

HAWAIIAN ELECTRIC INDUSTRIES INC  
Form 11-K  
June 26, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 11-K**

**x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2014**

**or**

**o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**Commission file number 1-8503**

**AMERICAN SAVINGS BANK 401(K) PLAN**

**Hawaiian Electric Industries, Inc.**

**1001 Bishop Street, Suite 2900, Honolulu, Hawaii 96813**

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REQUIRED INFORMATION

Financial Statements. The statements of net assets available for benefits at December 31, 2014 and 2013, and the statements of changes in net assets available for benefits for the years then ended, Schedule H, Line 4i Schedule of Assets (Held at End of Year) at December 31, 2014, together with notes to financial statements, and PricewaterhouseCoopers LLP's Report of Independent Registered Public Accounting Firm thereon, are filed as a part of this annual report, as listed in the accompanying index.

Exhibit. The written consent of PricewaterhouseCoopers LLP with respect to the incorporation by reference of the Plan's financial statements and supplemental schedule in registration statement No. 333-159000 on Form S-8 of Hawaiian Electric Industries, Inc. is filed as a part of this annual report and attached hereto as Exhibit 23.1.

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SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN SAVINGS BANK 401(K) PLAN

Date: June 26, 2015

By: HAWAIIAN ELECTRIC INDUSTRIES, INC.  
PENSION INVESTMENT COMMITTEE  
Its Named Fiduciary

By: /s/ James A. Ajello  
James A. Ajello  
Its Chairman

By: /s/ Chester A. Richardson  
Chester A. Richardson  
Its Secretary

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**American Savings Bank 401(k) Plan**

**Financial Statements**

**December 31, 2014 and 2013**

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**Report of Independent Registered Public Accounting Firm**

To the Administrator of  
American Savings Bank 401(k) Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of American Savings Bank 401(k) Plan (the Plan ) at December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The supplemental Schedule of Assets (Held at End of Year) at December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the Schedule of Assets (Held at End of Year) is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California  
June 26, 2015

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**American Savings Bank**

**401(k) Plan**

**Statements of Net Assets Available for Benefits**

**December 31, 2014 and 2013**

	2014	2013
<b>Assets</b>		
Plan interest in Master Trust		
Investments, at fair value	\$ 97,382,872	\$ 87,271,412
Notes receivable from participants	3,193,296	2,896,462
Employer contributions receivable	1,563,204	2,059,128
Due from Fidelity	5,088	3,482
Total assets	102,144,460	92,230,484
<b>Liabilities</b>		
Accounts payable	3,711	3,821
Net assets available for benefits	\$ 102,140,749	\$ 92,226,663

The accompanying notes are an integral part of these financial statements.



Table of Contents**American Savings Bank****401(k) Plan****Statements of Changes in Net Assets Available for Benefits****Years Ended December 31, 2014 and 2013**

	2014	2013
<b>Additions</b>		
Investment income		
Plan interest in Master Trust		
Net appreciation in fair value of investments	\$ 4,196,660	\$ 11,730,200
Dividends and interest	4,253,255	1,981,235
Total investment income	8,449,915	13,711,435
Master Trust interest from participants notes receivable	137,461	110,921
Revenue credit	20,350	13,928
<b>Contributions</b>		
Participants	4,634,036	4,546,216
Employer	3,466,983	3,916,721
Rollover	309,180	311,870
Total contributions	8,410,199	8,774,807
Total additions	17,017,925	22,611,091
<b>Deductions</b>		
Distributions to participants	(7,065,357)	(7,263,541)
Administrative expenses and other	(38,482)	(19,045)
Total deductions	(7,103,839)	(7,282,586)
Net increase	9,914,086	15,328,505
<b>Net assets available for benefits</b>		
Beginning of year	92,226,663	76,898,158
End of year	\$ 102,140,749	\$ 92,226,663

The accompanying notes are an integral part of these financial statements.

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**American Savings Bank**

**401(k) Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Plan Description**

The American Savings Bank 401(k) Plan (the Plan or ASB 401(k) Plan ) was established by American Savings Bank, F.S.B. ( ASB or the Bank ) effective January 1, 2008. The Plan is a defined contribution 401(k) plan that provides certain tax-favored retirement benefits to participating employees. ASB is the only participating employer in the Plan at this time.

Effective January 1, 2013, the ASB 401(k) Plan was amended and restated in its entirety to incorporate all amendments required by the 2011 Cumulative List of Changes in Plan Qualification Requirements, including amendments to comply with the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree, and Employer Recovery Act of 2008. As part of the restatement, the Bank was designated as the Plan Administrator, as defined in the Employee Retirement Income Security Act of 1974, as amended ( ERISA ).

In December 2013, the Bank made one amendment to the Plan. The amendment added a Roth 401(k) contribution feature and a Roth In-Plan conversion feature effective January 1, 2014.

The following description of the Plan provides only general information. Participants should refer to the Plan document for its detailed provisions, which are also summarized in the most recent prospectus for the Plan and in the summary plan description.

**a. Plan Administration**

ASB is the Administrator of the Plan. The board of directors of Hawaiian Electric Industries, Inc. ( HEI ), which is the parent corporation of the controlled group of which ASB is a part, has established the Hawaiian Electric Industries, Inc. Pension Investment Committee ( PIC ) to oversee the administration of the Plan and the investment options offered under the Plan. The PIC has appointed an Administrative Committee to oversee the day-to-day administration of the Plan, which includes the discretionary authority to interpret the Plan 's provisions. The PIC has also appointed an Investment Committee to oversee the day-to-day financial affairs of the Plan. The Administrative and Investment Committees are comprised of employees of HEI and its subsidiaries and are chaired by a member of the PIC.

ASB and the Plan pay the Plan's administrative fees. The Plan's trustee and certain of the mutual funds offered under the Plan also provide revenue credits to the Plan, which are used to pay for Plan administration including recordkeeping. Fees charged directly to the Plan that are not paid by revenue credits may be allocated to participant accounts. Participants may also be assessed interest and fees related to participants' notes receivable, withdrawals, and domestic relations orders.

**b. Salary Deferral Contributions**

For purposes of salary deferral (401(k)) contributions, all common law employees of ASB (other than leased employees) are eligible to participate in the Plan upon employment. Participation in the 401(k) portion of the Plan is voluntary for eligible employees.

Employees may make salary deferral contributions of up to 100% of available eligible compensation (i.e., compensation that is available after payroll taxes and other applicable withholdings) subject to a federal tax limit of \$17,500 in 2014 and 2013. Participants who are age 50 or older, or who will reach age 50 during the year, may elect to make catch-up contributions, as defined in the Plan, subject to a federal tax limit of \$5,500 in 2014 and 2013.

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Effective January 1, 2014, when a participant makes a salary deferral election, the participant may choose between regular, pre-tax 401(k) contributions and after-tax, Roth contributions.

For purposes of employee salary deferral contributions to the Plan, eligible compensation is defined as Box 1, W-2 earnings during the Plan year modified to (a) exclude fringe benefits, employer nonelective contributions to a cafeteria plan, reimbursements, moving and other expense allowances, special executive compensation, signing bonuses, retention bonuses, service awards, and similar nonperformance based awards, and (b) include nontaxable elective contributions made by ASB to the Plan, a cafeteria plan, or a pre-tax transportation spending plan. Special executive compensation is noncash compensation and nonqualified deferred compensation available only to a select group of management employees. Federal tax law limits the amount of annual compensation that may be taken into account in determining contributions to the Plan. The maximum limit was \$260,000 in 2014 and \$255,000 in 2013.

**c. Matching Contributions**

After one year of service, ASB matches employee salary deferral contributions at the rate of 100% of the first 4% of eligible compensation deferred. These matching contributions are known as AmeriMatch contributions. For AmeriMatch contributions, compensation is defined in the same way it is defined for salary deferral contributions as described in Note 1(b) above; however, compensation earned prior to an employee becoming eligible for AmeriMatch is not included.

For 2014 and 2013, ASB made AmeriMatch contributions to the Plan of \$1,903,779 and \$1,859,155, respectively.

**d. Employer Discretionary Contributions**

The Plan also includes an annual discretionary profit sharing feature (known as AmeriShare ). All employees employed on the last day of any Plan year are eligible to share in any AmeriShare allocation for that year. Exceptions to the last-day requirement are made for those who die, become disabled, or retire during the year. Retirement is defined as termination of employment either after (i) attaining age 65 or (ii) attaining age 55 and completing 10 years of service with ASB, HEI or any HEI subsidiary. On February 12, 2015, ASB approved an AmeriShare contribution equal to 2.78% of 2014 eligible compensation for the 2014 Plan year. This AmeriShare contribution was deposited into eligible participant accounts on February 24, 2015. On February 18, 2014, ASB approved an AmeriShare contribution equal to 3.717% of 2013 eligible compensation for the 2013 Plan year. This AmeriShare contribution was deposited into eligible participant accounts on February 25, 2014.

For purposes of calculating any AmeriShare contribution, eligible compensation includes an eligible employee's annual base salary or pay plus commissions paid during the Plan year, but excludes any amounts deferred to the American Savings Bank Select Deferred Compensation Plan or any other nonqualified deferred compensation plan that are not includible in the gross income of the employee for the taxable year.

e. **Participant Accounts**

Each participant has an individual account in the Plan, which may include one or more subaccounts. Each participant is always 100% vested in his or her total account, including all subaccounts. A participant's benefits equal the balance in the participant's account at the time

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**American Savings Bank**

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of distribution. Each participant's account is credited with the participant's elective contributions, AmeriMatch and AmeriShare contributions, and allocations of Plan earnings and gains or losses (whether realized or unrealized), and charged with an allocation of any administrative expenses paid directly by the Plan or charged directly to the participant's account. Individual expenses, such as fees associated with loans and distributions, are charged directly to a participant's individual account. Other administrative expenses, such as recordkeeping expenses, are paid through investment level expenses that are borne by participants in proportion to their investments in the designated investment alternatives that generate revenue credits for the Plan. Participant accounts are valued at the end of each day that the New York Stock Exchange is open.

The Plan is intended to be an ERISA Section 404(c) plan, under which the fiduciaries of the Plan are relieved of liability for any losses that are the direct and necessary result of a participant's or beneficiary's exercise of control over the investments in his or her individual account. Participants are responsible for directing the investment of all amounts in their accounts using investment options offered under the Plan and for the performance of such investments. The Plan currently offers various mutual funds and target-date funds, and a unitized common stock fund that consists of shares of HEI common stock and short-term liquid investments. Participants may change their investment elections at any time. If a participant does not choose an investment option for any portion of the participant's account, such amounts are automatically invested in the age-appropriate Fidelity Freedom Index Fund or such other investment as the PIC may direct, pending other direction by the participant.

The portion of the Plan comprising the HEI Common Stock Fund is designated as an employee stock ownership plan ( ESOP ). Amounts contributed to the Plan for investment in the HEI Common Stock Fund or transferred to the HEI Common Stock Fund from other investment alternatives become part of the ESOP component of the Plan.

Participants are not required to make any investment in the HEI Common Stock Fund, and there are two limitations on the amount a participant may invest in the HEI Common Stock Fund. First a participant may not direct more than 20% of any contribution to the HEI Common Stock Fund. Second, participants and beneficiaries are prohibited from making transfers or exchanges from other investment alternatives into the HEI Common Stock Fund if the transfer or exchange would cause the participant's or beneficiary's investment in the HEI Common Stock Fund to exceed 20% of the participant's or beneficiary's total account balance.

**f. Distributions**

Distributions from participants' accounts are generally made upon retirement, death, permanent disability, or other termination of employment. Distributions may be made in a single lump sum, or a retired or terminated participant may elect to receive partial distributions (once per year) until the participant's account has been distributed in full or the participant elects to receive a single-sum distribution of the remaining balance. Retired participants may also elect to receive required minimum distributions from the Plan.

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Account balances of \$5,000 or less are automatically distributed upon termination of employment. Any automatic distribution of more than \$1,000 (but not more than \$5,000) is made in the form of a direct rollover to an Individual Retirement Account ( IRA ) designated by the Administrative Committee, unless the participant requests a cash distribution or a direct rollover to an IRA or tax-qualified retirement plan of the participant s choosing.

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Distributions from the HEI Common Stock Fund are in the form of HEI common stock or, if the participant so elects, cash (with any fractional shares paid in cash).

The participant's account will be reduced by any unpaid note balance at the time of distribution. However, unless rolled over, the balance of the unpaid note will be taxable to the participant.

**g. Death Benefits**

Upon the death of a participant, the full value in the participant's account is payable as a death benefit to the participant's designated beneficiary.

**h. Withdrawals While Employed**

Prior to termination of employment, a participant may request a withdrawal from his or her account in the event of hardship. A participant who receives a hardship withdrawal is prohibited from making additional salary deferral contributions (pre-tax or Roth) to the Plan for six months following the hardship withdrawal.

Upon request, a participant may withdraw voluntary after-tax contributions previously allowed under the Plan. These contributions are no longer permitted under the Plan.

Participants who elect to invest portions of their account balances in the HEI Common Stock Fund (the ESOP component of the Plan) may elect to receive cash distributions of periodic dividends attributable to such investments or may elect to have such dividends reinvested.

A participant who is age 59½ or older may elect to receive an in-service distribution from his or her vested account balance once per year.



**i. Notes Receivable From Participants**

Participants may borrow from their accounts. All loans must be on commercially reasonable terms and be evidenced by a note. The minimum note amount is \$1,000, and the maximum amount of all notes under the Plan is limited to the lesser of \$50,000, reduced by the highest outstanding note balance during the prior 12 months, or 50% of the participant's account balance. The term of a note generally may not exceed 5 years, except that a note used to purchase a principal residence may have a term of up to 15 years. The interest rate on a note is set at the time a participant applies for the note. The interest rate for 2014 was two percentage points above the Federal Reserve prime rate of interest as of the last working day of the month preceding the month the note was made. All outstanding notes are collateralized by 50% of the participant's account balance, determined when a note is approved. No allowance for credit losses has been recorded as of December 31, 2014 or 2013. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the default will be a deemed distribution. However, the participant's account will not be reduced until a distributable event occurs under the terms of the Plan. Notes outstanding at December 31, 2014 bear interest at various rates ranging from 3.50% to 9.25%. Principal and interest payments are made ratably through payroll deductions. Participants are allowed up to two notes outstanding at any one time from the Plan.

**j. Vesting**

Participants are 100% vested in their account balances at all times.

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**American Savings Bank**

**401(k) Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**2. Summary of Significant Accounting Policies**

**a. Basis of Accounting**

The Plan prepares its financial statements under the accrual method of accounting.

**b. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ( GAAP ) requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**c. Investment Valuation and Income Recognition**

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The PIC is responsible for the Plan's valuation principles and utilizes information provided by the Plan's investment advisers and custodian. See Note 3 for a discussion of fair value measurements. Net appreciation or depreciation in the fair value of investments includes realized and unrealized changes in the values of investments bought, sold, and held during the year.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**d. Notes Receivable From Participants**

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2014 or 2013. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is treated as a deemed distribution and is recorded in distributions to participants.

**e. Payment of Benefits**

The Plan records benefits when they are paid.

**f. Expenses**

Certain expenses of maintaining the Plan, such as legal, audit, consulting and recordkeeping fees, are paid directly by the Bank and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation in fair value of investments.

**g. Risks and Uncertainties**

The Plan may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

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**Notes to Financial Statements**

**December 31, 2014 and 2013**

On December 3, 2014, HEI and NextEra Energy, Inc. entered into an agreement and plan of merger. Failure to complete the merger could negatively impact the HEI common stock price and the future business and financial results of HEI. For more information, see HEI's Form 10-K filed with the Securities and Exchange Commission ( SEC ) on February 26, 2015 and proxy statement filed on March 26, 2015.

Approximately 12% and 11% of the Plan's net assets at December 31, 2014 and 2013, respectively, consisted of HEI common stock.

**h. Recent Accounting Standards**

In May 2015, the Financial Accounting Standards Board ( FASB ) issued guidance on disclosures for investments in certain entities that calculate net asset value ( NAV ) per share or its equivalent. Under this amendment, investments for which fair value is measured at NAV using the practical expedient should not be categorized in the fair value hierarchy. The guidance is effective for periods beginning after December 15, 2015. Early application is permitted. We do not anticipate application of this guidance to have a material impact on the Plan's financial statements.

**i. Subsequent Events**

The Plan Administrator has evaluated subsequent events through the date the financial statements were issued.

**3. Fair Value Measurements**

**a. Fair Value of Financial Instruments**

The following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual Funds*

Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Hawaiian Electric Industries, Inc. Common Stock Fund*

Invests primarily in shares of HEI common stock with a fractional amount invested in interest-bearing cash equivalents. The HEI Common Stock Fund is valued at NAV. The underlying HEI common stock held by the HEI Common Stock Fund is valued at the closing price reported on the last business day of the Plan year reported on the active market on which the common stock is traded. The underlying cash equivalents include investments in money market mutual funds valued at the NAV. The HEI Common Stock Fund trades daily without any prior redemption notice period.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values, which may be materially affected by market conditions and other circumstances. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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**401(k) Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**b. Fair Value Hierarchy**

Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The following are the three levels of the fair value hierarchy under this standard:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.

Level 2 Inputs are quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

**4. Interest in Master Trust**

All of the assets of the ASB Plan are held together with all of the assets of the Hawaiian Electric Industries Retirement Savings Plan in a master trust (the Master Trust ) pursuant to a Master Trust Agreement between HEI and ASB and Fidelity Management Trust Company (the Trustee ) that was amended and restated in its entirety as of September 4, 2012. Each participating plan has an undivided interest in the Master Trust

determined by the specific interest each participant has in their account.

The value of the Plan's interest in the Master Trust is based on the beginning of the year value of the Plan's interest in the Master Trust plus actual contributions, transfers and allocated investment income or loss less actual distributions and allocated administrative expenses. At both December 31, 2014 and 2013, the Plan's interest in the assets of the Master Trust was approximately 19%. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon the daily valuation of the balances invested by each plan.

The following table presents the assets of the Master Trust and the Plan's interest in the Master Trust:

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	2014	2013
<b>Investments</b>		
Mutual funds	\$ 435,062,485	\$ 395,980,855
HEI Common Stock Fund	89,253,599	74,897,875
Total investments	524,316,084	470,878,730
Notes receivable from participants	10,438,442	9,784,300
Participant contributions receivable	807,120	729,730
Employer contributions receivable	1,608,707	2,093,018
Due from Fidelity	26,376	18,032
Accounts payable	(9,571)	(8,969)
Total net assets	\$ 537,187,158	\$ 483,494,841
<b>Plan interest in Master Trust</b>		
Investments	\$ 97,382,872	\$ 87,271,412
Notes receivable from participants	3,193,296	2,896,462

The following table presents the Plan's investments in the Master Trust that represent greater than 5% of the Plan's net assets:

	2014	2013
<b>Mutual funds</b>		
T. Rowe Price Growth Stock Fund	\$ 14,851,780	\$ 13,509,238
Fidelity Retirement Money Market Trust Money Market Portfolio	8,687,897	10,135,475
Spartan 500 Index Fund Institutional Class	11,237,416	9,128,705
Fidelity Puritan Fund Class K	5,963,753	5,569,173
HEI Common Stock Fund	12,279,170	9,923,160

The following table presents the income of the Master Trust and the Plan's interest in the income of the Master Trust:

	2014	2013
<b>Net appreciation (depreciation) in fair value of investments</b>		
Mutual funds	\$ 6,525,933	\$ 59,755,136
HEI Common Stock Fund	19,537,154	2,700,611
Dividends and interest	24,212,492	11,789,991
Total investment income	\$ 50,275,579	\$ 74,245,738
Interest from participants' notes receivable	\$ 470,795	\$ 412,184
<b>Plan interest in Master Trust</b>		



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Investment income	\$	8,449,915	\$	13,711,435
Interest from participants notes receivable		137,461		110,921

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The following table presents the changes in net assets of the Master Trust:

	<b>2014</b>		<b>2013</b>	
Net appreciation in fair value of investments	\$	26,063,087	\$	62,455,747
Dividends and interest	\$	24,212,492	\$	11,789,991
Net investment income		50,275,579		74,245,738
Net transfers		3,416,738		10,433,520
Increase in net assets		53,692,317		84,679,258
<b>Net assets</b>				
Beginning of year		483,494,841		398,815,583
End of year	\$	537,187,158	\$	483,494,841

The following tables sets forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2014 and 2013. There are no Level 3 investments held by the Master Trust. Also included is the Plan's percentage interest in each investment type.

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>December 31, 2014</b>	<b>Plan's Interest</b>
<b>Investments</b>				
Mutual funds				
Money market	\$ 45,488,300		\$ 45,488,300	19%
Bond	25,467,332		25,467,332	20%
Balanced/hybrid	35,330,848		35,330,848	17%
Domestic equity	208,311,882		208,311,882	19%
International equity	22,572,637		22,572,637	21%
Lifecycle	97,891,486		97,891,486	22%
HEI Common Stock Fund		89,253,599	89,253,599	14%
	\$ 435,062,485	\$ 89,253,599	\$ 524,316,084	

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	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	December 31, 2013	Plan's Interest
<b>Investments</b>				
Mutual funds				
Money market	\$ 49,002,786	\$	\$ 49,002,786	21%
Bond	23,367,479		23,367,479	20%
Balanced/hybrid	32,554,208		32,554,208	17%
Domestic equity	189,833,840		189,833,840	18%
International equity	23,955,746		23,955,746	20%
Lifecycle	77,266,796		77,266,796	23%
HEI Common Stock Fund		74,897,875	74,897,875	13%
	\$ 395,980,855	\$ 74,897,875	\$ 470,878,730	

**5. Plan Termination**

Although it has not expressed any intent to do so, ASB has the right under the Plan to discontinue its contributions at any time or to terminate the Plan.

**6. Federal Income Taxes**

The Plan and Master Trust are qualified under the Internal Revenue Code (the Code) and are exempt from federal income taxes under Sections 401(a) and 501(a) of the Code. On January 31, 2013, the ASB Plan document, as restated effective January 1, 2013, was submitted to the Internal Revenue Service (IRS) for a determination that the language of the Plan continues to meet the federal tax law requirements applicable to it. On October 22, 2013, the IRS issued a favorable determination letter covering the Plan restatement. This latest determination letter does not cover amendments made to the Plan since January 1, 2013. ASB and its outside ERISA/tax counsel believe that the amendments made since January 1, 2013 meet applicable federal tax law requirements.

ASB is not aware of any Code or ERISA violations that would jeopardize the Plan's tax exempt status and, as of December 31, 2014 and 2013, has concluded that there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is periodically audited by the IRS and the U.S. Department of Labor (DOL); however, there are currently no

audits in progress. ASB believes that the Plan is no longer subject to income tax examinations for years prior to 2011.

**7. Related Party Transactions**

Certain Plan investments represent shares of mutual funds managed by Fidelity Management and Research Company ( FMR ). Fidelity Management Trust Company ( FMTC ), an affiliate of FMR, is the Trustee of the Plan, and therefore, the transactions with FMR qualify as party-in-interest transactions for which a prohibited transaction exemption exists.

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**American Savings Bank**

**401(k) Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

Effective January 1, 2012, a revenue credit program for the Plan was implemented by FMTC. Certain legal and consulting fees incurred by the Plan are included in the statements of changes in net assets available for benefits because they are paid through the revenue credit program ( RCP ). These RCP payments amounted to approximately \$21,500 and \$9,000 for the years ended December 31, 2014 and 2013, respectively. ASB made direct payments for recordkeeping services provided by Fidelity Investments Institutional Operations Company, Inc., an affiliate of both FMR and FMTC, which were not covered by the RCP. These direct payments amounted to approximately \$14,300 and \$11,000 for the years ended December 31, 2014 and 2013.

Plan participants may also elect to invest in the HEI Common Stock Fund, which consists of shares of HEI common stock and short-term liquid investments. Since ASB is a wholly owned, indirect subsidiary of HEI, investments in the HEI Common Stock Fund are party-in-interest transactions under the prohibited transaction rules of ERISA for which a statutory exemption exists. During the year ended December 31, 2014, the Master Trust made purchases of 69,124 shares of HEI common stock for a total purchase price of \$1.5 million and sales of 313,268 shares of HEI common stock for total sales proceeds of \$7.0 million. During the year ended December 31, 2013, the Master Trust made purchases of 39,244 shares of HEI common stock for a total purchase price of \$0.9 million and sales of 184,486 shares of HEI common stock for total sales proceeds of \$4.1 million.

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**American Savings Bank 401(k) Plan**

**EIN: 99-0253492, Plan: 004**

**Schedule H, line 4i**

**Schedule of Assets (Held at End of Year)**

**December 31, 2014**

*	Plan interest in HEIRS Plan and ASB 401(k) Plan Master Trust	Master Trust	97,382,872
*	Participant Loans	443 loans with interest rates from 3.5% to 9.25%, maturing 2015 through 2029	3,193,296
*	Party in interest		100,576,168

NOTE:

Participant loans are legally held by the Hawaiian Electric Industries Retirement Savings Plan and American Savings Bank 401(k) Plan Master Trust ( DFE ), however Form 5500 Instructions and the Department of Labor s electronic filing system require the reporting of participant loans at the individual plan level. As such, the participant loans and attendant interest are reported in the individual plans Form 5500 and not in the DFE s Form 5500.