



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Savings Bank, FSB
Charter Number 708384

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Honolulu, HI 96813

Office of the Comptroller of the Currency

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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

OVERALL CRA RATING	1
DEFINITIONS AND COMMON ABBREVIATIONS	2
DESCRIPTION OF INSTITUTION	6
SCOPE OF THE EVALUATION.....	7
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	8
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	9
LENDING TEST	9
INVESTMENT TEST.....	17
SERVICE TEST	18
APPENDIX A: SCOPE OF EXAMINATION.....	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

The following table indicates the performance level of **American Savings Bank, FSB** with respect to the Lending, Investment, and Service Tests:

Performance Levels	American Savings Bank, FSB Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- A substantial majority of home mortgage loans and small loans to businesses were made within the bank's assessment areas (AAs);
- The geographic distribution of home mortgage loans in the AAs and the geographic distribution of small loans to businesses reflect excellent penetration;
- The distribution of home mortgage loans reflects excellent penetration among borrowers of different income levels. The distribution of small loans to businesses reflects excellent penetration among businesses of different sizes;
- The bank is a leader in making community development (CD) loans. CD lending has a positive impact on the Lending Test;
- The bank has an excellent level of CD investments and is responsive to identified credit needs; and
- The branch distribution system is accessible to geographies and individuals of different income levels in the AAs. The bank provides a relatively high level of CD services.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and

sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

American Savings Bank (ASB or bank) is a full-service federally chartered stock savings bank headquartered in Honolulu, Hawaii. As of December 31, 2012, the bank had total assets of \$5.0 billion, total deposits of \$4.3 billion, total loans of \$3.8 billion, and Tier One Capital of \$454.1 million. ASB is a wholly owned subsidiary of American Savings Holdings, Inc., a subsidiary of Hawaiian Electric Industries, Inc. (HEI). HEI is a Hawaii-based holding company with two core operating companies, ASB and Hawaiian Electric Company, Inc. (HECO).

ASB is an intrastate bank that operates 57 branches throughout Hawaii. Thirty-nine branches are located on the Island of Oahu, seven branches are located on the Island of Maui, six branches are located on the Island of Hawaii, four branches are located on the Island of Kauai, and one branch is located on the Island of Molokai.

ASB offers a full-range of loan and deposit products and services. Approximately 78 percent of the bank's loan portfolio is comprised of real estate loans with the primary focus in one-to-four family residential mortgage loans. The bank also originates home equity loans and lines of credit, construction, commercial, and other non-residential real estate loans, consumer loans, and multi-family mortgage loans. It offers Small Business Administration (SBA) loans for new business startups and to expand an existing business. These products and services are provided through the bank's branch network and other alternative delivery systems such as online banking, mobile banking, telephone banking, bill payment, direct deposit, and ATM services.

There are no known legal, financial, or other factors that impede the bank's ability to help meet the credit needs of its AAs. The bank received an "Outstanding" rating on its last CRA examination dated May 16, 2008.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed home mortgage and small business loans from January 1, 2008 through December 31, 2011. The mortgage loans reviewed were home purchase, home improvement, and home refinance loans. We reviewed CD loans, investments, and services for the period from May 16, 2008, which is the date of the last CRA evaluation, to December 31, 2012. Our analysis does not include small farm or multifamily home mortgage originations. The number of reported loans by these product types is insufficient for meaningful analysis in both assessment areas. Consumer loans were not evaluated as they do not constitute a significant portion of the bank's business.

Data Integrity

Prior to this CRA evaluation, we performed two data integrity examinations to ensure the accuracy of the bank's publicly filed information on home mortgage loans and small loans to businesses. The data we reviewed was collected and reported by the bank over the evaluation period. The testing indicated no substantive inaccuracies in the data. Therefore, we concluded that the home mortgage loans and small loans to businesses could be relied upon for this examination. Additionally, CD loans, investments, and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration. We included in this examination all activities found to meet the definition of CD. Finally, we reviewed the appropriateness of the bank's processes for collecting and reporting home mortgage and small business loan data. We found no substantive deficiencies in these processes.

Selection of Areas for Full-Scope Review

We performed a full-scope review for both of the bank's AAs, the Honolulu MSA and the Hawaii non-MSA. Please refer to Appendix A for more information on the scope of the examination and to the Market Profiles in Appendix B for detailed demographics and other performance context information for the AAs.

Ratings

ASB's overall CRA rating is based on its performance under the Lending, Investment, and Service Tests. Under each of those tests, performance in the Honolulu MSA AA carried the most weight as most of the bank's loans and branches are located in this AA. Additionally, when evaluating the bank's mortgage lending performance under the Lending Test, we placed greater weight on home purchase and home refinance loans, with home improvement loans receiving less weight due to the lower volume of these loans.

Other

We contacted several community organizations within the AAs to identify community needs. One organization contacted is a statewide community development financial institution (CDFI)

that works with low-income Hawaiian residents in both urban and rural geographies. Its mission is to provide services for immigrants, refugees, and low-income residents of Hawaii enabling them to achieve self-sufficiency. We also met with representatives from a broad spectrum of community and government organizations. According to these contacts, some of the most pressing financial needs and opportunities for financial institutions in the AAs include affordable housing, financial literacy, small business loans, and banking services for low- or moderate-income (LMI) individuals.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Honolulu MSA AA and Hawaii non-MSA AA is excellent.

Lending Activity

Refer to Table 1 *Lending Volume* in Appendix C for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity in the State of Hawaii is excellent. Our analysis considered the strong competition from several local lenders, large nationwide banks, and mortgage companies. In performing our analysis, greater weight was placed on the comparison of ASB's rankings to similarly situated institutions. Additionally, greater weight was placed on the bank's home mortgage lending. The bank's lending patterns are reflective of the credit needs of the community. During the evaluation period, almost 100 percent of the bank's loan originations were made within its AAs.

Hawaii non-MSA

Lending activity in the Hawaii non-MSA is excellent.

HMDA loans comprised 72 percent of all lending in the AA. Home refinance, home purchase, and home improvement loans represented 67 percent, 26 percent, and seven percent, respectively, of all home mortgages originated in the AA. Therefore, home refinance loans are weighted more heavily in the assessment of home mortgages. The volume of multifamily and small farm loans made by the bank was not significant. Therefore, an analysis of these loans is not meaningful.

ASB has 18 branches and 18.1 percent of its deposits in the AA. As of June 30, 2012, ASB ranked third in the AA with a 13.4 percent deposit market share. For home purchase lending there are 118 lenders in the AA, reflecting strong competition. ASB ranked seventh in home purchase lending with less than four percent market share. Market competition for home refinance loans is strong. The 2011 peer mortgage data indicates that the top two lenders dominated the market with over 31.7 percent of the market share for home refinance loans. ASB ranks fourth out of 149 lenders with a market share of 6.6 percent.

Small loans to businesses comprised 27 percent of all lending in the AA. The 2011 Peer Small Business Data indicates ASB ranked seventh out of 49 lenders with a 6.8 percent market share. ASB's performance is considered good given the strong competition from large local lenders. The top five lenders have a combined market share of over 81 percent.

Honolulu MSA

Lending activity in the Honolulu MSA is excellent.

HMDA loans comprised 63 percent of all lending in the AA. Home refinance, home purchase, and home improvement loans represented 75 percent, 21 percent, and four percent, respectively, of all home mortgages originated in the AA. Therefore, home refinance loans are weighted more heavily in the assessment of home mortgages. The volume of multifamily and small farm loans made by the bank was not significant. Therefore, an analysis of these loans is not meaningful.

ASB has 39 branches and 81.9 percent of its deposits in the AA. As of June 30, 2012, ASB ranked third in the AA with 12.4 percent deposit market share. Market competition for home mortgage loans is strong. The 2011 peer mortgage data indicates that the top two lenders dominated the market with 35 percent of the market share for mortgage loans. ASB ranks ninth out of 117 lenders with a market share of less than three percent.

For home refinance lending there are 173 lenders in the AA reflecting strong competition. Many of these lenders do not have a depository presence. ASB ranks sixth with 4.4 percent market share. Competition is tight among the top lenders, as no one bank has a substantial majority of the market share. The individual market shares of the top five banks ranged from 6 percent to 18 percent.

Small loans to businesses comprised 36.7 percent of all lending in the AA. The 2011 Peer Small Business Data indicates ASB ranked third out of 43 lenders with a 12.5 percent market share. ASB's performance is considered good given the strong competition from large local lenders. Competition among the top three lenders is especially strong as the top two lenders have a combined market share of 56 percent.

Distribution of Loans by Income Level of the Geography

Overall, the geographic distribution of home mortgage loans in the AAs and the geographic distribution of small loans to businesses reflect excellent penetration.

Our analysis took into consideration the low percentage of owner-occupied housing units in low-income geographies. We also considered the strong competition from large local and nationwide financial institutions operating in the State of Hawaii.

Home Mortgage Loans

Overall, the geographic distribution of home mortgage loans is excellent.

Refer to Tables 2, 3, and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Hawaii non-MSA

The overall geographic distribution of home mortgage loans in the Hawaii non-MSA AA is excellent. The Hawaii non-MSA has one low-income geography and zero owner-occupied units are located in that geography. Therefore, home mortgage lending is limited to moderate, middle, and upper geographies. Our review focused on the bank's distribution to moderate-income geographies.

Home Purchase

The geographic distribution of home purchase loans is excellent. The percentage of loans in moderate-income geographies significantly exceeds both the percentage of owner-occupied units and the percentage of peer aggregate home purchase lending in moderate-income geographies.

Home Improvement Loans

The bank's geographic distribution of home improvement loans is excellent. ASB's percentage of home improvement loans made in moderate-income geographies significantly exceeds both the percentage of owner-occupied housing units and the percentage of peer aggregate home improvement lending in moderate-income geographies.

Home Refinance Loans

ASB's geographic distribution of home refinance loans is excellent. The bank's percentage of home refinance loans made in moderate-income geographies is somewhat lower than the percentage of owner occupied housing units in moderate-income geographies. However, the percentage of home refinance loans made in moderate-income geographies significantly exceeds the percentage of peer aggregate home refinance lending in moderate-income geographies.

Honolulu MSA

The overall geographic distribution of home mortgage loans in the Honolulu MSA AA is excellent.

Home Purchase

ASB's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans made in low-income geographies exceeds the percentage of owner-occupied housing units in low-income geographies. The percentage of home purchase loans made in low-income geographies is near to the percentage of peer aggregate home purchase lending in low-income geographies.

The percentage of home purchase loans made in moderate income-geographies significantly exceeds both the percentage of owner-occupied housing units and the percentage of peer aggregate home purchase lending in moderate-income geographies.

Home Improvement Loans

The bank's geographic distribution of home improvement loans is poor. The percentage of home improvement loans made in low-income geographies exceeds both the percentage of owner-occupied housing units in low-income geographies and the percentage of peer aggregate data in low-income geographies. However, ASB's percentage of home improvement loans made in moderate-income geographies is significantly lower than the percentage of owner occupied housing units in moderate-income geographies. Also, the percentage of home improvement loans made in moderate-income geographies is lower than the percentage of peer aggregate home improvement lending in moderate-income geographies.

Home Refinance Loans

ASB's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans made in low-income geographies exceeds the percentage of owner occupied housing units in low-income geographies. The percentage of home refinance loans made in low-income geographies is near to the percentage of peer aggregate home refinance lending in low-income geographies.

The bank's percentage of home refinance loans made in moderate-income geographies is near to the percentage of owner occupied housing units in moderate-income geographies. However, the percentage of home refinance loans made in moderate-income geographies exceeds the percentage of peer aggregate home refinance lending in moderate-income geographies.

Small Loans to Businesses

Overall, the geographic distribution of small loans to businesses is good.

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Hawaii Non-MSA

The geographic distribution of the bank's small loans to businesses is good. The bank's percentage of small loans to businesses in low-income geographies exceeds both the percentage of businesses located in low-income geographies and the percentage of peer aggregate lending in low-income geographies. However, the bank's percentage of small loans to businesses in moderate-income geographies is somewhat lower than the percentage of businesses located in moderate-income tracts. ASB's percentage of small loans to businesses in moderate-income geographies is near to the percentage of peer aggregate lending in moderate-income geographies.

Honolulu MSA

The geographic distribution of the bank's small loans to businesses is excellent. The percentage of small loans to businesses in low-income geographies is somewhat lower than both the percentage of businesses located in low-income geographies and the percentage of aggregate peer lending in low-income geographies. However, the bank's opportunity to make small loans to businesses in low-income geographies is limited given the percentage of small businesses located in low-income geographies is low at 4.7 percent, and aggregate lending in low-income tracts is low at 2.5 percent. ASB's percentage of small loans to businesses in moderate-income geographies significantly exceeds both the percentage of businesses located in moderate-income geographies and the percentage of peer aggregate lending in moderate-income geographies.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed ASB's home mortgage and small business lending activities over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps. Both of the bank's AAs consist of whole geographies, meet the requirements of the CRA regulation, and do not arbitrarily exclude any LMI areas.

Inside/Outside Ratio

This ratio is a bank-wide calculation and is not calculated by individual AA. Analysis is limited to bank originations and purchases and does not include any affiliate data. For the evaluation period, a substantial majority of loan originations were made inside the bank's AAs (99.7 percent).

Distribution of Loans by Income Level of the Borrower

The distribution of home mortgage loans reflects excellent penetration among borrowers of different income levels. The distribution of loans to businesses reflects excellent penetration among businesses of different sizes.

Home Mortgage Loans

The distribution of home mortgage loans by income level of the borrower reflects excellent penetration.

Our analysis took into consideration the limited opportunities to lend to low-income families given the high cost of housing compared to the low median family income. We also considered the significant market competition from local lenders, large national banks, and mortgage companies. Therefore, we placed more weight on moderate-income lending.

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Hawaii non-MSA

The overall distribution of home mortgage loans in the AA is excellent.

Home Purchase Loans

Borrower distribution for home purchase loans reflects excellent penetration. While the percentage of home purchase loans to low-income borrowers is significantly lower than the percentage of low-income families in this AA, the percentage of home purchase loans to low-income borrowers exceeds the percentage of peer aggregate lending to low-income borrowers in the AA.

The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families and the percentage of peer aggregate lending to moderate-income borrowers in the AA.

Home Improvement Loans

Borrower distribution for home improvement loans reflects adequate penetration. The percentage of home improvement loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. However, the percentage of home improvement loans to low-income borrowers is near to the percentage of peer aggregate lending to low-income borrowers in the AA.

The percentage of home improvement loans to moderate-income borrowers is near to both the percentage of moderate-income families in the AA and to the percentage of peer aggregate lending to moderate-income borrowers in the AA.

Home Refinance Loans

Borrower distribution for home refinance loans reflects excellent penetration. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families located in the AA. However, the percentage of home refinance loans to low-income borrowers exceeds the percentage of peer aggregate lending to low-income borrowers in the AA. The percentage of home refinance loans to moderate-income borrowers also exceeds both the percentage of moderate-income families and peer aggregate lending to moderate-income borrowers in the AA.

Honolulu MSA

The overall distribution of home mortgage loans in the AA is excellent.

Home Purchase Loans

Borrower distribution for home purchase loans reflects excellent penetration. The percentage of home purchase loans to low-income borrowers is significantly lower than the percentage of low-income families in this AA. However, the percentage of home purchase loans to low-income borrowers exceeds the percentage of peer aggregate lending to low-income borrowers

in the AA. The percentage of home purchase loans to moderate-income borrowers also exceeds the percentage of moderate-income families and the peer aggregate lending to moderate-income borrowers in the AA.

Home Improvement Loans

Borrower distribution for home improvement loans reflects adequate penetration. The percentage of home improvement loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home improvement loans to low-income borrowers is somewhat lower than the percentage of peer aggregate lending to low-income borrowers in the AA.

The percentage of home improvement loans to moderate-income borrowers is near to both the percentage of moderate-income families in the AA and to the percentage of peer aggregate lending to moderate-income borrowers in the AA.

Home Refinance Loans

Borrower distribution for home refinance loans reflects excellent penetration. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families located in the AA. However, the percentage of home refinance loans to low-income borrowers exceeds the percentage of peer aggregate lending to low-income borrowers in the AA.

The percentage of refinance loans to moderate-income borrowers also exceeds both the percentage of moderate-income families and the peer aggregate lending to moderate-income borrowers in the AA.

Small Loans to Businesses

The overall distribution of small loans to businesses is excellent

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Hawaii non-MSA

The distribution of the bank's small loans to businesses is excellent. The bank's lending to small businesses (businesses with revenues of \$1 million or less) significantly exceeds the percentage of small businesses in the AA. The distribution by size of the loans shows that a majority percentage of the loan originations are for \$100,000 or less. The bank's lending to businesses with revenues less than \$1 million exceeds the percentage of aggregate lending to small businesses in the AA.

Honolulu MSA

The distribution of the bank's small loans to businesses is excellent. The bank's lending to small businesses (businesses with revenues of \$1 million or less) exceeds the percentage of

small businesses in the AA. The distribution by size of the loans shows that a majority percentage of the loan originations are for \$100,000 or less. The bank's lending to businesses with revenues less than \$1 million exceeds the percentage of aggregate lending to small businesses in the AA.

Community Development Lending

ASB is a leader in making CD loans. ASB's level of CD lending has a positive impact on the overall evaluation of its lending performance within both AAs.

Refer to Table 1 *Lending Volume* in Appendix C for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Hawaii non-MSA

CD lending has a positive impact on lending performance in the Hawaii non-MSA AA. ASB reported eight traditional loans totaling \$20.4 million and two SBA 504 loans totaling \$5.7 million. The total CD loan volume of \$26.1 million represents 32 percent of allocated Tier One capital as of December 31, 2012. Of the eight traditional CD loans, five provided revitalization and stabilization in enterprise zones, and three provided community services for LMI individuals.

Honolulu MSA

CD lending has a positive impact on lending performance in the AA. During the evaluation period, the bank reported 43 traditional CD loans totaling \$124.3 million and nine SBA 504 loans totaling \$40.8 million. The total CD loan volume equates to 44 percent of allocated Tier 1 Capital as of December 31, 2012.

The bank's overall CD lending reflects good responsiveness to the identified needs within the AA of affordable housing financing and small business financing. Specifically, the bank's CD loans were made to a variety of entities that provide CD benefits to the community, which include: affordable housing; economic development; community services targeted to LMI persons and the homeless; and revitalization and stabilization of LMI areas through redevelopment activities.

By dollar volume, approximately 26 percent of CD lending provided affordable housing for LMI residents and 17 percent was for economic development. The most notable was an \$11 million loan that provided 90 affordable housing units in a moderate-income census tract and enterprise zone.

In addition to the above, the bank purchased \$8.7 million of a \$50 million line of credit to the Hawaii Community Reinvestment Corp. The line was used to purchase a multifamily development that provides affordable housing for LMI residents. ASB also renewed a \$1.7 million working line of credit to Pharmacare Hawaii Inc., a company that provides community health services to LMI residents.

Product Innovation and Flexibility

ASB's product flexibility had a positive impact on its Lending Test conclusions. The bank offers flexible loan products directed towards LMI working individuals. Products include partnerships with the Pathways to Work program, Child & Family Services, and Rural Housing loan programs.

The Pathways to Work program targets LMI working parents having difficulties qualifying for conventional used car and car repair loans. Some features include an eight percent interest rate and up to a 30-month term. The program also provides a financial counseling and education service to participants through Child & Family Services. Since project inception in 2001, ASB has originated over \$1 million in loans.

Rural Housing loans are primarily used to help low-income individuals or households purchase homes in rural areas. The Rural Housing program is run through the United States Department of Agriculture. The program features higher loan-to-value ratios, lower interest rates, longer repayment terms, and payment assistance subsidies. During the review period, ASB originated 22 rural housing loans totaling \$6.7 million in Hawaii.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Honolulu MSA AA and the Hawaii non-MSA AA is excellent.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The donations total includes donations from ASB and its affiliates, HEI and HECO. The investments in the Low Income Housing Tax Credits (LIHTC) and the New Market Tax Credits programs benefitted both AAs. Below is a detail of each:

- The LIHTC program is an indirect federal subsidy used to finance the development of affordable rental housing for low-income households.
- The Department of Treasury's New Market Tax Credit (NMTC) program seeks to spur economic revitalization efforts of impoverished communities throughout the country. As of December 31, 2012, ASB allocated \$30 million that has been used for two projects, Forest City Enterprises (\$12 million) and Hilo Hawaiian Hotel (\$18.3 million).

Hawaii non-MSA

The bank has an excellent level of qualified CD investments, grants, and donations relative to its size and marketplace within the AA. The institution exhibits excellent responsiveness to credit and community economic development needs. ASB makes use of innovative and

complex investments to support CD initiatives. In the current evaluation period, ASB had 52 qualified investments totaling \$8.6 million. This represents 10.5 percent of allocated Tier One Capital.

Highlights of grants, donations, and investments within the AA include:

- Donations totaling over \$707 thousand to the United Way benefiting LMI families on the islands of Maui, Kauai, and Hawaii.
- Investment of \$2 million in Hawaii Housing Finance, LLC. The investment qualified under the LIHTC program and financed the construction of 60 affordable senior rental units in Kihei.

Honolulu MSA

Overall, the bank's performance in the AA is excellent. During the evaluation period, ASB originated 86 investments in the AA totaling \$42.5 million. This represents 11.4 percent of allocated Tier One Capital.

The bank's responsiveness to the needs of the AA is excellent. Funding for affordable housing for LMI individuals is one of the main identified needs in the AA. ASB has demonstrated a leadership role in the development of the innovative NMTC program.

Highlights of grants, donations, and investments within the AA include:

- Donations of over \$500 thousand to support Enterprise Honolulu, which supports economic development on Oahu, including the development and financing of projects located in LMI communities.
- Equity investment commitment of over \$5.4 million in Halekauwila Place, a 204-unit apartment complex in urban Honolulu that will provide affordable housing units.
- Investment of over \$5.3 million in the Franciscan Vista Ewa project, which is a 149-unit project in Ewa Beach that provides seniors with affordable housing units.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

ASB's performance under the Service Test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Hawaii non-MSA AA and the Honolulu MSA AA is good.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Hawaii non-MSA

ASB's branch distribution in the Hawaii non-MSA AA is good. Branches are accessible to geographies and individuals of different income levels in the AA. The bank operates 18 branches and deposit taking ATMs in the AA. ASB has one branch located in a low-income geography and two branches located in moderate-income geographies. The remaining 15 branches are located in middle-or upper-income geographies within the AA. The percentage of branches in the low-income geography exceeds the population percentage that resides in that geography. The percentage of branches in the moderate-income geographies is somewhat lower than the population percentage that resides in those geographies. It should be noted that in Hawaii County, the AA covers a large geographic and sometimes sparsely populated area. During the rating period, two branches were consolidated into other nearby branches and one branch was relocated, which has not adversely affected the overall accessibility of the bank's delivery systems.

Branch services and hours are tailored to the convenience and needs of the AA. Twelve of the 18 branches have Saturday hours, five branches have Sunday hours, and four branches are open on holidays. Four branches have extended hours until 7:00 p.m. Monday thru Friday. All branches have deposit taking and cash withdrawal ATMs.

Delivery systems are accessible to essentially all portions of the AAs. In addition to the bank's ATM network, ASB offers telephone banking, online banking, and night deposit services to supplement the bank's branch network and serve as alternative delivery systems to increase accessibility of banking services. In addition, the bank offers account access through a mobile banking program. We could not place significant weight on this alternative delivery system when drawing conclusions, as the bank could not provide data on the impact of this service to LMI individuals.

ASB offers a wide variety of traditional banking products and services to meet the needs of the AA. The bank's deposit products include personal checking accounts that require no fee. All branches also provide cashing of U.S. government checks. ASB offers a variety of loan products including SBA lending programs, such as the SBA Express program and SBA Export Trade program, which benefit small businesses.

Honolulu MSA

ASB's branch distribution in the Honolulu MSA is excellent. Branches are readily accessible to all portions of the AA. The bank has 39 full-service branches and deposit taking ATMs in this AA. ASB has one branch located in a low-income geography and 15 branches located in moderate-income geographies. The remaining 23 branches are located in middle- or upper-income geographies with one undesignated income geography. The percentage of branches in low-income geographies exceeds the population percentage that resides in that geography. The percentage of branches in the moderate-income geographies exceeds the population percentage that resides in those geographies. During the rating period, three branches were consolidated into other nearby branches and two branches were relocated, which has not affected the overall accessibility of the bank's delivery systems.

Branch services and hours are tailored to the convenience and needs of the AA, particularly LMI individuals. Twenty-nine of the 39 branches have Saturday hours, 11 branches have Sunday hours, and 10 branches are open on holidays. Eleven branches have extended hours until 7:00 p.m. Monday thru Friday. All branches have deposit taking and cash withdrawal ATMs. The bank operates one drive-up facility.

Delivery systems are accessible to essentially all portions of the AAs. ASB offers the same deposit products, loan programs, and alternative systems for delivering retail banking services in this AA as it does in the Hawaii non-MSA AA.

Community Development Services

ASB provides a relatively high level of CD services. The bank provides an adequate level of CD services in the Hawaii non-MSA AA, and is a leader in providing CD services in the Honolulu MSA AA. ASB employees participated in a variety of organizations, some in leadership roles, which benefited LMI individuals and promoted economic development.

Hawaii non-MSA

ASB provides an adequate level of CD services in the Hawaii non-MSA AA. During the evaluation period, 15 bank employees provided their financial services expertise to a variety of CD organizations within the AA. Examples of ASB's CD services are listed below.

- Employees provided approximately 14 hours of financial literacy education to LMI individuals in the AA.
- A bank senior officer serves as a board member for a non-profit economic development center that promotes community development.

Honolulu MSA

ASB is a leader in providing CD services in the Honolulu MSA AA. During the evaluation period, over 125 bank employees provided their financial services expertise to a variety of CD organizations within the AA. Examples of ASB's CD services are listed below.

- Employees provided approximately 40 hours of financial literacy education to LMI individuals in the AA.
- A senior executive serves as a board member for a non-profit organization that provides programs for LMI families and youth throughout both AAs.
- A senior executive serves as a board member for a non-profit organization that provides home ownership counseling to LMI families.
- A bank officer serves as a board member for a non-profit economic development organization that promotes community development.

- One employee serves a non-profit organization that provides free tax preparation for LMI individuals through the Volunteer Income Tax Assistance (VITA) Program.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): (1/1/08 to 12/31/11) Investment and Service Tests and CD Loans: (1/1/08 to 12/31/12)	
Financial Institution	Products Reviewed	
American Savings Bank, FSB (ASB) Honolulu, Hawaii	Home Mortgage Loans (includes home purchase, home improvement, and home refinance loans) reported on the HMDA Loan Application Register, as well as small loans to businesses as reported on the CRA Loan Register. Community development loans, investments, and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Hawaiian Electric Industries, Inc. (HEI)	Parent	Donations and community service hours
Hawaiian Electric Company, Inc. (HECO)	Affiliate	Donations and community service hours
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Honolulu MSA #26180	Full-Scope	Honolulu County (Island of Oahu)
Hawaii non-MSA	Full-Scope	Hawaii County (Island of Hawaii), Kauai County (Island of Kauai, but excluding Niihau Island), and Maui County (Island of Maui and Molokai, but excluding Islands of Kahoolawe and Lanai)

Appendix B: Market Profiles for Full-Scope Areas

Hawaii non-MSA AA

Demographic Information for Full-Scope Area: Hawaii non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	66	1.52	13.64	66.67	16.67	1.52
Population by Geography	331,881	0.00	17.24	68.58	14.18	0.00
Owner-Occupied Housing by Geography	70,977	0.00	17.95	67.58	14.47	0.00
Business by Geography	40,387	0.80	12.75	72.42	14.02	0.00
Farms by Geography	1,560	0.64	15.90	68.85	14.62	0.00
Family Distribution by Income Level	81,023	20.52	17.92	21.79	39.76	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	31,152	0.01	24.56	66.29	9.14	0.00
MFI		\$50,555	Median Housing Value		\$215,098	
HUD Adjusted MFI for 2011		\$72,400	Unemployment Rate		3.11%	
Households Below Poverty Level		12%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census and 2011 HUD updated MFI

The Hawaii non-MSA Assessment Area is comprised of three counties, Hawaii, Kauai, and Maui. The AA is made up of the Islands of Hawaii, Kauai, Maui, and Molokai but it excludes the non-public Islands of Kahoolawe and Niihau, and the Island of Lanai. As of June 30, 2012, the bank had \$756.9 million in deposits in this AA, representing 18.1 percent of its total deposits. There are eight FDIC insured financial institutions in the AA with 91 offices. ASB's main competitors include four Hawaii-based banks: Bank of Hawaii, First Hawaiian Bank, Central Pacific Bank, and Territorial Savings Bank. Combined, they hold approximately 84 percent of the deposit market share. In addition, there is significant home mortgage lending competition from JPMorgan Chase, Bank of America, and Wells Fargo. ASB operates 18 branches with a deposit taking ATM in this AA.

Similar to Honolulu, the non-MSA AA economy is heavily dependent on tourism. Hawaii County is the island of Hawaii. It is the largest in terms of land mass of the six major islands and the second most populous with an estimated population in 2010 of 185,079. Despite having one of the higher population totals among the neighboring islands, Hawaii County is perceived to be relatively underdeveloped because of its vast land size of 4,028 square miles. Kauai County includes the island of Kauai. Kauai is the fourth largest of the six major Hawaiian Islands. Only a small portion of its land is developed, mostly in the coastal areas, leaving the interior of the island reserved for agriculture and conservation. Kauai County's estimated 2010 population is 67,091. Maui County includes the island of Maui. It is the

economic center and seat of county government for the islands of Kahoolawe, Lanai, and Molokai. Maui County is the third most populous county within the state of Hawaii with an estimated population in 2010 of 144,444. The largest employment sectors for the three counties combined are accommodation and food services, government and government enterprises, and retail trade.

Within the AA, 20.5 percent of the families were low-income, earning a MFI of \$36 thousand or less and 17.9 percent were moderate-income, earning a MFI of \$57 thousand or less. Approximately 12 percent of all households in the AA had incomes below the poverty level. Approximately zero percent of the population and 0.8 percent of small businesses are located in low-income geographies. These figures show that the lending opportunities in low-income geographies are very limited.

According to the Bureau of Labor Statistics, as of December 2012, the unemployment rates for Hawaii County, Kauai County, and Maui County were 6.9 percent, 6.0 percent, and 5.2 percent, respectively. The state unemployment rate was 5.2 percent. According to the State of Hawaii's Department of Business, Economic Development, and Tourism, the economic activity in all three counties has begun to improve and should remain stable over the next few years. Recovering tourism, improving real estate values, and decreasing unemployment rates have contributed to the counties' economic improvement. Thirteen areas of the counties within the AA have been designated as Enterprise Zones, which are areas where the state and county are promoting business activity, job preservation, and job creation through tax and other incentives.

Within the AA, zero percent of the housing units are owner occupied and 100 percent are renter occupied in low-income geographies, while 51.3 percent of housing units are owner occupied and 31.9 percent are renter occupied in moderate-income geographies. Additionally, 100 percent of all units are 1-4 family unit homes and zero percent are 5+ housing units in low-income geographies, while 87.8 percent of all units are 1-4 family unit homes and 11.1 percent are 5+ housing units in moderate-income geographies. According to the National Association of Realtors, the 2012 average median housing prices for Hawaii County, Kauai County, and Maui County were \$232 thousand, \$363 thousand, and \$382 thousand, respectively.

Honolulu MSA AA

Demographic Information for Full-Scope Area: Honolulu MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	217	3.69	29.49	36.41	27.65	2.76
Population by Geography	876,156	2.03	28.72	42.14	27.10	0.00
Owner-Occupied Housing by Geography	156,233	0.42	16.11	43.47	40.00	0.00
Business by Geography	81,520	4.67	32.96	36.04	25.01	1.33
Farms by Geography	933	2.25	19.40	50.91	26.69	0.75
Family Distribution by Income Level	207,147	20.32	17.94	22.25	39.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	79,256	3.95	43.02	38.09	14.95	0.00
MFI		\$60,110	Median Housing Value		\$254,169	
HUD Adjusted MFI for 2011		\$81,600	Unemployment Rate		2.91%	
Households Below Poverty Level		10%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census and 2011 HUD updated MFI

The Honolulu MSA Assessment Area consists of all of Honolulu County. Honolulu County consists of the island of Oahu. As of June 30, 2012, the bank had \$3.4 billion in deposits in this AA, representing 81.9 percent of its total deposits. There are 13 FDIC insured financial institutions in the AA with 189 offices. ASB's main competitors include four Hawaii-based banks: Bank of Hawaii, First Hawaiian Bank, Central Pacific Bank, and Territorial Savings Bank. Combined, they hold approximately 83 percent of the deposit market share. In addition, there is significant home mortgage lending competition from JPMorgan Chase, Bank of America, and Wells Fargo. ASB operates 39 branches with deposit taking ATMs in this AA.

Oahu is the third largest Hawaiian Island and the most populated. Based on the 2010 Census, the population of the AA was 953,000. The city of Honolulu is the state's capital and the primary population center. Much of the eastern portion of the island of Oahu is made up of forest reserves and watersheds. A small portion of the western area is also made up of forest reserves. Oahu is home to the United Military Command for the Pacific and a significant portion of the island is made up of military installations. Aside from the large military presence, Honolulu's economy is heavily dependent on tourism. Oahu is the primary destination of the majority of tourists to the state, and has close to 36,000 hotel and condominiums units, most of which are focused in the Waikiki area. Historically, agriculture was a dominant element of the local economy, and it continues to represent a significant element. In spite of the large population on the island, the 2007 Agricultural Census indicated that more than 60,000 acres (15.7 percent of the land area) are still used for agricultural production. The island is also

home to the University of Hawaii and three private universities. The top five major employers provide hospitality and health services.

Within the AA, 20.3 percent of the families were low-income, earning a MFI of \$40 thousand or less and 17.9 percent were moderate-income, earning a MFI of \$65 thousand or less. Approximately 10 percent of all households in the AA had incomes below the poverty level. Approximately two percent of the population and 4.7 percent of small businesses are located in low-income geographies. These figures show that the lending opportunities in low-income geographies are limited.

According to the Bureau of Labor Statistics, as of December 2012, the unemployment rate for the AA totaled 4.7 percent. The state unemployment rate was 5.2 percent. According to Moody's Investors Service, the economic activity in Honolulu has begun to improve and should remain stable over the next few years. Honolulu's recovering tourism, improving real estate values, large military presence, overall employment stability, and public investment has contributed to the county's economic stability. Five areas of the county have been designated as Enterprise Zones. One of the areas is Urban Honolulu, which includes the airport, downtown, and Ala Moana areas.

Within the AA, 11.6 percent of the housing units are owner occupied and 78.7 percent are renter occupied in low-income geographies, while 24.3 percent of housing units are owner occupied and 61.8 percent are renter occupied in moderate-income geographies. Additionally, 26.2 percent of all units are 1-4 family unit homes and 73.4 percent are 5+ housing units in low-income geographies, while 36.0 percent of all units are 1-4 family unit homes and 63.8 percent are 5+ housing units in moderate-income geographies. According to the National Association of Realtors, the 2012 average median housing price for Honolulu was \$637 thousand.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and

upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the

number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

AMERICAN SAVINGS BANK

Table 1. Lending Volume

		Geography: HAWAII				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011						
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Hawaii non-MSA AA	30.59	2,161	552,340	807	67,587	14	495	10	26,055	2,982	620,422	18.12
Honolulu MSA AA	69.41	4,274	1,346,402	2,483	271,237	9	1,082	52	165,025	6,766	1,618,721	81.88

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2012.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

AMERICAN SAVINGS BANK

Table 2. Geographic Distribution of Home Purchase Loans

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income						
	#	% of Total**	% Owner Occ Units***	% Bank Loans****	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	560	38.97	0.00	0.00	17.81	24.82	67.84	64.82	14.35	10.36	0.08	12.64	73.27	14.02			
Honolulu MSA AA	877	61.03	0.42	0.80	16.11	26.11	43.47	41.96	40.00	31.13	0.81	15.99	49.38	33.82			

* Based on 2011 Peer Mortgage Data (USPR)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

AMERICAN SAVINGS BANK

Table 3. Geographic Distribution of Home Improvement Loans

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% Bank Loans****	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	143	44.14	0.00	0.00	17.81	23.08	67.84	55.94	14.35	20.98	0.00	11.05	69.61	19.34			
Honolulu MSA AA	181	55.86	0.42	1.10	16.11	4.42	43.47	45.86	40.00	48.62	0.28	8.22	44.18	47.32			

* Based on 2011 Peer Mortgage Data (USPR)

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

AMERICAN SAVINGS BANK

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income [*]						
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% Bank Loans ^{****}	% Owner Occ Units ^{***}	% Bank Loans	% Owner Occ Units ^{***}	% Bank Loans	% Owner Occ Units ^{***}	% Bank Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	1,457	31.34	0.00	0.00	17.81	14.89	67.84	69.32	14.35	15.79	0.00	10.41	71.88	17.71			
Honolulu MSA AA	3,192	68.66	0.42	0.50	16.11	13.63	43.47	41.13	40.00	44.74	0.58	11.76	42.07	45.59			

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

AMERICAN SAVINGS BANK

Table 5. Geographic Distribution of Multifamily Loans

Geography: HAWAII												Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income				
	#	% of Total**	% of MF Units***	% Bank Loans****	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Low	Mod	Mid	Upp	
Full Review:															
Hawaii non-MSA AA	1	4.17	0.00	0.00	8.88	100.00	83.74	0.00	7.38	0.00	0.00	30.00	70.00	0.00	
Honolulu MSA AA	23	95.83	3.50	0.00	55.83	60.87	31.80	26.09	8.87	13.04	0.00	67.53	28.57	3.90	

* Based on 2011 Peer Mortgage Data (USPR)

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

AMERICAN SAVINGS BANK

Table 6. Geographic Distribution of Small Loans to Businesses

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income						
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	807	24.79	0.80	1.98	12.70	9.79	72.54	74.72	13.96	13.51	0.81	11.44	75.27	12.47			
Honolulu MSA AA	2,448	75.21	4.67	1.96	32.96	38.24	36.04	39.09	25.01	20.71	2.50	33.41	37.62	26.46			

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2011).

AMERICAN SAVINGS BANK

Table 7. Geographic Distribution of Small Loans to Farms

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income						
	#	% of Total**	% of Farms*	% Bank Loans	% of Farms**	% Bank Loans	% of Farms**	% Bank Loans	% of Farms**	% Bank Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	14	60.87	0.64	0.00	15.86	7.14	68.93	42.86	14.58	50.00	0.00	13.04	58.70	28.26			
Honolulu MSA AA	9	39.13	2.25	0.00	19.40	0.00	50.91	100.00	26.69	0.00	0.00	17.65	76.47	5.88			

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2011).

AMERICAN SAVINGS BANK

Table 8. Borrower Distribution of Home Purchase Loans

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data [*]						
	#	% of Total ^{**}	% Families ^{***}	% Bank Loans ^{****}	% Families ¹	% Bank Loans ^{****}	% Families [*]	% Bank Loans ^{****}	% Families [*]	% Bank Loans ^{****}	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	560	38.97	20.51	6.12	17.95	19.42	21.83	30.40	39.72	44.06	4.21	15.85	27.78	52.16			
Honolulu MSA AA	877	61.03	20.32	5.67	17.94	21.49	22.25	30.93	39.49	41.91	3.64	17.51	32.12	46.73			

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by BANK.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

AMERICAN SAVINGS BANK

Table 9. Borrower Distribution of Home Improvement Loans

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data						
	#	% of Total**	% Families ***	% Bank Loans****	% Families ₂	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	143	44.14	20.51	4.90	17.95	16.78	21.83	30.07	39.72	48.25	5.54	20.92	29.54	44.00			
Honolulu MSA AA	181	55.86	20.32	4.60	17.94	15.52	22.25	20.69	39.49	59.20	6.64	17.76	26.64	48.96			

* Based on 2011 Peer Mortgage Data (USPR)

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by BANK.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

AMERICAN SAVINGS BANK

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Geography: HAWAII														Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data [*]						
	#	% of Total ^{**}	% Families ^{***}	% Bank Loans ^{****}	% Families ³	% Bank Loans ^{****}	% Families ^{***}	% Bank Loans ^{****}	% Families ^{***}	% Bank Loans ^{****}	Low	Mod	Mid	Upp			
Full Review:																	
Hawaii non-MSA AA	1,457	31.33	20.51	7.66	17.95	20.36	21.83	27.74	39.72	44.24	7.49	17.15	23.39	51.97			
Honolulu MSA AA	3,193	68.67	20.32	5.82	17.94	19.94	22.25	31.25	39.49	42.99	4.29	15.75	26.34	53.63			

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 2.0% of loans originated and purchased by Bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

AMERICAN SAVINGS BANK

Table 11. Borrower Distribution of Small Loans to Businesses

Geography: HAWAII									
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenue \$1 Million or Less
Full Review:									
Hawaii non-MSA AA	807	24.53	63.58	70.26	84.26	9.42	6.32	7,769	4,189
Honolulu MSA AA	2,483	75.47	61.12	69.23	78.25	10.11	11.64	15,835	7,983

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.33% of small loans to businesses originated and purchased by the bank.

AMERICAN SAVINGS BANK

Table 12. Borrower Distribution of Small Loans to Farms

Geography: HAWAII									
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data	
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Revenue \$1 Million or Less
Full Review:									
Hawaii non-MSA AA	14	60.87	94.25	85.71	92.86	7.14	0.00	51	33
Honolulu MSA AA	9	39.13	90.89	22.22	66.67	22.22	11.11	18	8

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2011).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

AMERICAN SAVINGS BANK

Table 14. Qualified Investments

Geography: HAWAII									
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2012									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Hawaii non-MSA AA	0	0	51	7,129	52	8,598	16.8	1	1,469
Honolulu MSA AA	0	0	85	35,873	86	42,514	83.2	1	6,641

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

AMERICAN SAVINGS BANK

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

Geography: HAWAII																		Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011																	
Assessment Area:	Deposits		Branches					Branch Openings/Closings							Population																				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography																					
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp																		
Full Review:																																			
Hawaii non-MSA AA	18.12	18	31.58	5.56	11.11	77.77	5.56	0	0	0	0	0	0	0.00	17.11	68.85	14.04																		
Honolulu MSA AA	81.88	39	68.42	2.56	38.47	41.03	15.38	0	0	0	0	0	0	2.03	28.72	42.14	27.10																		

(Note: One branch, or 2.56 percent of the branches in the Honolulu MSA, is located in a non income-designated geography.)