

**Central Pacific Financial Corp.
&
Central Pacific Bank**

**Sustainability Accounting Standards Board
Commercial Banks
Sustainability Accounting Standard**

Central Pacific Financial Corp. (“CPF”) and its bank subsidiary, Central Pacific Bank (“Bank” and “CPB”), and each of their respective subsidiaries, affiliates, employees, officers and directors (collectively referred to herein as the “Company”, “we,” “us,” “our”), are located in the State of Hawaii and our primary business is Central Pacific Bank, a community bank which principally provides banking and financial products and services to people, consumers and businesses in Hawaii.

The Company is providing this disclosure on the performance of the Company respecting the Sustainability Accounting Standards Board (“SASB”) Commercial Bank Sustainability Accounting Standards, Version 2018-10, which SASB Standards are most applicable to our business.

Our responses herein are principally based on year 2020 data except where otherwise stated. We will update this disclosure as additional information for 2021 becomes available.

Terms:

1Q, 2Q, 3Q, 4Q – January 1 to March 31, April 1 to June 30, July 1 to September 30, October 1 to December 31.

CRA – Community Reinvestment Act.

ESG – Environment, Social, Governance.

FDIC – Federal Deposit Insurance Corporation.

FFIEC – Federal Financial Institutions Examination Council.

SEC – United States Securities and Exchange Commission.

References:

“10-K 2020 2021” means CPF’s SEC Form 10-K for the fiscal years ended December 31, 2020, December 31, 2021, respectively. [www.cpb.bank – investor relations – SEC filings]

“10-Q 1Q21 2Q21 3Q21 4Q21” means CPF’s SEC Form 10-Q for the quarterly periods ended March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, respectively. [www.cpb.bank – investor relations – SEC filings]

“Call Report 1Q21 2Q21 3Q21 4Q21” means CPB’s FFIEC Consolidated Reports of Condition and Income for the quarterly periods ended March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, respectively. [cdr.ffiec.gov]

“CRA Report 2019” means FDIC CRA Performance Evaluation of CPB, dated July 9, 2019, released January 1, 2020. [www7.fdic.gov/CRAPES].

“ESG Report 2020” means the Company’s 2020 Environmental, Social and Governance Report. [www.cpb.bank – investor relations – corporate social responsibility]

“Proxy Statement 2021” means CPF’s Proxy Statement for its Annual Meeting on April 29, 2021. [www.cpb.bank – investor relations – SEC filings]

Standards and Our Responses

Data Security

(1) Accounting Metric - (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected. Our response:

We did not have any data breaches in 2020 or through 2Q 2021.

(2) Accounting Metric - Description of approach to identifying and addressing data security risks. Our response:

We maintain programs, policies, procedures, processes and protocols (collectively “programs”) led by our Information Technology and Information/Cyber Security teams to proactively prevent, monitor, detect, identify, remediate and address any risks to our systems and data. We engage independent third parties to test and audit such programs and such programs are also examined by federal and state regulators.

For further information see: (i) our 10-K 2020 (Cybersecurity on pages 16 and 76); (ii) our Proxy Statement 2021 (Board Leadership Structure and Risk Oversight on pages 20-21); and (iii) our ESG Report 2020 (Information Security on page 7).

Financial Inclusion & Capacity Building

(1) Accounting Metric - (1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development. Our response:

We are a strong supporter of small business loans and community development loans. In 2020 and in 1Q 2021 we made over 7,200 and over 3,600 SBA Paycheck Protection Program (“PPP”) loans aggregating over \$558 million and over \$292 million respectively. In 2020 and in 1Q 2021 we made approximately 696 and 143 other non-PPP small business loans aggregating approximately \$109 million and \$24 million respectively. In 2020 and in 1Q 2021, we made approximately 111 and 47 loans supporting community development aggregating approximately \$292 million and \$90 million respectively.

As of 3/31/21, small business commercial and industrial loans: with original amounts of \$100,000 or less were a total of 8,866 loans with aggregate current outstanding of \$231.304 million; with original amounts of more than \$100,000 through \$250,000 were a total of 1,039 loans with aggregate current outstanding of \$144.949 million; with original amounts of more than \$250,000 through \$1,000,000 were a total of 529 loans with aggregate current outstanding of \$224.782 million.

As of 3/31/21, small business loans secured by nonfarm nonresidential properties: with original amounts of \$100,000 or less were a total of 4 loans with aggregate current outstanding of \$148,000; with original amounts of more than \$100,000 through \$250,000 were a total of 27 loans with aggregate current outstanding of \$3.879 million; with original amounts of more than \$250,000 through \$1,000,000 were a total of 137 loans with aggregate current outstanding of \$58.800 million.

The FDIC has rated our Bank “Outstanding” in its Community Reinvestment Act (“CRA”) performance since 2006. The Bank’s last CRA Report 2019 issued by the FDIC, concluded that the Bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices, that the Bank is a leader in making

community development (CD) loans, and that the Bank makes extensive use of innovative and/or flexible lending practices in order to serve the credit needs of its assessment areas.

For further information see: (i) our 10-Q 1Q21 (PPP loans on page 20); (ii) our CRA Report 2019 (small business, community development loans, and innovative and/or flexible lending practices, on pages 16-22, 30-35, 41-46); (iii) our Call Report 1Q21 (Schedule RC-C Part II Loans to Small Businesses and Small Farms).

(2) Accounting Metric - (1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development. Our response:

For our PPP loans which were made in 2020 and 2021, there are no PPP loans which are past due and nonaccrual.

As of 12/31/20, total loans were \$4.964 billion, and total past due and nonaccrual loans totaled \$17.060 million comprised of the following: \$11.469 million residential mortgage; \$3.272 million consumer; \$0.574 million home equity; \$1.745 other commercial, financial, agricultural.

As of 3/31/21, total loans were \$5.137 billion, and total past due and nonaccrual loans totaled \$15.390 million comprised of the following: \$8.203 million residential mortgage; \$3.963 million consumer; \$0.800 million home equity; \$2.424 other commercial, financial, agricultural.

As of 3/31/21, commercial and industrial loans were \$1.089 billion, and total past due and nonaccrual commercial and industrial loans were \$1.412 million.

For further information see: (i) our 10-Q 1Q21 (Nonaccrual and Past Due Loans on page 22); (ii) our Call Report 1Q21 (Schedule RC-C Part I Loans and Leases, Schedule RC-N Past Due and Nonaccrual Loan Leases and Other Assets).

(3) Accounting Metric – Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers. Our response:

As of 12/31/20, total deposits were \$5.796 billion, comprised of the following: \$1.790 billion non-interest bearing demand deposits; \$1.174 billion interest-bearing demand deposits; \$1.932 billion savings and money market deposits; \$149 million time deposits less than \$100,000; \$90 million time deposits \$100,000 to \$250,000; \$500 million government time deposits; \$159 million other time deposits greater than \$250,000.

As of 3/31/21, total deposits were \$6.208 billion, comprised of the following: \$2.070 billion non-interest bearing demand deposits; \$1.237 billion interest-bearing demand deposits; \$2.004 billion savings and money market deposits; \$145 million time deposits less than \$100,000; \$88 million time deposits \$100,000 to \$250,000; \$500 million government time deposits; \$162 million other time deposits greater than \$250,000.

We provide a Value retail checking account for those unbanked and underbanked customers, which does not require any minimum opening deposit (\$25 minimum deposit required if opened online), provides the first order of 40 checks at no cost, and provides the following services at no cost: debit card, usage of our ATMs, online banking, online bill pay, online statements, mobile banking, mobile deposit service and telephone banking. As of 2Q 2021 we have over 65,000 Value retail checking account customers.

For further information see: (i) our 10-Q 1Q21 (Deposits on page 64).

(4) Accounting Metric – Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers. Our response:

Providing financial literacy and education to the unbanked, underbanked and underserved is very important to our Company.

During 2020 and through 2021, we supported financial literacy and education through the following: (i) during the COVID-19 pandemic, we posted and sent numerous communications and prepared and delivered numerous

seminars to educate our customers and others about and in need of financial aid (over 200 of our employees were directly engaged in processing PPP loans the vast majority of which were to very small businesses in Hawaii); (ii) our new online and mobile applications have added budgeting and spending trackers to assist with managing finances; and, (iii) our employees continue to individually contribute to improving financial literacy in our Hawaii community (for example, two employees serve on the Board of Junior Achievement Hawaii, another employee taught a real estate development course to high school students).

Incorporation of Environmental, Social, and Governance Factors in Credit Analysis

(1) Accounting Metric - Commercial and industrial credit exposure, by industry. Our response:

As of 3/31/21, we have approximately \$1.089 billion in commercial and industrial (“C&I”) loans, with total loans of \$5.137 billion.

For further information see: (i) our Call Report 1Q21 (Schedule RC-C Part I Loans and Leases).

(2) Accounting Metric - Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis. Our response:

We will always maintain our credit standards and disciplined approach to safe and sound lending. In addition, we have established and incorporated environmental, social and governance (“ESG”) principles to be considered in our lending and credit analysis. We continue to be proactive in establishing lending programs that promote the environment (such as our financing of homeowner solar power systems) and to help businesses that promote social causes and the welfare of our communities. Conversely, we may decline to loan to companies which contravene our principles and neglect to take corrective action (such as companies which directly cause significant damage or harm to the environment, companies with a poor record and history regarding human rights, and companies which have been sanctioned or prosecuted for significant violations of laws or regulations).

Business Ethics

(1) Accounting Metric - Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations. Our response:

We did not have any such monetary losses in 2020 or through 2Q 2021.

(2) Accounting Metric - Description of whistleblower policies and procedures. Our response:

Our Complaint Policy [www.cpb.bank – investor relations – company overview – corporate governance – complaint policy] sets forth our whistleblower policy and describes in detail therein the procedures and process by which whistleblower claims may be made. Our whistleblower hotline is maintained by EthicsPoint - NAVEX Global and whistleblower complaints may be submitted anonymously online or via phone. Our Internal Audit Department manages and oversees our whistleblower hotline.

For further information see: (i) our Complaint Policy; (ii) our Code of Conduct & Ethics [www.cpb.bank – investor relations – company overview – corporate governance – code of conduct & ethics] (Reporting Violations on page 19); (iii) our Proxy Statement 2021 (Code of Conduct & Ethics and Complaint Policy on page 21); and (iii) our ESG Report 2020 (Whistleblower Protection reference on page 8).

Systemic Risk Management

(1) Accounting Metric - Global Systemically Important Bank (G-SIB) score, by category. Our response:

This item is not applicable to our Bank/CPB. CPB is not a Global Systemically Important Bank. CPB is a Hawaii community bank with approximately \$7 billion in assets.

(2) Accounting Metric - Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities. Our response:

The Bank regularly engages in stress testing regarding capital, liquidity, and interest rates. The foregoing stress tests were performed within 2020 through 2Q 2021. The results of the stress tests are factored into the Company's forecasting, budgeting and planning such as the Company's Capital Plan, Business Plan, and Strategic Plan. The stress testing criteria, factors, methodology, results and reports are reviewed regularly by our auditors and regulators.

Activity Metrics

(1) Activity Metric - (1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business. Our response:

As of 12/31/20, total deposits were \$5.796 billion, comprised of the following: \$1.790 billion non-interest bearing demand deposits; \$1.174 billion interest-bearing demand deposits; \$1.932 billion savings and money market deposits; \$149 million time deposits less than \$100,000; \$90 million time deposits \$100,000 to \$250,000; \$500 million government time deposits; \$159 million other time deposits greater than \$250,000.

As of 3/31/21, total deposits were \$6.208 billion, comprised of the following: \$2.070 billion non-interest bearing demand deposits; \$1.237 billion interest-bearing demand deposits; \$2.004 billion savings and money market deposits; \$145 million time deposits less than \$100,000; \$88 million time deposits \$100,000 to \$250,000; \$500 million government time deposits; \$162 million other time deposits greater than \$250,000.

For further information see: (i) our 10-Q 1Q21 (Deposits on page 64).

(2) Activity Metric - (1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate. Our response:

As of 12/31/20, total loans were \$4.964 billion, comprised of the following: (i) Small Business Administration Paycheck Protection Program loans totaling \$425 million; other commercial, financial, agricultural loans totaling \$545 million; real estate construction loans totaling \$125 million; residential mortgage loans totaling \$1.687 billion; home equity loans totaling \$550 million; commercial mortgage loans totaling \$1.158 billion; consumer loans totaling \$479 million.

As of 3/31/21, total loans were \$5.137 billion, comprised of the following: (i) Small Business Administration Paycheck Protection Program loans totaling \$618 million; other commercial, financial, agricultural loans totaling \$514 million; real estate construction loans totaling \$138 million; residential mortgage loans totaling \$1.684 billion; home equity loans totaling \$558 million; commercial mortgage loans totaling \$1.166 billion; consumer loans totaling \$476 million.

For further information see: (i) our 10-Q 1Q21 (Loans and Credit Quality on page 20); our Call Report 1Q21 (Schedule RC-C Part I Loans and Leases).

END