CENTRAL PACIFIC FINANCIAL

1st Quarter 2023 Earnings Supplement

April 26, 2023

Forward-Looking Statements

This document may contain forward-looking statements (“FLS”) concerning: projections of revenues, expenses, income or loss, earnings or loss per share, capital expenditures, the payment or nonpayment of dividends, capital position, credit losses, net interest margin or other financial items; statements of plans, objectives and expectations of Central Pacific Financial Corp. 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; and any statements of the assumptions underlying or relating to any of the foregoing. Words such as "believes," "plans," "anticipates," "expects," "intends," "forecasts," "hopes," "targeting," "continue," "remain," "will," "should," "estimates," "may" and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

While we believe that our forward-looking statements and the assumptions underlying them are reasonably based, such statements and assumptions are by their nature subject to risks and uncertainties, and 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. Factors that could cause actual results to differ from those discussed in the forward-looking statements include but are not limited to: the effects of inflation and rising interest rates; the adverse effects of recent 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 ongoing pandemic variants) 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; supply chain disruptions; 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; 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; the impact of local, national, and international economies and events (including natural disasters such as wildfires, volcanic eruptions, hurricanes, tsunamis, storms, earthquakes and pandemic viruses and diseases, including COVID-19) 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 (the "Dodd-Frank 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 (the "CFPB"), 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 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; ability to successfully implement our initiatives to lower our efficiency ratio; 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 (the "FRB" or the "Federal Reserve"); securities market and monetary fluctuations, including the replacement of the London Interbank Offered Rate ("LIBOR") Index and the impact on our loans and debt which are tied to that index and uncertainties regarding potential alternative reference rates, including the Secured Overnight Financing Rate ("SOFR"); negative trends in our market capitalization and adverse changes in the price of the Company's common stock; political instability; acts of war or terrorism; pandemic virus and disease, including COVID-19; changes in consumer spending, borrowings and savings habits; failure to maintain effective internal control over financial reporting or disclosure controls and procedures; cybersecurity and data privacy breaches and the consequence therefrom; the ability to address deficiencies in our internal controls over financial reporting or disclosure controls and procedures; technological changes and developments; changes in the competitive environment among financial holding companies and other financial service providers; the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board ("PCAOB"), the Financial Accounting Standards Board ("FASB") and other accounting standard setters and the cost and resources required to implement such changes; our ability to attract and retain key personnel; changes in our personnel, organization, compensation and benefit plans; 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 forward-looking statements, please see the Company's publicly available Securities and Exchange Commission filings, including the Company's Form 10-K for the last fiscal year and in particular, the discussion of "Risk Factors" set forth therein and herein. We urge investors to consider all of these factors carefully in evaluating the forward-looking statements contained in this document. Forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events except as required by law.

Strong Hawaii Economic Position



Employment	Tourism	Housing
Unemployment Rate February 2023	Visitor arrivals compared to pre-pandemic	Oahu Median Single-Family Home Price March 2023
3.6% [1]	96.5% [1]	$1.1M [2]

FACTORS FOR A FAVORABLE HAWAII OUTLOOK

- Tourism back up to pre-pandemic levels
- Substantial Federal government contracts and public construction activity
- Strong real estate market with stable prices
- Low unemployment
- Cooling inflation

1 Source: Hawaii Department of Business, Economic Development & Tourism. Tourism represents total visitor arrivals in February 2023 compared to February 2019.
2 Source: Honolulu Board of Realtors.

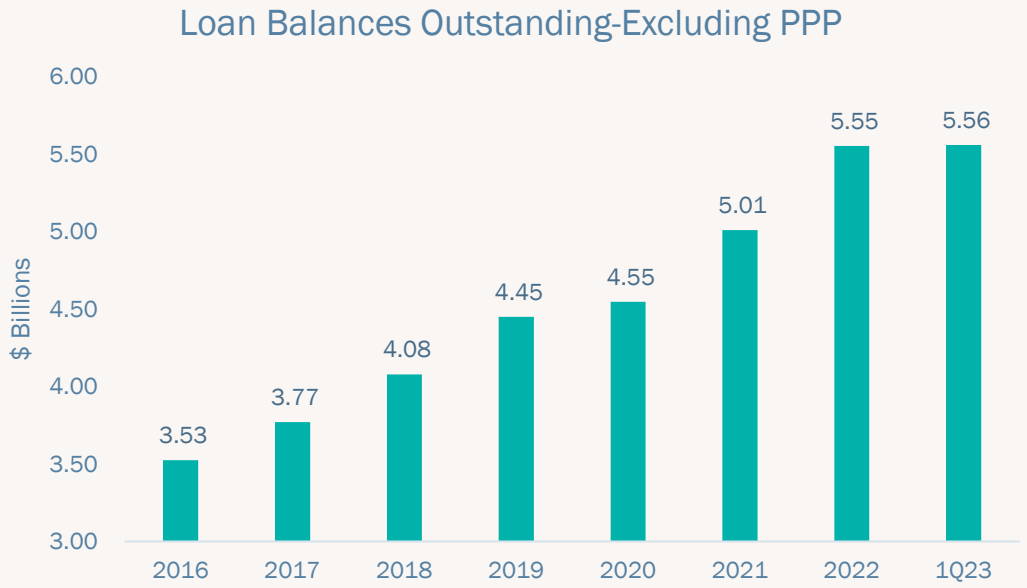
1st Quarter 2023 Financial Highlights

- Stable loan and deposit balances
- Strong liquidity position
- Asset quality and capital remained solid
- Named SBA (Category 2) Lender of the Year

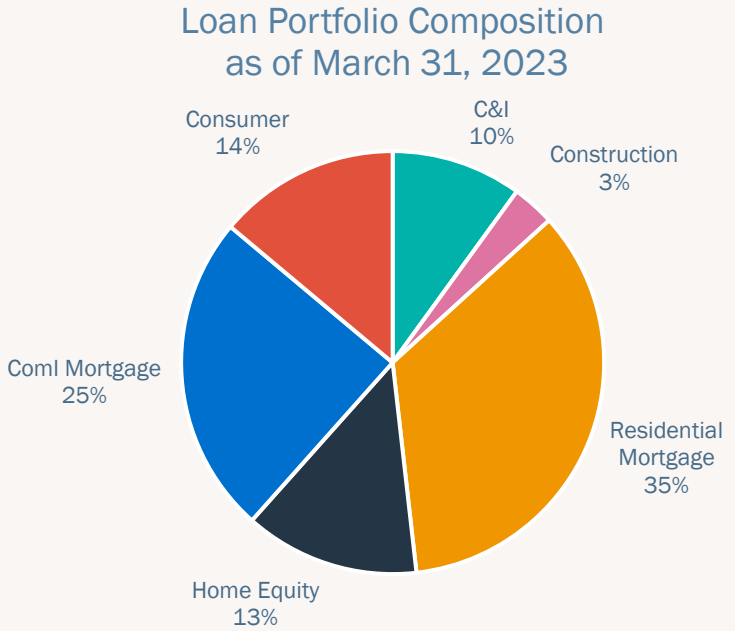
	1Q23	4Q22
NET INCOME / DILUTED EPS	$16.2 Mil / $0.60	$20.2 Mil / $0.74
RETURN ON ASSETS (ROA)	0.87%	1.09%
RETURN ON EQUITY (ROE)	13.97%	18.30%
TOTAL LOAN GROWTH	+$2 Mil (--%)	+$133 Mil (+2.5%)
TOTAL DEPOSIT GROWTH	+$11 Mil (+0.2%)	+$180 Mil (+2.7%)
NET INTEREST MARGIN (NIM)	3.08%	3.17% 3.14% normalized*

* Excludes non-recurring interest recoveries and net PPP interest and fees.

Diversified Loan Portfolio



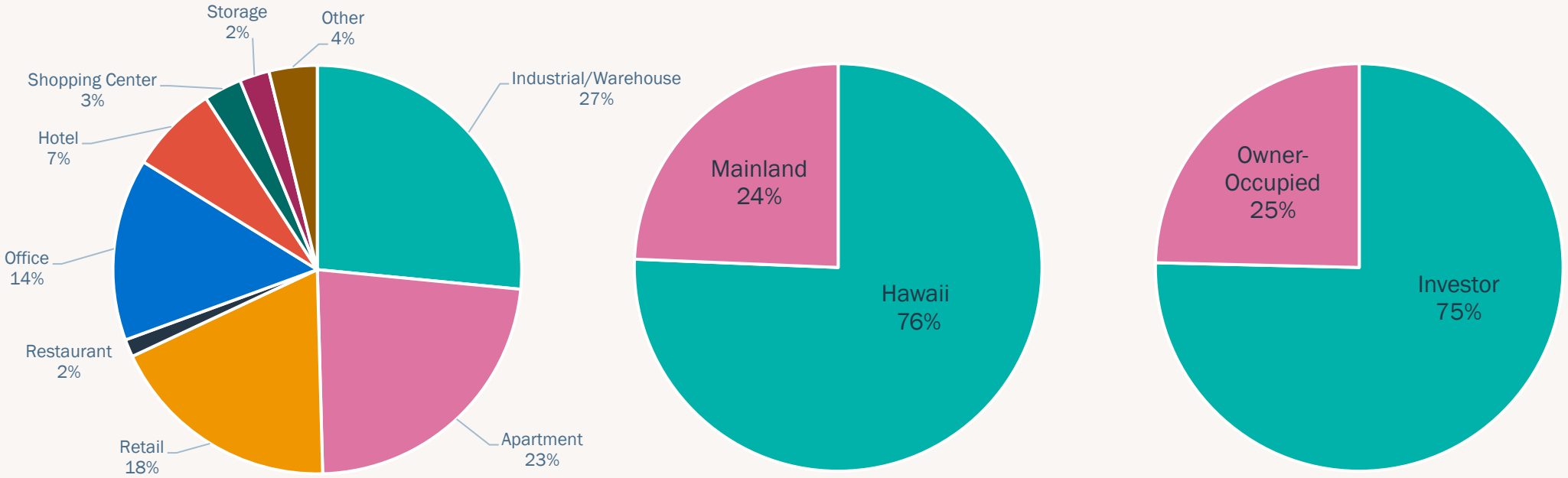
Total loan portfolio CAGR of 7.6%



Strong and diverse loan portfolio, with over 76% secured by real estate

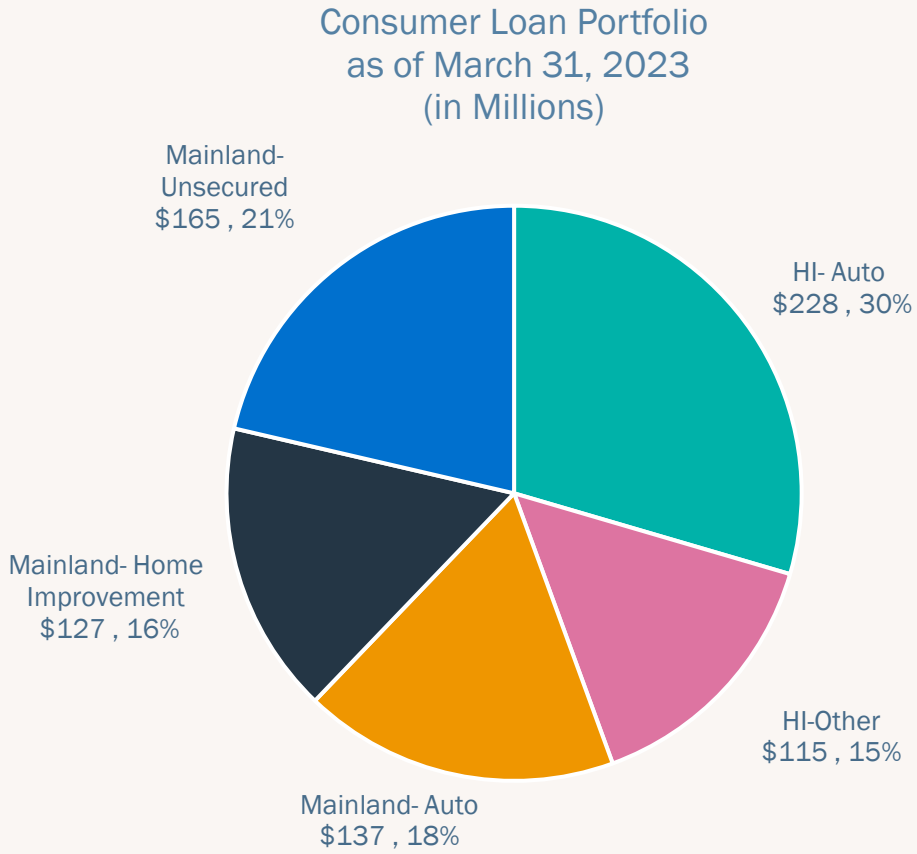
Commercial Real Estate Portfolio

CRE Portfolio Composition
as of March 31, 2023



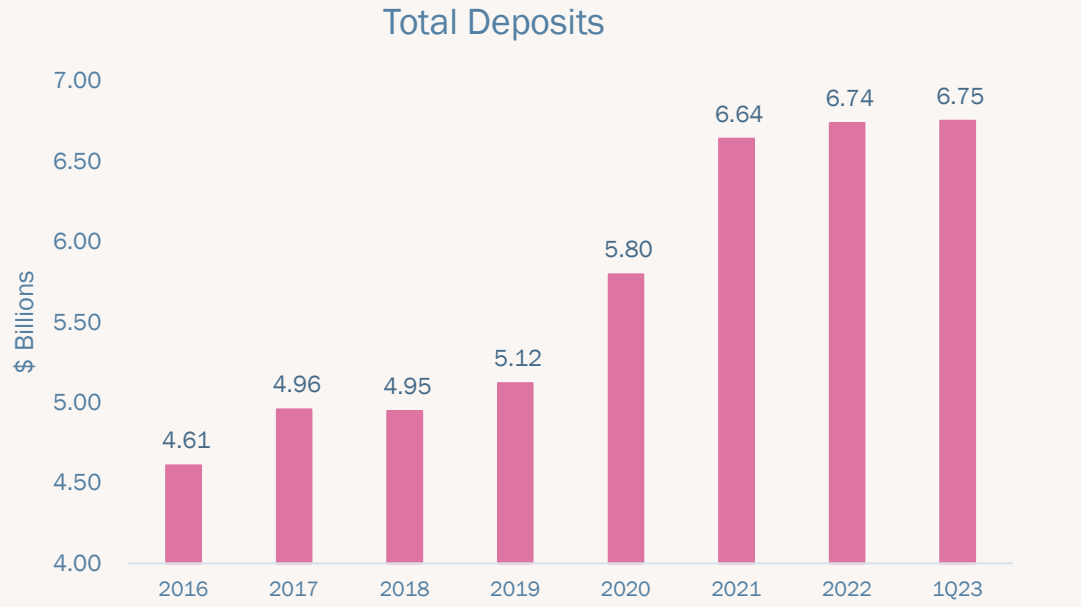
- Diversified CRE portfolio, primarily Hawaii and Investor
- Office exposure: $194MM outstanding (14% of total CRE, 4% of total loans), WA LTV 55%, 70 WA months to maturity
- Retail exposure: $248MM outstanding (18% of total CRE, 5% of total loans), WA LTV 64%, 63 WA months to maturity

Consumer Loan Portfolio

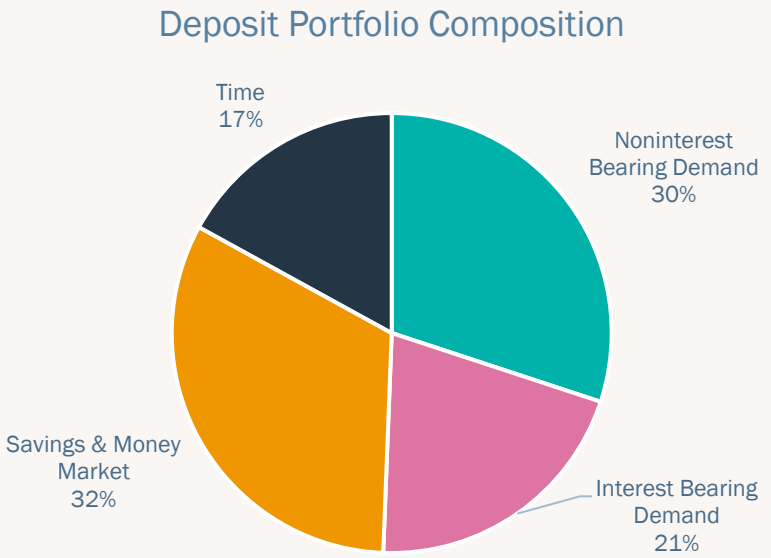


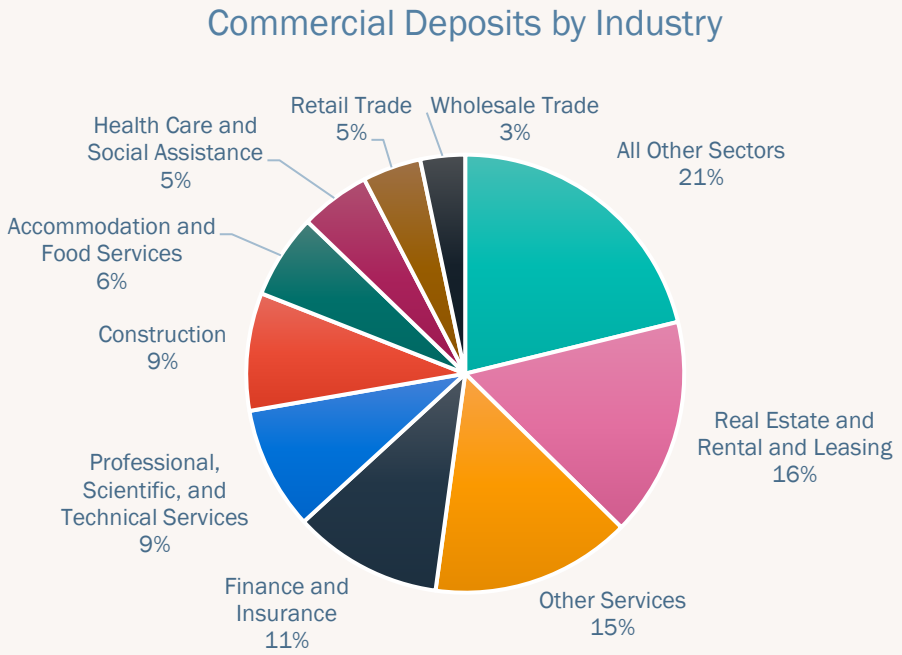
- Total Hawaii Consumer $343MM / Total Mainland Consumer $429MM
- Weighted average origination FICO:
  - 742 for Hawaii Consumer
  - 740 for Mainland Consumer
- YTD Annualized NCO %:
  - HI- Auto 0.14%
  - HI Other -0.07%
  - Mainland Auto 0.5%
  - Mainland Home Improvement 1.8%
  - Mainland Unsecured 2.3%
- Home improvement: Borrowers are homeowners who are shown to have better credit risk; majority are solar PV loans with the ability to turn service off
- Unsecured: Highly granular with average loan amounts of ~$12,000
- Loans are underwritten based on stressed losses; current loss rates remain under those levels

Relationship Deposits - Diversified & Granular



Deposit balances remained stable in 1Q23



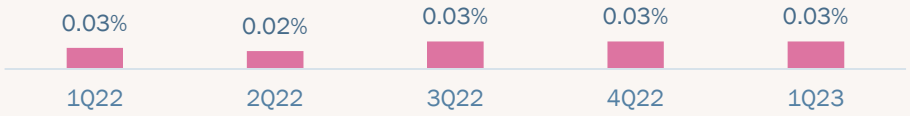


- **59%** of deposits FDIC insured; **66%** including collateralized deposits
- **54%** Commercial / **46%** Consumer
- Long-tenured: **51%** with CPB 10 years or longer
- Average consumer account balance **$19,000**
- Average commercial account balance **$110,000**
- No brokered deposits

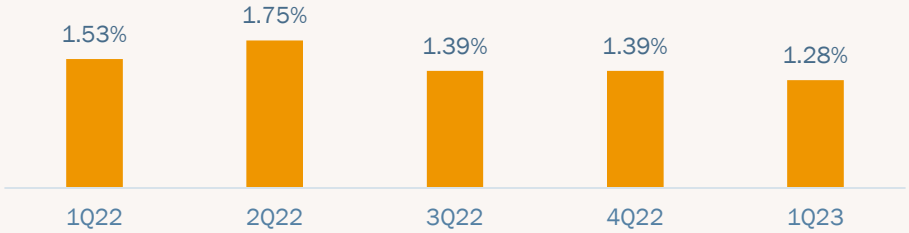
* Data on slide shown as of March 31, 2023

Strong Asset Quality

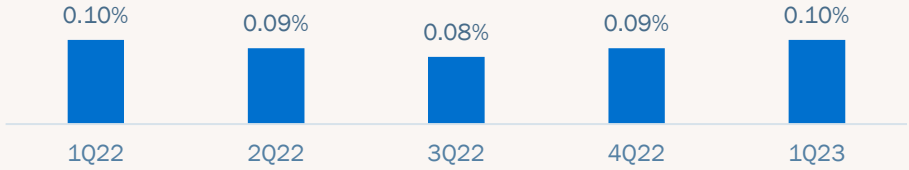
Delinquencies/Total Loans



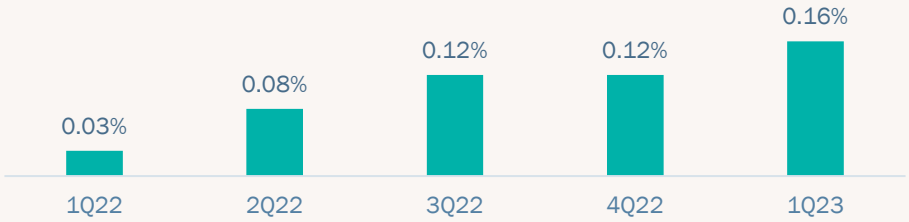
Criticized/Total Loans



NPAs/Total Loans



Annualized NCO/Avg Loans



Strong Credit Profile to Weather a Recession

Key Strength Factors:

Majority of Loans in Hawaii

- 83% of total loan portfolio is in Hawaii
- Hawaii real estate values are exceptionally strong and have a track record of outperforming the nation during past recessions

Real Estate Focus

- Loan portfolio is over 76% secured by real estate
- Weighted average LTVs of 65% for Residential Mortgage, 61% for Home Equity and 60% for Commercial Mortgage

Conservative Underwriting

- Tighter LTV standards compared to regulatory requirements
- Loan amounts >$500K fully underwritten with well-defined credit standards, including repayment capacity

Managed Risk Exposure*

- Total Construction portfolio $181MM or 3% of total loans
- Total CRE-Office portfolio $194MM or 4% of total loans
- Total Mainland Consumer portfolio $429MM or 8% of total loans
- Mainland consumer unsecured purchases on hold

* Data as of March 31, 2023.

Allowance for Credit Losses

- $1.6MM provision for credit loss on loans in 1Q23 driven by net charge-offs, plus a $0.3MM reserve for unfunded commitments, for a total provision for credit loss of $1.9MM
- ACL coverage ratio at 1.14% for 1Q23

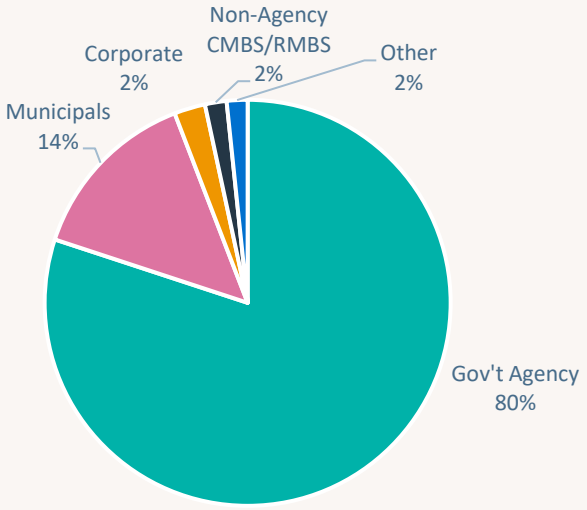
$ Millions	1Q22	2Q22	3Q22	4Q22	1Q23
Beginning Balance	68.1	64.8	65.2	64.4	63.7
Less: Net charge-offs (Recoveries)	0.4	1.0	1.6	1.7	2.3
Plus: Provision (Credit) for Credit Losses	(2.9)	1.4	0.7	1.0	1.6
Ending Balance	64.8	65.2	64.4	63.7	63.1
Coverage Ratio (ACL to Total Loans, excl PPP)	1.26%	1.23%	1.19%	1.15%	1.14%
Coverage Ratio Peers ($3-10 Billion in Assets)*	1.25%	1.23%	1.23%	1.23%	

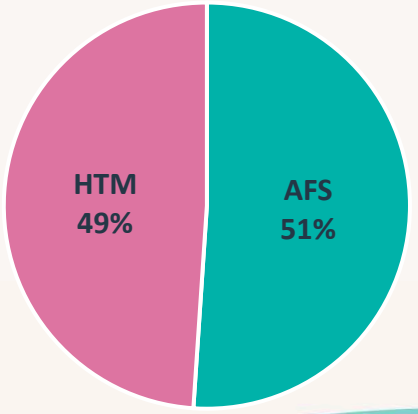
* Public banks $3-10 billion in total assets. Source: S&P Global.
Note: totals may not sum due to rounding.

High Quality Securities Portfolio

- $1.3B or ~18% of total assets
- 80% government agency bonds
- 92% AAA rated
- No securities sales YTD
- HTM/AFS portfolio unrealized loss $59.3MM / $114.3MM*
- Total portfolio unrealized loss of $174MM vs $471MM book equity*

Investment Portfolio Composition
as of March 31, 2023





* As of March 31, 2023

Available Sources of Liquidity

- Ample alternative sources of liquidity available
- Available sources of liquidity total 132% of uninsured/uncollateralized deposits

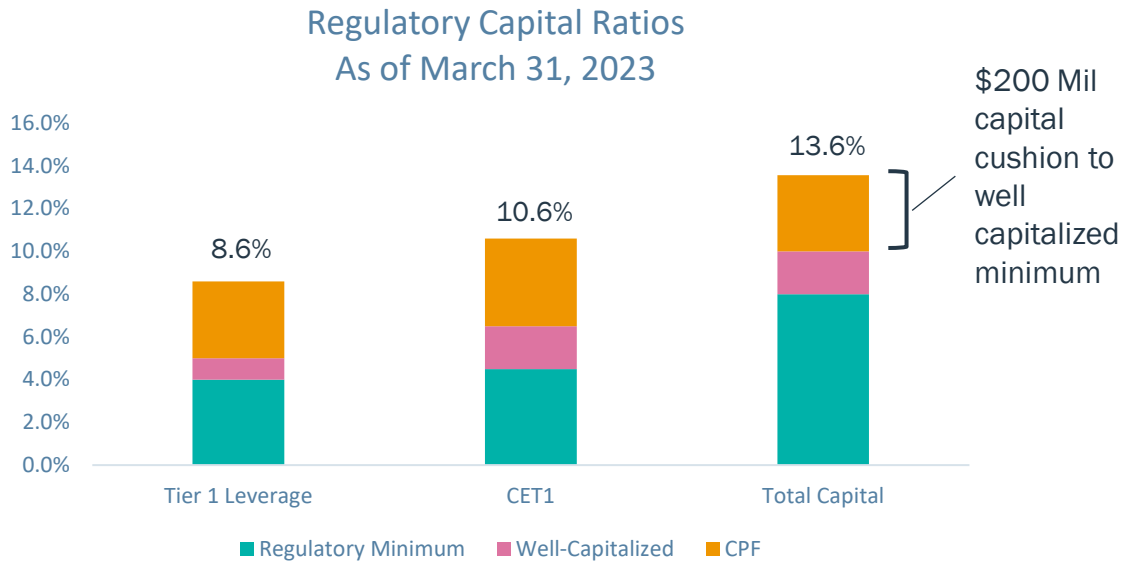
$ Millions	March 31, 2023
Cash on balance sheet	199
Other Funding Sources:	
Unpledged securities*	682
FHLB available borrowing capacity	1,944
FRB available borrowing capacity	77
Other funding lines	125
Total	2,828
Total Sources of Liquidity	3,027
Uninsured/uncollateralized Deposits	2,292
% of Uninsured/uncollateralized Deposits	132%

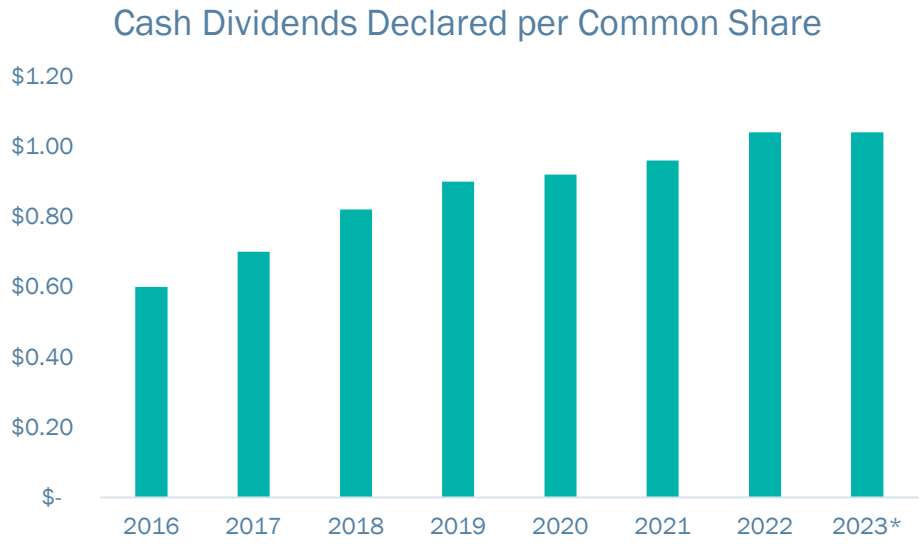
* BTFP eligible securities at par, other unpledged securities at market value.

Solid Capital Position

STRONG CAPITAL AND SHAREHOLDER RETURN

- TBV per share improved to $17.44 due to net income and improvement in AOCI
- Maintained quarterly cash dividend at $0.26 per share which will be payable on June 15, 2023
- Repurchased 101,760 shares in the 1Q23. In March 2023, temporarily suspended share repurchases
- Assuming full realization of all unrealized AFS & HTM losses, CET1 remains strong and well-capitalized at 8.0%





* Annualized

Appendix

Central Pacific Bank recognized by Newsweek and Forbes – Best Bank in Hawaii*





* Newsweek ranked CPB best small bank in Hawaii for 2023. Forbes named CPB best bank in Hawaii for 2022.

Environmental, Social & Governance (ESG) Focus



Environmental initiatives

- $9.7 million renewable energy company loans
- $94 million residential PV loans
- CPB's flagship branch and office received 16 EPA Energy Stars (the most of any building in Downtown Honolulu)
- 2022 annual paper recycling saved approximately 556,000 Kilo Watts, 275 barrels of oil, and 2,500 trees. 2.23 million Metric Tons of Carbon Equivalent (MTCE) and 560 cubic meters of landfill were avoided

Dedicated and diverse workforce

- 91% ethnically diverse
- 67% female with 57% as managers
- 35% of employees have remained with CPB more than a decade

Giving back

- $48 million committed to building low-income housing
- $1.8 million donated to more than 100 non-profit organizations by Central Pacific Bank and Central Pacific Bank Foundation
- CPB employees donated more than $430,000 to the United Way and volunteered more than 6,200 community service hours to over 130 organizations
- $364k total awarded to schools and collegiate scholarships

* 2022 ESG Report can be found here: https://www.cpb.bank/esg

Mahalo

