



Territorial Bancorp Inc.

Investor Presentation

Franchise Footprint



Territorial Savings Bank Branches

CORPORATE OFFICE

1132 Bishop Street, Suite 2200
Honolulu, Hawaii 96813

Aina Haina Branch

820 W. Hind Drive, Suite 118
Honolulu, Hawaii 96814

Ala Moana Center Branch

Street Level, Mauka
1450 Ala Moana Boulevard, #1052
Honolulu, Hawaii 96814

Downtown Branch

1000 Bishop Street
Honolulu, Hawaii 96813

Hawaii Kai Branch

Hawaii Kai Shopping Center
377 Keahole Street
Honolulu, Hawaii 96825

Hilo Branch

Waiakea Center
315 Makaala Street
Hilo, Hawaii 96720

Kahala Branch

4819 Kilauea Avenue
Honolulu, Hawaii 96816

Kahului Branch

Kaahumanu Center
275 Kaahumanu Avenue
Kahului, Maui, Hawaii 96732

Kailua Branch

19 Oneawa Street
Kailua, Hawaii 96734

Kaimuki Branch

1108 12th Avenue
Honolulu, Hawaii 96816

Kalihi-Kapalama Branch

1199 Dillingham Boulevard
Honolulu, Hawaii 96817

Kamehameha Shopping Center Branch

1620 North School Street, Suite 136
Honolulu, Hawaii 96817

Kaneohe Branch

46-005 Kawa Street
Kaneohe, Hawaii 96744

Kapahulu Branch

Kilohana Square
1016 Kapahulu Avenue, Suite 130
Honolulu, Hawaii 96816

Kapolei Branch

Ace Center at Kapolei
480 Kamokila Boulevard, #2
Kapolei, Hawaii 96707

Kauai Branch

Kukui Grove Shopping Center
4393 Kukui Grove Street
Lihue, Kauai, Hawaii 96766

Kihei Branch

Azeka Shopping Center Mauka
1279 South Kihei Road, #311
Kihei, Hawaii 96753

Kona Branch

Crossroads Shopping Center
75-1027 Henry Street, Suite 111B
Kailua-Kona, Hawaii 96740

Lahaina Branch

Old Lahaina Center
170 Papalaua Street, Unit 3
Lahaina, Hawaii 96761

Manoa Branch

2752 Woodlawn Drive, #5-110
Honolulu, Hawaii 96822

McCully Branch

1111 McCully Street
Honolulu, Hawaii 96826

Mililani Branch

Town Center of Mililani
95-1249 Meheula Park Way, Unit 168
Mililani, Hawaii 96789

Nuuanu Branch

Nuuanu Shopping Center
1613 Nuuanu Avenue, B6
Honolulu, Hawaii 96817

Pearl City Branch

Pearl City Shopping Center
850 Kamehameha Highway, Suite B2
Pearl City, Hawaii 96782

Pearlridge Branch

98-084 Kamehameha Highway
Aiea, Hawaii 96701

Piikoi Branch

1159 S. Beretania Street
Honolulu, Hawaii 96814

Salt Lake Branch

Salt Lake Shopping Center
848 Ala Liliko Street
Honolulu, Hawaii 96818

Waipahu Branch

Waipahu Town Center
94-050 Farrington Highway
Waipahu, Hawaii 96797

Waipio Branch

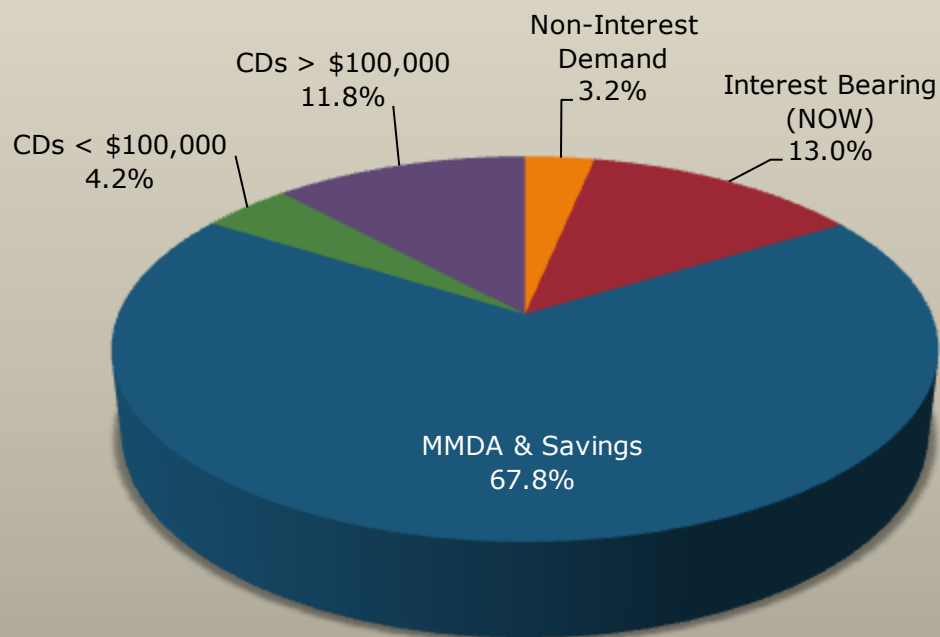
Laniakea Plaza
94-1221 Ka Uka Boulevard, #102
Waipahu, Hawaii 96797

Deposit Market Share

State of Hawaii							
2013 Rank	2012 Rank	Institution (ST)	2013 Number of Branches	2013 Total Deposits in Market (\$000)	2013 Total Market Share (%)	2012 Total Deposits in Market (\$000)	2012 Total Market Share (%)
1	1	BNP Paribas	57	11,925,143	35.72	11,712,593	35.74
2	2	Bank of Hawaii Corp. (HI)	66	10,831,334	32.45	10,911,531	33.30
3	3	Hawaiian Electric Industries (HI)	57	4,316,816	12.93	4,176,296	12.74
4	4	Central Pacific Financial Corp (HI)	35	3,885,850	11.64	3,606,275	11.00
5	5	Territorial Bancorp Inc. (HI)	28	1,250,051	3.74	1,230,036	3.75
6	6	Hawaii National Bancshares Inc (HI)	14	558,770	1.67	542,872	1.66
7	7	HomeStreet Inc. (WA)	3	355,154	1.06	342,127	1.04
8	8	Pacific Rim Bank (HI)	1	128,893	0.39	125,013	0.38
9	9	Ohana Pacific Bank (HI)	1	89,642	0.27	81,085	0.25
10	10	Orient Bancorp. (CA)	2	39,735	0.12	43,300	0.13
Total For Institutions In Market			264	33,381,388	100.00	32,771,128	100.00

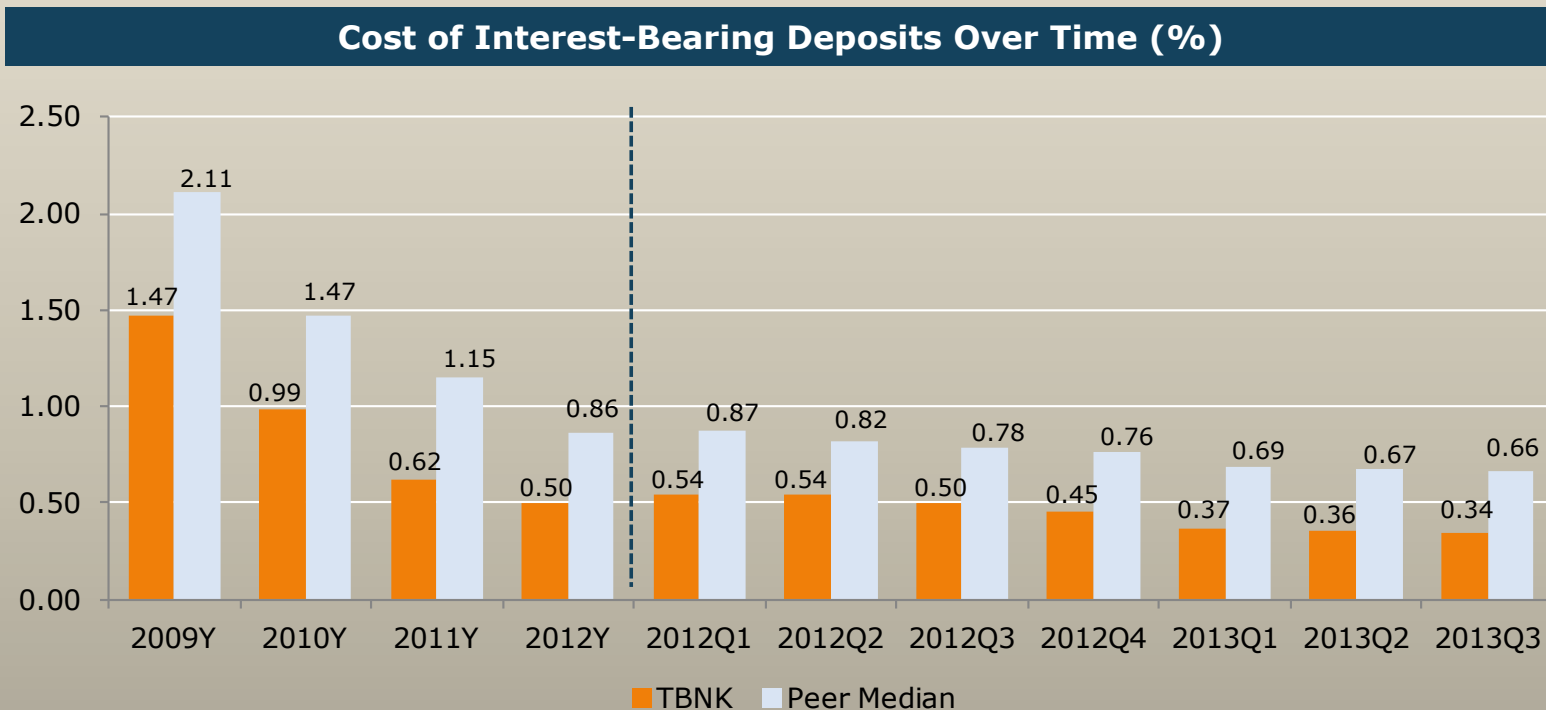
Deposit Base

- Since 2009, deposits have grown at an annual rate of 5.6%
- Deposit growth has taken place in non-CD accounts
- Cost of interest bearing deposits 27bps lower than the median of TBNK's proxy peers at 0.65%



Total Deposits:	\$1.3 billion	Cost of Interest Bearing Deposits:	0.34%
Core Deposits:	\$1.1 billion	Core Deposits / Deposits:	88.17%

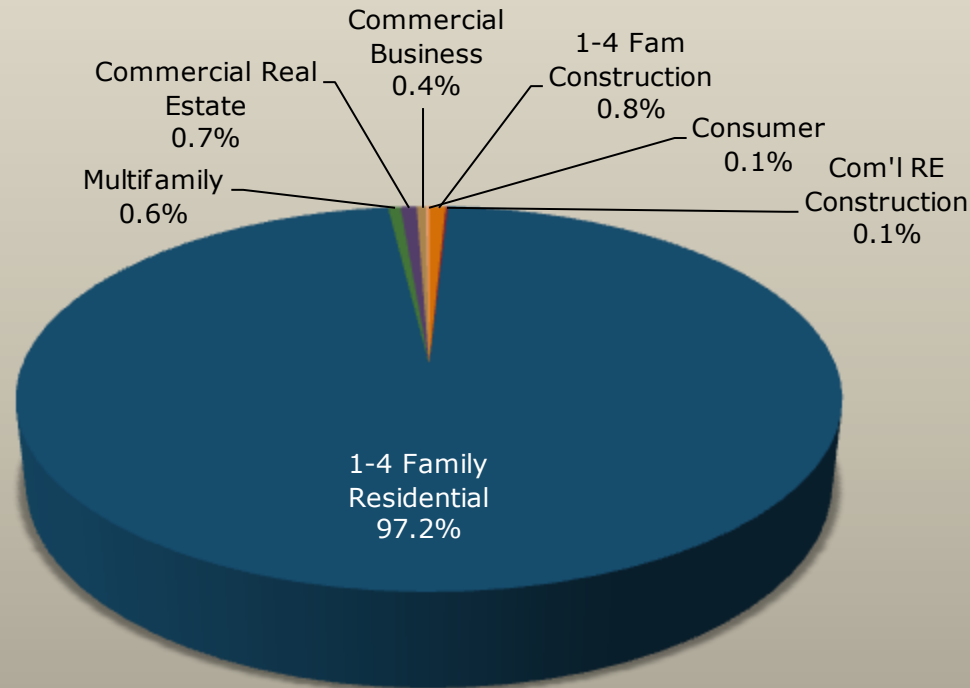
Favorable Cost of Interest-Bearing Deposits



Source: SNL Financial
Peers: BHLB, BRKL, TRST, STL, KRNY, UBNK, EBSB, OCFC, RCKB, ESBF, UCFC, ROMA, MFSF, OABC, HIFS, PROV, CBNJ, CSBK, and FFW

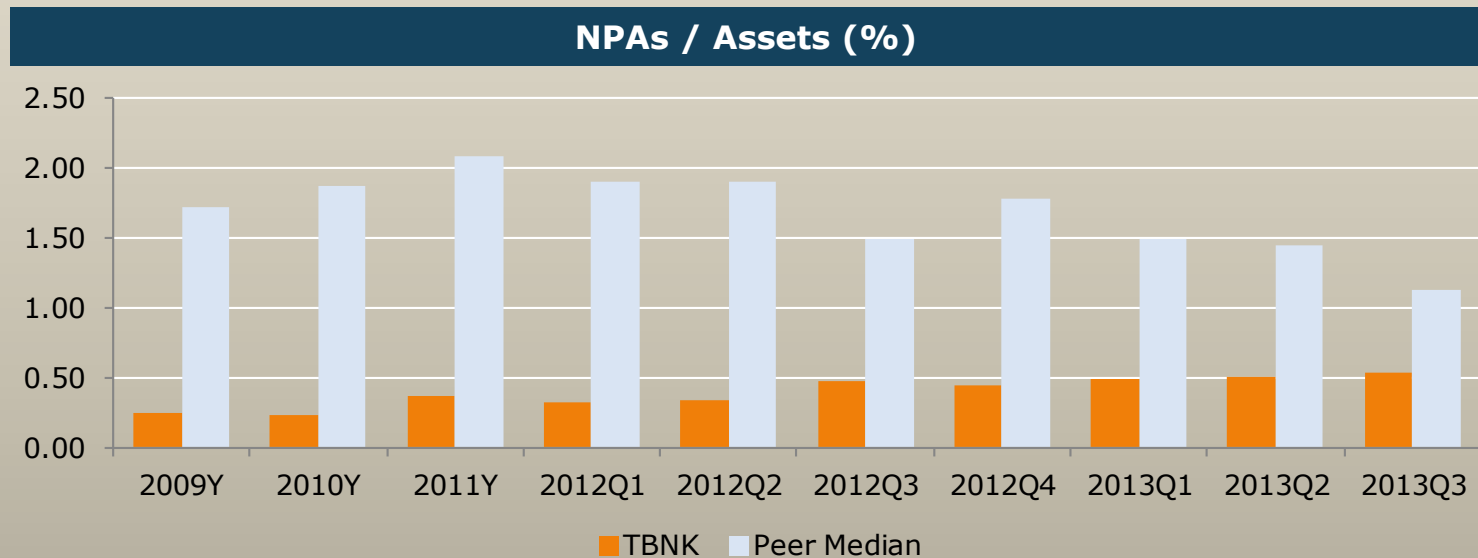
Loan Portfolio

- Since 2009, loans have grown at an annual rate of 9.9%
- Loan growth has been driven by 1-4 family residential loan generation, increasing approx. \$239 million since 2009



Total Loans:	\$835.3 million	Yield on Loans:	4.47%
1-4 Family Loans:	\$811.9 million	Loans / Deposits:	65.42%

Pristine Asset Quality

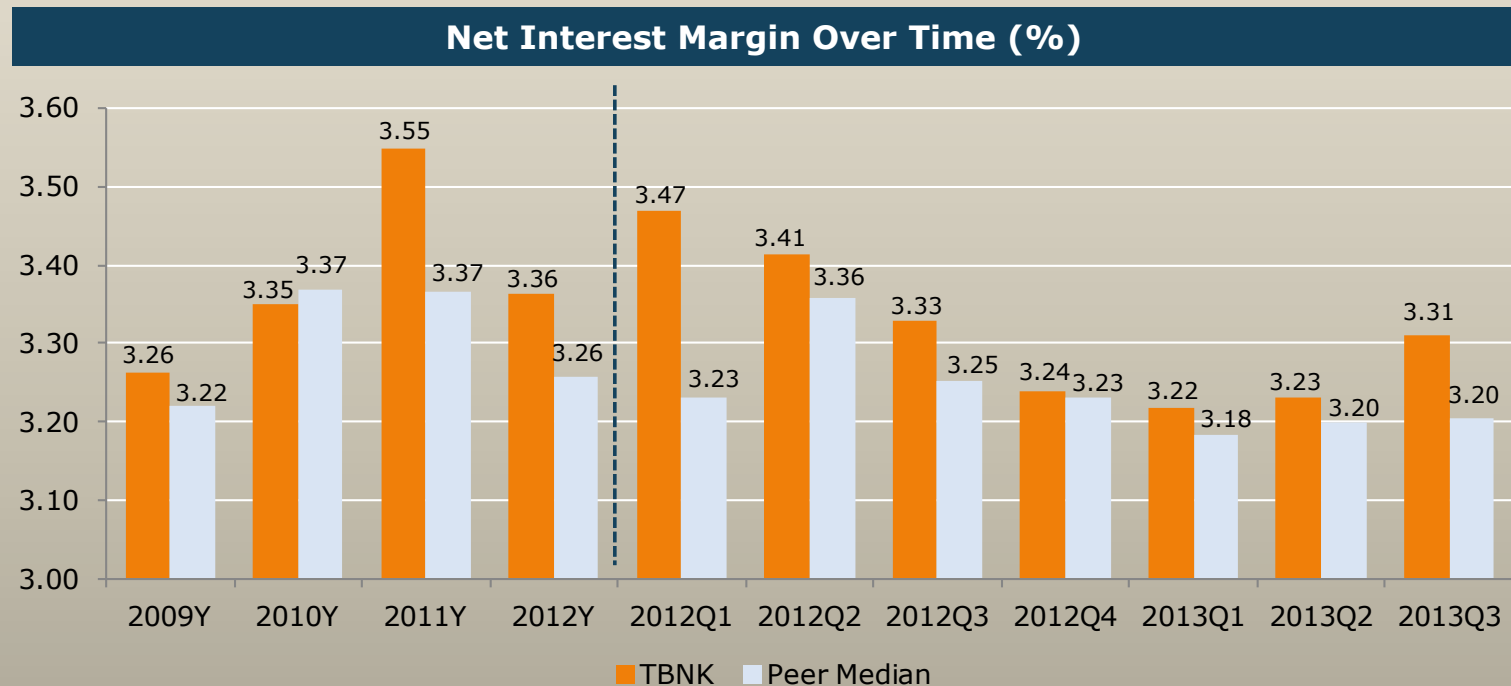


Source: SNL Financial

Note: Nonperforming assets include nonaccrual loans, TDRs and OREO

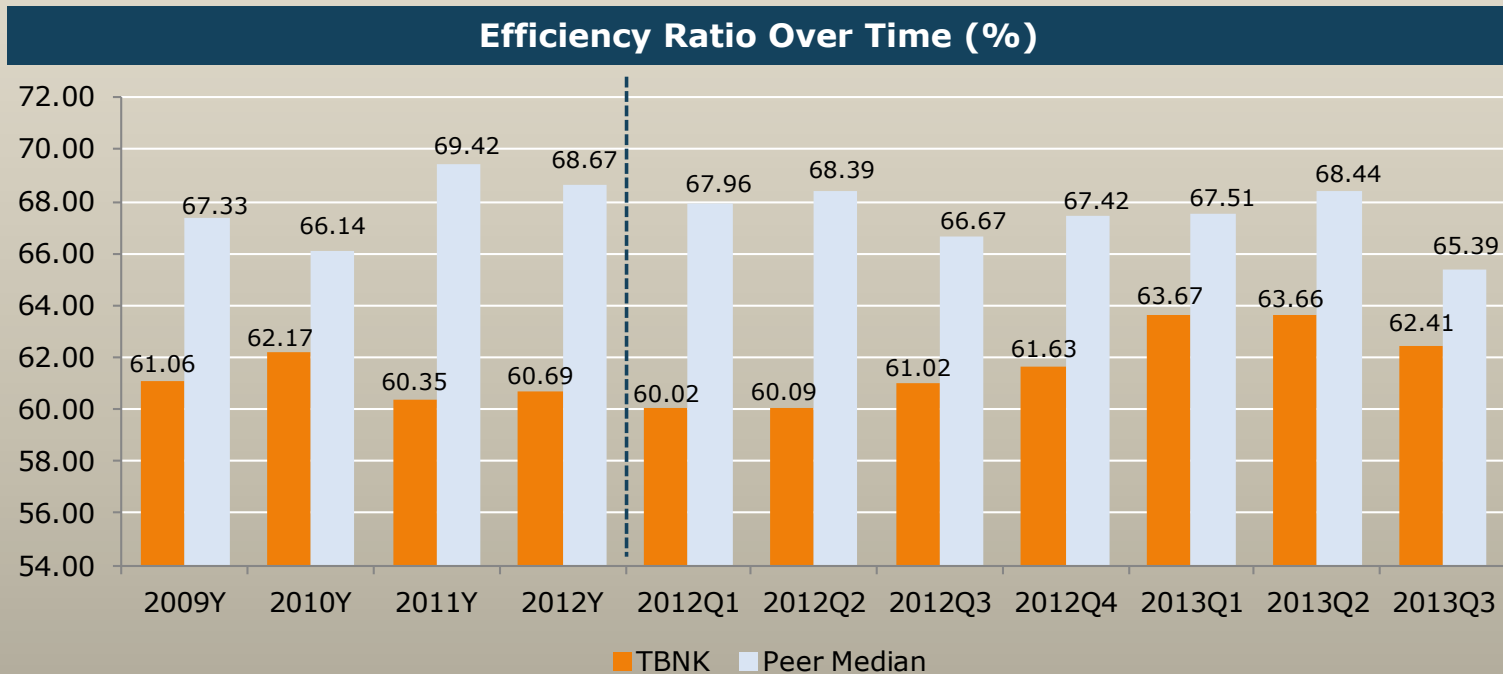
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Steady Net Interest Margin



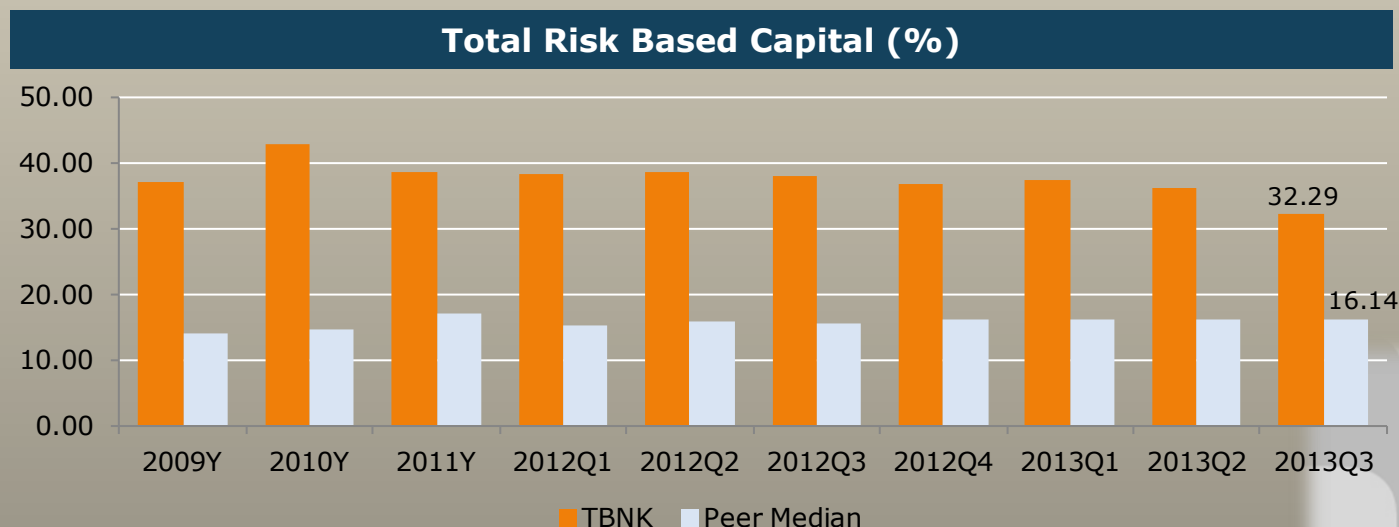
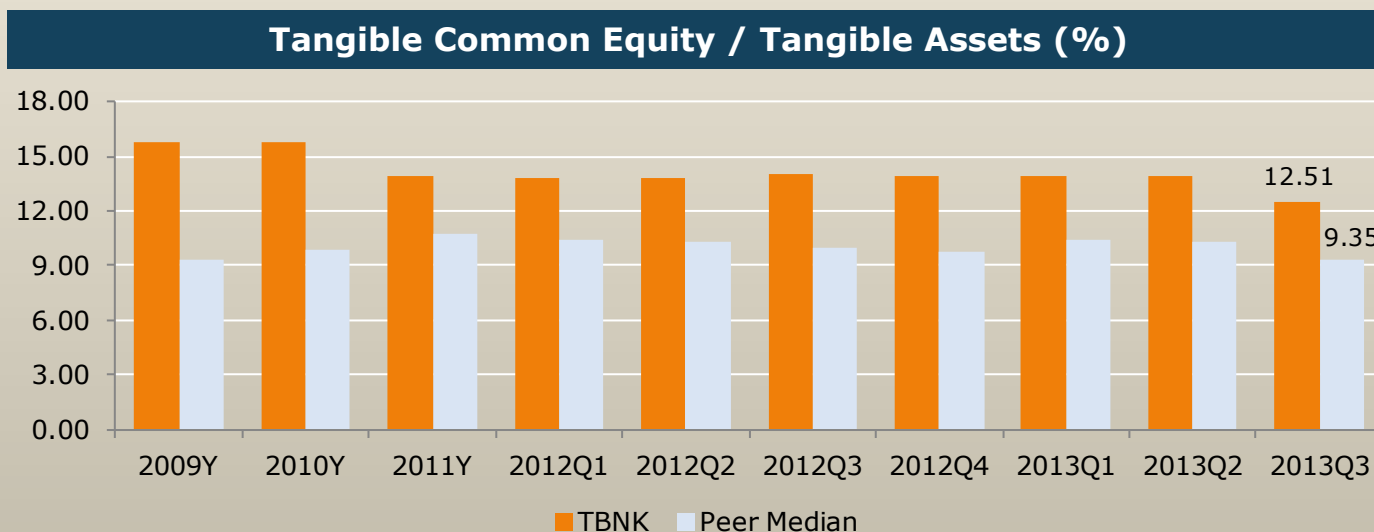
Source: SNL Financial
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Strong History of Overhead Cost Control



Source: SNL Financial
Peers: BHLB, BRKL, TRST, STL, KRNY, UBNK, EBSB, OCFC, RCKB, ESBF, UCFC, ROMA, MFSF, OABC, HIFS, PROV, CBNJ, CSBK, and FFW

Strong Capital Measures



Source: SNL Financial
 Peers: BHLB, BRKL, TRST, STL, KRNY, UBNK, EBSB, OCFC, RCKB, ESBF, UCFC, ROMA, MFSF, OABC, HIFS, PROV, CBNJ, CSBK, and FFW

Financial Highlights: Balance Sheet

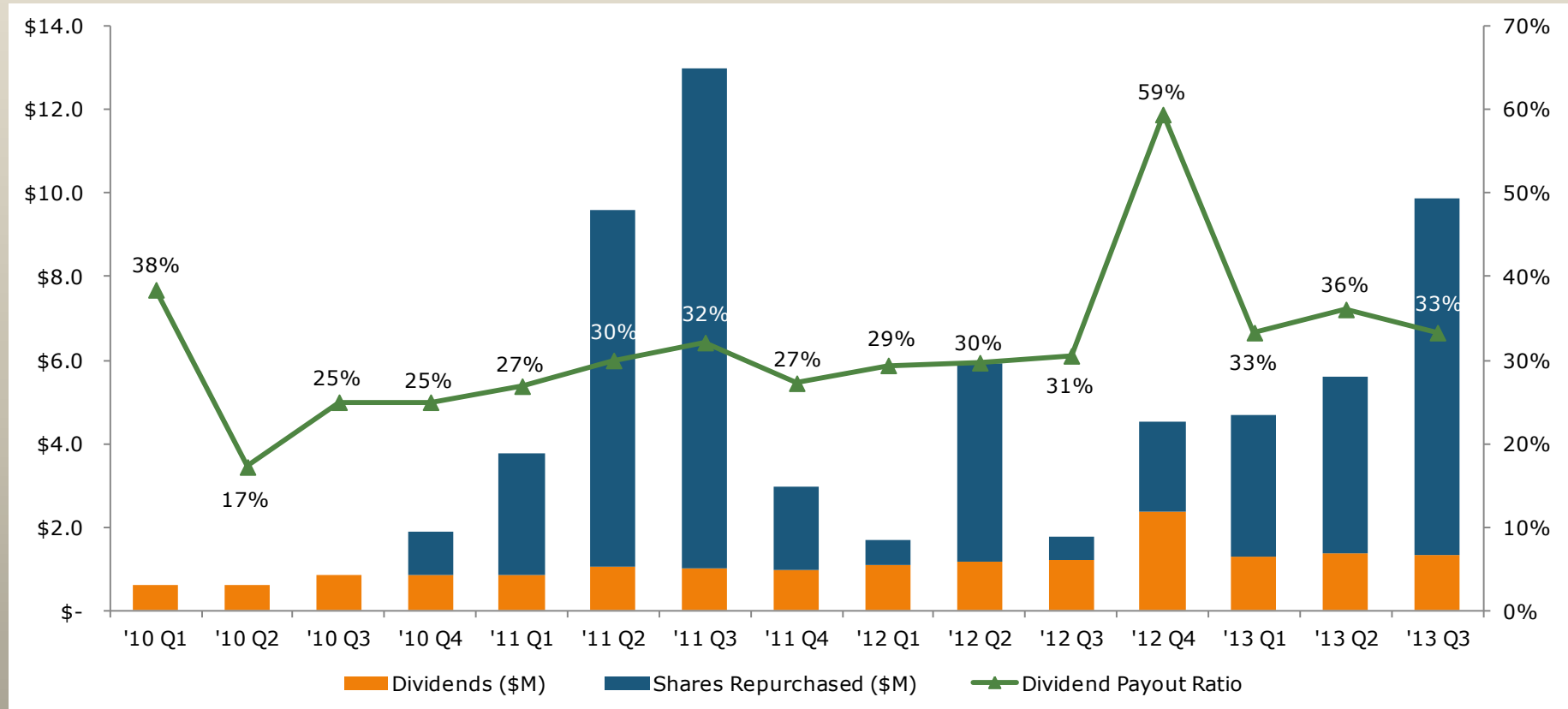
<i>\$ in Thousands</i>	2009FY	2010FY	2011FY	2012FY	2013Q1	2013Q2	2013Q3
Total Assets	\$ 1,389,612	\$ 1,443,412	\$ 1,537,571	\$ 1,574,627	\$ 1,565,524	\$ 1,562,415	\$ 1,561,510
Net Loans	598,784	645,024	691,326	777,096	796,520	824,748	828,627
Securities	610,742	557,913	666,219	566,801	567,671	594,590	619,233
Core Deposits	867,440	946,217	1,012,888	1,089,305	1,099,159	1,107,463	1,109,494
Deposits	1,014,668	1,076,470	1,166,116	1,237,847	1,237,234	1,235,456	1,258,358
Nonperforming Assets / Assets (%)	0.24	0.24	0.37	0.44	0.49	0.50	0.53
Return on Average Assets (%)	0.66	0.77	0.85	0.95	0.93	0.93	0.98
Return on Average Common Equity	5.50	4.91	5.72	6.78	6.64	6.64	7.12

Financial Highlights: Operating Results

<i>\$ in Thousands</i>	2009FY	2010FY	2011FY	2012FY	2013Q1	2013Q2	2013Q3
Net Interest Income	\$ 41,541	\$ 46,287	\$ 51,448	\$ 50,920	\$ 12,182	\$ 12,173	\$ 12,571
Provision / (Recapture) for Loan Losses	1,198	345	418	415	18	(16)	45
Net Interest Income After Provision	40,343	45,942	51,030	50,505	12,164	12,189	12,526
Non-interest Income	2,505	2,129	5,093	7,062	2,360	2,311	2,323
Non-interest Expense	29,545	31,531	34,636	34,432	8,716	8,595	8,720
Income Before Income Taxes	13,303	16,540	21,487	23,135	5,808	5,905	6,129
Income Tax Expense	4,639	5,512	8,698	8,297	2,167	2,244	2,298
Net Income	8,664	11,028	12,789	14,838	3,641	3,661	3,831
Diluted Earnings per Share	\$ 0.77	\$ 0.97	\$ 1.17	\$ 1.45	\$ 0.36	\$ 0.36	\$ 0.39
Net Interest Margin	3.26%	3.35%	3.55%	3.36%	3.22%	3.23%	3.31%
Efficiency Ratio	61.06%	62.17%	60.35%	60.69%	63.67%	63.66%	62.41%

Capital Return to Shareholders

Mix of Capital Returned to Shareholders Since 2010



- TBNK has returned capital through both dividends and stock buybacks
- Regular quarterly dividend per share paid has increased 7 times from \$0.05/share to \$0.14/share
 - TBNK paid a \$0.10 special dividend in December 2012
- Announced completion of 4th repurchase program on 9/30/13

Safe Harbor Provision of the Private Securities Litigation Reform Act of 1995

This presentation, like many written and oral communications presented by Territorial Bancorp Inc. and our authorized officers, may contain certain forward-looking statements regarding our prospective performance and strategies within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of said safe harbor provisions.

Forward-looking statements, which are based on certain assumptions and describe future plans, strategies, and expectations of the Company, are generally identified by use of the words "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "seek," "strive," "try," or future or conditional verbs such as "will," "would," "should," "could," "may," or similar expressions. Our ability to predict results or the actual effects of our plans or strategies is inherently uncertain. Accordingly, actual results may differ materially from anticipated results.

There are a number of factors, many of which are beyond our control, that could cause actual conditions, events, or results to differ significantly from those described in our forward-looking statements. These factors include, but are not limited to: general economic conditions, either internationally, nationally or in our market areas, that are worse than expected; competition among depository and other financial institutions; inflation and changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments; adverse changes in the securities markets; changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements; our ability to enter new markets successfully and capitalize on growth opportunities; our ability to successfully integrate acquired entities, if any; changes in consumer spending, borrowing and savings habits; changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission and the Public Company Accounting Oversight Board; changes in our organization, compensation and benefit plans; changes in our financial condition or results of operations that reduce capital available to pay dividends; and changes in the financial condition or future prospects of issuers of securities that we own.

For a discussion of these and other risks that may cause actual results to differ from expectations, please refer to our Annual Report on Form 10-K for the Year Ended December 31, 2012, on file with the Securities and Exchange Commission, including the section entitled "Risk Factors, as well as other documents we file with the Securities and Exchange Commission.

Furthermore, the timing and occurrence or non-occurrence of events may be subject to circumstances beyond our control.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this presentation. Except as required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.