

TERRITORIAL BANCORP INC.

POLICY ON FAIR DISCLOSURE TO INVESTORS

Territorial Bancorp Inc. (the “Company”) is committed to a policy of full and fair public disclosure of all material information in a timely manner to keep security holders and the investing public informed about the Company’s operations, consistent with the Securities and Exchange Commission’s (the “SEC”) Fair Disclosure Regulation (“Regulation FD”). Regulation FD provides that whenever a U.S. public company, or a person acting on its behalf, discloses material, non-public information to a securities market professional, the company must make public disclosure of the information simultaneously if the disclosure is “intentional,” or promptly thereafter if it is “non-intentional.” The Company has reviewed its disclosure policies in light of Regulation FD and is adopting this policy to ensure compliance with Regulation FD and to avoid the selective disclosure of non-public material information.

This policy extends to the conduct of directors, officers, spokespersons and other employees of the Company, and all methods that the Company uses to communicate to the public, such as written statements made in the Company’s annual and quarterly reports, news and earnings releases, letters to shareholders, speeches by senior management and information contained on the Company’s Internet website. It also covers oral statements made in group and individual meetings with financial analysts and investors, telephone calls with financial analysts and investors, interviews with the media and press conferences.

This policy outlines the Company’s approach towards the determination and dissemination of material information and provides guidelines to achieve consistent disclosure practices across the Company.

I. COMPLIANCE

The Company complies with all periodic reporting and disclosure requirements outlined by the SEC, including Regulation FD. It has been and will continue to be the Company’s practice to disclose material information about the Company publicly, not selectively.

II. DISCLOSURE POLICY COMMITTEE

The Board of Directors will oversee the Company’s corporate disclosure practices and ensure adherence to this policy. It will keep the Company’s recent public statements under review to determine whether any updating or correcting is appropriate. The Board of Directors will review this policy at least annually and will update it as necessary.

III. COMPLIANCE OFFICER

The General Counsel of the Company will act as the Company’s Disclosure Policy Compliance Officer (the “Compliance Officer”). The Compliance Officer will evaluate and decide whether information is material, determine whether it has been disclosed to the public and answer any questions regarding compliance with the Company’s Corporate Disclosure Policy and Regulation FD.

IV. AUTHORIZED SPOKESPERSONS OF THE COMPANY

Only the Chairman and Chief Executive Officer, the Chief Financial Officer or their designees (i.e., Executive Vice Presidents or the Senior Vice President of Investor Services) are authorized to communicate on behalf of the Company to analysts, securities market professionals and major shareholders of the corporation.

Employees other than the authorized spokespersons are not permitted to respond to inquiries from the investment community or the media unless specifically asked to do so by an authorized spokesperson. All such queries should be referred to an authorized spokesperson. If there is any doubt about the appropriateness of supplying information to an outside party, an employee should contact the General Counsel or the Chief Financial Officer for advice.

The General Counsel, Senior Vice President of Investor Services or the Chief Financial Officer will be involved in scheduling and developing communications and presentations for all meetings with the investment community and the media.

Appropriate training will be provided to each authorized representative on compliance with this policy, review of public statements regarding material information and procedures for disclosing non-public information.

V. MATERIAL, NON-PUBLIC INFORMATION

The term “material information” is not defined in Regulation FD. However, the SEC has stated that information is material if “there is a substantial likelihood that a reasonable shareholder would consider it important” in making an investment decision. To fulfill the materiality requirement, there must be a substantial likelihood that a fact “would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of information made available.” Generally, this means any information relating to the business and affairs of the Company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Company’s securities.

Examples of material information include, but are not limited to, the following:

1. Earnings information;
2. Mergers, acquisitions, tender offers, joint ventures, or changes in assets;
3. New products or discoveries, or developments regarding customers or suppliers;
4. Changes in control or in management;
5. Changes in auditors or auditor notification that the issuer may no longer rely on an auditor’s audit report;
6. Events regarding the issuer’s securities (*e.g.*, defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, public or private sales of additional securities); and

7. Bankruptcies or receiverships.

Information is non-public if it has not been disseminated in a manner making it available to investors generally.

VI. TIMING OF AND PROCEDURE FOR DISCLOSURE

A. Full Disclosure of Material, Non-Public Information

The Company may disclose material, non-public information only in a manner that ensures broad and swift communication to the public. Such “full public disclosure” may be effected by:

1. Issuance of a press release;
2. Filing or submitting a Form 8-K with the SEC;
3. Initiation of webcasts and/or telephonic conferences to which participants have been invited and that the public may readily access; or
4. Any combination of the above methods or other methods calculated to effect full public disclosure.

B. Earnings Guidance

The Company may provide earnings guidance. However, guidance may only be issued by an authorized spokesperson, must be disseminated through a press release or open conference call and may only be based on:

1. Information the Company has publicly issued;
2. Non-material information, whether in the public domain or not; and/or
3. Industry-related information.

The Company may also publish an “outlook” section in its quarterly earnings release that forecasts its expectations with respect to those factors that drive the Company’s earnings.

C. News Releases

All Company news releases, including releases of material information, will be managed by the Senior Vice President of Investor Services or the Chief Financial Officer and by no other person or department.

The Senior Vice President of Investor Services or the Chief Financial Officer, or their designee, will review all news releases to ensure that the Company’s disclosure is in compliance with applicable securities laws and stock exchange or market requirements.

Once a decision is made that material information is to be disclosed via a news release, the Senior Vice President of Investor Services or the Chief Financial Officer, or their designee, will coordinate with Nasdaq and a wire service to

disseminate the news release. In addition, depending on the content of the release, the Senior Vice President of Investor Services or the Chief Financial Officer will coordinate with securities counsel to file the news release under cover of a Current Report on Form 8-K with the SEC simultaneously with the public issuance of the release.

After public dissemination, all of the Company's disclosures will be monitored to ensure accurate media reporting and corrective measures will be taken, if necessary.

D. Quarterly Earnings Releases and Quarterly Earnings Conference Calls

The Company may hold quarterly investor conference calls open to the public and media (in listen-only mode and/or through a webcast), and provide public notice about the call through a media release, by electronic distribution and by posting on the Company website. If a quarterly conference call is held, the information to be discussed will be posted on the Company website before the conference call. In addition, conference calls will be preceded with a news release and a Current Report on Form 8-K will be filed with the SEC containing any new material information that will be discussed during the call. A playback of the conference call should be made available.

E. One-on-One Discussions With Analysts and Investors

The Company believes that one-on-one discussions, whether by phone or face-to-face, will be an important component of the Company's investor relations program. However, only authorized spokespersons and their designees will be permitted to engage in one-on-one discussions. To minimize the risk of disclosing material non-public information, the Compliance Officer, the Senior Vice President of Investor Services or the Chief Financial Officer will be present or on the phone with the authorized spokesperson during these discussions.

In the course of one-on-one discussions, authorized spokespersons will be generally limited to discussing the Company's:

1. Long term strategy;
2. History;
3. Mission;
4. Goals;
5. Management philosophy;
6. Strength and depth of management;
7. Competitive advantages and disadvantages; and
8. Previously disclosed material and non-material information.

F. Analyst Models and Reports

Any review of analysts' earnings models or draft reports will be performed only by the Company's Compliance Officer, Senior Vice President of Investor Services or Chief Financial Officer and such review will be limited to:

1. Correcting errors of historical fact;
2. Pointing out information that is in the public domain; or
3. Providing information that is non-material.

Under no circumstances will the Company, through a review of an analyst's model or report, communicate material non-public information.

G. Market Rumors and Crisis Communications

It is the Company's policy not to comment on market rumors or speculation, particularly where it is clear that the Company is not the source of the market rumor. If a stock exchange or securities regulator requests that the Company make a statement in response to a market rumor, the Compliance Officer will consider the matter and make a recommendation to the Chairman and Chief Executive Officer as to the nature and content of any Company response.

The Compliance Officer also will recommend an appropriate course of action where the Company or an employee of the Company is the apparent source of the rumor.

The Chairman and Chief Executive Officer may designate an employee of the Company to monitor chat rooms and newsgroups on the Internet in order to identify discussions about the Company, with a view to being able to anticipate the need to respond to a market rumor.

H. Investor Presentations and One-on-One Meetings with Investors

The Company may participate in securities firm-sponsored and other investor conferences and will use the safe harbor guidelines for forward-looking information as part of individual, group and conference investor communications formats. It will be the Company's practice to issue media releases in conjunction with the major presentations scheduled during the year, and to post those presentations on the Company's website and/or to file them with the SEC on Form 8-K. Any inadvertent disclosures at these conferences will be disclosed via media release as soon as possible.

Authorized spokespersons or their designees may meet with individual investors or groups of investors. Similarly, the Company will continue to participate in other public forums at which analysts or investors could be present, including industry seminars, trade shows, employee, retiree and annual shareholder meetings, and meetings with commercial partners that are shareholders. The Company, as a matter of policy, will not disclose any material, non-public information during these meetings. If the authorized spokesperson or Compliance

Officer determines that material non-public information has been disclosed, appropriate public disclosure will be made promptly.

I. Forward-Looking Information, Disclaimers and Safe Harbor

A forward-looking statement made in the Company's written documents will be identified as such and accompanied with meaningful cautionary language that warns investors that there is a risk that the statement could change materially. In the case of oral forward-looking statements, the statement will be identified as such, and if the cautionary language is not included in a previously released, readily available written document, it will immediately accompany the statement.

J. Correcting Inaccurate Historical Disclosures

The Company will promptly correct any material inaccuracies or errors that occur in any public disclosures of historical information. Individuals who become aware of inaccurate or incorrect information in any Company disclosures should immediately bring such errors to the attention of the Compliance Officer, the Senior Vice President of Investor Services or the Chief Financial Officer.

K. Updating Forward-Looking Disclosures

The Company will not provide running updates during the quarter on current business performance or forward-looking projections. Nevertheless, individuals who become aware of information that makes prior public forward-looking disclosures by the Company materially inaccurate or obsolete should bring this information to the attention of the Compliance Officer, the Senior Vice President of Investor Services or the Chief Financial Officer.

L. Company Communications with the Media

While the Company recognizes that Regulation FD does not restrict communications between the Company and the media, this policy will apply to all of the Company's media communications.

VII. FURTHER INFORMATION ABOUT REGULATION FD

All inquiries regarding the provisions or procedures of the policy should be addressed to Vernon Hirata.