CENTRAL PACIFIC FINANCIAL

3rd Quarter 2023 Earnings Supplement

October 25, 2023

Forward-Looking Statements

This document may contain forward-looking statements 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. (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; and any statements of the assumptions underlying or relating to any of the foregoing. Words such as "believe," "plan," "anticipate," "expect," "intend," "forecast," "hope," "target," "continue," "remain," "will," "should," "estimate," "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) 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 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; 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; changes in consumer spending, borrowings and savings habits; cybersecurity and data privacy breaches and the consequence therefrom; failure to maintain effective internal control over financial reporting or disclosure controls and procedures; 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 statements are made, or to reflect the occurrence of unanticipated events except as required by law.

3rd Quarter 2023 Financial Highlights

- Improved liquidity position with greater cash position, deposit growth and modest loan decline
- Total deposits grew by $69 million (+1.0%)
- Strong capital and asset quality
- Quarterly cash dividend maintained at $0.26
- Fitch and KBRA affirmed CPF credit ratings with Stable outlook

	3Q23	2Q23
NET INCOME / DILUTED EPS	$13.1MM / $0.49	$14.5MM / $0.53
PPNR	$22.4MM	$23.3MM
RETURN ON ASSETS (ROA)	0.70%	0.78%
RETURN ON EQUITY (ROE)	10.95%	12.12%
TOTAL LOAN GROWTH	-$12.0MM (-0.2%)	-$36.7MM (-0.7%)
TOTAL DEPOSIT GROWTH	+$69.0MM (+1.0%)	+$58.8MM (+0.9%)
NET INTEREST MARGIN (NIM)	2.88%	2.96%

Lahaina, Maui Loan Exposure

Exposure is manageable and with mitigating factors, losses are not anticipated to be material

$ Millions	Total Outstanding As of 7/31/23	Total Outstanding As of 9/30/23	Estimated Not-Impacted As of 9/30/23*	Mitigating Factors
CRE	51	49	40	Fire hazard insurance required
Residential	31	31	21	Fire hazard insurance required
HELOC	9	8	6	Fire hazard insurance required
C&I	15	15	11	Business interruption insurance and SBA/FEMA disaster relief support available
Consumer	5	4		State/FEMA unemployment benefits available
TOTAL	111	107	78	

- Loan Payment Deferral Programs being offered for all loan types for those impacted by the wildfire.
- As of 9/30/23, 3- to 6-month loan payment deferrals processed on 142 loans with outstanding balances totaling $33 million on the island of Maui.

* Status updates continue to be collected. Additional Consumer balances are expected to be not-impacted.

Strong Hawaii Economic Position



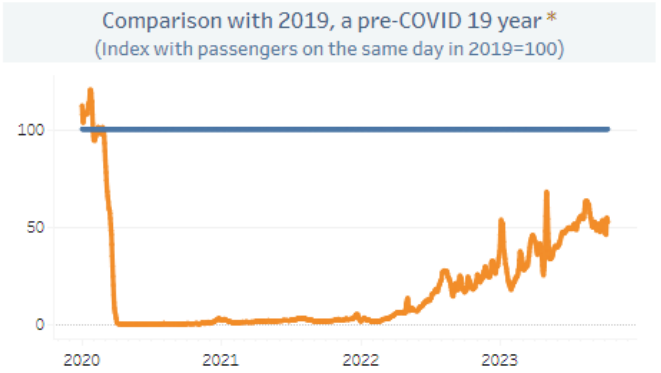
Employment	Tourism	Housing
Unemployment Rate September 2023	Visitor arrivals compared to pre-pandemic	Oahu Median Single-Family Home Price September 2023
2.8% [1]	83% [1]	$1.1MM [2]

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

FACTORS FOR A FAVORABLE HAWAII OUTLOOK

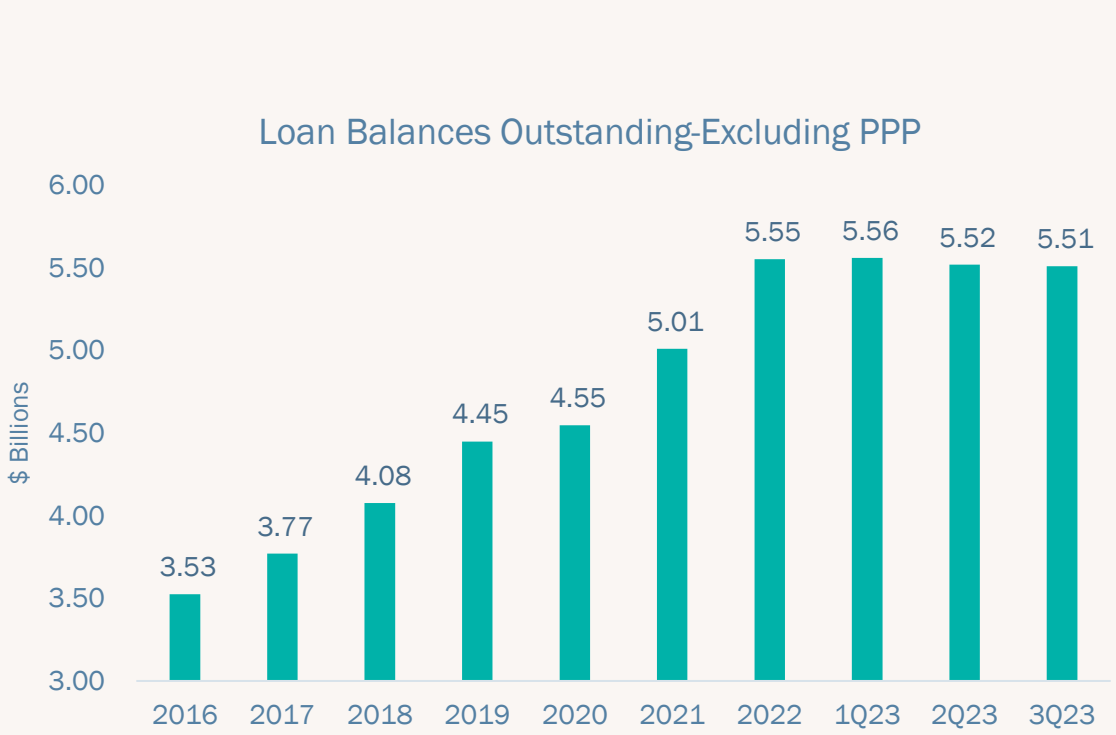
- Maui tourism recovery is beginning, and impact to the overall State economy expected to be limited
- Japanese visitor return accelerating over 50% of pre-pandemic levels

Visitors from Japan to Hawaii[1]

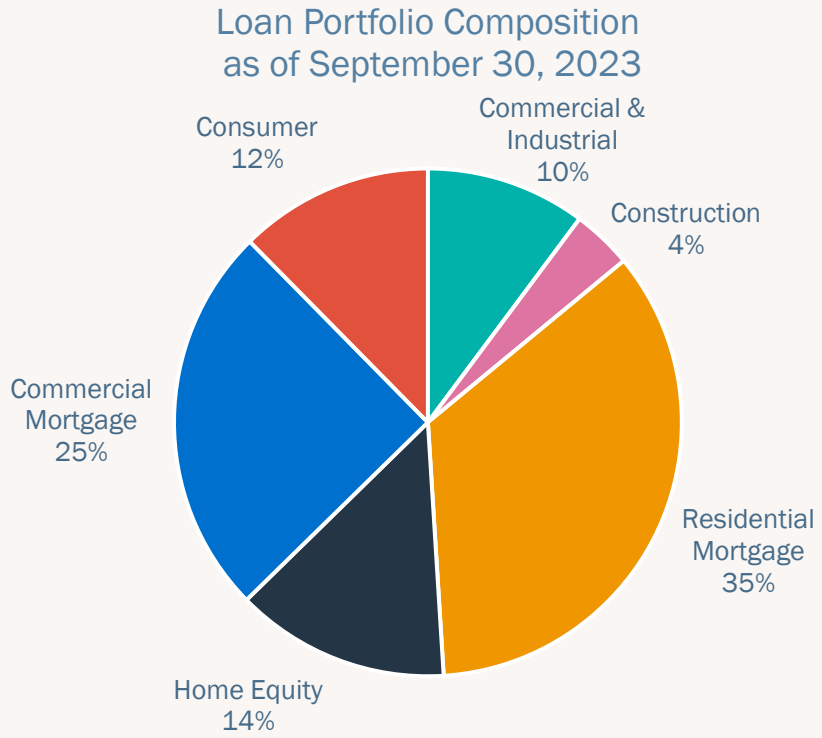


- Substantial Federal government contracts and military investments
- Increase in public and private investments to address housing shortage
- Significant infrastructure investment in the State, with a $530 million contract awarded in June 2023 for road maintenance projects across Oahu

Diversified Loan Portfolio

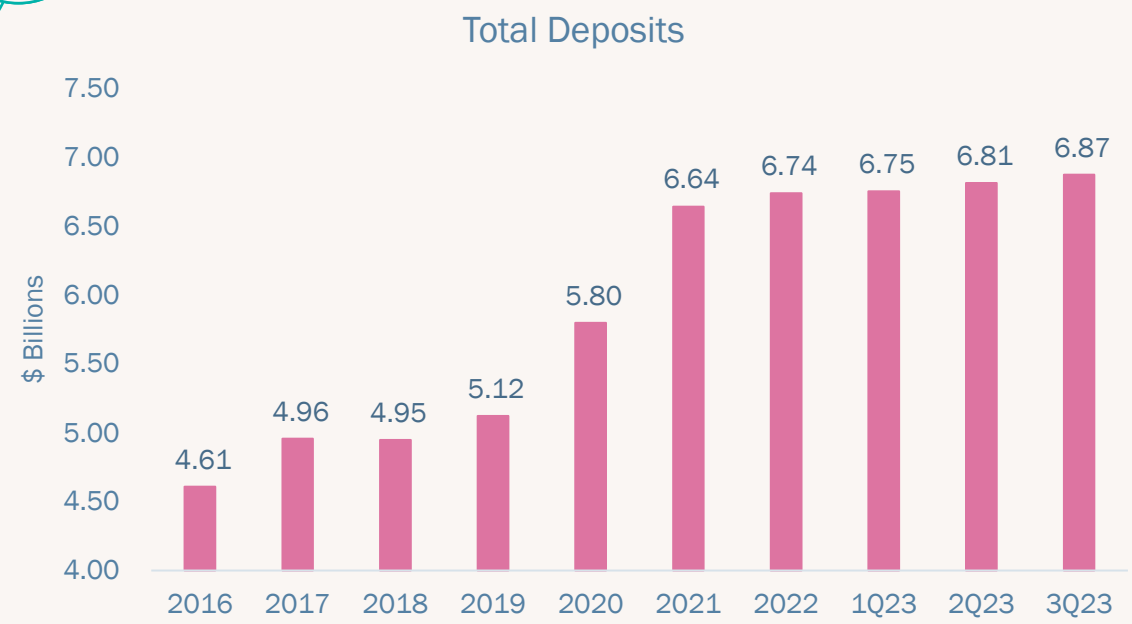


Continued focus on moderating near-term loan growth

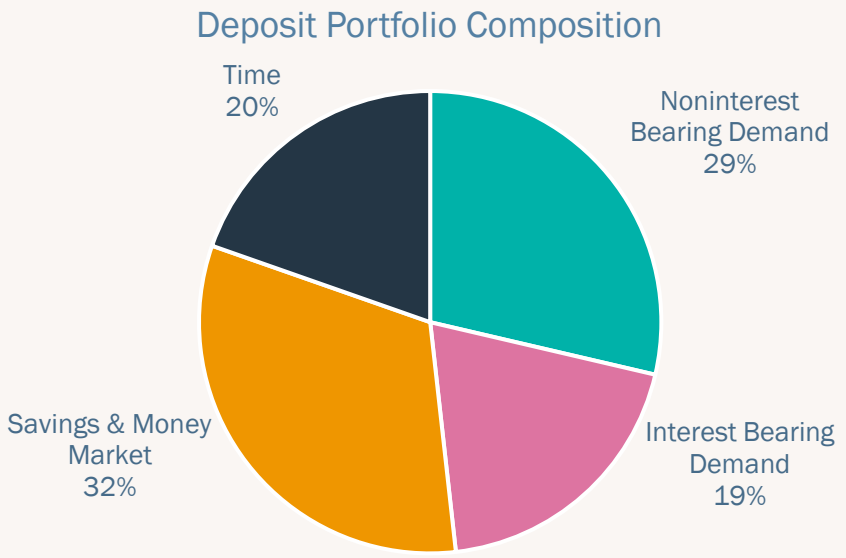


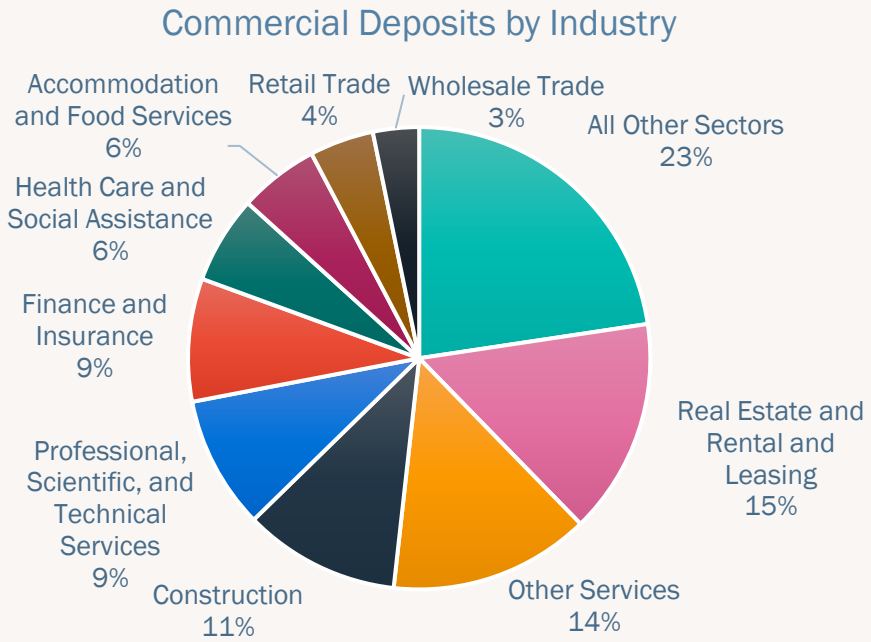
Strong and diverse loan portfolio, with over 75% secured by real estate

Relationship Deposits – Diversified & Granular



Deposit balances increased by $69.0MM in 3Q23

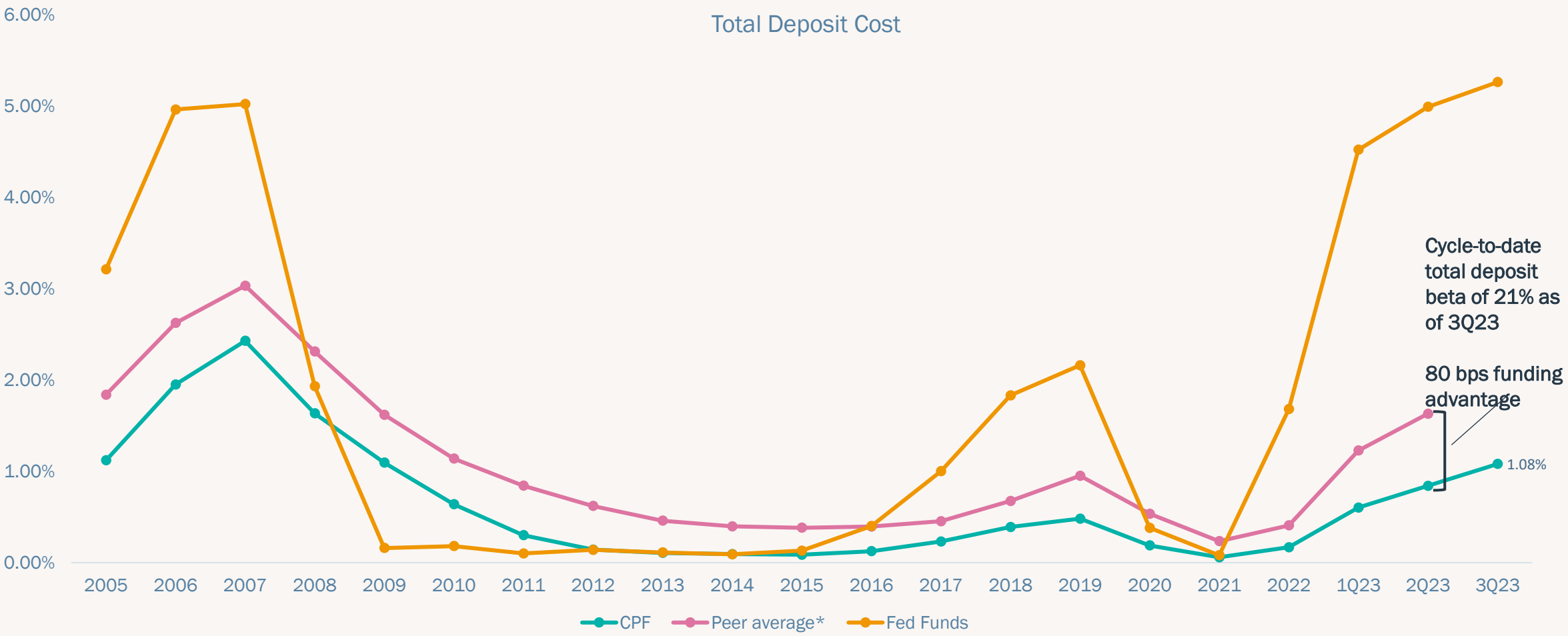




- **57%** of deposits FDIC insured; **65%** including collateralized deposits
- **56%** Commercial / **44%** Consumer
- Long-tenured: **51%** with CPB 10 years or longer
- Average consumer account balance **$19,000**
- Average commercial account balance **$114,000**
- No brokered deposits

CPF Deposit Cost Advantage

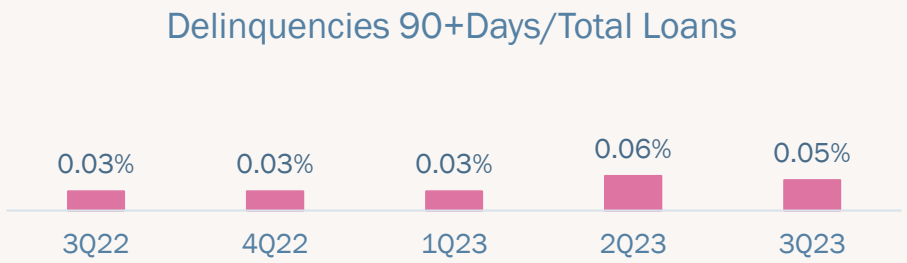
High valued deposit franchise with proven history of funding cost advantage

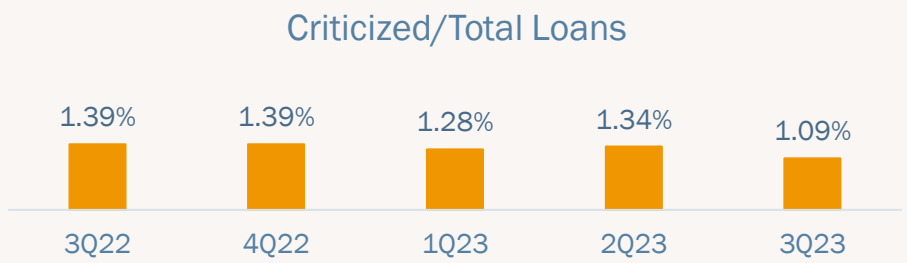


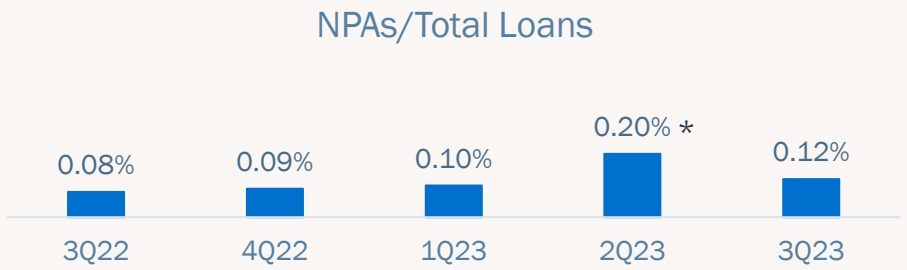
* Public banks $3-10 billion in total assets. Source: S&P Global.

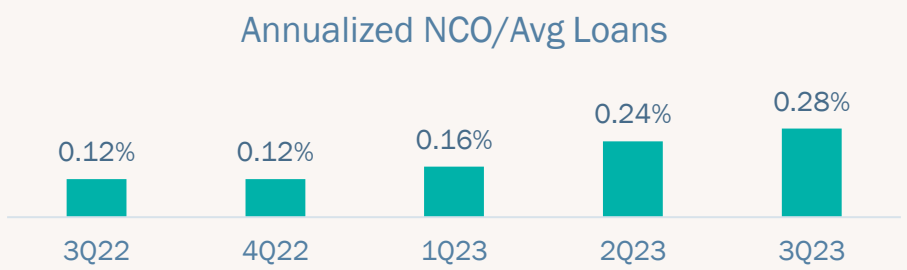
Strong Asset Quality

Strong Credit Risk Management continues to drive low levels of problem assets









* NPA increase relates to 2 Hawaii construction loans to a single borrower that subsequently paid off in full in mid-July 2023. 2Q23 NPAs/Total Loans ratio is 0.11% excluding the 2 Hawaii construction loans mentioned above.

Allowance for Credit Losses

- $4.5MM provision for credit loss on loans in 3Q23 driven by net charge-offs, plus a $0.4MM reserve for unfunded commitments, for a total provision for credit loss of $4.9MM
- ACL coverage ratio increased to 1.17% for 3Q23

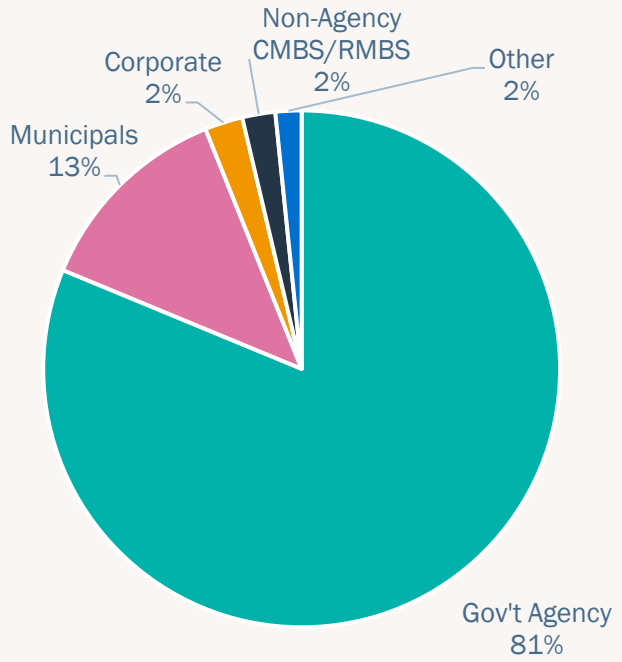
$ Millions	3Q22	4Q22	1Q23	2Q23	3Q23
Beginning Balance	65.2	64.4	63.7	63.1	63.8
Less: Net Charge-offs (Recoveries)	1.6	1.7	2.3	3.4	3.9
Plus: Provision (Credit) for Credit Losses	0.7	1.0	1.6	4.1	4.5
Ending Balance	64.4	63.7	63.1	63.8	64.5
Coverage Ratio (ACL to Total Loans)	1.19%	1.15%	1.14%	1.16%	1.17%

Note: Totals may not sum due to rounding.

High Quality Securities Portfolio

- $1.3B or 17% of total assets
- 81% government agency bonds
- 92% AAA rated
- Portfolio mix: HTM 51% / AFS 49%
- Portfolio unrealized loss: HTM $108.2MM / AFS $147.1MM
- Total portfolio unrealized loss $255.3MM vs $468.6MM book equity

Investment Portfolio Composition
as of September 30, 2023



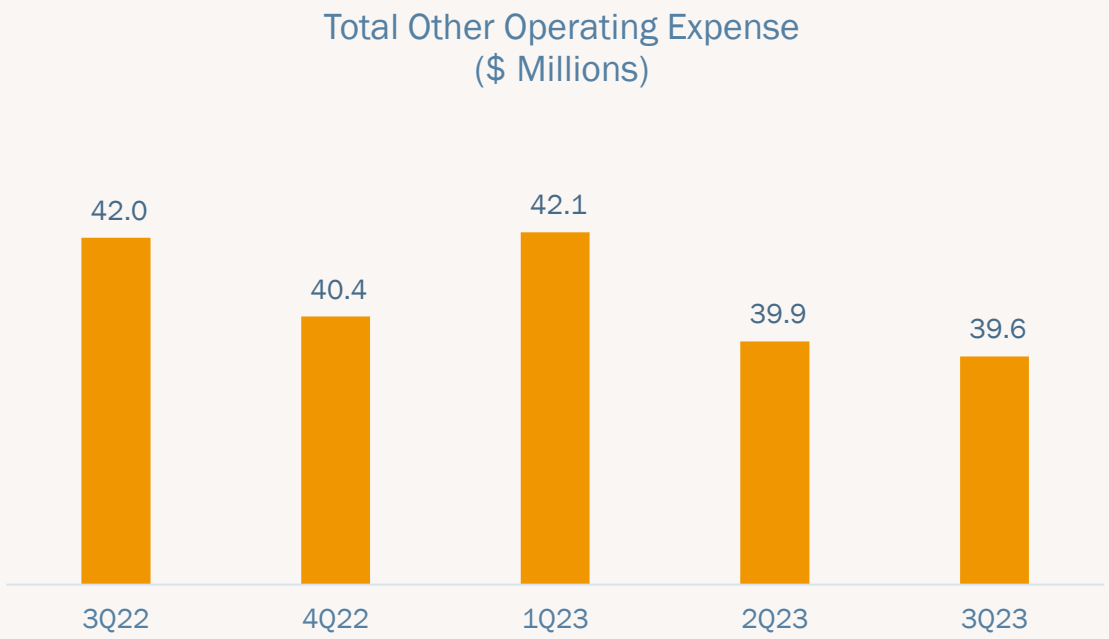
Available Sources of Liquidity

- Ample alternative sources of liquidity available
- Available sources of liquidity total 122% of uninsured/uncollateralized deposits

$ Millions	September 30, 2023
Cash on balance sheet	439
Other Funding Sources:	
Unpledged securities*	288
FHLB available borrowing capacity	1,820
FRB available borrowing capacity	290
Other funding lines	75
Total	2,473
Total Sources of Liquidity	2,912
Uninsured/uncollateralized Deposits	2,384
% of Uninsured/uncollateralized Deposits	122%

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

Expense Management

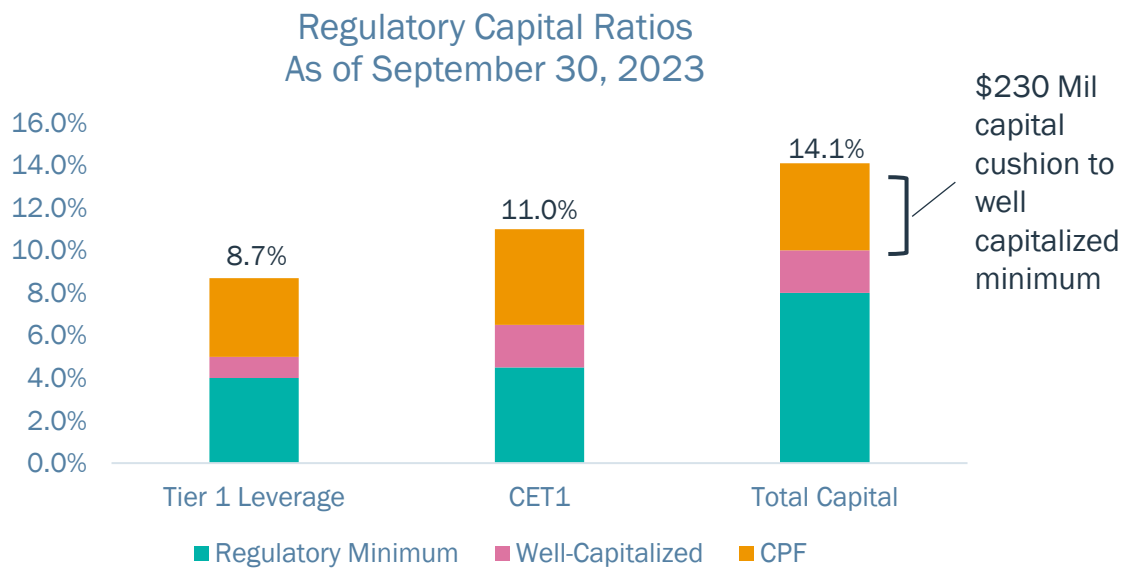


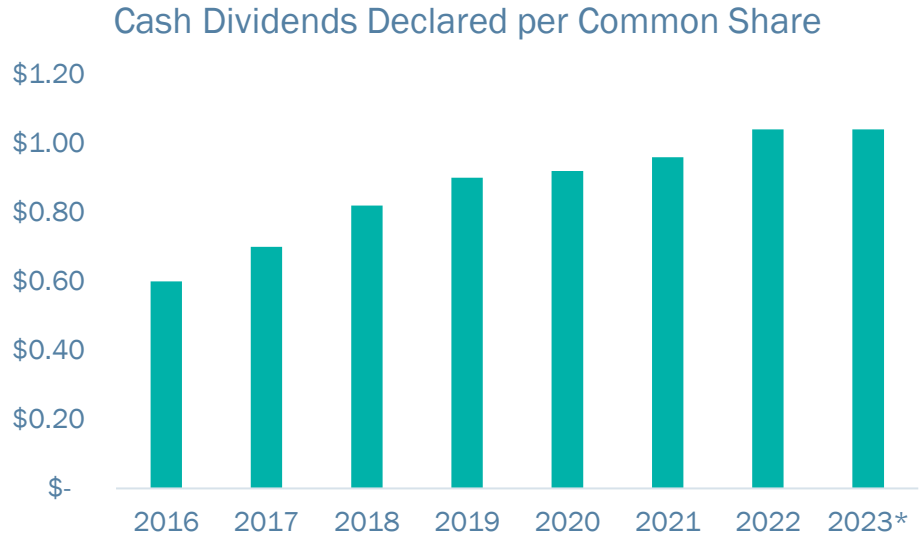
- Positive trend with YTD expenses down 3%
- Rightsizing salaries & benefits expense
- Workflow and automation efficiencies
- Vendor contract negotiations
- Other efficiency initiatives in progress

Solid Capital Position

STRONG CAPITAL AND SHAREHOLDER RETURN

- TCE ratio of 6.1% and CET1 ratio of 11.0%
- Maintained quarterly cash dividend at $0.26 per share which will be payable on December 15, 2023
- Repurchased 4,500 shares in the 3Q23 at a total cost of $0.1 million, and 130,010 shares YTD at a total cost of $2.6 million
- Assuming full realization of all unrealized AFS & HTM securities losses, CET1 remains strong and well-capitalized at 7.4%



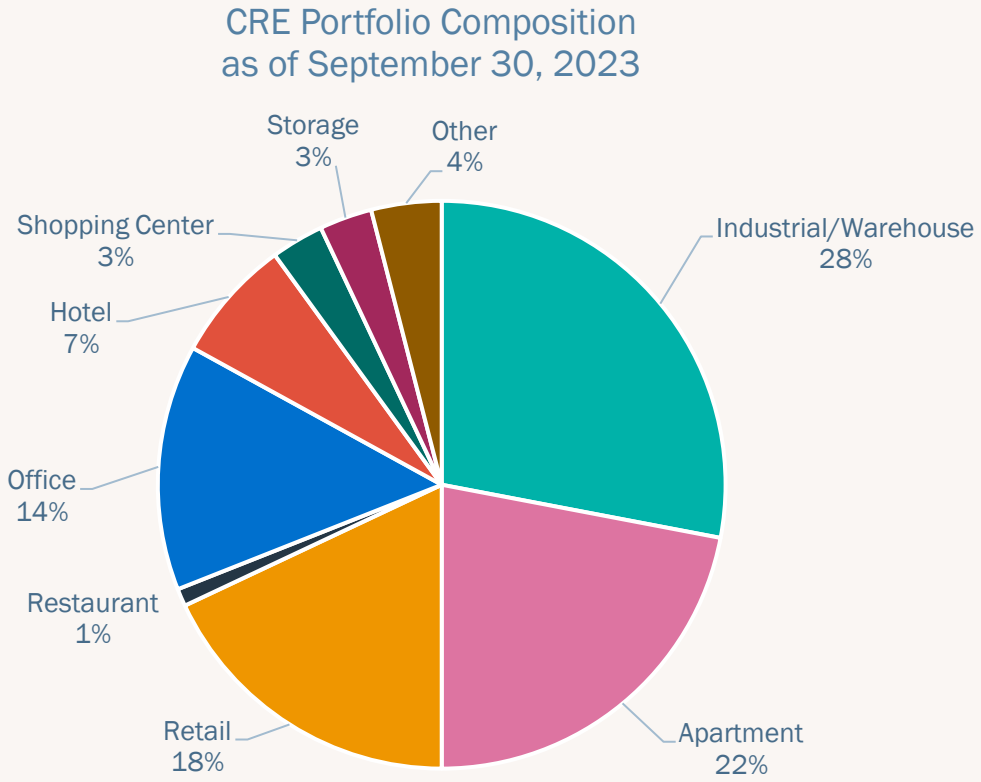


* Annualized

Appendix



Commercial Real Estate Portfolio

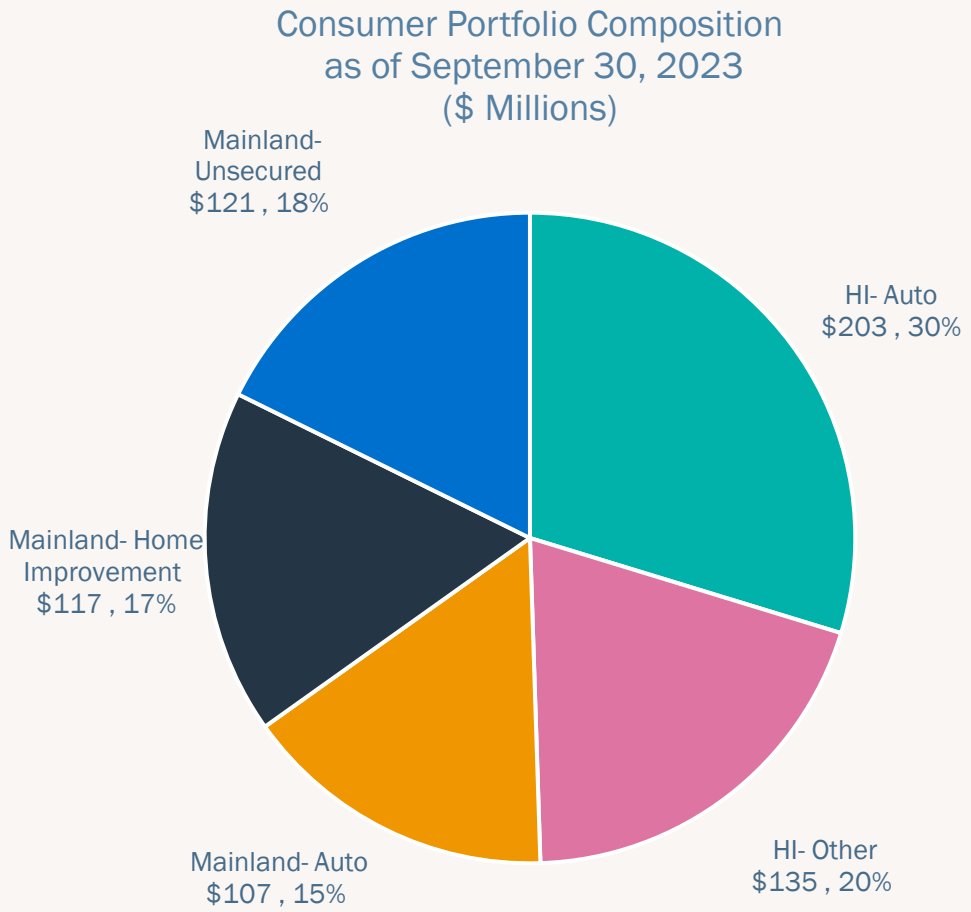


Diverse CRE portfolio, primarily Hawaii and Investor

- Hawaii 77% / Mainland 23%
- Investor 75% / Owner-Occupied 25%

	OFFICE	RETAIL
TOTAL BALANCE	$193.8MM	$246.4MM
% OF TOTAL CRE	14%	18%
% OF TOTAL LOANS	4%	5%
WA LTV	55%	65%
WA MONTHS TO MATURITY	73	64
INVESTOR / OWNER-OCCUPIED	$144.8MM / $49.0MM	$193.2MM / $53.2MM

Consumer Loan Portfolio



- Total Hawaii Consumer $338MM / Total Mainland Consumer $345MM
- Weighted average origination FICO:
  - 742 for Hawaii Consumer
  - 739 for Mainland Consumer
- YTD Annualized NCO %:
  - HI Auto 0.2%
  - HI Other 0.7%
  - Mainland Auto 0.9%
  - Mainland Home Improvement 2.5%
  - Mainland Unsecured 4.0%
- Home Improvement: Borrowers are homeowners who are shown to have better credit risk
- Unsecured: Highly granular with average loan amounts of ~$13,000

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

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

Mahalo

