

**Central Pacific Financial Corp.
&
Central Pacific Bank
Sustainability Accounting Standards Board
Commercial Banks, Mortgage Finance,
and Consumer Finance
Sustainability Accounting Standards**

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 December 31, 2022, unless otherwise indicated.

Central Pacific Financial Corp. is approximately \$7.4 billion in assets as of December 31, 2022 and is a public company traded on the New York Stock Exchange (ticker “CPF”). Central Pacific Bank has 24 branches and 64 ATMs throughout the State of Hawaii and has approximately 800 employees.

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

The data herein is from internal sources that we believe to be reliable, but has not been independently verified or audited, and for this reason we do not represent that the information is accurate or complete.

Terms:

B – Billion

CRA – Community Reinvestment Act.

ESG – Environment, Social, Governance.

FDIC – Federal Deposit Insurance Corporation.

HELOC – Home Equity Line of Credit.

HMDA – Home Mortgage Disclosure Act.

K – Thousand

M – Million

SEC – United States Securities and Exchange Commission.

References:

“10-K 2022” means CPF’s SEC Form 10-K for the fiscal year ended December 31, 2022. [www.cpb.bank – investor relations – SEC filings]

“CRA Report 2022” means FDIC CRA Performance Evaluation of CPB, dated October 25, 2022, released January 1, 2023. [www7.fdic.gov/CRAPES].

“ESG Report 2022” means the Company’s 2022 Environmental, Social and Governance Report. [www.cpb.bank – investor relations – corporate social responsibility]

“Proxy Statement 2023” means CPF’s Proxy Statement for its Annual Meeting on April 27, 2023. [www.cpb.bank – investor relations – SEC filings]

Commercial Banks Sustainability Accounting Standards

Topic	Metric	Response
Data Security	(1) Number of Data Breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	None in 2022.
	Description of approach to Identifying and addressing data security risks	<p>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.</p> <p>For further information see: (i) our 10-K 2022 (Cybersecurity on pages 14-15 and 70); (ii) our Proxy Statement 2023 (Board Oversight of Risk Management on pages 33-34); and (iii) our ESG Report 2022 (Data Privacy and Information Security on page 9).</p>
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small businesses and community development	<p>We are a strong supporter of small business loans and community development loans. In 2022 CPB originated more Small Business Administration (“SBA”) loans to small business than the other major banks in Hawai’i combined. CPB originated 75 7(a) loans and one 504 loan for a total of \$4.4 million in fiscal year 2022. In 2022, we made 13 loans supporting community development aggregating approximately \$64.3M.</p> <p>As of 12/31/22, small business loans secured by nonfarm nonresidential properties: with original amounts of \$100K or less were a total of 1 loan with aggregate current outstanding of \$38K; with original amounts of more than \$100K through \$250K were a total of 21 loans with aggregate current outstanding of \$2.999M; with original amounts of more than \$250K through \$1M were a total of 132 loans with aggregate current outstanding of \$58.3M.</p> <p>The FDIC has rated our Bank “Outstanding” in its Community Reinvestment Act (“CRA”) performance since 2006. The Bank’s last CRA Report (2022) issued by the FDIC, concluded that the Bank exhibits an excellent record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices; the Bank is a leader in making community development loans; and the Bank makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.</p> <p>For further information see: (i) our CRA Report 2022; (ii) our ESG Report 2022 (Support of the Community page 17); and (iii) our 12/31/22 Call Report RC-C.</p>

Topic	Metric	Response
Financial Inclusion & Capacity Building (Continued)	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	<p>12/31/22, total loans were \$5.6B, and total nonaccrual and past due loans totaled \$17.4M comprised of the following: \$0.5M SBA PPP loans, 1.0M non-PPP commercial, financial, agricultural, \$4.7M residential mortgage, \$2.1M home equity, \$0.2M commercial mortgage, and \$8.9M consumer.</p> <p>For further information see: our 10-K 2022 (Nonaccrual and Past Due Loans on page 101).</p>
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	<p>As of 12/31/22, total deposits were \$6.7B, comprised of the following: \$2.1B non-interest bearing demand deposits; \$1.5B interest-bearing demand deposits; \$2.2B savings and money market deposits; \$182M time deposits less than \$100K; \$149M time deposits \$100K to \$250K; \$290M government time deposits; \$371M other time deposits greater than \$250K.</p> <p>We provide the following accounts for unbanked or underbanked customers:</p> <ul style="list-style-type: none"> a Value retail checking account, 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 at 12/31/22 we have over 64K Value retail checking accounts. a Shaka checking account (\$25 minimum deposit required to open) with no minimum balance, no monthly fees, an interest rate above the average checking rate in Hawaii, the opportunity to get your paycheck up to two days early, and a refund of up to \$20 in ATM fees per month. As of 12/31/22 we have about 3.5K Shaka accounts. <p>For further information see: our 10-K 2022 (Deposits on page 66).</p>
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	<p>Providing financial literacy and education to the unbanked, underbanked and underserved is very important to our Company.</p> <p>During 2022, we supported financial literacy and education through the following: (i) our online and mobile applications have added budgeting and spending trackers to assist with managing finances; (ii) employees presenting at panels and webinars targeted at supporting small businesses; (iii) a charitable donation by the Central Pacific Bank Foundation that will be used to develop financial literacy courses for students; and (iv) our employees continue to individually contribute to improving financial literacy in our Hawaii community (for example, one employee serves on the Board of Junior Achievement Hawaii).</p>

Topic	Metric	Response
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	<p>As of 12/31/22, we have approximately \$1.4B in commercial and industrial (“C&I”) loans, with total loans of \$5.6B.</p> <p>For further information see: our 10-K 2022 (Loans by Categories on Page 51).</p>
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	<p>We will always maintain our credit standards and disciplined approach to safe and sound lending. We have established and incorporated environmental, social and governance (“ESG”) principles to be considered in our lending and credit analysis as part of our General Lending Policy, adopted by our Board of Directors, which includes that:</p> <ul style="list-style-type: none"> • We will not make loans to businesses or organizations involved in: <ul style="list-style-type: none"> • illegal activities • cannabis • support activities for forestry • mining • fracking • nuclear energy and other nuclear activities • oil and gas exploration and extraction • gambling • pawn shops • payday lenders • hate groups • We will give increased scrutiny for loans to businesses involved in: <ul style="list-style-type: none"> • adult entertainment and publications • blockchain and/or cryptocurrency • debt collection agencies • firearms, weaponry, and ammunition manufacturers, distributors or retailers • legal/over-the-counter CBD products • private prisons • tobacco and vaping products • trading in endangered/protected wildlife products
Business Ethics	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	<p>We did not have any such monetary losses in 2022.</p>

Topic	Metric	Response
Business Ethics (continued)	Description of whistleblower policies and procedures	<p>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.</p> <p>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 2023 (Code of Conduct & Ethics and Complaint Policy on page 37); and (iii) our ESG Report 2022 (Whistleblower Protection reference on page 10).</p>
Systematic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	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 \$7.4B in assets.
	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	The Bank regularly engages in stress testing regarding capital, liquidity, and interest rates. The foregoing stress tests were performed within 2022. 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) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	<p>As of 12/31/22, total deposits were \$6.7B, comprised of the following: \$2.1B non-interest bearing demand deposits; \$1.5B interest-bearing demand deposits; \$2.2B savings and money market deposits; \$182M time deposits less than \$100K; \$149M time deposits \$100K to \$250K; \$290M government time deposits; \$371M other time deposits greater than \$250K.</p> <p>For further information see: our 10-K 2022 (Deposits by Categories on Page 66).</p>

Topic	Metric	Response
Activity Metrics (continued)	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	<p>As of 12/31/22, total loans were \$5.6B, comprised of the following: (i) Small Business Administration Paycheck Protection Program loans totaling \$3M; other commercial, financial loans totaling \$544M; real estate construction loans totaling \$167M; residential mortgage loans totaling \$1.9B; home equity loans totaling \$739M; commercial mortgage loans totaling \$1.4B; consumer loans totaling \$799M.</p> <p>For further information see: our 10-K 2022 (Loans by Categories on Page 51).</p>

Mortgage Finance Sustainability Accounting Standards

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 12/31/22</u></p> <p>(a) 112/\$72M #/\$ of Hybrid or Option Adjustable-rate Mortgages (ARM) above FICO score 660; 1/\$1M #/\$ 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) 402/\$285M #/\$ Total with FICO scores above 660; 3/\$1M #/\$ 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	<p>For the calendar year 2022:</p> <ul style="list-style-type: none"> • 44 residential mortgage modifications totaling \$17.1M, FICO scores of borrowers not available • No foreclosure sales • No short sales or deeds in lieu of foreclosures
	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	None in 2022.
	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 12/31/22:</u></p> <p>(a) 1,054 / \$434M / 63.83 weighted average Loan-to-Value (LTV) ratio of mortgages issued to minority borrowers above FICO score 660; 2 / \$1M / 42.08 weighted average Loan-to-Value (LTV) ratio of mortgages issued to minority borrowers below FICO score 660.</p> <p>(b) 411 / \$187M / 64.56 weighted average Loan-to-Value (LTV) ratio of mortgages issued to all other borrowers above FICO score 660; 2 / \$1M / 55.22 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 2022.
	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>As of 12/31/22, we have:</p> <ul style="list-style-type: none"> • 671 residential mortgage portfolio loans in flood zones, with \$289M in principal outstanding • 373 HELOC loans in flood zones, with note amounts totaling \$118M and \$55M in principal outstanding <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	We do not currently maintain such information.
	Description of how climate change and other environmental risk are incorporated into mortgage origination and underwriting	Our underwriting takes into account flood, lava, sea-level rise, hurricane, and tsunami risks. 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.

Topic	Metric	Response
Activity Metrics	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	As of 12/31/22, total loans were \$5.6B, comprised of the following: (i) Small Business Administration Paycheck Protection Program loans totaling \$3M; other commercial, financial loans totaling \$544M; real estate construction loans totaling \$167M; residential mortgage loans totaling \$1.9B; home equity loans totaling \$739M; commercial mortgage loans totaling \$1.4B; consumer loans totaling \$799M. For further information see: our 10-K 2022 (Loans by Categories on Page 51).
	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	None in 2022.

Consumer Finance Sustainability Accounting Standards

Topic	Metric	Response
Customer Privacy	Number of account holders whose information is used for secondary purposes	<p>As described in Central Pacific Bank's Consumer Privacy Notice, the Bank does not share any personal information with any third party except to process our customers' financial transactions, maintain our customers' accounts, respond to court orders and legal investigations, report to credit bureaus, provide valuable offers to our customers, and for joint marketing with other financial companies (note that our customers may opt to limit such joint marketing).</p> <p>We comply with the Gramm-Leach-Bliley Act, as implemented by Regulation P, and other applicable federal and state laws and regulations.</p>
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	None in 2022.
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	None in 2022.
	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	<p>For the 2022 calendar year, consumer card-related fraud losses were \$476K.</p> <p>Our Bank does not separately track card-present and card-not-present fraud losses.</p>
	Description of approach to identifying and addressing data security risks	<p>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.</p> <p>For further information see: (i) our 10-K 2022 (Cybersecurity on pages 14-15 and 70); (ii) our Proxy Statement 2023 (Board Oversight of Risk Management on pages 33-34); and (iii) our ESG Report 2022 (Data Privacy and Information Security on page 9).</p>

Topic	Metric	Response
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	<p>Zero percent of the remuneration for the Bank's employees involved in consumer loans (other than HELOCs) is linked to the amount of products and services sold; provided that if a department meets or exceeds its overall growth goal in a year, this may impact incentive compensation pay for all employees in the department.</p> <p>Bank employees involved in consumer loans are compensated pursuant to a Company approved compensation plan which is reviewed by a compensation consultant, the Bank's Compensation Committee (which consists of independent directors) and a senior risk officer to ensure compensation does not improperly incentivize unsafe and unsound practices.</p>
	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Not disclosed.
	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	We do not currently maintain such information.
	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	<p>The Bank does not receive complaints directly from the CFPB. They are routed to the FDIC which then forwards the complaint to us.</p> <p><u>Calendar year 2022:</u></p> <p>(1) 4 complaints filed with the CFPB (2) 0% monetary relief (3) 0% disputed by consumer (4) 0% resulted in investigation by the CFPB</p>

Topic	Metric	Response
Selling Practices (Continued)	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	None.
Activity Metrics	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	The Bank does not issue any consumer credit cards or pre-paid debit cards. The Bank's branded credit cards are issued by Elan Financial Services, a division of U.S. Bancorp. As of 12/31/22, there were 8,157 active credit card accounts.
	Number of (1) credit card accounts and (2) pre-paid debit card accounts	The Bank does not issue any consumer credit cards or pre-paid debit cards. The Bank's branded credit cards are issued by Elan Financial Services, a division of U.S. Bancorp. As of 12/31/22, there were 12,080 open consumer credit card accounts.