

**Central Pacific Financial Corp.
&
Central Pacific Bank
Sustainability Accounting Standards Board
Mortgage Finance
Sustainability Accounting Standard**

Central Pacific Financial Corp. (“CPF”), a bank holding company, and its bank subsidiary, Central Pacific Bank (“CPB” and “Bank”), and each of their respective subsidiaries and affiliates (collectively referred to herein as the “Company”, “we,” “us,” “our”), are based 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 information herein is as of June 30, 2021, unless otherwise indicated.

Central Pacific Financial Corp. is approximately \$7.0 billion in assets and is a public company traded on the New York Stock Exchange (ticker “CPF”). Central Pacific Bank has 31 branches throughout the State of Hawaii and has approximately 850 employees.

The Company is providing this disclosure on the performance of the Company respecting the Sustainability Accounting Standards Board (“SASB”) Mortgage Finance Sustainability Accounting Standards, Version 2018-10.

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. Some of the data herein is from internal sources that we believe to be substantially complete, but has not been independently verified, validated, or audited.

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.

HELOC – Home Equity Line of Credit.

HMDA – Home Mortgage Disclosure Act.

M - Million

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]

Topic	Metric	Response
Lending Practices	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	<p><u>As of 12/31/20</u></p> <p>(a) 79/\$59M #/\$ of Hybrid or Option Adjustable-rate Mortgages (ARM) above FICO score 660; 2/\$1.9M #/\$ of Hybrid or Option Adjustable-rate Mortgages (ARM) below FICO score 660.</p> <p>(b) none with Prepayment Penalty above or below FICO score 660.</p> <p>(c) none Higher Rate above or below FICO score 660.</p> <p>(d) 991/\$596M #/\$ Total with FICO scores above 660; 9/\$5.14M #/\$ Total with FICO scores below 660.</p> <p>Information provided is from the HMDA data, the most applicable of which pertains to residential mortgage closed-end loan originations. Information on higher rate mortgages is provided based on high-cost mortgage loans under the Truth in Lending Act (TILA) and its implementing Regulation Z.</p>
	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	None in 2020 or in 2021 as of June 30, 2021.
	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	None in 2020 or in 2021 as of June 30, 2021.
	Description of remuneration structure of loan originators	Loan originators are compensated with a combination of salary and commissions based on closed loans and pursuant to a Company approved compensation plan which is reviewed by our Director of Internal Audit to ensure compensation does not improperly incentivize unsafe and unsound practices.

Topic	Metric	Response
Discriminatory Lending	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	<p><u>For year-ended 12/31/20</u></p> <p>(a) 1,768 / \$708M / 66.4 weighted average Loan-to-Value (LTV) ratio of mortgages issued to minority borrowers above FICO score 660; 9 / \$3M / 64.91 weighted average Loan-to-Value (LTV) ratio of mortgages issued to minority borrowers below FICO score 660.</p> <p>(b) 410 / \$209M / 70.0 weighted average Loan-to-Value (LTV) ratio of mortgages issued to all other borrowers above FICO score 660; 4 / \$2.6M / 75.0 weighted average Loan-to-Value (LTV) ratio of mortgages issued to all other borrowers below FICO score 660.</p> <p>Information provided is from the Bank's HMDA data on residential mortgage loans.</p>
	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	None in 2020 or in 2021 as of June 30, 2021.
	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	<p>Our policies and procedures to ensure nondiscriminatory mortgage origination include the following:</p> <p><u>Fair Banking Policy</u>. States our commitment to make all products and services available to customers without regard to any prohibited basis, and refrain from engaging in any act or practice that may be considered to be unfair, deceptive, or abusive to a customer.</p> <p><u>Fair Banking Program</u>. Describes how we implement our Fair Banking Policy by means of various interdepartmental processes such as periodic fair lending risk assessments and monitoring.</p> <p><u>Fair Lending Data Analysis Procedures</u>. Describes data analysis performed by our Corporate Compliance Department to identify and monitor potential fair lending concerns, and evaluate the effectiveness of existing controls.</p> <p><u>Equal Credit Opportunity Act ("ECOA") Compliance Procedures</u>. These are Company-wide procedures describing general ECOA requirements. Many business units also have departmental procedures describing procedures and processes followed to ensure compliance with ECOA.</p>

Topic	Metric	Response
Environmental Risk to Mortgaged Properties	(1) Number and (2) value of mortgage loans in 100-year flood zones	<p><u>As of 8/10/21</u> 577 / \$220M #/\$ residential mortgage portfolio loans in flood zones. The \$220M is aggregate outstanding loan balances.</p> <p><u>As of 12/31/20</u> 347 / \$85M #/\$ HELOC loans in flood zones.</p> <p><u>As of 6/30//21</u> 346 / \$86M #/\$ HELOC loans in flood zones.</p> <p>Flood zones refers to 100-year flood zones designated by the U.S. Federal Emergency Management Authority as special flood hazard areas (SFHAs).</p>
	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region	<p>We do not currently maintain such information</p>
	Description of how climate change and other environmental risk are incorporated into mortgage origination and underwriting	<p>We address environmental risks in our mortgage lending that are required by law, required by those third parties that we sell our loans to, and based on the environmental risks that predominate in our lending area which is Hawaii. Respecting mortgage origination and underwriting, we follow agency guidelines for any agency loan (Fannie Mae, Freddie Mac, VA, FHA USDA) and follow our portfolio guidelines for portfolio loans. We require wind/hurricane and property insurance coverage on all mortgage loans. We identify properties in flood zones and require flood insurance for all properties in flood zones as required by federal law. We also identify properties in lava zones which is considered in our underwriting.</p>

Topic	Metric	Response
Activity Metrics	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	<p><u>As of 12/31/20</u>, total loans were \$4.964 billion, comprised of the following: Small Business Administration Paycheck Protection Program loans totaling \$416 million; other commercial, financial, agricultural loans totaling \$545 million; real estate construction loans totaling \$125 million; residential mortgage loans totaling \$1.690 billion; home equity loans totaling \$551 million; commercial mortgage loans totaling \$1.156 billion; consumer loans totaling \$479 million.</p> <p><u>As of 3/31/21</u>, total loans were \$5.138 billion, comprised of the following: 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 \$1.685 billion; home equity loans totaling \$558 million; commercial mortgage loans totaling \$1.166 billion; consumer loans totaling \$477 million; deferred fees of \$19 million.</p> <p><u>As of 6/30/21</u>, total loans were \$5.077 billion, comprised of the following: Small Business Administration Paycheck Protection Program loans totaling \$450 million; other commercial, financial, agricultural loans totaling \$486 million; real estate construction loans totaling \$134 million; residential mortgage loans totaling \$1.710 billion; home equity loans totaling \$582 million; commercial mortgage loans totaling \$1.188 billion; consumer loans totaling \$541 million; deferred fees of \$15 million.</p> <p>For further information see: (i) our 10-K 2020 (Loans by Categories on page 57); (ii) our 10-Q 1Q21 (Loans and Credit Quality on page 20); (iii) our Call Report 1Q21 (Schedule RC-C Part I Loans and Leases); (iv) our 10-Q 2Q21 (Loans and Credit Quality on page 21); (v) our Call Report 2Q21 (Schedule RC-C Part I Loans and Leases).</p>
	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	None in 2020 or in 2021 as of June 30, 2021.