

# CENTRAL PACIFIC FINANCIAL

## 1<sup>st</sup> Quarter 2025 Earnings Supplement

April 23, 2025

# Forward-Looking Statements

*This document and the accompanying oral presentation may contain forward-looking statements ("FLS") concerning: projections of revenues, expenses, income or loss, earnings or loss per share, capital expenditures, payment or nonpayment of dividends, net interest income, capital position, credit losses, net interest margin or other financial items; statements of plans, objectives and expectations of Central Pacific Financial Corp. (the "Company") or its management or Board of Directors, including those relating to business plans, use of capital resources, products or services and regulatory developments and regulatory actions; statements of future economic performance including anticipated performance results from our business initiatives; or any statements of the assumptions underlying or relating to any of the foregoing. Words such as "believe," "plan," "anticipate," "seek," "expect," "intend," "forecast," "hope," "target," "continue," "remain," "estimate," "will," "should," "may" and other similar expressions are intended to identify FLS but are not the exclusive means of identifying such statements.*

*While we believe that our FLS and the assumptions underlying them are reasonably based, such statements and assumptions are by their nature subject to risks and uncertainties, thus could later prove to be inaccurate or incorrect. Accordingly, actual results could differ materially from those statements or projections for a variety of reasons, including, but not limited to: the effects of inflation and interest rate fluctuations; the effect of trade policy and tariffs and other executive orders; the adverse effects of bank failures and the potential impact of such developments on customer confidence, deposit behavior, liquidity and regulatory responses thereto; the adverse effects of the COVID-19 pandemic virus (and its variants) and other pandemic viruses on local, national and international economies, including, but not limited to, the adverse impact on tourism and construction in the State of Hawaii, our borrowers, customers, third-party contractors, vendors and employees, as well as the effects of government programs and initiatives in response thereto; supply chain disruptions; labor contract disputes and potential strikes; the increase in inventory or adverse conditions in the real estate market and deterioration in the construction industry; adverse changes in the financial performance and/or condition of our borrowers and, as a result, increased loan delinquency rates, deterioration in asset quality, and losses in our loan portfolio; the impact of local, national, and international economies and events (including natural disasters such as wildfires, volcanic eruptions, hurricanes, tsunamis, storms, and earthquakes) on the Company's business and operations and on tourism, the military, and other major industries operating within the Hawaii market and any other markets in which the Company does business; deterioration or malaise in domestic economic conditions, including any destabilization in the financial industry and deterioration of the real estate market, as well as the impact of declining levels of consumer and business confidence in the state of the economy in general and in financial institutions in particular; changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act, changes in capital standards, other regulatory reform and federal and state legislation, including but not limited to regulations promulgated by the Consumer Financial Protection Bureau, government-sponsored enterprise reform, and any related rules and regulations which affect our business operations and competitiveness; the costs and effects of legal and regulatory developments, including legal proceedings and lawsuits we are or may become subject to, or regulatory or other governmental inquiries and proceedings and the resolution thereof; the results of regulatory examinations or reviews and the effect of, and our ability to comply with, any regulations or regulatory orders or actions we are or may become subject to, and the effect of any recurring or special FDIC assessments; the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the PCAOB, the FASB and other accounting standard setters and the cost and resources required to implement such changes; the effects of and changes in trade, monetary and fiscal policies and laws, including the interest rate policies of the Board of Governors of the Federal Reserve System; securities market and monetary fluctuations, including the impact resulting from the elimination of the LIBOR Index; negative trends in our market capitalization and adverse changes in the price of the Company's common stock; the effects of any potential or actual acquisitions or dispositions we may make or evaluate, and the related costs; political instability; acts of war or terrorism; changes in consumer spending, borrowings and savings habits; technological changes and developments; cybersecurity and data privacy breaches and the consequence therefrom; failure to maintain effective internal control over financial reporting or disclosure controls and procedures; our ability to address deficiencies in our internal controls over financial reporting or disclosure controls and procedures; changes in the competitive environment among financial holding companies and other financial service providers; our ability to successfully implement our initiatives to lower our efficiency ratio; our ability to attract and retain key personnel; changes in our personnel, organization, compensation and benefit plans; our ability to successfully implement and achieve the objectives of our BaaS initiatives, including adoption of the initiatives by customers and risks faced by any of our bank collaborations including reputational and regulatory risk; and our success at managing the risks involved in the foregoing items.*

*For further information with respect to factors that could cause actual results to materially differ from the expectations or projections stated in the FLS, please see the Company's publicly available SEC filings, including the Company's Forms 10-Q and 10-K for the last fiscal quarter and year and, in particular, the discussion of "Risk Factors" set forth therein. We urge investors to consider all of these factors carefully in evaluating the FLS contained in this document. FLS speak only as of the date on which such statements are made. We undertake no obligation to update any FLS to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events except as required by law.*

# Solid 1st Quarter 2025

- Net income of \$17.8 million in the first quarter and fully diluted EPS of \$0.65
- NIM expansion of 14 bps on a sequential quarter basis; expanded every quarter for the last four quarters
- Tangible Common Equity<sup>2</sup> improved to 7.53% from the prior quarter
- Quarterly cash dividend maintained at \$0.27
- Repurchased 77.3K shares of CPF common stock for \$2.1 million, or \$27.09 per share

	1Q25 Actual	4Q24 Actual	4Q24 Non-GAAP <sup>1</sup>
<b>NET INCOME DILUTED EPS</b>	\$17.8MM \$0.65	\$11.3MM \$0.42	\$19.0MM \$0.70
<b>PRE-PROVISION NET REVENUE (PPNR) <sup>2</sup></b>	\$26.7MM	\$14.2MM	\$24.2MM
<b>RETURN ON ASSETS (ROA)</b>	0.96%	0.62%	1.03%
<b>RETURN ON EQUITY (ROE)</b>	13.04%	8.37%	13.82%
<b>TANGIBLE COMMON EQUITY (TCE)</b>	7.53%	7.21%	7.33%
<b>NET INTEREST MARGIN (NIM)</b>	3.31%	3.17%	3.17%

<sup>1</sup> Excludes \$9.9MM pre-tax loss on investment portfolio repositioning in 4Q24. Refer to non-GAAP table in the Appendix.

<sup>2</sup> Tangible Common Equity and PPNR are non-GAAP financial measures.



# Resilient Hawaii Economy Provides a Favorable Environment

## Tourism

YTD Visitor arrivals compared to pre-pandemic  
**96%<sup>1</sup>**

## Employment

Unemployment Rate March 2025  
**2.9%<sup>1</sup>**

## Housing

Oahu Median Single-Family Home Price March 2025  
**\$1.16MM<sup>2</sup>**

- Low unemployment
- Strong real estate market
- Visitor industry continues to have year-over-year growth in arrivals and spending over the last five months of 2024 and into 2025, despite slower Maui and Japan visitor recovery
- Substantial Federal government contracts and military investments; 9.2%<sup>3</sup> of state GDP amounting to \$10.0 billion<sup>3</sup> in FY2023
- Record levels of construction activity; estimated annualized value of completed construction for 2024 could be over ~\$14.0 billion<sup>1</sup> which will surpass 2023 value of \$11.8 billion<sup>1</sup>

1 Source: State of Hawaii Department of Business, Economic Development & Tourism. Tourism represents average daily total visitors YTD February 2025 compared to YTD February 2019.

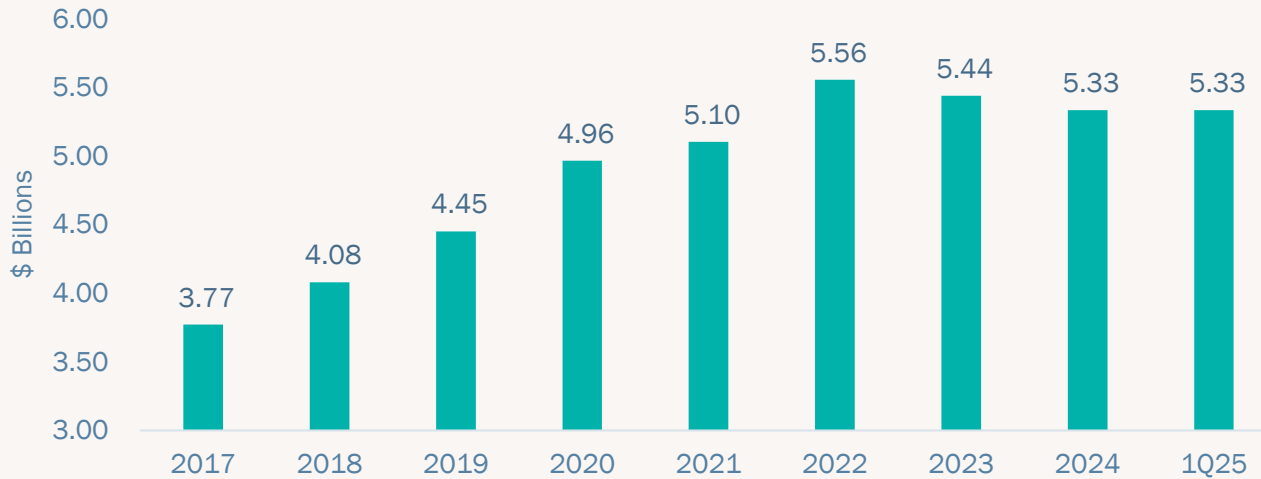
2 Source: Honolulu Board of Realtors.

3 Source: U.S. Department of Defense, Office of Local Defense Community Cooperation. Spending comprised of total contract, grant, and payroll.

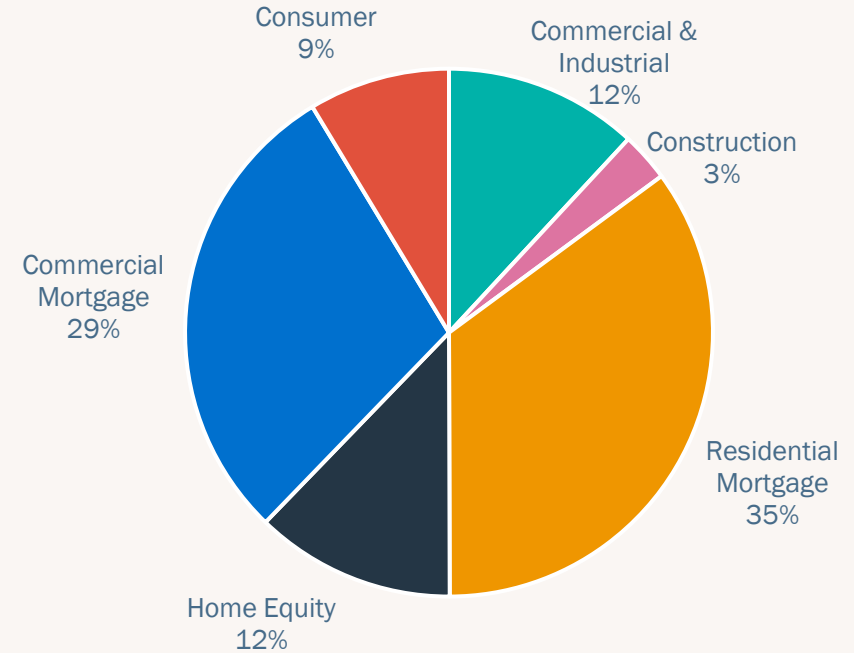


# Diversified Loan Portfolio

Loan Balances Outstanding  
as of period end



Loan Portfolio Composition  
as of March 31, 2025

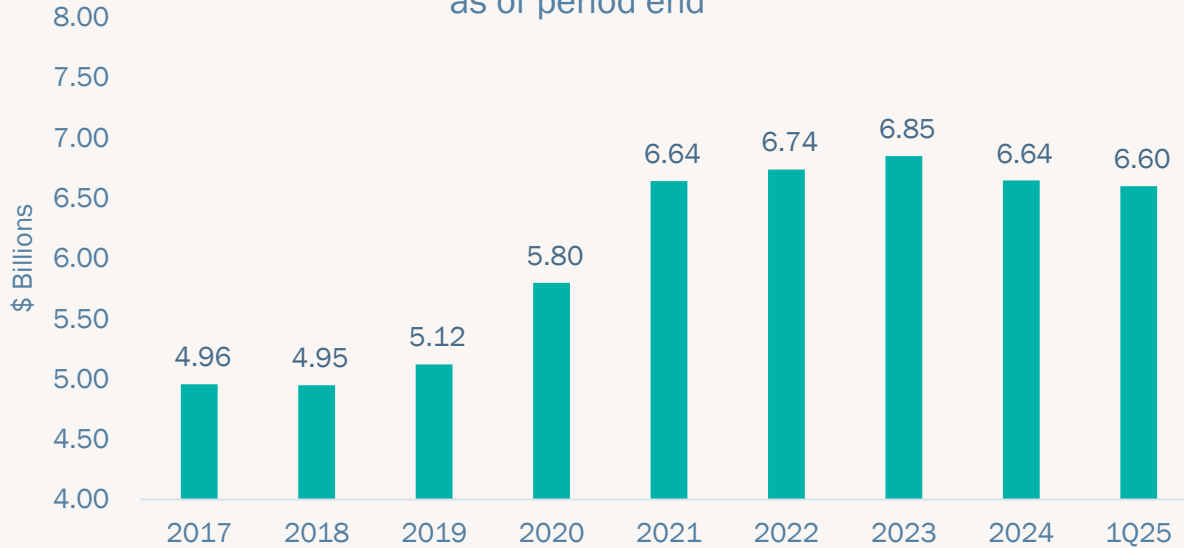


- Strong and diverse loan portfolio, with over 75% secured by real estate
- Focused on growing market share in our primary market in Hawaii supplemented by targeted opportunities in mainland markets

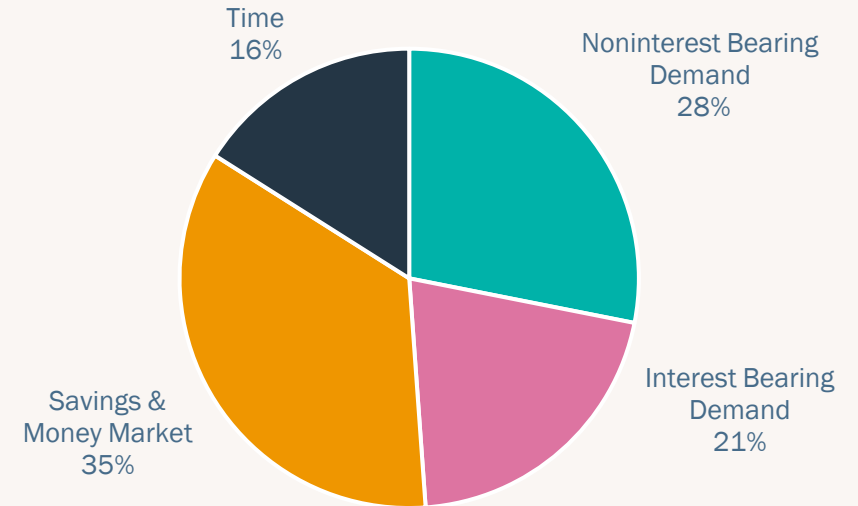


# Low-Cost Deposits Driven by Valuable Franchise

Total Deposits as of period end



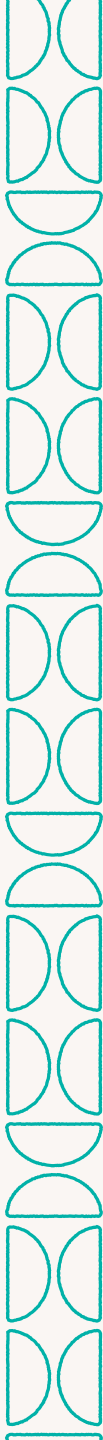
Deposit Portfolio Composition as of March 31, 2025



- **58%** of deposits FDIC insured; **63%** including collateralized deposits
- Well-diversified and granular:
  - 51%**<sup>1</sup> Commercial (Average account balance of ~\$104,000)
  - 49%**<sup>1</sup> Consumer (Average account balance of ~\$19,000)
- **53%** Long-tenured customers with CPB 10 years or longer
- Low reliance on public time deposits
- No brokered deposits

Data as of March 31, 2025

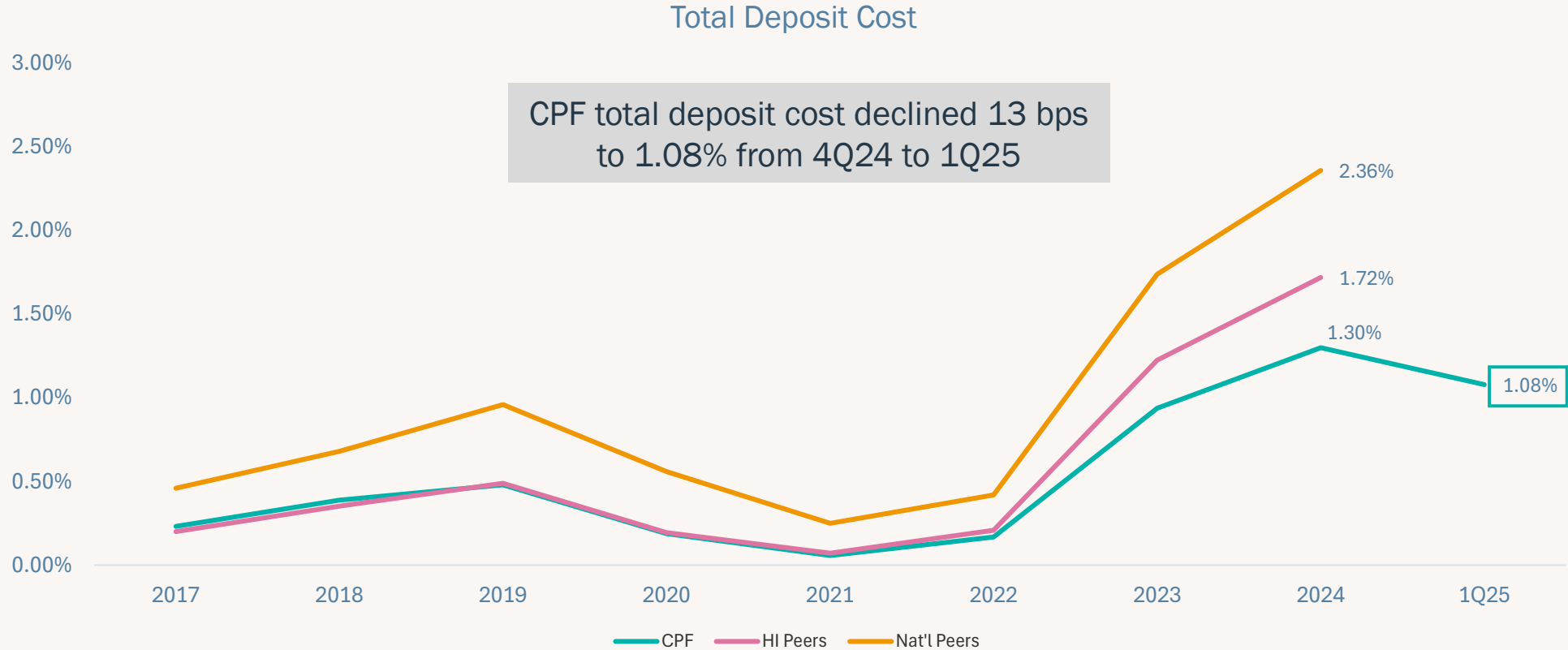
<sup>1</sup> Excludes Sundry and Escrow deposit balances.





# CPF Deposit Cost Advantage

Low rate-sensitive, relationship-based deposit portfolio provides significant cost advantage

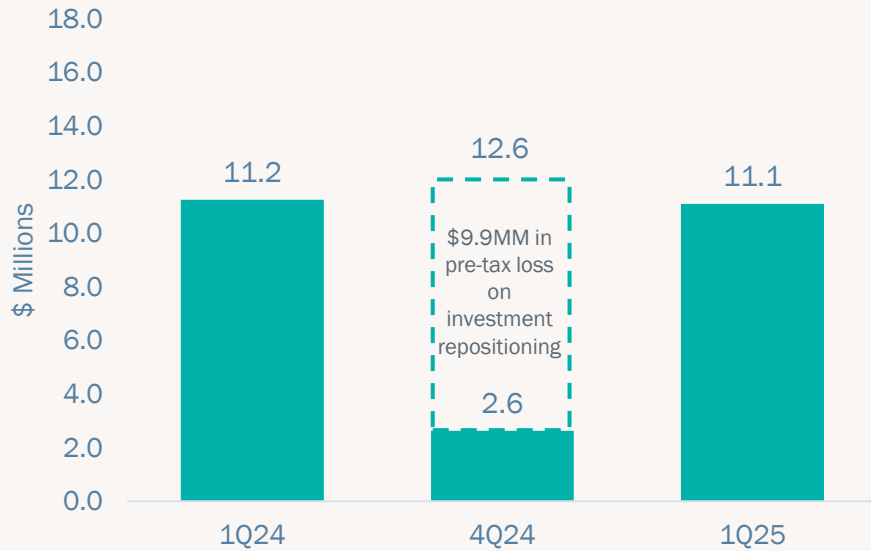


- Deposit costs represented for full year unless otherwise noted
- HI Peers comprised of BOH and FHB
- Nat'l Peers includes publicly traded banks with total assets of \$3-10 billion as of 12/31/24, data updated on 4/14/25
- Source: S&P Global



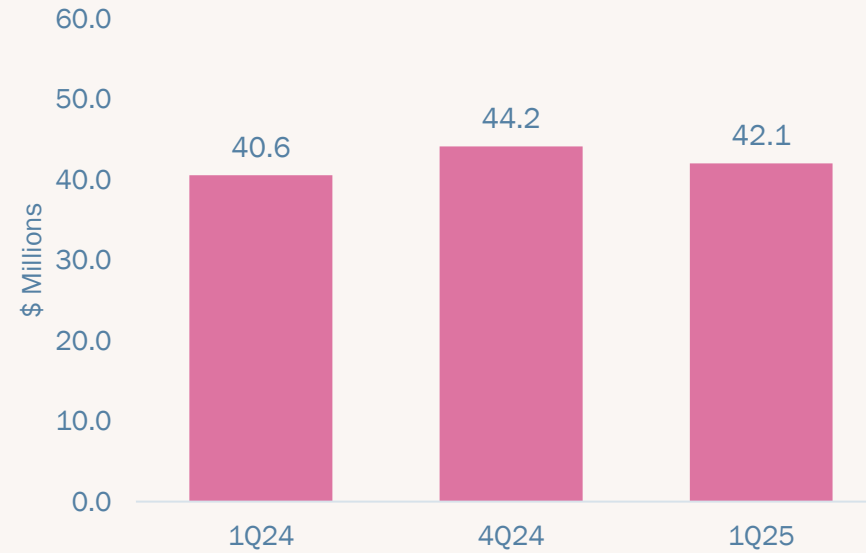
# Noninterest Income and Expense

### Noninterest Income



- Adjustment in 4Q24 includes \$9.9 million pre-tax loss on investment portfolio repositioning
- Opportunity to increase fee income through a growing Wealth management business, and customer swap program

### Noninterest Expense



- Maintained relatively flat non-interest expenses in light of an inflationary environment
- Priority on process improvements and expense management

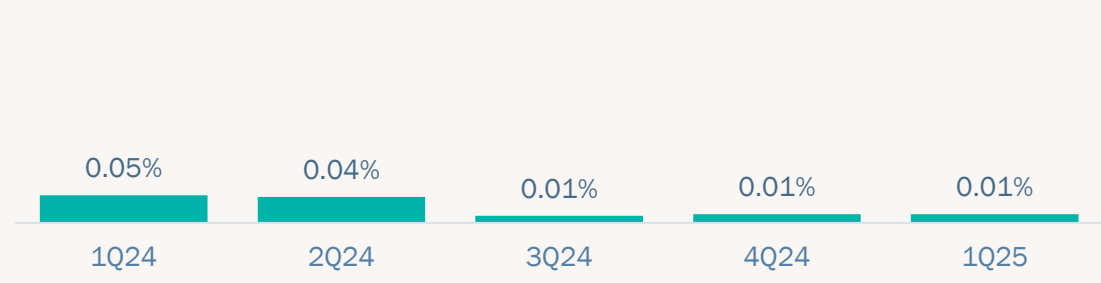
Note: Totals may not sum due to rounding.



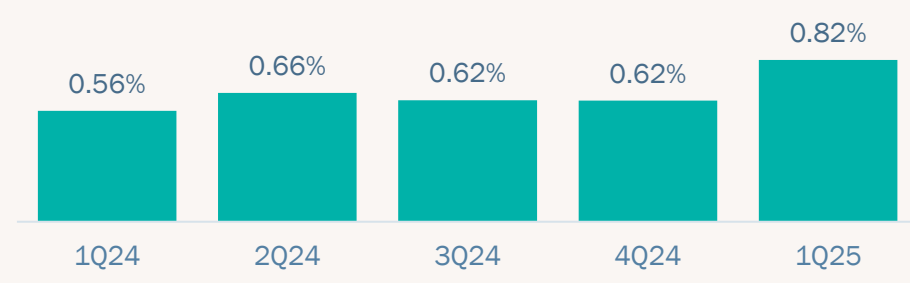
# Solid Credit Profile

Strong credit risk management continues to drive low levels of problem assets

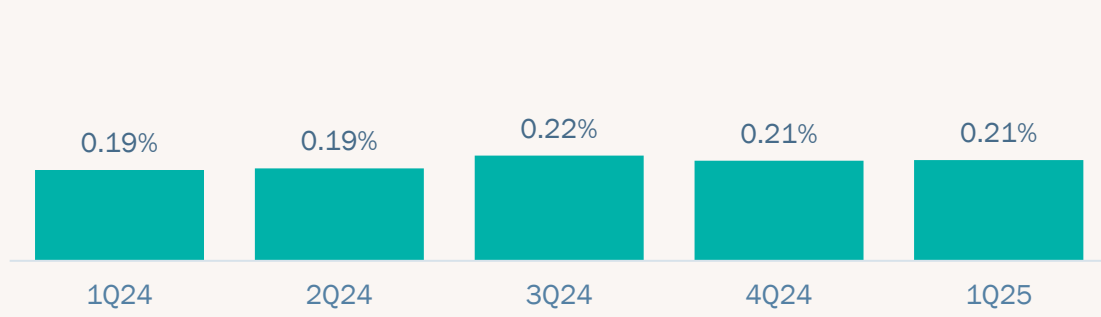
Delinquencies 90+Days/Total Loans



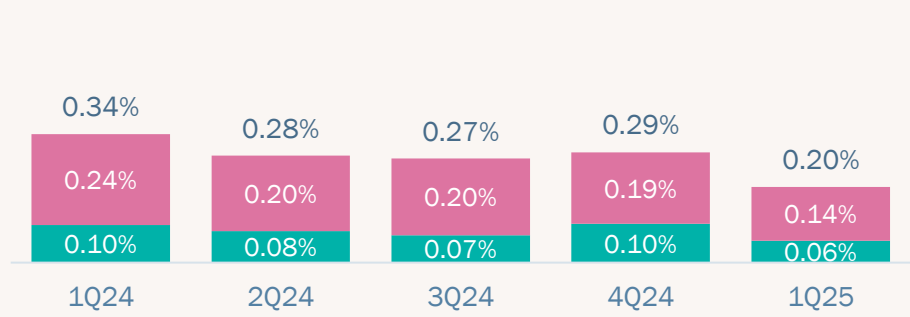
Criticized/Total Loans



NPAs/Total Loans



Annualized NCO/Avg Loans



■ All Other NCO/Avg Loans ■ Mainland Consumer NCO/Avg Loans



# Allowance for Credit Losses

- \$3.9 million provision for credit loss on loans in 1Q25, plus additional \$0.3 million for off-balance sheet exposures, for a total provision for credit loss of \$4.2 million. Increase to provision primarily driven by macro-economic model assumptions
- Strong ACL coverage ratio of 1.13% for 1Q25

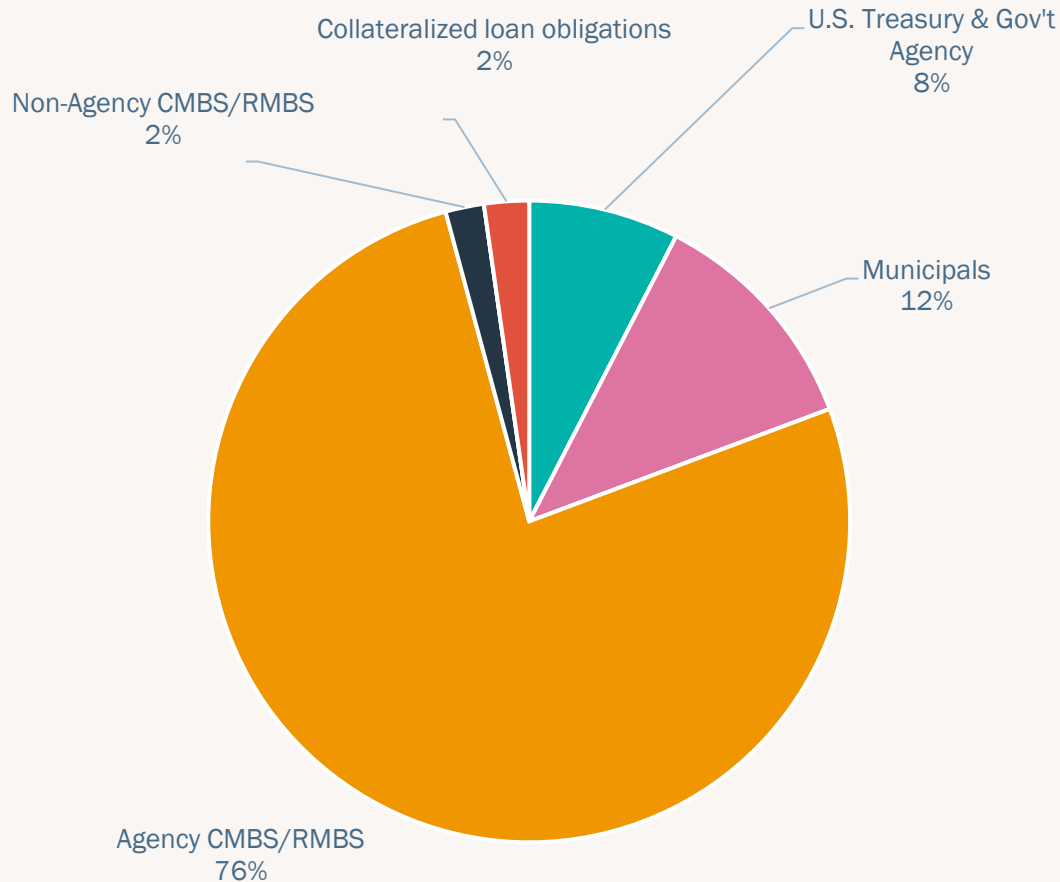
\$ Millions	1Q24	2Q24	3Q24	4Q24	1Q25
Beginning Balance	63.9	63.5	62.2	61.6	59.2
Net Charge-offs	(4.5)	(3.7)	(3.6)	(3.8)	(2.6)
Provision for Credit Losses	4.1	2.4	3.0	1.4	3.9
Ending Balance	63.5	62.2	61.6	59.2	60.5
Coverage Ratio (ACL to Total Loans)	1.18%	1.16%	1.15%	1.11%	1.13%

Note: Totals may not sum due to rounding.



# High Quality Securities Portfolio

Investment Portfolio Composition  
as of March 31, 2025



- \$1.4 billion or 18.5% of total assets
- 95% AAA rated
- Portfolio mix: AFS 57% / HTM 43%

## Strategic Activity

- **Interest rate swap** on \$115.5 million of municipal securities; added \$0.7 million to interest income in 1Q25 (pay fixed at 2.1%, receive float at Fed Funds).



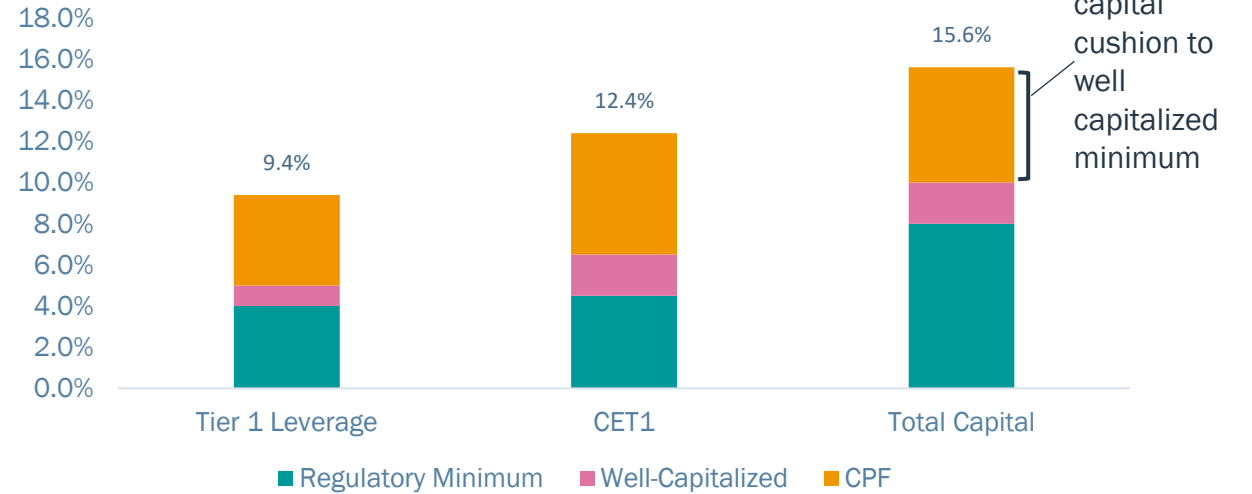
# Strong Liquidity Position With Ample Alternative Sources

\$ Millions	March 31, 2025	
Cash on Balance Sheet	\$	277
Other Funding Sources:		
Unpledged Securities		582
FHLB Available Borrowing Capacity		1,655
FRB Available Borrowing Capacity		232
Other Funding Lines		75
Total	\$	2,544
Total Sources of Liquidity	\$	2,821

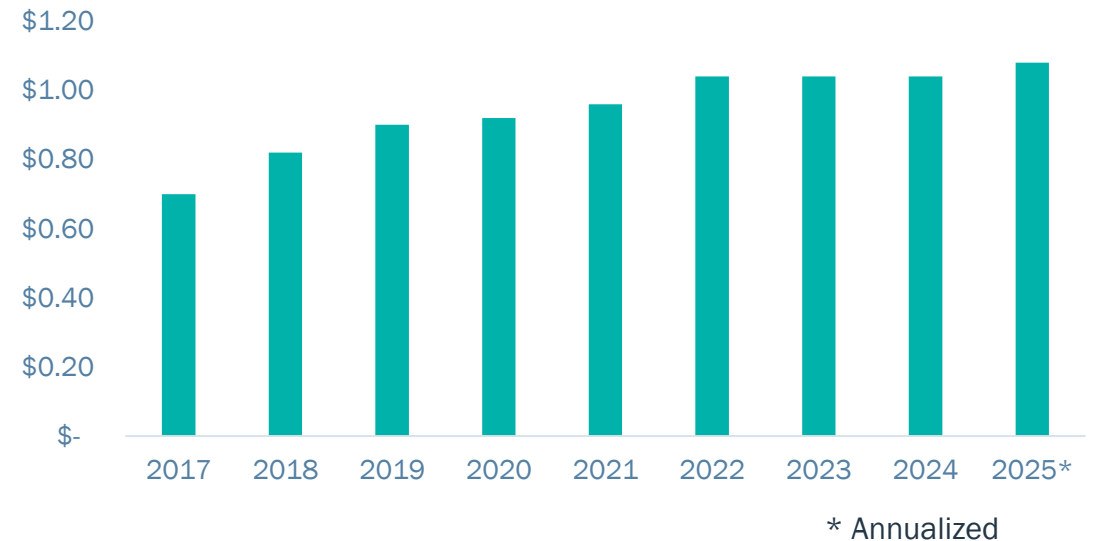
# Strong Capital and Shareholder Return

- Regulatory capital ratios meaningfully above the well-capitalized minimums
- Approved quarterly cash dividend of \$0.27 per share which will be payable on June 16, 2025
- 77,316 shares repurchased in 1Q25 at a total cost of \$2.1 million or \$27.09 per share

Regulatory Capital Ratios  
As March 31, 2025



Cash Dividends Declared per Common Share





# Appendix

# Non-GAAP Disclosure

To supplement our consolidated financial information, the Company uses certain non-GAAP financial measures, which are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures. The Company believes these non-GAAP financial measures provide useful information to investors and others, which excludes transactions that are not meaningful in comparison to our past operating performance or not reflective of ongoing financial results. The Company believes that these measures offer a supplemental measure for period-to-period comparisons and can be used to evaluate our historical and prospective financial performance. These non-GAAP financial measures may not be comparable to similarly entitled measures reported by other companies.

The following reconciling adjustments from GAAP or reported financial measures to non-GAAP adjusted financial measures are limited to a pre-tax loss on sales of investment securities of \$9.9 million related to an investment portfolio repositioning in the fourth quarter of 2024. Management does not consider this transaction to be representative of the Company's core operating performance. The income tax effect was calculated assuming a 23% effective tax rate.

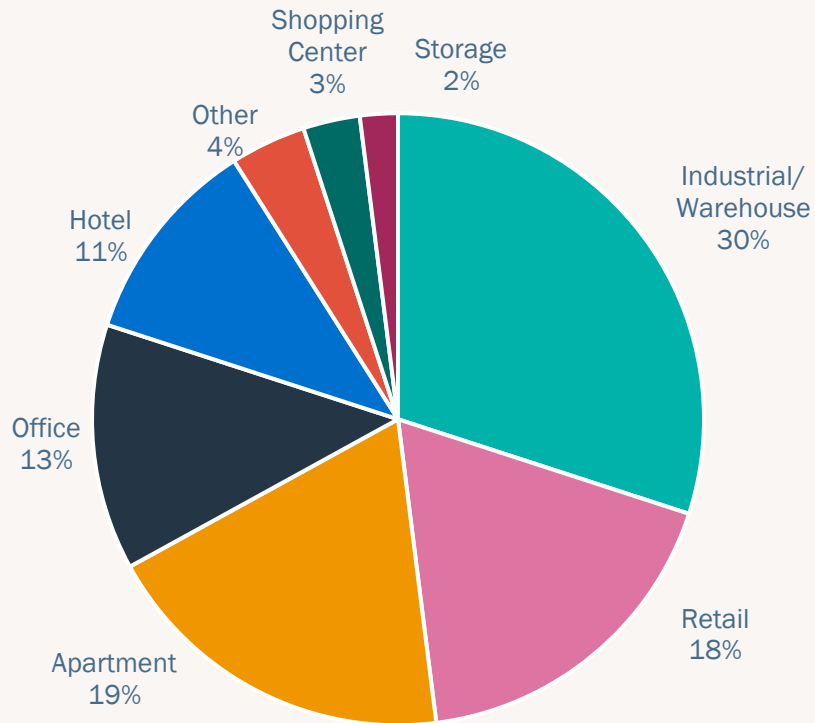
	1Q25 Actual	4Q24 Actual	4Q24 Adj	4Q24 Non-GAAP
<b>NET INCOME</b>	\$17.8MM	\$11.3MM	+\$7.6MM	\$19.0MM
<b>DILUTED EARNINGS PER SHARE (EPS)</b>	\$0.65	\$0.42	+\$0.28	\$0.70
<b>PRE-PROVISION NET REVENUE (PPNR)<sup>1</sup></b>	\$26.7MM	\$14.2MM	+\$9.9MM	\$24.2MM
<b>EFFICIENCY RATIO<sup>1</sup></b>	61.16%	75.65%	-11.00%	64.65%
<b>RETURN ON ASSETS (ROA)</b>	0.96%	0.62%	+0.41%	1.03%
<b>RETURN ON EQUITY (ROE)</b>	13.04%	8.37%	+5.45%	13.82%
<b>TANGIBLE COMMON EQUITY (TCE)</b>	7.53%	7.21%	+0.12%	7.33%

<sup>1</sup> Non-GAAP financial measures.  
Note: Totals may not sum due to rounding.



# Commercial Real Estate Portfolio

CRE Portfolio Composition  
as of March 31, 2025



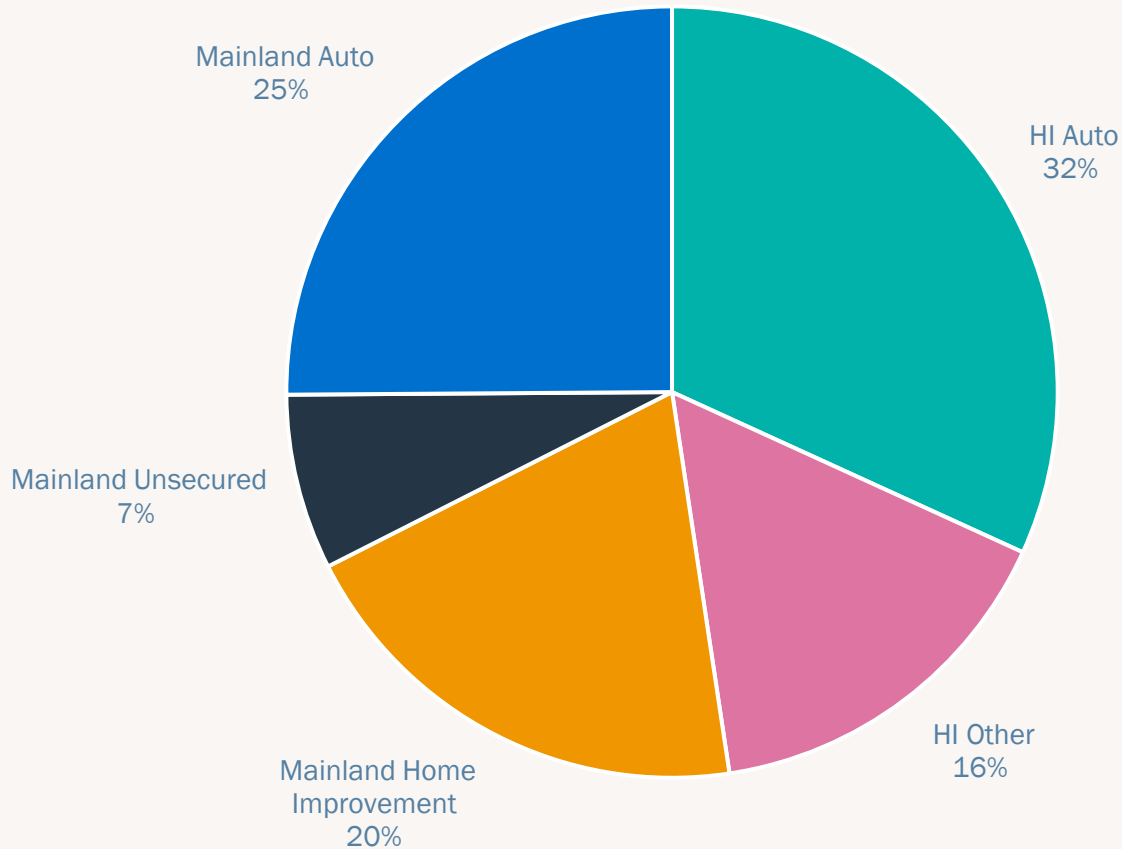
- Hawaii 76% / Mainland 24%
- Investor 76% / Owner-Occupied 24%

	OFFICE	RETAIL
<b>TOTAL BALANCE</b>	\$205.3MM	\$286.8MM
<b>% OF TOTAL CRE</b>	13%	18%
<b>% OF TOTAL LOANS</b>	4%	5%
<b>WA LTV</b>	57%	65%
<b>WA MONTHS TO MATURITY</b>	65	64
<b>INVESTOR / OWNER-OCCUPIED</b>	\$132.1MM / \$73.2MM	\$209.5MM / \$77.3MM



# Consumer Loan Portfolio

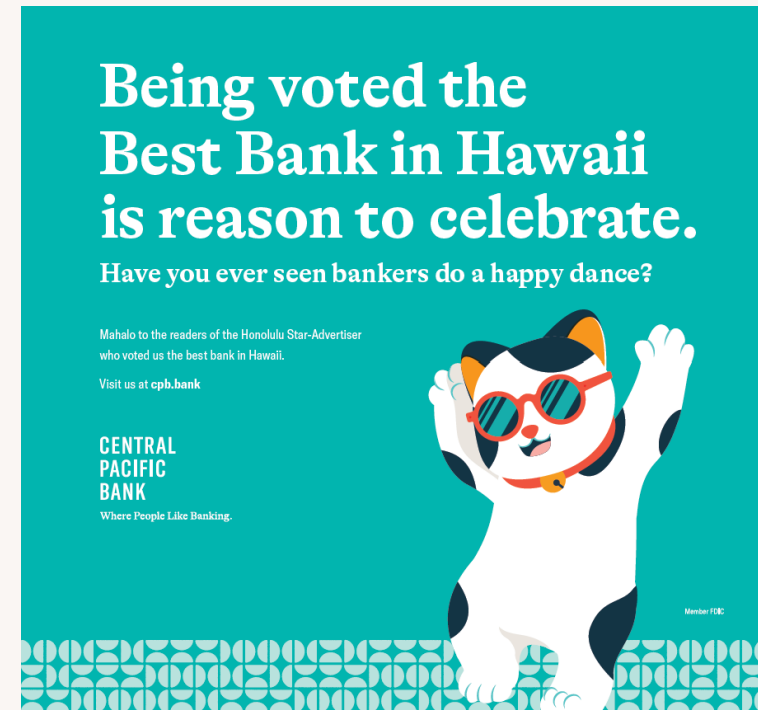
Consumer Portfolio Composition  
as of March 31, 2025  
(\$ Millions)



- Total Hawaii Consumer \$219.9 million
- Total Mainland Consumer \$242.0 million
- Weighted average origination FICO:
  - 745 for Hawaii Consumer
  - 738 for Mainland Consumer
- Consumer net charge-offs peaked in 4Q23 and declined for 5 consecutive quarters

# CPB Named Best Bank in Hawaii by Newsweek, Forbes, and Honolulu Star-Advertiser

- Newsweek's America's Best Regional Banks 2025
- Forbes' Best-In-State Banks 2024
- Forbes' America's Best Banks 2025
- Honolulu Star-Advertiser's Best Bank in Hawaii 2024



# Caring for our Land and People



## 2024 Highlights

Founded by WWII veterans to provide financial resources for all of Hawai'i's people.

**RECOGNITIONS**

**BEST-IN-STATE BANKS** | Forbes 2024

★ ★ AMERICA'S BEST ★ ★ REGIONAL BANKS

Newsweek 24

**TOP SBA** 15 times as the Lender of the Year (Category 2) since 2007

Awarded Lender for Most Veteran Owned Businesses Loans

Only ATMs in Hawai'i offering Tagalog & Ilocano language options

**"Salamat!"**

Hawai'i Business magazine

**BEST PLACES TO WORK 2024**

15th time since 2006

ORIGINATED MORE SBA LOANS TO Small Businesses THAN OTHER BANKS IN HAWAII combined

Lender in the state

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**DEDICATED AND DIVERSE WORKFORCE**

over **92%** ethnically diverse (non-Caucasian or two or more races)

**64%** female with 55% of all management staff having a supervisory role being female

**60%** age 40 or older

**36%** of CPB's current staff had been with CPB for 10 years or more and the average employee has more than 10 years of service

Average of **26 hours of training per employee** in 2024

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**GIVING BACK**

**\$187.8 MILLION** in 49 Community Development Loans in support of affordable housing, community services for low- to moderate-income individuals and families, economic development, and/or revitalization

**\$63.5 MILLION** in commitments to investments in low-income housing

**\$14.3 MILLION** in 46 loans to first-time homebuyers

**"Outstanding"** >**\$760,000** Community Reinvestment Act (CRA) rating every year since 2005

>**\$540,000** was granted by the CPB Foundation to over 70 nonprofit organizations in the State of Hawai'i

>**\$470,000** donated from 76% of CPB employees to the 2024 Aloha United Way campaign

>**6,500** EMPLOYEE COMMUNITY SERVICE HOURS at over 140 organizations

>**6,500** trees planted

2,469 barrels of oil

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**ENVIRONMENTAL INITIATIVES**

**\$75.9 Million** in 2,414 residential PV loans outstanding

Greenhouse Gas Emissions

Scope 1 emissions reduced by >26%

Scope 2 emissions reduced by >11%

2024 Annual Paper Recycling saved approximately

**549,000** Kilo Watts

**2,469** trees planted

**2.19** million Metric Tons of Carbon Equivalent (MTCe)

approximately pounds of recycled e-waste

**CENTRAL PACIFIC BANK**

# Mahalo

