.386B
KWH sales (GWH)	7,470	7,470	7,470	7,470

Existing Balancing Accounts, Trackers and/or Surcharges
Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchased Power Adjustment Clause.

(1) Current effective rates are based on the Final D&O in HECO's 2009 test year rate case. Average rate base in that D&O was $1.25B.

(2) Including the impact of $15M (0.9%) in annual revenues which were being recovered through the decoupling Revenue Adjustment Mechanism.

(3) On February 24, the PUC ordered the Company to include the ERP/EAM system evaluation costs into base rates. On March 13, the PUC approved a decrease of $0.5M to the interim rate relief for modifications to the composite income tax rate, DSM and regulatory commission expenses. On March 29, the PUC approved an upward adjustment of $5.5M to the interim for remaining EOTP costs. On May 14, the PUC approved the interim relief of $58.8M which included these adjustments.

(4) On June 29, 2012, the PUC issued the final D&O for the HECO 2011 TY rate case. The final D&O reduced the revised interim increase by $0.7M to reflect the removal of HEI non-incentive executive compensation costs. HECO filed revised schedules and tariffs for final rates on July 24, 2012, requesting an effective date of September 1, 2012.

MECO Rate Case: 2012 Test Year

(Hawaii PUC Docket number: 2011-0092)

	Application (7/22/11)	Settlement (4/20/12)	Interim D&O (6/1/12)
Base Request	$27.5M(1) (6.7% increase)	$14.9M (3.6% increase)	$13.1M(3) (3.2% increase)
Deprec. & amort. expenses	$19.8M	$19.7M	$19.7M
Return on average common equity	11% with mechanisms	10% with mechanisms	10% with mechanisms
Common equity capitalization (%)	56.85%	56.86%	56.86%
Return on average rate base	8.72%	7.91%	7.91%
Average rate base amount(2)	$393M	$393M	$393M
KWH sales (GWH)	1,201.8	1,201.8	1,201.8

Existing Balancing Accounts, Trackers and/or Surcharges
Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause.

(1) Increases consist of:
- **Return on rate base $ 3.0 M**
- **O&M $19.5 M**
- **Other, net $ 5.0 M**

(2) Current effective rates are based on MECO's 2010 test year adjusted interim rate case D&O. Average rate base in that D&O was $387M.

(3) Based on updated settlement which included the implementation of final rates in 2010 test year rate case.

Upcoming Dates

- No statutory deadline for final decision

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MECO Rate Case: 2010 Test Year

(Hawaii PUC Docket number: 2009-0163)

	Application (09/30/09)	Interim (08/01/10)	Adj Interim (1/12/11)	Final (5/4/12)
Amount requested	$28.2M (9.7% increase) (1)	$10.3M (3.3% increase) (1)	$8.5M (2.7% increase) (2)	$4.7M (1.5% increase)(2)
Deprec. & amort. expenses	$20.2M	$20.8M	$20.8M	$18.9M
Return on average common equity	10.75%	10.50%	10.50%	10.00% with mechanisms
Common equity capitalization (%)	56.9%	56.9%	56.9%	56.9%
Return on average rate base	8.57%	8.43%	8.43%	8.15%
Average rate base amount	$390M	$387M	$387M	$387M
KWH sales (GWH)	1,131.0	1,204.2	1,204.2	1,204.2

Existing Balancing Accounts, Trackers and/or Surcharges
Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause.

(1) Current effective rates are based on the Interim D&O in MECO's 2007 test year rate case. Average rate base in that D&O was $383M.

(2) Current effective rates are based on Final D&O in MECO's 2007 test year rate case. Average rate base in that D&O was $383M.

HELCO Rate Case: 2010 Test Year

(Hawaii PUC Docket number: 2009-0164)

	Application (12/9/09)	Interim D&O (1/14/11)	Adj Interim (1/1/12)(3)	Final (4/9/12)(4)
Amount requested	$20.9M (6% increase)(1)	$6.0M (1.7% increase)(2)	$5.2M (1.5% increase)(2)	$4.5M (1.3% increase)(2)
Deprec. & amort. expenses	$32.3M	$31.7M	$31.7M	$31.3M
Return on average common equity	10.75% with mechanisms 11% without	10.5% without mechanisms	10.5% without mechanisms	10.00% with mechanisms
Common equity capitalization (%)	55.9%	55.9%	55.9%	55.9%
Return on rate base	8.73%	8.59%	8.59%	8.31%
Average rate base amount	$487M(1)	$465M(2)	$465M(2)	$465M(2)
KWH sales (GWH)	1,122.6	1,122.6	1,122.6	1,122.6

Existing Balancing Accounts, Trackers and/or Surcharges
Decoupling Revenue Balancing Account/Revenue Adjustment Mechanism; ECAC: Fuel & Purchased Energy; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchase Power Adjustment Clause.

(1) Current effective rates are based on the Interim D&O in HELCO's 2006 TY rate case. Average rate base in that D&O was $357M.
(2) Current effective rates are based on the Final rates in HELCO's 2006 TY rate case. Average rate base in that D&O was $357M.
(3) In January 2011, the PUC approved the adjustment from $6.0M to $5.2M to incorporate the bargaining unit benefit adjustments that went into effect on January 1, 2012.
(4) Decision and Order No. 30168 directed HELCO to file as soon as reasonably practicable its revised results of operations and tariff sheets based on the newly approved depreciation rates, the ROE of 10.00% and other provisions of the D&O. On April 4, 2012, the PUC approved the revised revenue requirements and tariff sheets.

Decoupling Summary

(Hawaii PUC Docket number: 2008-0274)

Components	
1. Sales decoupling via a revenue balancing account (RBA)	**▪Delinks utility revenues from electricity usage** ▪ GAAP revenue = revenue approved in the last rate case (interim or final) ▪ Recorded revenues adjusted monthly in the RBA ▪ Target (decoupling) revenues will be allocated as follows:

	1Q	2Q	3Q	4Q
HECO	23.46%	24.75%	26.49%	25.30%
HELCO	24.23%	24.54%	25.87%	25.36%
MECO	23.92%	24.77%	26.21%	25.10%

▪ On a cash basis, RBA trued-up in rates annually in June of the following year

2. Revenue adjustment mechanism (RAM) for expenses	**▪Annually adjusts revenues for indexed changes in Base Expenses** ▪ Base expenses = expense levels in the last approved rate case (interim or final), adjusted for annual indexed increases, and excluding expenses covered by a separate tracking mechanism[1] and labor expense for merit employees ▪ Union labor escalation rate = rate per the union labor agreement less 0.76% productivity factor ▪ Non-labor escalation rate = consensus estimated annual change in GDPPI per the Blue Chip Economic Indicators published each February ▪ O&M in excess of the last rate case level and/or the indexed increases, is not covered by the RAM ▪ Annually, request adjustment by 3/31 and adjusted rates commence on 6/1 for 12 month period, if not suspended

[1] **Includes fuel, purchased power, DSM, pension, other post employment benefits, approved projects under the clean energy infrastructure surcharge and the purchased power adjustment clause.**

Decoupling – Summary (cont.)

(Hawaii PUC Docket number: 2008-0274)

Components	
3. RAM for rate base	▪ **Annual adjustment for plant additions, associated rate base items and depreciation expense** ▪ Major Capital Projects (> $2.5M): average annual amount based on prior year ending balance (at project amounts not to exceed amounts approved by the PUC) and projected ending balance for the current year (based on approved projects scheduled to be in service by Sep 30th of the current year, at amounts approved by the PUC) ▪ Baseline Capital Projects (≤ $2.5M): average annual amount based on the prior year ending balance (actual) and projected ending balance for the current year (based on simple average of preceding 5 years) ▪ Offset by avg balances for accumulated depreciation, contributions in aid of construction and plant related deferred income taxes ▪ Recovery of incremental depreciation and contributions in aid of construction amortization related to prior year rate base changes ▪ Annually, request adjustment by 3/31 and adjusted rates commence on 6/1 for 12 month period, if not suspended

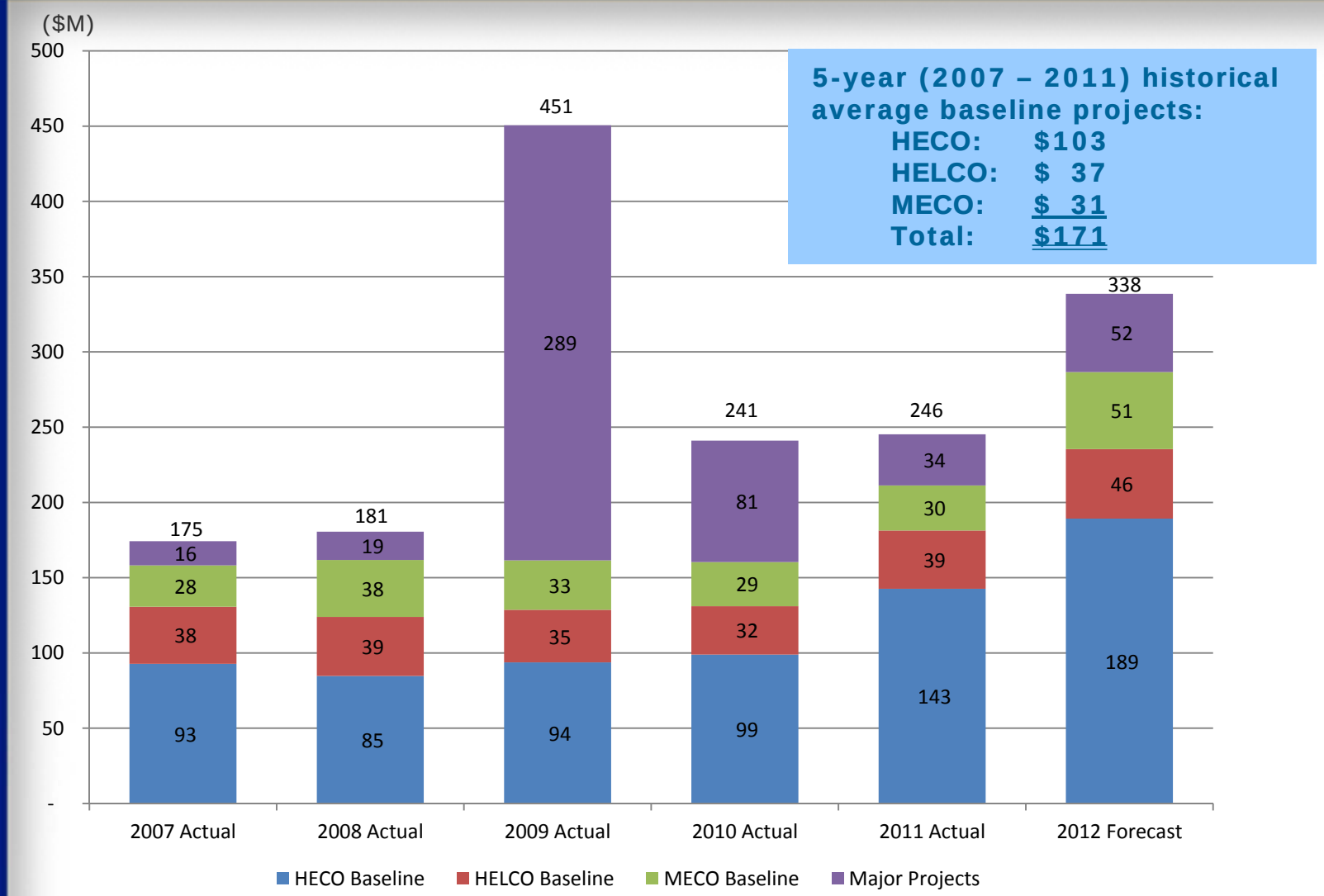
Examples of items not covered in mechanisms:

- Non-labor O&M increases > GDPPI
- Non-union labor exp increases
- Costs for large capital projects > PUC approved estimate
- Costs for base-level capital projects > 5-year historical average, until following year
- Investments other than plant (e.g., software projects, fuel inventory)

HECO Oahu Rate Relief and Decoupling Considerations: 2013 to 2014

HECO	2013	2014
Rate Case Considerations		
2014 test year rate cases	▪ File 2014 request	▪ PUC TY 2014 Interim D&O
Sales decoupling	▪ Revenues adjusted for true-up to 2011 final level plus RAMs ▪ Rates adjusted to collect/refund EOY 2012 RBA balance	▪ Revenues adjusted for true-up to 2011 final level plus RAMs until interim D&O issued ▪ Revenues adjusted for true-up to 2014 interim level ▪ Rates adjusted to collect/refund EOY 2013 RBA balance
O&M RAM	▪ Labor: BU Labor O&M and payroll tax ($56M) approved for RAM in 2011 rate case x ((2012 union contract 2.5% less 0.76% productivity factor) + (2013 union contract 3.0% less 0.76% productivity factor)) x revenue tax gross up (1.0975) ▪ Non-labor: O&M ($140M) level approved for RAM in 2011 rate case x (Feb 2012 GDPPI consensus forecast of 1.70 + Feb 2013 GDPPI consensus forecast)) x revenue tax gross up (1.0975)	▪ Labor: BU Labor O&M and payroll tax ($56M) approved for RAM in 2011 rate case x ((2012 union contract 2.5% less 0.76% productivity factor) + (2013 union contract 3.0% less 0.76% productivity factor) + (2014 union contract subject to negotiation less 0.76% productivity factor)) x revenue tax gross up (1.0975) ▪ Non-labor: O&M ($140M) level approved for RAM in 2011 rate case x (Feb 2012 GDPPI consensus forecast of 1.70 + Feb 2013 GDPPI consensus forecast + Feb 2014 GDPPI consensus forecast)) x revenue tax gross up (1.0975) ▪ No O&M RAM from interim 2014 D&O – May 31, 2015
Rate base RAM	▪ Baseline plant additions based on 5-year historical average: see Plant Additions slide for an indication of the historical baseline plant additions thru 2011	▪ Baseline plant additions based on 5-year historical average: see Plant Additions slide for an indication of the historical baseline plant additions thru 2011 ▪ No Rate Base RAM from 2014 interim D&O – May 31, 2015
Existing Balancing Accounts, Trackers and/or Surcharges ECAC: Fuel & Energy-Related Purchased Power; Pension & OPEB Trackers; DSM Surcharge; Renewable Energy Infrastructure Surcharge and Purchased Power Adjustment Clause.		

Plant Additions – Baseline by Co. & Consolidated Major Projects



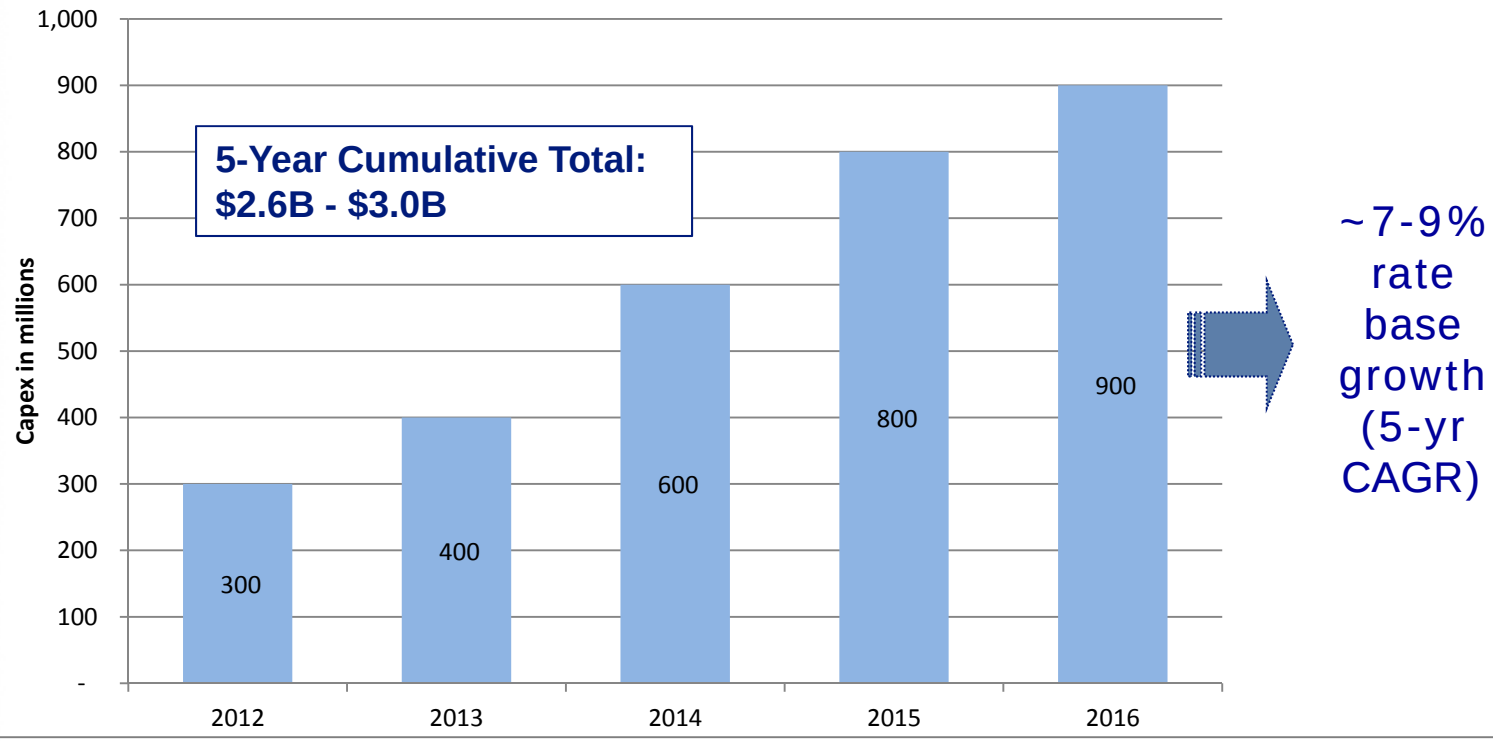
5-year (2007 – 2011) historical average baseline projects:

HECO:	$103
HELCO:	$ 37
MECO:	$ 31
Total:	$171

Major Projects = PUC approved projects > $2.5M

Growth in Capital Expenditures As We Invest in Clean Energy & Reliability

5-Year Capital Expenditures Forecast*



- **Routine system capital and other: ~$1.2B**
- **Significant items that could change over time: $1.4B - $1.8B**
  - **New generation** (subject to competitive bidding): $600M to $800M, more than 80% assumed in 2015-2016 and primarily at HECO
  - **Environmental compliance**: $500M to $600M**
  - **Fuel infrastructure**: $250M to $300M**
  - **Interisland wind shore-side facilities**: $70M to $100M**

Forecast as of December 12, 2011. This forecast is only updated annually.

* Gross capital expenditures excluding contributions in aid of construction

** For the purposes of this forecast, more than 80% of these project expenditures are assumed in 2015 to 2016, but could change over time

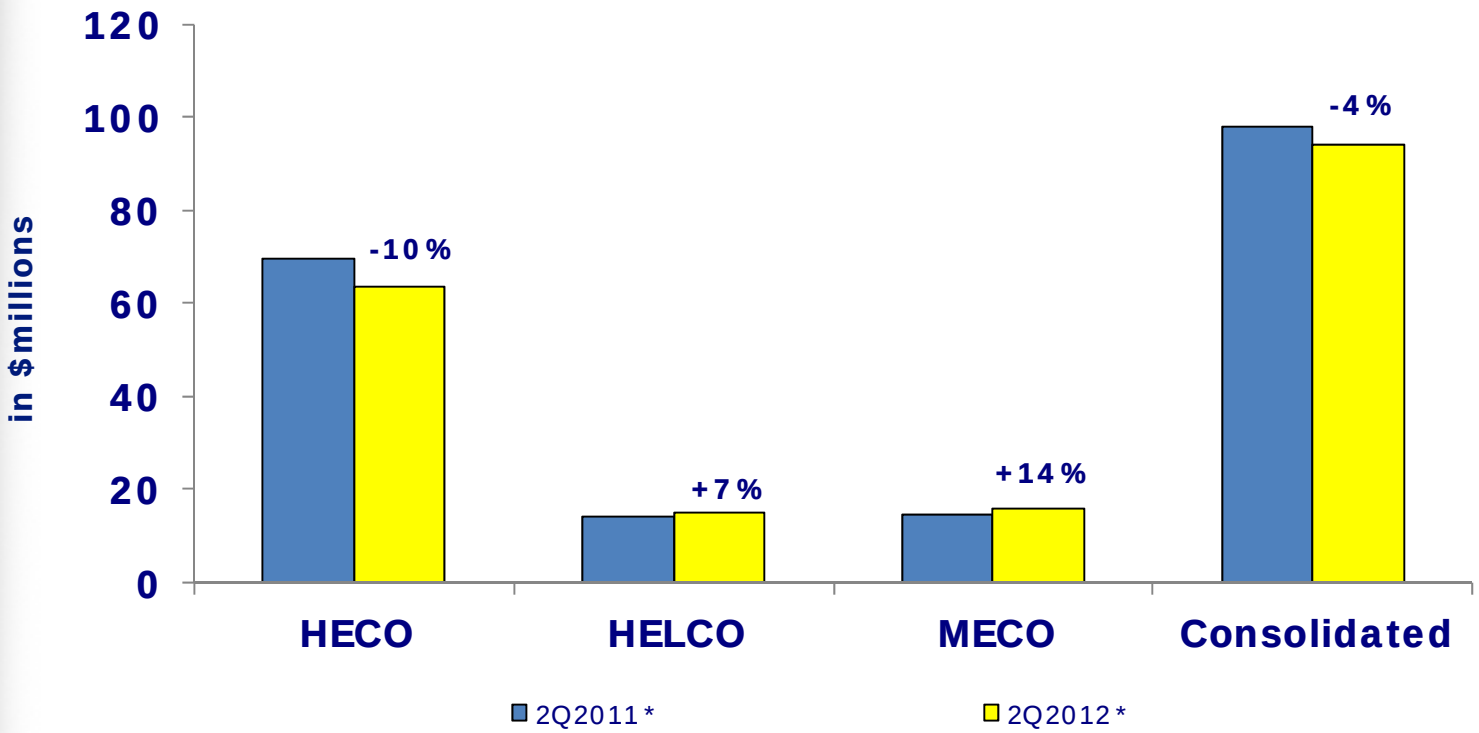
Key Sources of ROE Gap

	2012	2013	2014
MECO (2012 Test Year)			
	GRC lag (nominal 5 mos)	**RAM lag** (5 mos)	**RAM lag** (5 mos)
	CIS lag* (starting June 2012; resolution pending regulatory audit)		
	Disallowed expenses		
HELCO (2013 Test Year)			
	RAM lag (5 mos)	**GRC lag** (nominal 5 mos)	**RAM lag** (5 mos)
	CIS lag* (starting June 2012; resolution pending regulatory audit)		
	Disallowed expenses		
HECO (2014 Test Year)			
	RAM lag (5 mos)	**RAM lag** (5 mos)	**GRC lag** (nominal 5 mos)
	CIS lag* (starting June 2012; resolution pending regulatory audit) **CT-1 lag** (resolution pending regulatory audit)		
	Disallowed expenses		

GRC lag	General Rate Case Lag (nominal 5 months)
RAM lag	Revenue Adjustment Mechanism Lag (5 months)
CIS/CT-1 lag	Customer Information System Lag (and for HECO only, Campbell Industrial Park Combustion Turbine Number 1 (CT-1) Lag); dependent on timing and resolution of regulatory audit
Disallowed exp	Disallowed expenses

* MECO, HELCO, and HECO's portion of the total CIS cost is approximately 15%, 15%, and 70% respectively

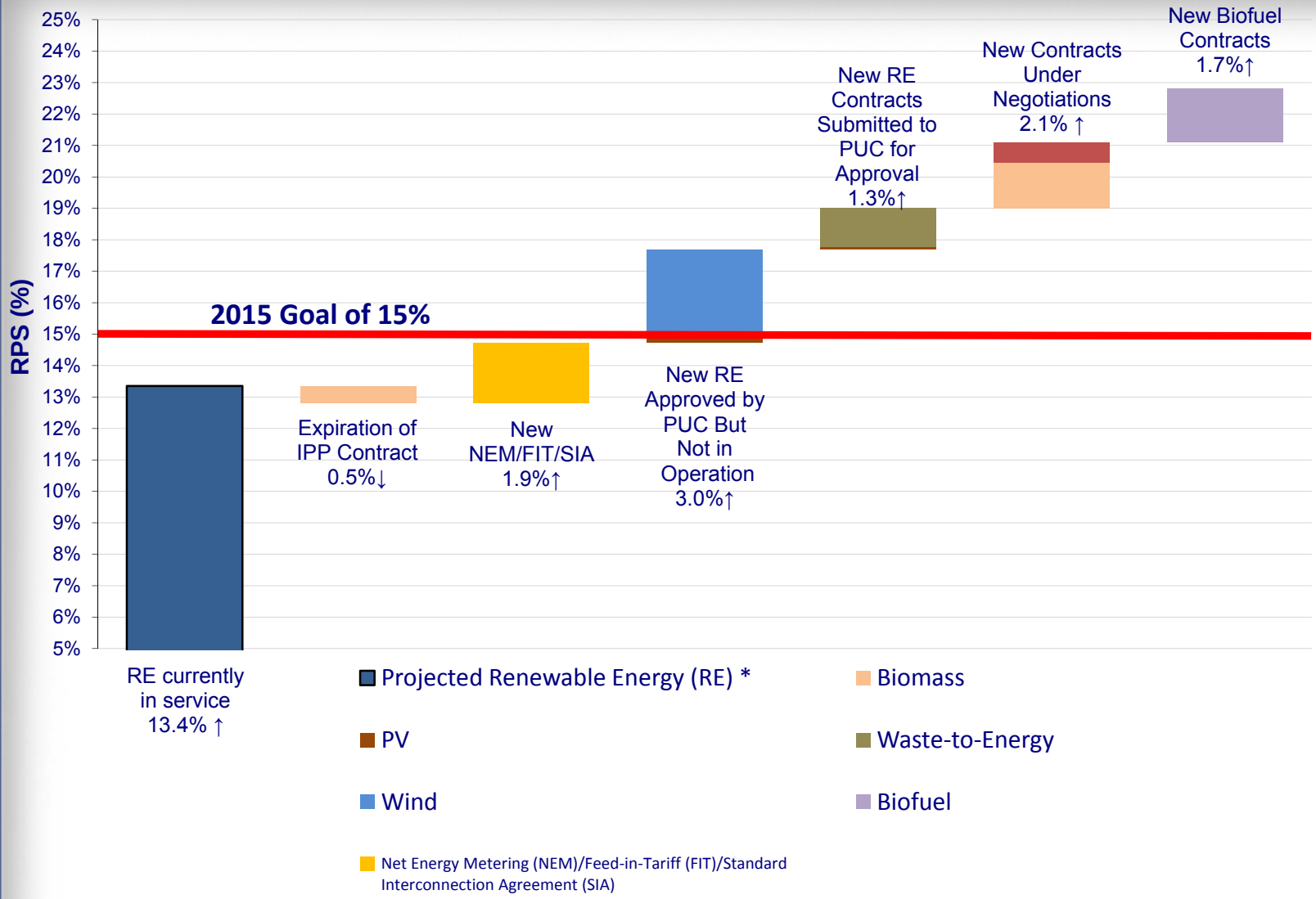
Operation and Maintenance Expenses By Company



* Reflects O&M excluding DSM

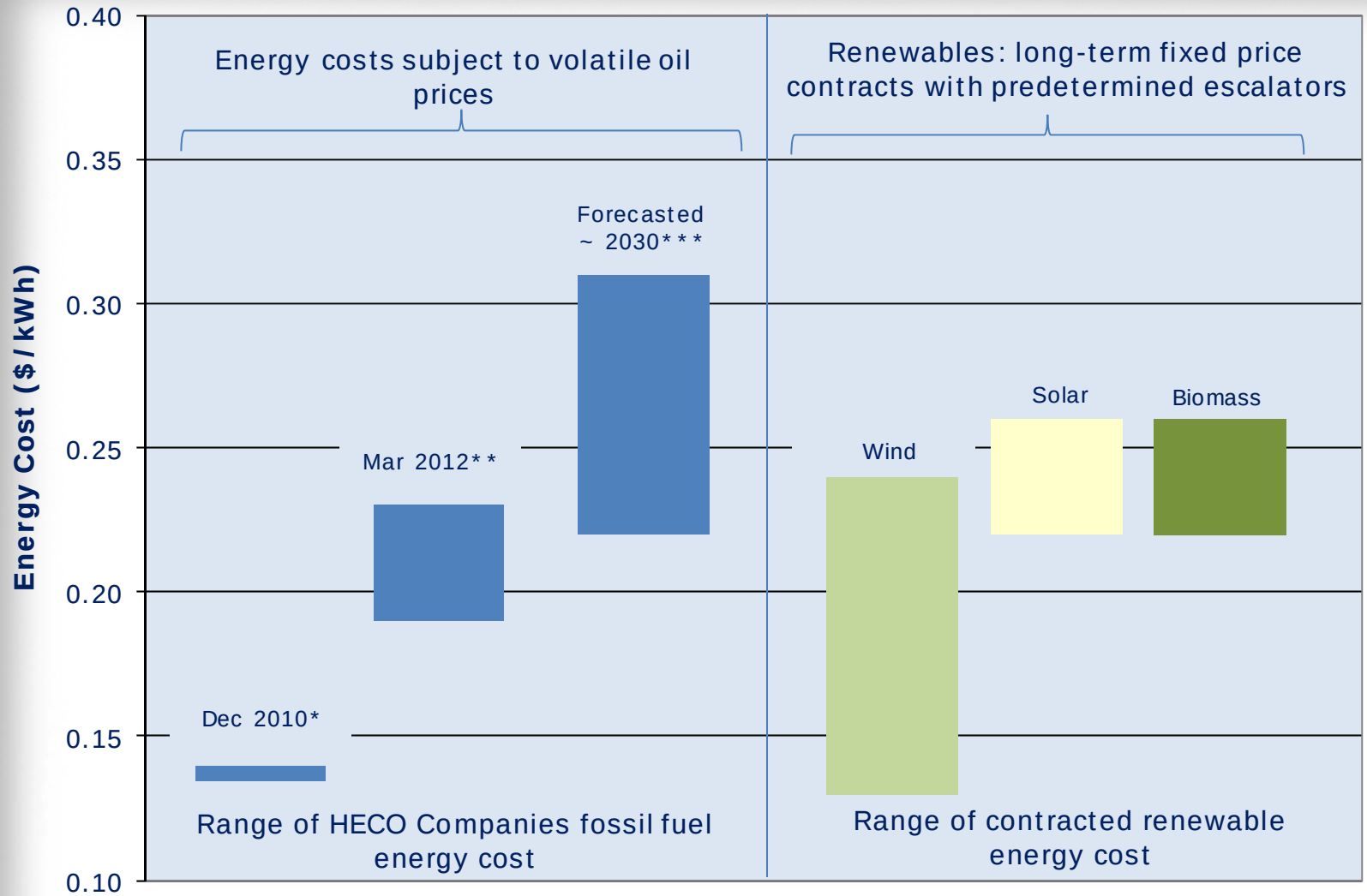
O&M, excluding DSM ($M)	HECO	HELCO	MECO	Consolidated
2Q 2011	70	14	14	98
2Q 2012	63	15	16	94

Utility: On Track to Achieve 2015 RPS



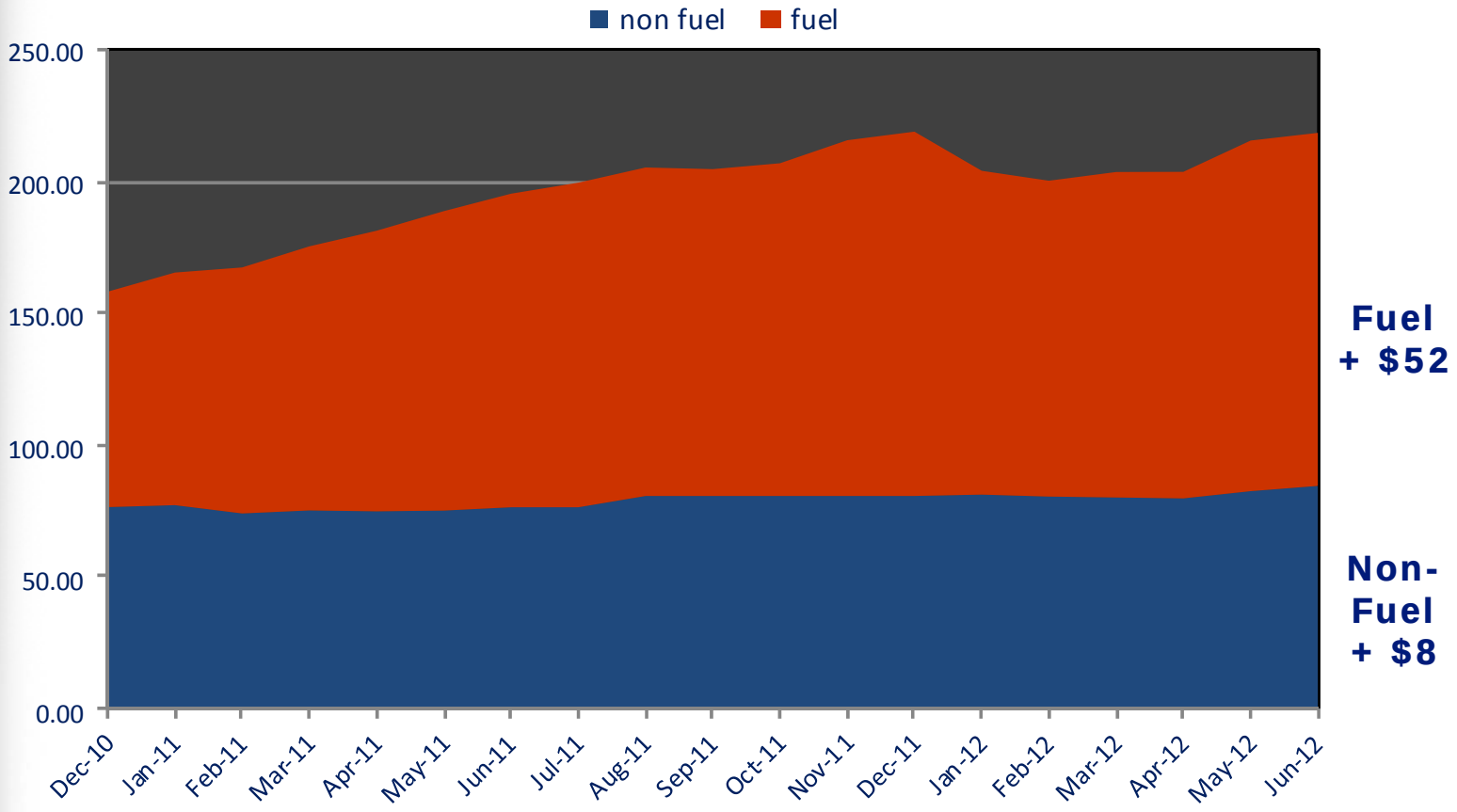
* Represents the estimated 2015 RPS contribution of existing RE projects based on 2015

Renewable Energy is Cost Competitive in Hawaii



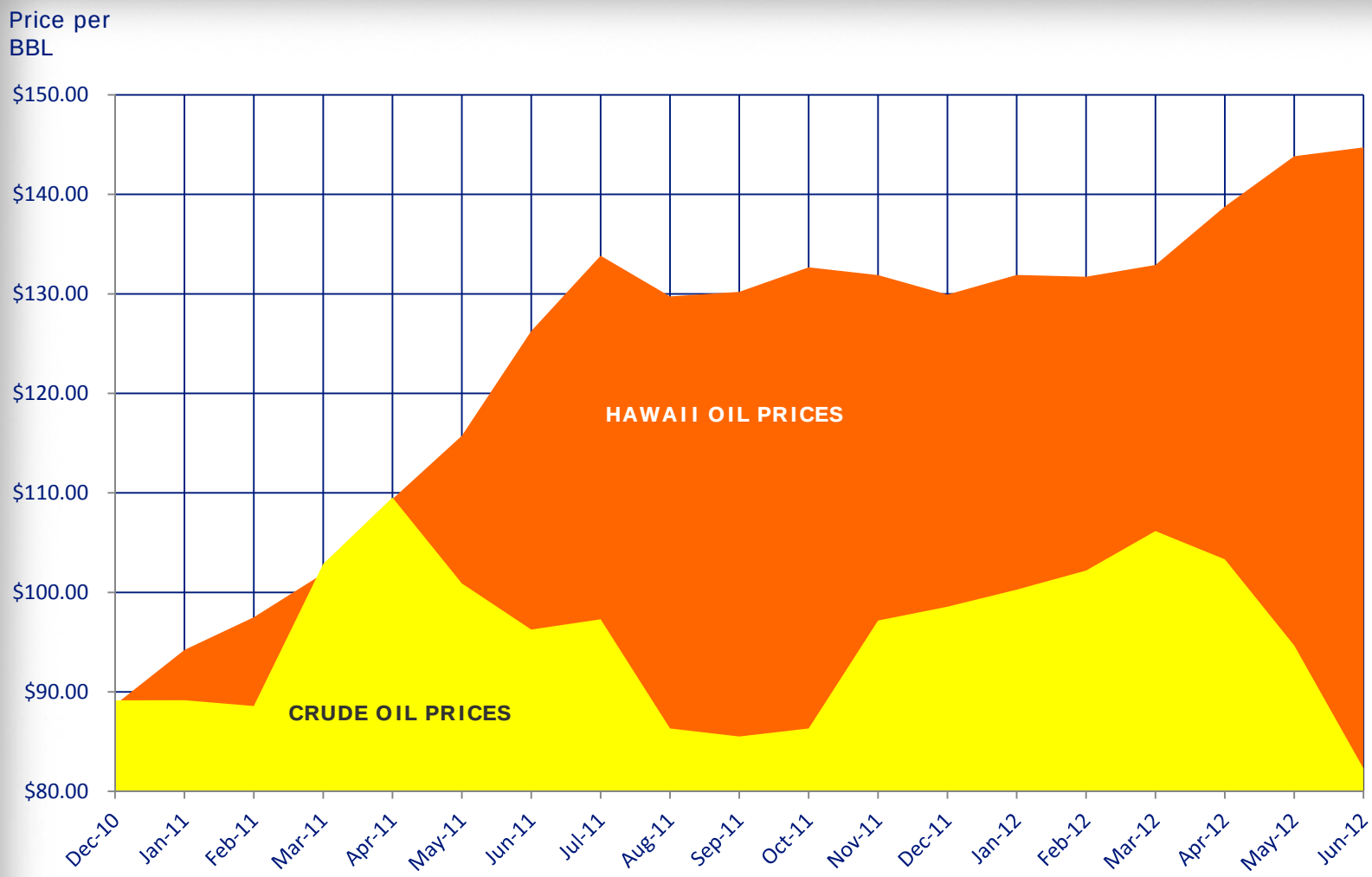
* Oil price for LSFO of $83/bbl
** Oil price assumption for LSFO of $131/bbl
*** Oil price assumption for LSFO of $180/bbl

Increase in Typical Oahu Residential Bill December 2010 – June 2012



Historical Fuel Prices

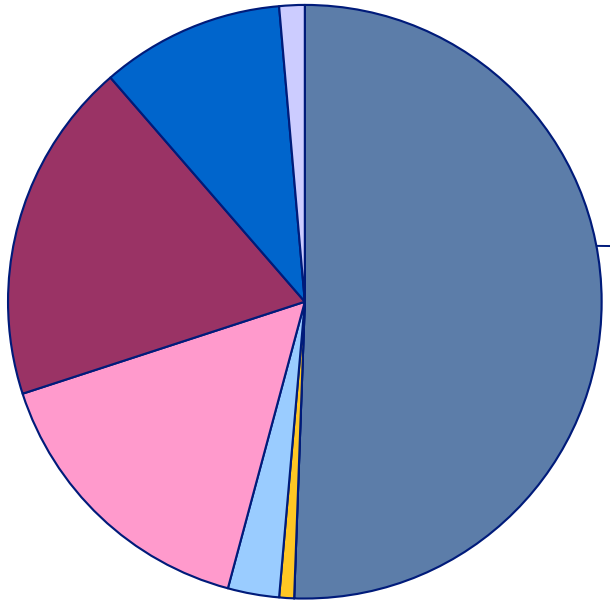
Low Sulfur Fuel Oil vs. Crude Oil
December 2010 to June 2012



Hawaii oil prices based on Hawaiian Electric low sulfur fuel oil inventory prices

ASB Asset Quality: Lower Risk Loan Mix

- Predominant exposure to lower risk residential mortgages



Residential 1-4 Family 50%	
Oahu	$1,172
Neighbor Islands	653*
Mainland	68*
	$1,893M

*Primary risks in three isolated areas

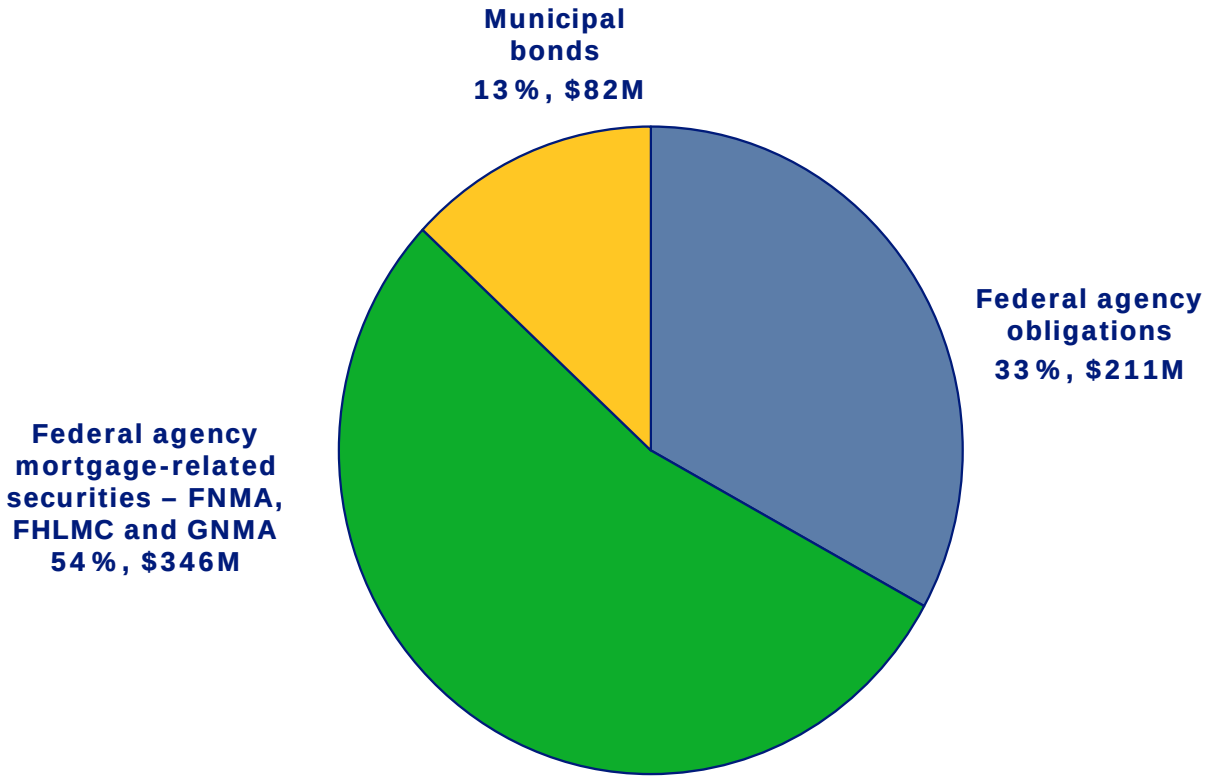
Total loans June 30, 2012 - $3.7B[2]

1 Includes approximately $97 million of owner-occupied commercial real estate

2 Before deferred fees, discounts and allowance for loan losses

ASB Asset Quality
Investment Portfolio

- No private-issue mortgage-related securities
- Represents 13% of total assets



Total investment & mortgage related securities as of June 30, 2012 - $639M

Weighted average yield 2Q12: 2.20%

Average duration: ~2.8 years

ASB Peer Group - 2012

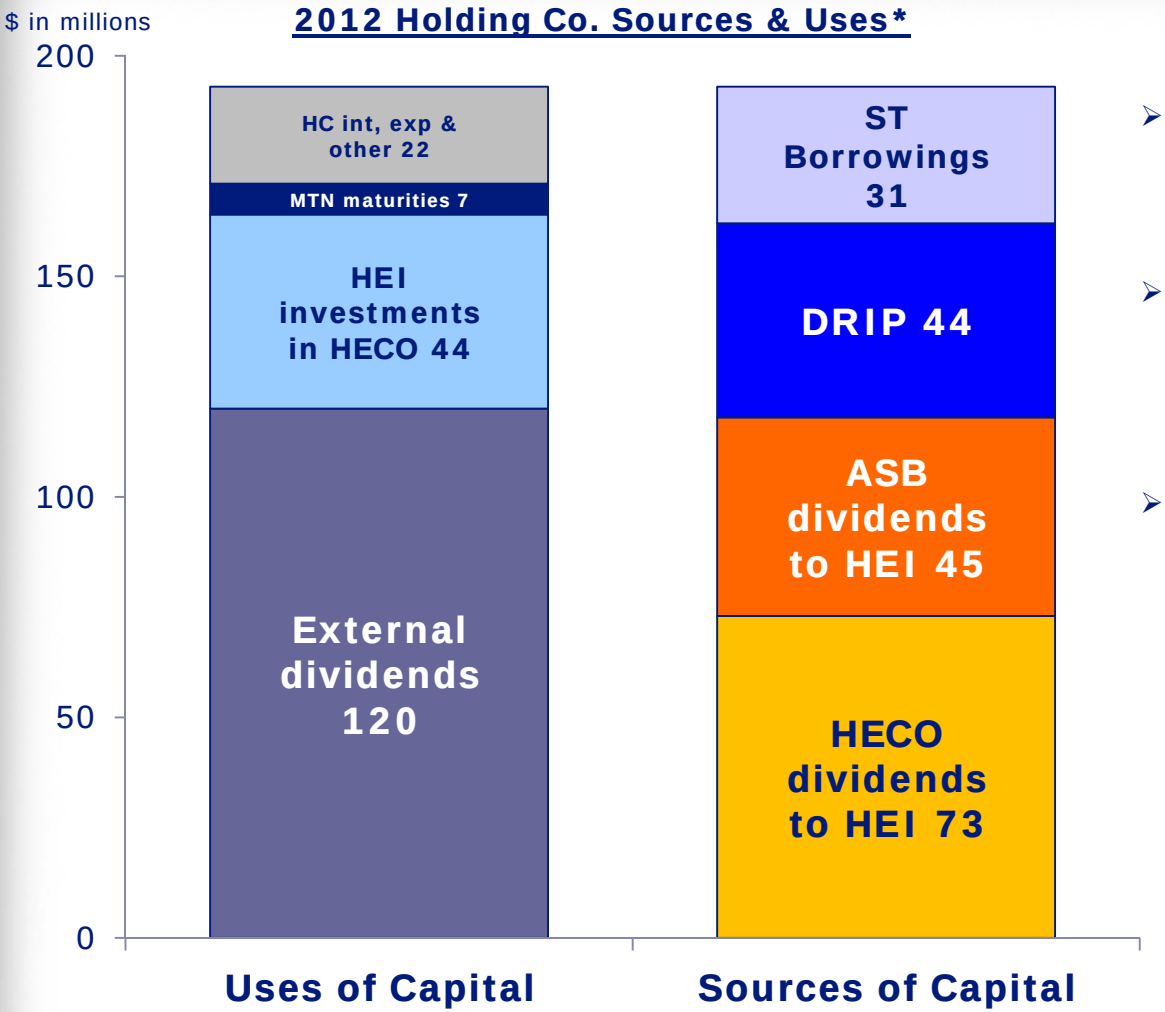
*	1st Source Corporation	SRCE
	BancFirst Corporation	BANF
*	Bank of the Ozarks, Inc.	OZRK
	Banner Corporation	BANR
	Beneficial Mutual Bancorp, Inc. (MHC)	BNCL
	Berkshire Hills Bancorp, Inc.	BHLB
	Boston Private Financial Holdings, Inc.	BPFH
	Central Pacific Financial Corp.	CPF
	Chemical Financial Corporation	CHFC
	Columbia Banking System, Inc.	COLB
*	Community Bank System, Inc.	CBU
*	Community Trust Bancorp, Inc.	CTBI
*	CVB Financial Corp.	CVBF
*	Dime Community Bancshares, Inc.	DCOM
	Doral Financial Corporation	DRL
	First Commonwealth Financial Corporation	FCF
*	First Financial Bancorp.	FFBC
*	First Financial Bankshares, Inc.	FFIN
	First Interstate BancSystem, Inc.	FIBK
	First Merchants Corporation	FRME
	First Midwest Bancorp, Inc.	FMBI
	Flushing Financial Corporation	FFIC
	Glacier Bancorp, Inc.	GBCI
	Great Southern Bancorp, Inc.	GSBC
	Heartland Financial USA, Inc.	HTLF
*	Home BancShares, Inc.	HOMB
	Independent Bank Corp.	INDB
*	NBT Bancorp Inc.	NBTB
	Northwest Bancshares, Inc.	NWBI
	Oriental Financial Group Inc.	OFG
	Pacific Capital Bancorp	PCBC
	PacWest Bancorp	PACW
	Pinnacle Financial Partners, Inc.	PNFP
	Provident Financial Services, Inc.	PFS
	Renasant Corporation	RNST
*	S&T Bancorp, Inc.	STBA
	Sandy Spring Bancorp, Inc.	SASR
	SCBT Financial Corporation	SCBT
	Taylor Capital Group, Inc.	TAYC
	TowneBank	TOWN
	TrustCo Bank Corp NY	TRST
	Union First Market Bankshares Corporation	UBSH
	United Community Banks, Inc.	UCBI
	WesBanco, Inc.	WSBC
*	Westamerica Bancorporation	WABC
	Western Alliance Bancorporation	WAL
	WSFS Financial Corporation	WSFS

- Based on year-end 2011 data of publicly traded banks and thrifts between $3.5 billion and $8.0 billion in assets (based upon data available in SNL as of February 1, 2012)

  The peer group is updated annually in December and banks that no longer report as a separate entity (e.g., mergers, acquisitions, failed banks, etc.) are not included in the median calculations from the time of the transaction or failure

* Subset of 12 banks representing ASB's high performing peer group, based on a 3-year average return on average assets rank above the 70th percentile

2012 HEI Capital Structure and Financing



- Strong capital structure with 50% consolidated equity to capitalization as of 6/30/12
- Based on our current assumptions, **we do not expect to require additional equity other than DRIP thru 2012**
- HEI consolidated estimated retirement benefits contribution of $107M in 2012 and bonus depreciation tax cash benefits of $41M in 2012

* Based upon December 2011 forecast

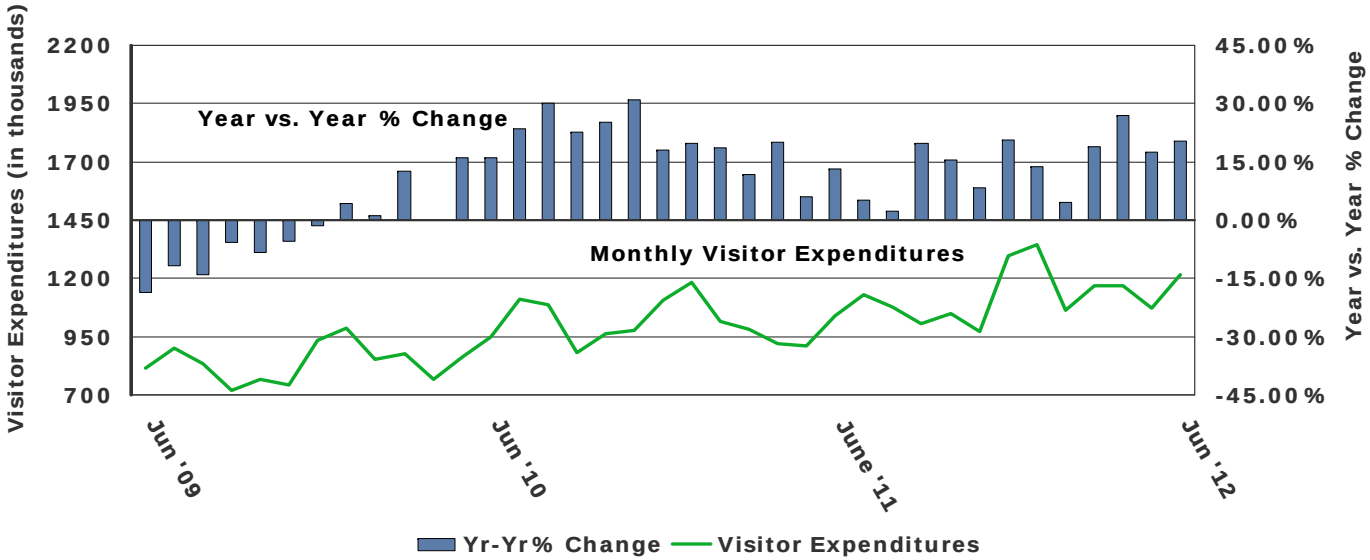
Hawaii Economic Forecast

Year-over-year percent change unless noted	2011	2012	2013	2014	2015
Real state GDP	(1.5)	1.1	2.4	3.1	3.2
Real personal income	0.9	1.4	2.1	2.5	2.3
Unemployment (%)	6.7	6.2	5.6	5.0	4.6
Payroll jobs	0.9	1.3	2.4	2.2	1.8
Visitor arrivals	3.5	9.3	3.0	1.2	0.7
U.S. visitor arrivals	2.3	5.5	1.7	1.1	1.0
Japanese visitor arrivals	(5.1)	16.2	2.3	(0.2)	(0.9)
Other visitor arrivals	17.8	16.6	7.9	2.7	1.2

Source: University of Hawaii Economic Research Organization (UHERO) July 27, 2012 report. Figures for 2012 - 2015 are forecasts.

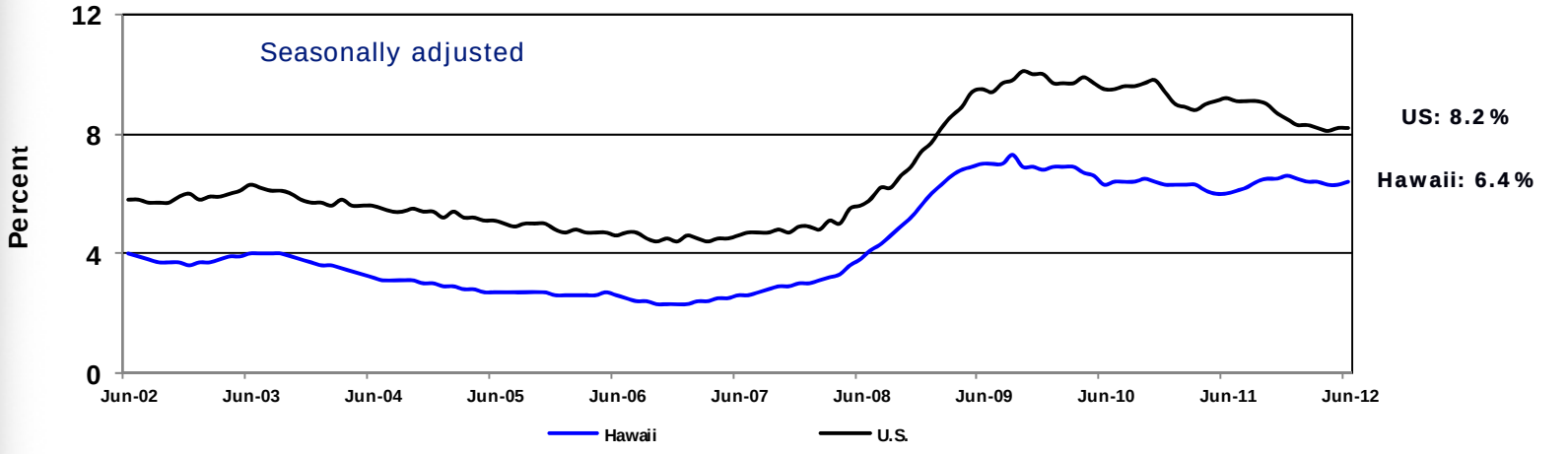
HEI

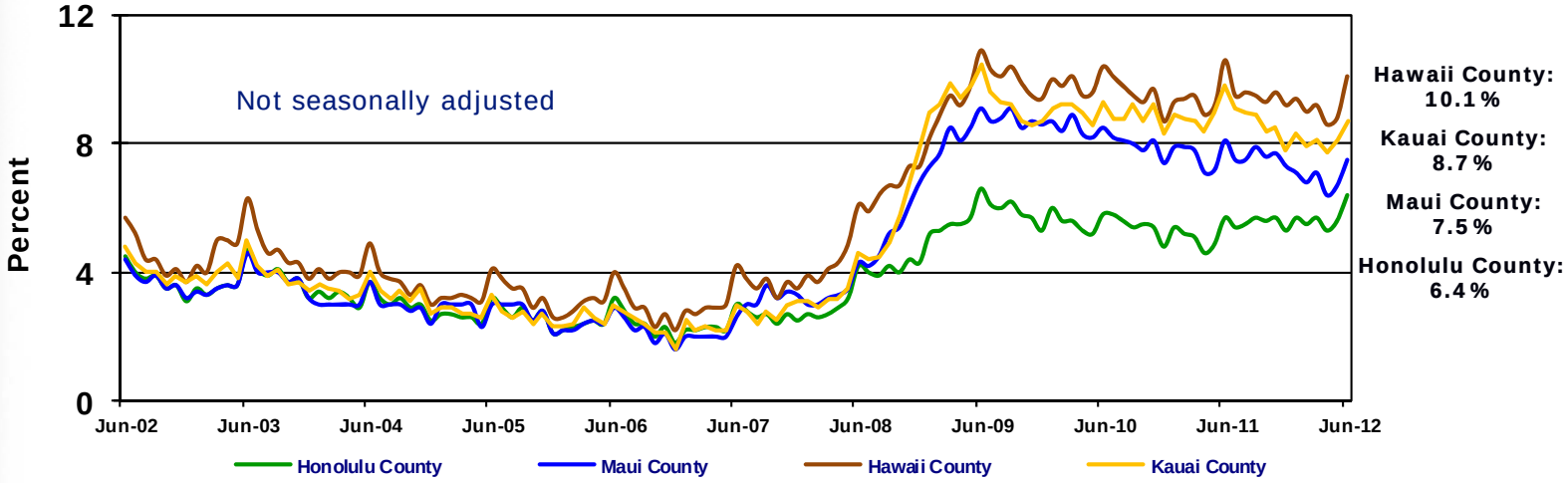
Hawaii Visitor Arrivals Up 10.2% and Visitor Expenditures Up 21.4% YTD June 2012 Continuing the Positive Trend from 2011



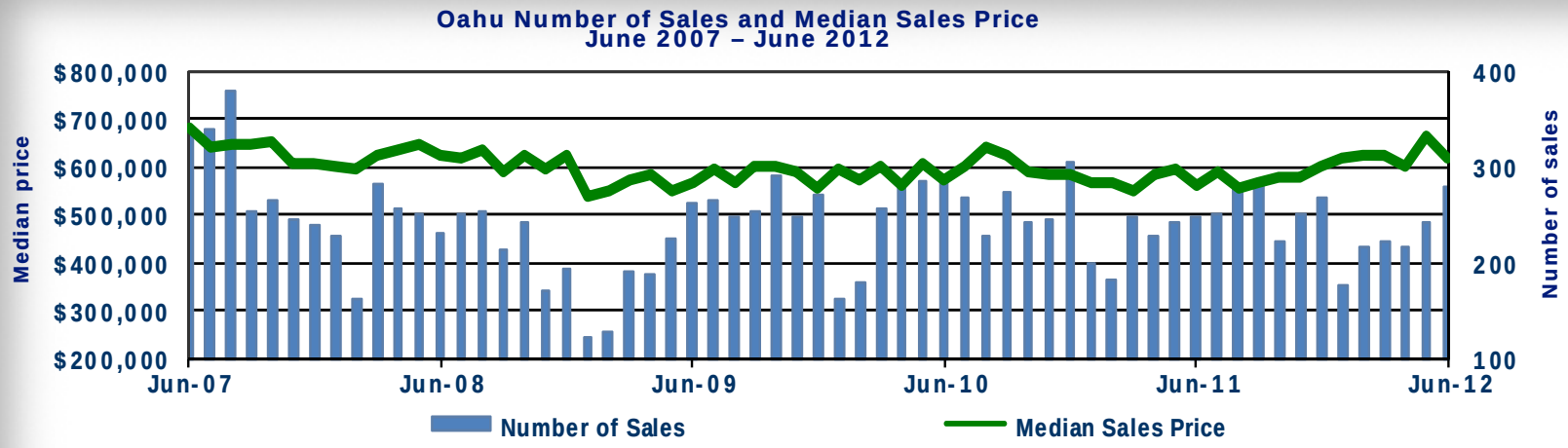
Source: Department of Business, Economic Development and Tourism

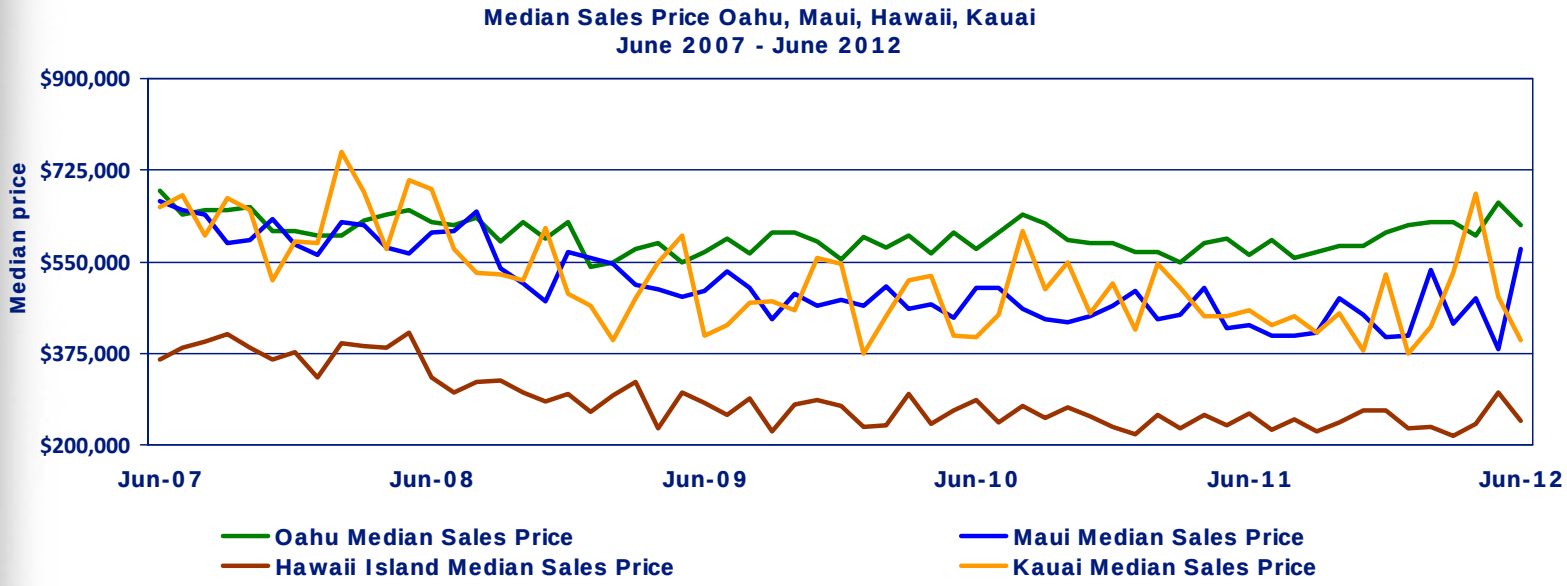
Hawaii June Unemployment Rate Remains Low at 6.4%





Hawaii Real Estate





Source: Title Guaranty (2008-current) and local newspapers (2006-2007)