

CENTRAL PACIFIC FINANCIAL CORP  
Form S-4/A  
September 05, 2003

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As filed with the Securities and Exchange Commission on September 5, 2003

Registration No. 333-104783

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**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**AMENDMENT NO. 4  
TO  
FORM S-4**

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**CENTRAL PACIFIC FINANCIAL CORP.  
(formerly CPB INC.)**

(Exact name of registrant as specified in its charter)

**Hawaii**  
(State or other jurisdiction of incorporation or  
organization)

**6022**  
(Primary Standard Industrial Classification Code  
Number)

**99-0212597**  
(I.R.S. Employer Identification Number)

**220 South King Street  
Honolulu, Hawaii 96813  
(808) 544-0500**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Neal K. Kanda  
Vice President and Treasurer  
220 South King Street  
Honolulu, Hawaii 96813  
(808) 544-0500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Copies To:**

**Gordon Bava, Esq.  
Manatt Phelps & Phillips, LLP  
11355 West Olympic Boulevard  
Los Angeles, California 90064-1614  
(310) 312-4000**

**Alison S. Ressler, Esq.  
Sullivan & Cromwell LLP  
1888 Century Park East  
Los Angeles, California 90067-1725  
(310) 712-6600**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the transactions described in the enclosed prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o \_\_\_\_\_

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(3)	Amount of Registration Fee
Common Stock, No Par Value (including associated preferred share purchase rights)	7,300,000	\$61.55	\$177,899,120	\$0(4)

- (1) This Registration Statement relates to securities of Central Pacific Financial Corp. ("CPF") exchangeable for shares of common stock, par value \$1.00 per share ("common stock"), of CB Bancshares, Inc., a Hawaii corporation ("CB Bancshares"), in the exchange offer by registrant for shares of CB Bancshares common stock and in the proposed merger with CB Bancshares.
- (2) The number of shares registered pursuant to this Registration Statement is based upon the approximate number of shares of CB Bancshares common stock presently outstanding or reserved for issuance under various plans or otherwise expected to be issued upon the consummation of the proposed transaction to which this Registration Statement relates (less the 97,615 shares held by CPF) multiplied by the exchange ratio of 1.6005 shares of CPF common stock for each CB Bancshares share.
- (3) Computed solely for purposes of calculating the registration fee. The registration fee was calculated pursuant to Rules 457(f)(1) and 457(f)(3) under the Securities Act of 1933, as amended, based on the average of the high and low prices for shares of CB Bancshares common stock as reported on the Nasdaq National Market on September 4, 2003 (\$61.55) and the maximum number of such shares (approximately 4,529,000) that may be exchanged for the securities being registered, minus the maximum cash consideration payable for such shares.
- (4) CPF paid a registration fee of \$15,586.89 on April 28, 2003 based on the number of shares expected to be issued in the exchange offer at that time. This Amendment No. 4 decreases the number of shares expected to be issued and would require a registration fee of \$14,392.04. Therefore, no additional registration fee is due.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

**Subject to Completion, Dated September 5, 2003**

**The information in this prospectus may change. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer is not permitted.**

Offer to Exchange Each Outstanding Share of Common Stock  
of

**CB BANCSHARES, INC.**

*(Including Associated Share Purchase Rights)*

for Cash and for Shares of Common Stock of Central Pacific Financial Corp.  
by

**CENTRAL PACIFIC FINANCIAL CORP.**

in each case subject to the procedures and limitations described in this prospectus and the related letter of transmittal.

**The exchange offer and withdrawal rights will expire at 12:00 midnight, New York City time, on \_\_\_\_\_, 2003 unless extended. Shares tendered pursuant to this offer may be withdrawn at any time prior to the expiration of this offer.**

We are offering to exchange each issued and outstanding share of CB Bancshares common stock for cash, shares of our common stock or a combination of cash and shares of our common stock. Holders of CB Bancshares common stock may elect the form of consideration - cash, stock or a combination of cash and stock - to be received in connection with this offer. We are making this offer to acquire voting control of, and ultimately the entire equity interest in, CB Bancshares.

If you elect to receive a combination of cash and stock, you will receive \$22.27 in cash and 1.6005 shares of our common stock for each share of CB Bancshares common stock you exchange.

If you elect to receive all cash or all stock, we will determine the per share consideration you are entitled to receive by adding \$22.27 to the product of 1.6005 and the average closing price of our common stock over a 20 trading-day period ending one trading day prior to the close of the exchange offer. For a cash election, you will receive cash in the amount of the per share consideration. For a stock election, you will receive a number of shares that have a value, based on the 20-day average price, equal to the per share consideration. Based on the 20-day average price, the value of the per share consideration will be the same regardless of the type of consideration elected. **However, our stock price may fluctuate. If you receive consideration in the form of our stock, the value of the consideration you receive may fluctuate and may not equal the per share consideration if our stock price does not equal the 20-day average price.** See "The Exchange Offer" beginning on page 40.

If you elect to receive all cash or all stock, your election may be subject to proration, which means that you may not receive all your consideration in the form that you selected. See "The Exchange Offer Election and Proration Procedures" beginning on page 43.

Our common stock trades on the New York Stock Exchange, or NYSE, under the symbol "CPF". The closing price of our common stock on April 15, 2003, the day before we publicly announced the exchange offer, was \$25.56, and the closing price of our common stock on \_\_\_\_\_, 2003 was \$ \_\_\_\_\_. Assuming that all conditions to our offer set forth in this prospectus are satisfied or waived and no proration is necessary, and assuming that the 20-day average price of our common stock were \$ \_\_\_\_\_, you would receive the following consideration, based on your election:

Election	Consideration	Value of Consideration (valuing stock at the assumed 20-day average price)
Combination Election	\$22.27 and 1.6005 shares	\$ _____ = \$22.27 + \$ _____, the value of 1.6005 shares at the assumed 20-day average price
All Cash Election	\$ _____	\$ _____
All Stock Election	_____ shares	\$ _____, the value of _____ shares at the assumed 20-day average price

It is generally expected that any cash you receive as consideration in the exchange offer will cause taxable gain recognition, which means that you will have to pay taxes as a result. We expect that stock consideration received will not be subject to federal income tax. See "The Exchange Offer Material U.S. Federal Income Tax Consequences of the Exchange Offer and the Proposed Merger" beginning on page 54.

**All calculations based on the number of shares of CB Bancshares common stock outstanding in this prospectus are adjusted to take account of the payment on June 27, 2003 of a 10% stock dividend to holders of CB Bancshares common stock on June 16, 2003, unless we state otherwise.**

All references to our common stock include the associated preferred share purchase rights issued pursuant to the CPF Rights Agreement. See "Description of CPF Capital Stock" beginning on page 83. All references to CB Bancshares common stock include the associated CB Bancshares rights issued pursuant to the 1989 CB Bancshares Rights Agreement and the 2003 CB Bancshares Rights Agreement. See "Conditions to the Exchange Offer Rights Agreements Condition" beginning on page 63.

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Our obligation to complete this exchange offer is subject to the conditions listed under "The Exchange Offer Conditions to the Exchange Offer" beginning on page 60, including, among others, the conditions that at least 75% of issued and outstanding CB Bancshares shares, on a fully diluted basis, are tendered and that CPF shareholders approve the issuance of shares in connection with the exchange offer.

**FOR A DISCUSSION OF VARIOUS FACTORS THAT YOU SHOULD CONSIDER ABOUT THE EXCHANGE OFFER, SEE "RISK FACTORS" BEGINNING ON PAGE 25**

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY. Any solicitation of proxies will only be made pursuant to separate proxy solicitation materials complying with the requirements of Section 14(a) of the Securities Exchange Act of 1934.**

**Neither the Securities and Exchange Commission, nor any state securities commission, has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2003.

This prospectus incorporates important business and financial information about CPF and CB Bancshares and their respective subsidiaries from documents filed with Securities and Exchange Commission, or the SEC, that have not been included in, or delivered with, this prospectus. This information is available on the SEC's website at <http://www.sec.gov> and from other sources. See "Where Can I Find More Information?" on page 94.

You may also request copies of these documents from us, without charge, upon written or oral request to our information agent, toll-free at (800) \_\_\_\_\_ or by calling collect at \_\_\_\_\_.

**In order to receive timely delivery of the documents, you must make requests no later than \_\_\_\_\_, 2003 (five business days before the initially scheduled expiration date of the exchange offer).**

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#### QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER AND THE PROPOSED MERGER

**Q: Who is offering to exchange my CB Bancshares securities?**

**A: We are Central Pacific Financial Corp., a Hawaii-incorporated bank holding company, with \$2.09 billion in assets as of June 30, 2003. Central Pacific Bank, our wholly-owned subsidiary, is the third-largest commercial bank in the State of Hawaii with 24 branch offices statewide. The American Bankers Association recently ranked CPF's reported return on equity for 2002 23<sup>rd</sup> among bank holding companies, banks and thrifts with assets over \$1 billion. Until April 23, 2003, we were known as CPB Inc.**

**Q: What are we proposing?**

A:

We are proposing to acquire voting control of, and ultimately the entire equity interest in, CB Bancshares by offering to exchange all outstanding shares of CB Bancshares common stock for shares of our common stock and cash. We intend to then have CB Bancshares merge with CPF or a wholly-owned subsidiary of CPF as soon as possible after the completion of the exchange offer and receipt of any additional regulatory approvals that may be required. The purpose of the proposed merger would be to acquire all of the shares of CB Bancshares common stock not exchanged in the exchange offer. Thereafter, City Bank, CB Bancshares' subsidiary bank, would be merged with and into Central Pacific Bank.

**Q: What would I receive in the exchange offer for my CB Bancshares shares?**

A:

Under the terms of the exchange offer, we are offering to exchange shares of newly issued CPF common stock and/or cash for each issued and outstanding share of CB Bancshares common stock. You may elect to receive cash, shares of CPF common stock or a combination of cash and shares of CPF common stock in exchange for your shares of CB Bancshares common stock.

If you elect to receive a combination of cash and stock, you will receive, for each CB Bancshares share accepted for exchange, \$22.27 in cash and 1.6005 shares of CPF common stock. If you elect to receive all cash, or all stock, we will determine the per share consideration you are entitled to by adding \$22.27 to the product of 1.6005 and the average closing price of CPF common stock over a 20 trading-day period ending one trading day prior to the close of the exchange offer. If you elect to receive all cash or all stock, your election may be subject to proration, however, which means that you may not receive all the consideration in the form that you selected.

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You will not receive any fractional shares of CPF common stock in the exchange offer. Instead, you will receive cash in an amount equal to the value of the fractional share of CPF common stock that you would otherwise have been entitled to receive.

**Q: What is the impact of the 10% stock dividend declared by CB Bancshares?**

A:

On April 29, 2003, CB Bancshares announced a 10% stock dividend payable on June 27, 2003 to all holders of its common stock on June 16, 2003. As a result of the stock dividend, the number of CB Bancshares shares each shareholder held on June 16, 2003 was increased by 10%. For example, a CB Bancshares shareholder owning 100 shares on June 16, 2003 was paid 10 additional shares on June 27, 2003, resulting in total holdings of 110 shares. While the dividend affected the per share consideration we are paying, it did not change the aggregate consideration paid to all shareholders for their shares of CB Bancshares common stock.

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**Q: If I decide not to tender, how will the offer affect my shares?**

A:

If you decide not to tender your shares in the exchange offer and we complete the exchange offer, you will still be a shareholder of CB Bancshares. However, after we complete the exchange offer, the number of CB Bancshares shareholders and the number of shares of CB Bancshares common stock outstanding will be reduced which could adversely affect the liquidity and market value of the remaining outstanding shares. We intend to merge CB Bancshares with CPF or a wholly-owned subsidiary of CPF as promptly as practicable after the completion of the exchange offer and receipt of any additional regulatory approvals that may be required.

**Q: What would I receive in the proposed merger for my CB Bancshares shares if I do not tender them in the exchange offer?**

A:

In the proposed merger, each then-outstanding share of common stock of CB Bancshares would be converted into the same consideration per CB Bancshares share offered in the exchange offer, subject to dissenters' rights under Hawaii law and subject to proration.

**Q: How long will it take to complete the exchange offer and the proposed merger?**

A:

We hope to complete the exchange offer and the proposed merger in the fourth quarter of 2003, or as soon thereafter as possible. We expect to complete the proposed merger shortly after we complete the exchange offer if we acquire 90% or more of the outstanding shares of CB Bancshares common stock in the exchange offer. If less than 90% of the CB Bancshares shares are tendered in the exchange offer, then the proposed merger will require approval of CB Bancshares' shareholders and we will complete the proposed merger shortly after a special meeting of CB Bancshares shareholders is held to approve the proposed merger. We must also obtain regulatory approvals prior to consummation of the exchange offer, which are subject to statutory waiting periods after those approvals are granted. Additional regulatory approvals may also be required prior to consummation of the proposed merger.

**Q: Will I have to pay any fees or commissions?**

A:

If you are the record owner of your shares of CB Bancshares common stock and you tender your shares of CB Bancshares common stock directly to the exchange agent, you will not have to pay brokerage fees or incur similar expenses. If you own your shares through a broker or other nominee, and your broker tenders the shares on your behalf, your broker may charge you a fee for doing so. You should consult with your broker or nominee to determine whether any charges will apply to you.

**Q: Are there conditions to our acceptance of CB Bancshares shares in the exchange offer?**

A:

Yes. Our offer is subject to several material conditions, including:

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the tender of enough shares of CB Bancshares common stock so that, after the consummation of the exchange offer, we own at least 75% of the shares of CB Bancshares common stock on a fully diluted basis, as though all options or other securities convertible into or exercisable or exchangeable for shares of CB Bancshares common stock had been so converted, exercised or exchanged,

the approval of CB Bancshares' shareholders of our acquisition of CB Bancshares common stock pursuant to the exchange offer or the approval or exemption of our acquisition of CB Bancshares common stock pursuant to the exchange offer by CB Bancshares' board of directors under the Hawaii Control Share Acquisitions statute, or our being satisfied, in our sole reasonable discretion, that such law is inapplicable or invalid,

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the CB Bancshares Rights Agreements having been found inapplicable or illegal or the board of directors of CB Bancshares having redeemed the rights or amended the 2003 Rights Agreement so the associated rights would not be triggered by the exchange offer and the proposed merger,

the receipt of all applicable regulatory approvals, and

the approval by our shareholders of the issuance of shares of CPF common stock in the exchange offer and the proposed merger.

These conditions and other conditions to the exchange offer are discussed in this prospectus under "The Exchange Offer Conditions to the Exchange Offer" beginning on page 60.

**Q: When does the exchange offer expire and can the exchange offer be extended?**

A: You may tender your shares of CB Bancshares common stock until the exchange offer expires. The exchange offer will expire on \_\_\_\_\_, 2003, at 12:00 midnight, New York City time, unless we extend it. We may, without the consent of CB Bancshares, extend the period of time during which the offer remains open. You will have withdrawal rights during any extension period. See "The Exchange Offer Extension, Termination and Amendment" beginning on page 47.

**Q: How will I be notified if the offer is extended?**

A: If we decide or are required to extend the exchange offer, we will inform the exchange agent of that fact and we will make a public announcement of the results of the exchange offer, and announce the new expiration date, no later than 9:00 a.m., New York City time, on the next business day after the day on which the offer was previously scheduled to expire. See "The Exchange Offer Extension, Termination and Amendment" beginning on page 47.

**Q: How do I participate in the exchange offer?**

A: To tender your shares, you should do the following:

If you hold CB Bancshares shares in your own name, complete and sign the letter of transmittal and return it with your physical share certificates to \_\_\_\_\_, the exchange agent for the exchange offer, at the appropriate address specified on the back cover page of this prospectus before the expiration date of the exchange offer.

If you hold your shares in "street name" through a broker, instruct your broker to tender your shares before the expiration date.

If your CB Bancshares share certificates are not immediately available or if you cannot deliver your CB Bancshares share certificates and other documents to the exchange agent prior to the expiration of the exchange offer, or you cannot complete the procedure for delivery by book-entry transfer on a timely basis, you may still tender your CB Bancshares shares if you comply with the guaranteed delivery procedures described under "The Exchange Offer Procedure for Tendering" beginning on page 50.

**Q: How and when can I withdraw my previously tendered shares?**

A:

To withdraw your previously tendered CB Bancshares shares, you must deliver a written or facsimile notice of withdrawal with the required information to the exchange agent while you still have the right to withdraw. If you tendered shares by giving instructions to a broker or bank, you must instruct the broker or bank to arrange for the withdrawal of your shares.

You may withdraw previously tendered CB Bancshares shares any time prior to the expiration of the exchange offer, and, unless we have accepted the shares pursuant to the exchange offer, you

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may also withdraw any tendered shares at any time after \_\_\_\_\_, 2003. Once we have accepted shares for exchange pursuant to the offer, all tenders become irrevocable. See "The Exchange Offer Withdrawal Rights" on page 49.

**Q: Will I be taxed on the CPF common stock and cash that I receive?**

A:

Any cash you receive for your CB Bancshares common stock will cause you to recognize taxable gain, which means you will have to pay taxes as a result, whether such cash is received as a result of:

a cash election,

receipt of cash as a result of any other election available in the exchange offer or proposed merger,

receipt of cash in lieu of fractional shares, or

exercise of dissenters' rights.

As a result, cash received by CB Bancshares shareholders will be taxable to the extent of the lesser of the cash received or the gain realized on the exchange. We expect that you will not be taxed on the shares of CPF common stock that you receive.

The exchange offer and the proposed merger are being structured so as to avoid the recognition of corporate gain or loss by CPF, CB Bancshares and their respective subsidiaries. See "The Exchange Offer Material U.S. Federal Income Tax Consequences of the Exchange Offer and the Proposed Merger" on page 54.

**Q: Is CPF's financial condition relevant to my decision to tender shares in the offer?**

A:

Yes. Shares of CB Bancshares common stock accepted in the offer may be exchanged for shares of CPF common stock, cash or both, so you should consider our financial condition before you decide to become one of our shareholders through the exchange offer. In considering CPF's financial condition, you should review the information contained in this prospectus and the documents incorporated by reference in this prospectus, because they contain detailed business, financial and other information about us.

**Q: Will CB Bancshares common stock continue to be publicly traded after the proposed merger and the exchange offer?**

A:

If the proposed merger occurs, CB Bancshares will no longer be publicly owned and its common stock will no longer be publicly traded. Additionally, even if the proposed merger does not occur, if we purchase a large number of outstanding CB Bancshares shares in the exchange offer, there may be so few remaining CB Bancshares stockholders and publicly held shares of CB Bancshares common stock that shares of CB Bancshares common stock may no longer be eligible for quotation on the Nasdaq National Market or other securities markets. As a result, there may not be a public trading market for shares of CB Bancshares common stock.

**Q: Where can I find more information about CPF and CB Bancshares?**

A:

You can find out information about CPF and CB Bancshares from sources described under "Where Can I Find More Information?" on page 94.

**Q: Whom can I call with questions about the exchange offer and the proposed merger?**

A:

You can contact our information agent using the following contact information:

*The Information Agent for the Offer is:*

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## PROSPECTUS SUMMARY

This summary does not contain all of the information that may be important to you and is qualified in its entirety by reference to the information contained elsewhere in, or incorporated by reference into, this prospectus. You are urged to read the entire prospectus, including the information set forth in the section entitled "Risk Factors" beginning on page 25, and the attached exhibits and annexes. Also, see "Where Can I Find More Information?" on page 94.

### **The exchange offer (Page 40)**

#### *General*

Under the terms of the exchange offer, we are offering to exchange shares of newly issued CPF common stock and/or cash for each issued and outstanding share of CB Bancshares common stock. You may elect to receive cash, shares of CPF common stock or a combination of cash and shares of CPF common stock in exchange for your shares of CB Bancshares common stock. If you elect to receive all cash or all stock, your election may be subject to proration, however, which means that you may not receive all the consideration in the form that you selected.

#### *Consideration to be received*

If you elect to receive a combination of cash and stock, you will receive, for each CB Bancshares share accepted for exchange, \$22.27 in cash and 1.6005 shares of CPF common stock. If you elect to receive all cash, or all stock, we will determine the per share consideration you are entitled to by adding \$22.27 to the product of 1.6005 and the average closing price of CPF common stock over a 20 trading-day period ending

one trading day prior to the close of the exchange offer.

Based on the 20-day average price, the value of the per share consideration to be received by all CB Bancshares shareholders who exchange their shares will be the same, regardless of the type of consideration a shareholder elects to receive. However, because the amount of cash and/or stock you receive is set on the determination date by reference to the 20-day average price, if the price of CPF common stock upon consummation of the exchange offer is different from the 20-day average price, the value of the consideration you receive upon consummation may differ from the value of the consideration received by other CB Bancshares shareholders, depending on your election.

The total amount of cash that we will pay CB Bancshares shareholders in exchange for their shares will not exceed the product of \$22.27 and the number of CB Bancshares accepted at the close of the exchange offer. The total number of shares of CPF common stock that we will issue and deliver to CB Bancshares shareholders in exchange for their shares will not exceed the product of 1.6005 and the number of CB Bancshares accepted at the close of the exchange offer. Because the total amount of cash that will be paid and the total amount of stock that will be issued is fixed, if you make an all cash election or an all stock election, the type of consideration you receive may be subject to proration.

If you receive any portion of your consideration in CPF common stock, the value of the consideration you receive may not equal the value of the per share consideration on the determination date because the value of the consideration you receive will fluctuate based on changes in the market price of CPF common stock. The closing price of CPF common stock on April 15, 2003, the day before we publicly announced the exchange offer, was \$25.56, and the closing price of CPF common stock on \_\_\_\_\_, 2003 was \$ \_\_\_\_\_.

You will not receive any fractional shares of CPF common stock in the exchange offer. Instead, you will receive cash in an amount equal to the value of the fractional share of CPF common stock that you would otherwise have been entitled to receive.

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On April 29, 2003, CB Bancshares announced a 10% stock dividend payable on June 27, 2003 to all holders of record of its common stock on June 16, 2003. As a result of the stock dividend, the number of CB Bancshares shares each shareholder held increased by 10%. For example, a CB Bancshares shareholder owning 100 shares on June 16, 2003 was paid 10 additional shares on June 27, 2003, resulting in total holdings of 110 shares. While the dividend affected the per share consideration we are paying, it did not change the overall consideration paid to all shareholders for their shares of CB Bancshares common stock.

For more detail on the consideration you receive and on how different elections will affect the consideration you receive, see "The Exchange Offer Consideration to be Paid" and " Election and Proration Procedures" beginning on pages 41 and 43, respectively.

#### *Proposed merger*

As promptly as practicable after completion of the exchange offer and receipt of any additional regulatory approvals that may be required, we intend to merge CB Bancshares with CPF or a wholly-owned subsidiary of CPF. In the proposed merger, each then-outstanding share of common stock of CB Bancshares would be converted into the same consideration per CB Bancshares share offered in the exchange offer, subject to dissenters' rights under Hawaii law and subject to proration.

Upon completion of the exchange offer and proposed merger, based on the receipt by CB Bancshares shareholders of the maximum number of shares of CPF common stock that we will issue and deliver to CB Bancshares shareholders in exchange for their shares in the exchange offer or proposed merger, the former CB Bancshares shareholders will own a maximum of approximately 31% of the then-outstanding shares of CPF common stock.

**The receipt of the consideration in exchange for CB Bancshares common stock pursuant to the exchange offer and/or the proposed merger may be a taxable transaction to you in whole or in part (page 55).**

Any cash you receive as consideration in the exchange offer will cause taxable gain recognition, which means that you will have to pay taxes as a result. The cash portion of the consideration the CB Bancshares shareholders receive for their CB Bancshares common stock, whether from a cash election, receipt of cash as a result of any other election available in the transaction, receipt of cash in lieu of fractional shares or receipt of cash from exercise of dissenters' rights in the proposed merger, will cause taxable gain recognition. CB Bancshares shareholders who receive cash will be taxed on the amount of the lesser of the cash received or the gain realized on the exchange. Depending upon your particular circumstances, the receipt of cash may be treated either as received in a sale or exchange of stock or as received in a corporate distribution.

CPF has structured the exchange offer and plans to structure the proposed merger with the intent that these transactions will be integrated and, in combination, will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. CPF will consult, from time to time, with Manatt, Phelps & Phillips, LLP, counsel to CPF, regarding whether the transactions will qualify as a reorganization. Manatt, Phelps & Phillips, LLP has issued an opinion to CPF that the exchange offer and proposed merger will qualify as a reorganization. In the event that unanticipated intervening events occur whereby Manatt, Phelps & Phillips, LLP, determines that the transactions will not qualify as a reorganization, CPF can nevertheless proceed with the exchange offer and the proposed merger. In that event, the transactions may be fully taxable at the CB Bancshares shareholder level and each CB Bancshares shareholder will recognize gain or loss measured by the difference between (1) the cash plus the fair market value of the CPF common stock received in the exchange offer and the proposed merger, and (2) the exchanging CB Bancshares shareholder's tax basis for the shares of common stock surrendered in the exchange offer and proposed merger. The exchange offer and the proposed merger are being structured so as to avoid the recognition of corporate gain or

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loss by CPF, CB Bancshares and their respective subsidiaries regardless of whether there is shareholder recognition of gain or loss.

See "The Exchange Offer Material U.S. Federal Income Tax Consequences of the Exchange Offer and the Proposed Merger."

**CPF's obligation to complete the exchange offer is subject to a number of conditions (Page 60).**

Our obligation to exchange shares of our common stock and cash for CB Bancshares common stock pursuant to the exchange offer is subject to the following material conditions, any of which we may waive:

The tender of enough shares of CB Bancshares common stock so that, after the completion of the exchange offer, we own a number of shares of CB Bancshares common stock which, together with any shares of CB Bancshares common stock that we beneficially own for our own account, constitutes at least 75% of the total outstanding shares of CB Bancshares common stock on a fully diluted basis, as though all options or other securities convertible into or exercisable or exchangeable for shares of CB Bancshares common stock had been converted, exercised or exchanged, and

CB Bancshares not having entered into or effectuated any other agreement or transaction with any person or entity having the effect of impairing our ability to acquire CB Bancshares or otherwise diminishing the value of the acquisition of CB Bancshares, and

Our obligation to exchange shares of our common stock and cash for CB Bancshares common stock pursuant to the exchange offer is also subject to the following material conditions, none of which we may waive:

The receipt of all applicable regulatory approvals required to consummate the exchange offer, including the expiration or termination of any applicable waiting periods,

No temporary restraining order, preliminary or permanent injunction or other order or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the completion of the exchange offer or the proposed merger shall be in effect and no statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any court, administrative agency or commission or other governmental authority or instrumentality which prohibits, restricts or makes illegal the completion of the exchange offer or the proposed merger,

The approval by CB Bancshares' shareholders of our acquisition of CB Bancshares common stock pursuant to the exchange offer, or the approval or exemption of our acquisition of CB Bancshares common stock pursuant to the exchange offer by CB Bancshares' board of directors, under the Hawaii Control Share Acquisitions statute, or our being satisfied, in our sole reasonable discretion, that such law is inapplicable or invalid,

The CB Bancshares Rights Agreements having been found inapplicable or illegal or the board of directors of CB Bancshares having redeemed the rights or amended the 2003 Rights Agreement so the associated rights would not be triggered by the exchange offer and proposed merger,

The effectiveness of our registration statement filed with the SEC, relating to the securities to be issued in the exchange offer, and

The receipt of CPF shareholder approval for the issuance of shares of CPF common stock in the exchange offer and proposed merger.

These material conditions and the other conditions to the exchange offer are discussed under "The Exchange Offer Conditions to the Exchange Offer" on page 60.

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**In order to complete the exchange offer, CPF must first obtain federal and state regulatory approvals (Page 60).**

In order to complete the exchange offer and acquire voting control of CB Bancshares, we must obtain the prior written approval of the Board of Governors of the Federal Reserve System under the Bank Holding Company Act and the Hawaii Commissioner of Financial Institutions under the Hawaii Code of Financial Institutions. Applications for approval were initially filed on April 28, 2003 and additional information has been subsequently submitted in support of these applications to the Federal Reserve Board, the U.S. Department of Justice, the Hawaii Commissioner of Financial Institutions and the Hawaii Attorney General. If the Federal Reserve Board approves the acquisition, the transaction may not be consummated for 30 days or 15 days if the Department of Justice has not submitted adverse comments with respect to competitive factors, during which time the Department of Justice may challenge the transaction in federal district court. There can be no assurance that the Hawaii Attorney General will not attempt to challenge the exchange offer on antitrust grounds.

**Information about CPF and CB Bancshares (Page 29).**

*Central Pacific Financial Corp.*

Central Pacific Financial Corp.  
220 South King Street  
Honolulu, Hawaii 96813  
(808) 544-0500

CPF is a Hawaii bank holding company with \$2.09 billion in assets as of June 30, 2003. Central Pacific Bank, a wholly-owned subsidiary of CPF, is the third largest commercial bank in the State of Hawaii based on assets, with 24 branch offices statewide. Until April 23, 2003, Central Pacific Financial Corp. was known as CPB Inc.

CPF was organized in 1982 to serve as a holding company for Central Pacific Bank. Central Pacific Bank was incorporated in its present form in 1982 in connection with CPF's holding company reorganization, and its predecessor entity was incorporated in the State of Hawaii in 1954. Central Pacific Bank was initially founded by Japanese-Americans to meet the banking needs of the Japanese-American community and post-World War II veterans in Hawaii. Since its founding, Central Pacific Bank has developed into a financial institution offering a full range of banking services and products to businesses, professionals and individuals in Hawaii. Central Pacific Bank's deposits are insured by the Federal Deposit Insurance Corporation, or FDIC, up to applicable limits.

*CB Bancshares, Inc.*

The following information is derived from CB Bancshares' publicly available documents.

CB Bancshares, Inc.  
201 Merchant Street  
Honolulu, Hawaii 96813  
(808) 535-2500

CB Bancshares, which was incorporated in the State of Hawaii in 1980, is a bank holding company with \$1.70 billion in assets as of June 30, 2003. CB Bancshares has three wholly-owned subsidiaries, City Bank, Datatronix Financial Services, Inc. and O.R.E., Inc. City Bank is



a commercial bank based in Honolulu, Hawaii with 21 branches statewide, Datatronix offers item processing services to financial institutions, with City Bank as its primary customer, and O.R.E. is inactive.

**Reasons for the exchange offer (Page 37).**

We believe that the exchange offer and the proposed merger will benefit our shareholders and CB Bancshares' shareholders, as well as customers and employees of both companies and the State of Hawaii. We believe that the combination of CPF and CB Bancshares will create a bank that is better able to compete in the banking industry in the State of Hawaii. We believe the combination would, among other things, enhance the range of products and services we offer customers, including expanded banking services and trust and wealth management services. The combination would also increase our financing capability in serving both existing and new commercial borrowers. We also believe that shareholders of both companies would benefit from, among other things, potential revenue enhancements, cost savings, greater market and client penetration, enhanced liquidity and increased market capitalization.

**Plans for CB Bancshares (Page 59).**

Once we have completed the proposed merger, we expect that CB Bancshares will cease to exist and that City Bank will be merged into Central Pacific Bank. As a result of the combination of City Bank and Central Pacific Bank, we anticipate that City Bank's offices outside of Hawaii will be closed. In addition, we anticipate consolidating certain branches of Central Pacific Bank or City Bank where the branches are nearby or adjacent. However, the specific branches to be consolidated and the timing of such consolidations have not yet been determined. We have used 10 branches as a working estimate.

**Dividend policy of CPF (Page 23).**

The holders of CPF common stock receive dividends if and when declared by our board of directors out of legally available funds. We and our predecessor have paid regular semiannual cash dividends since 1958. Beginning in 1988, we commenced paying quarterly cash dividends. For each of the first and second quarters of 2003, we paid a cash dividend of \$0.16 per common share to shareholders. In the fourth quarter of 2002, we paid a cash dividend of \$0.11 per common share to shareholders and our average quarterly dividend paid to shareholders in 2002 was \$0.10.

Following completion of the exchange offer and proposed merger, we expect to continue paying quarterly cash dividends. However, the declaration and payment of dividends will depend upon business conditions, operating results, capital and reserve requirements, covenants in our debt instruments and our board of directors' consideration of other relevant factors. Under the laws of Hawaii, payment of dividends by Central Pacific Bank to us is subject to certain restrictions, and payment of dividends by us to our shareholders is likewise subject to certain restrictions. We can give shareholders no assurance that we will continue to pay dividends on our common stock in the future.

**Dividend policy of CB Bancshares (Page 24).**

The following description is based on our understanding of CB Bancshares' dividend policy as derived from its publicly available documents.

The holders of CB Bancshares common stock receive cash dividends if and when declared by CB Bancshares' board of directors out of legally available funds. As reported on Bloomberg, CB Bancshares has paid regular quarterly cash dividends since 1994. In the third quarter of 2003, CB Bancshares declared a cash dividend of \$0.36 per share. In the second quarter of 2003, CB Bancshares declared a cash dividend of \$0.12 per share, or \$0.11 per share adjusted for the effect of the 10% stock dividend paid on June 27, 2003. In the first quarter of 2003, CB Bancshares declared a cash dividend of \$0.11 per share, or \$0.10 per share adjusted for the effect of the 10% stock dividend. During the year ended December 31, 2002, CB Bancshares paid total cash dividends of \$0.44 per share, or \$0.40 per share adjusted for the effect of the 10% stock dividend.

The principal source of CB Bancshares' cash flow has been dividend payments received from City Bank. Under the laws of Hawaii, payment of dividends by City Bank to CB Bancshares is subject to certain restrictions, and payment of dividends by CB Bancshares to its shareholders is likewise subject to certain restrictions. CB Bancshares evaluates its dividend on a quarterly basis.

**The exchange offer is currently scheduled to expire on \_\_\_\_\_, 2003 (Page 47).**

The expiration date of the exchange offer is scheduled for 12:00 midnight, New York City time, on \_\_\_\_\_, 2003, unless we extend the period of time for which the exchange offer is open.

**The exchange offer may be extended, terminated or amended (Page 47).**

We expressly reserve the right, in our sole discretion, at any time or from time to time, to extend the period of time during which the exchange offer remains open, and we can do so by giving oral or written notice of the extension to the exchange agent. We are not providing any assurance that we will exercise this right to extend the exchange offer, although we currently intend to do so until all conditions have been satisfied or, to the extent permissible, waived. During any extension, all shares of CB Bancshares common stock previously tendered and not properly withdrawn will remain subject to the exchange offer, subject to the right of each shareholder of CB Bancshares to withdraw his or her shares of CB Bancshares common stock.

Subject to the SEC's applicable rules and regulations, we also reserve the right, in our sole discretion, at any time or from time to time:

to delay our acceptance for exchange or the exchange of any shares of CB Bancshares common stock, or to terminate the exchange offer, upon the failure of any of the conditions of the exchange offer to be satisfied prior to the expiration date,

to waive any condition, other than the conditions relating to the receipt of regulatory approvals, the receipt of CPF shareholder approval for the issuance of CPF shares, the Hawaii Control Share Acquisitions statute, the CB Bancshares Rights Agreements, the absence of an order or decree of any court or agency of competent jurisdiction preventing the completion of the exchange offer, and the effectiveness of the registration statement for the CPF shares to be issued in the exchange offer, or

to amend the exchange offer in any respect, by giving oral or written notice of such delay, termination or amendment to the exchange agent and by making a public announcement.

We will follow any extension, termination, amendment or delay, as promptly as practicable, with a public announcement. In the case of an extension, any related announcement will be issued no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled expiration date. Subject to applicable law, including Rules 14d-4(c) and 14d-6(d) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which require that any material change in the information published, sent or given to CB Bancshares' shareholders in connection with the exchange offer be promptly sent to those shareholders in a manner reasonably designed to inform them of that change, and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any public announcement of this type other than by making a release to the Dow Jones News Service, PR Newswire or some other similar national news service.

**The exchange shall occur promptly after the expiration date (Page 48).**

Upon the terms and subject to the conditions of the exchange offer, including, if the exchange offer is extended or amended, the terms and conditions of any extension or amendment, we will accept

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for exchange, and will exchange, shares of CB Bancshares common stock validly tendered and not properly withdrawn promptly after the expiration date.

**Tendered shares may be withdrawn at any time prior to the exchange of those shares (Page 51).**

Shares of CB Bancshares common stock tendered pursuant to the exchange offer may be withdrawn at any time prior to the expiration date, and, unless we previously accepted them pursuant to the exchange offer, may also be withdrawn at any time after \_\_\_\_\_, 2003.

**Shareholders must comply with the procedure for tendering shares (Page 51).**

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You cannot tender your shares until we commence the exchange offer and appoint an exchange agent, among other things.

Once the exchange offer commences, for you to validly tender shares of CB Bancshares common stock pursuant to the exchange offer:

the exchange agent must receive at one of its addresses set forth on the back cover of this prospectus (1) a properly completed and duly executed letter of transmittal, along with any required signature guarantees, or an agent's message in connection with a book-entry transfer, and any other required documents, and (2) either certificates for tendered shares of CB Bancshares common stock, or if those shares of CB Bancshares common stock are tendered pursuant to the procedures for book-entry set forth below, a book-entry confirmation of receipt of that tender, in each case before the expiration date, or

you must comply with the guaranteed delivery procedures set forth in "The Exchange Offer Guaranteed Delivery" on page 52.

### **There are no dissenters' rights in connection with the exchange offer, although dissenters' rights will exist in connection with the proposed merger (Page 59).**

No dissenters' rights are available in connection with the exchange offer. If the proposed merger is consummated, however, CB Bancshares shareholders will have certain rights under the Hawaii Business Corporation Act to dissent and demand dissenters' rights and to receive payment in cash of the fair value of their shares. CB Bancshares shareholders who perfect such rights by complying with the procedures set forth in Sections 414-352 and 414-354 of the Hawaii Business Corporation Act will be paid CPF's estimate of the fair value of the dissenting shareholder's shares. Section 414-341 defines "fair value" as the value of the shares immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable.

Pursuant to Section 414-359, if the dissenter is not satisfied with CPF's payment, the dissenter may estimate the fair value of his or her shares and demand payment of the dissenter's estimate. If a demand for payment under Section 414-359 remains unsettled, CPF shall commence a proceeding in a Hawaii circuit court pursuant to Section 414-371 and petition the court to determine the fair value of the shares and accrued interest, or pay each dissenter whose demand remains unsettled the amount of the demand. In determining the fair value of the shares, the court may appoint appraisers to receive evidence and recommend decision on the question of fair value. Each dissenter made a party to the proceeding would be entitled to judgment for the amount, if any, by which the court finds the fair value of the dissenter's shares, plus interest, exceeds the amount paid by CPF.

A copy of Part XIV of the Hawaii Business Corporation Act, which contains the sections described above, is provided in Annex B of this prospectus.

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### **There are material differences in the rights of shareholders (Page 85).**

The governing documents of CPF and CB Bancshares vary, and to that extent, CB Bancshares shareholders will have different rights once they become CPF shareholders. For example, with respect to:

#### Cumulative voting

CPF shareholders may cumulate votes for directors.

CB Bancshares shareholders may not cumulate votes for directors.

#### Calling of special meetings of shareholders Calling of special meetings of shareholders

CPF's bylaws provide that the chairman of the board, the president or a majority of the board of directors may call a special meeting.

CB Bancshares' bylaws provide that the chairman of the board, the president, the board of directors or a shareholder or shareholders owning not less than 25% of CB Bancshares' issued and outstanding capital stock may call a special meeting.

#### Shareholder removal of directors

CPF's bylaws provide that directors may be removed without cause at any annual

CB Bancshares' articles provide that directors may be removed only for cause

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meeting of shareholders by the affirmative vote of not less than 80% of the CPF shares entitled to vote at the meeting.

by the affirmative vote of the holders of a majority of all outstanding shares of CB Bancshares.

See "Comparison of Rights of Holders of CPF Common Stock and CB Bancshares Common Stock" beginning on page 85.

### **We will account for the proposed merger using the purchase method (Page 68).**

We will account for the proposed merger as a purchase for financial reporting purposes.

### **Forward-looking statements may prove inaccurate (Page 96).**

We have made forward-looking statements in this document, and in certain documents referred to in this prospectus, that are subject to risks and uncertainty. Such statements include, but are not limited to, statements about the benefits of the proposed merger, including future financial and operating results, costs savings and accretion to reported and cash earnings that may be realized from the proposed merger; statements with respect to our plans, objectives, expectations and intentions and other statements that are not historical facts; and other statements identified by words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets", "projects" and other similar expressions. These statements are based upon our current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

our business and the business of CB Bancshares may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected,

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expected revenue synergies and cost savings from the proposed merger may not be fully realized or realized within the expected time frame,

revenues following the proposed merger may be lower than expected,

deposit attrition, operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the proposed merger,

the regulatory approvals required for the exchange offer may not be obtained on the proposed terms,

competitive pressures among depository and other financial institutions may increase significantly and may have an effect on pricing, spending, third-party relationships and revenues,

the strength of the United States economy in general and the strength of the Hawaii economy may be different than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit, including the resultant effect on the combined company's loan portfolio and allowance for loan losses,

changes in the U.S. legal and regulatory framework, and

adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on the combined company's activities.

Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found in our reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the SEC and available on the SEC's Internet site at <http://www.sec.gov>. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements above. We do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statement is made.

With respect to financial projections for CB Bancshares contained in this document, neither CB Bancshares nor any analyst has published any information for 2003, 2004 or 2005. In addition, we have not been given the opportunity to conduct any due diligence on CB Bancshares other than reviewing its publicly available information. Therefore, we have created our own financial model for CB Bancshares based on its historical performance and our assumptions regarding the reasonable future performance of CB Bancshares on a stand-alone basis. These assumptions may or may not prove to be correct. The assumptions are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of CPF and CB Bancshares. There is no assurance that these projections will be realized and actual results are likely to differ significantly from such projections.

### RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our unaudited historical ratios of earnings to fixed charges for each of the years in the five-year period ended December 31, 2002 and for the six-month periods ended June 30, 2003 and 2002 and the unaudited pro forma combined ratios of earnings to fixed charges of us and CB Bancshares for the year ended December 31, 2002 and for the six months ended June 30, 2003.

The unaudited pro forma ratios of earnings to fixed charges are based upon our and CB Bancshares' historical financial statements adjusted to give effect to the exchange offer and proposed merger and the 10% stock dividend announced by CB Bancshares, which was paid on June 27, 2003. The pro forma amounts have been developed from (a) our audited consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, as amended (beginning on page 38 of our Annual Report) and our unaudited consolidated financial statements contained in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003, as amended (beginning on page 3 of the Quarterly Report) and June 30, 2003 (beginning on page 5 of the Quarterly Report), which are incorporated by reference in this prospectus, and (b) CB Bancshares' audited consolidated financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2002 (beginning on page 26 of its Annual Report) and its unaudited consolidated financial statements contained in its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003 (beginning on page 2 of the Quarterly Report) and June 30, 2003 (beginning on page 2 of the Quarterly Report) which are incorporated by reference in this prospectus.

	Pro Forma		CPF Historical Data						
	Six Months Ended June 30,	Year Ended December 31,	Six Months Ended June 30,		Year Ended December 31,				
	2003	2002	2003	2002	2002	2001	2000	1999	1998
Ratio of earnings to fixed charges:									
Excluding interest on deposits		3.23	6.57	5.52	5.92	3.82	3.17	3.49	3.48
Including interest on deposits		1.86	2.95	2.30	2.42	1.71	1.53	1.53	1.50

For purposes of computing the ratios of earnings to fixed charges, earnings include income before income taxes plus fixed charges minus preference security dividend requirements of consolidated subsidiaries. Fixed charges, excluding interest on deposits, consist of interest expense minus interest on deposits plus an estimate of interest included in net rental expense and preference security dividend requirements of consolidated subsidiaries. Fixed charges, including interest on deposits, consist of the above items plus interest on deposits. The ratios should be read in conjunction with the financial statements and other financial data included or incorporated by reference in this prospectus. See "Where Can I Find More Information?" beginning on page 94.

**SELECTED HISTORICAL AND UNAUDITED PRO FORMA  
CONDENSED COMBINED FINANCIAL DATA**

The Selected Unaudited Pro Forma Condensed Combined Financial Data set forth below is based upon the historical financial statements of CPF and CB Bancshares adjusted to give effect to the proposed merger. The pro forma financial statements as of and for the year ended December 31, 2002 have been developed from (a) the audited consolidated financial statements of CPF contained in our Annual Report on Form 10-K for the year ended December 31, 2002, as amended (beginning on page 38 of our Annual Report), which is incorporated by reference in this prospectus, and (b) the audited consolidated financial statements of CB Bancshares contained in its Annual Report on Form 10-K for the year ended December 31, 2002 (beginning on page 26 of its Annual Report), which is incorporated by reference in this prospectus. The information as of and for the six months ended June 30, 2003 is derived from CPF's and CB Bancshares' unaudited financial statements contained in their Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2003 (beginning on page 3 of our Quarterly Report, as amended, and beginning on page 2 of CB Bancshares' Quarterly Report) and June 30, 2003 (beginning on page 5 of our Quarterly Report and page 2 of CB Bancshares' Quarterly Report), which are incorporated by reference in this prospectus.

The final determination and allocation of the purchase price paid for the proposed merger may differ from the amounts assumed in the Selected Unaudited Pro Forma Condensed Combined Financial Data set forth below.

As of the date of this exchange offer, we have not conducted any due diligence and have not completed the valuation studies necessary to arrive at the required estimates of the fair market value of the CB Bancshares assets to be acquired and liabilities to be assumed and the related allocations of purchase price, nor have we identified the adjustments necessary, if any, to conform CB Bancshares data to our accounting policies. Accordingly, we have used the historical book values of the assets and liabilities of CB Bancshares and have used the historical revenue recognition policies of CB Bancshares to prepare the Unaudited Pro Forma Condensed Combined Financial Statements set forth in this prospectus, with the excess of the purchase price over the historical net assets of CB Bancshares recorded as goodwill and other purchased intangibles. Once we have completed the due diligence and the valuation studies necessary to finalize the required purchase price allocations and identified any necessary conforming changes, the pro forma financial statements will be subject to adjustment. Those adjustments will likely result in changes to the pro forma statements of financial position to reflect the final allocations of purchase price and the pro forma statements of income, and there can be no assurance that those adjustments will not be material.

The Selected Unaudited Pro Forma Condensed Combined Financial Data is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of CPF would have been had the CB Bancshares acquisition occurred on the dates assumed, nor is it necessarily indicative of future consolidated results of operations or financial position.

The Selected Unaudited Pro Forma Condensed Combined Financial Data does not include the realization of cost savings from operating efficiencies, synergies or other restructurings resulting from the proposed merger, nor does it reflect the costs to be incurred to integrate the two companies.

The Selected Unaudited Pro Forma Condensed Combined Financial Data should be read in conjunction with the separate historical consolidated financial statements and accompanying notes of CPF and CB Bancshares that are incorporated by reference in this prospectus and the Unaudited Pro Forma Condensed Combined Financial Information beginning on page 69.

**Selected Unaudited Pro Forma Condensed Combined Financial Data  
(In thousands, except per share data)**

	<b>Six Months Ended June 30, 2003</b>	<b>Year Ended December 31, 2002</b>
<b>Selected Operating Data</b>		
Total interest income	\$	\$ 224,287
Total interest expense		62,499
Net interest income		161,788
Provision for loan losses		18,110

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	Six Months Ended June 30, 2003	Year Ended December 31, 2002
Net interest income after provision for loan losses		143,678
Total other operating income		28,097
Total other operating expense		111,797
Income before income taxes		59,978
Income taxes		18,013
Net income		\$ 41,965
Basic earnings per share		\$ 1.83
Diluted earnings per share		1.80
Weighted average basic shares outstanding(1)		22,952
Weighted average diluted shares outstanding(1)		23,347
	As of June 30, 2003	As of December 31, 2002
<b>Selected Balance Sheet Data</b>		
Total assets	\$	\$ 3,837,401
Net loans		2,300,967
Total deposits		2,804,328
Shareholders' equity		364,121
Basic book value per share		\$ 15.84
Shares outstanding		22,994

Weighted average basic and diluted shares outstanding were calculated by adding 7,021,000, the approximate number of CPF shares to be issued in the exchange offer and proposed merger, to the weighted average basic and diluted shares outstanding for CPF for the periods presented. The calculations used to determine the number of CPF shares to be issued and the number of pro forma shares outstanding are provided in Note ( ) to the Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2003 and Note (H) to the Unaudited Pro Forma Condensed Combined Balance Sheet as of December 31, 2002.

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**  
**Central Pacific Financial Corp.**

The following selected consolidated financial data for CPF have been derived from, and are qualified by reference to, the audited consolidated financial statements and notes thereto contained in CPF's Annual Reports on Form 10-K for the years ended December 31, 2002, 2001, 2000, 1999 and 1998, and the unaudited consolidated financial statements and notes thereto contained in CPF's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31 and June 30, 2003 and March 31 and June 30, 2002, which were filed with the SEC. See "Where Can I Find More Information?" on page 94 for information on where these documents are available. You should read this summary financial information together with the financial statements and notes thereto referred to above.

**Selected Consolidated Financial Information**  
**(Dollars in thousands, except per share data)**

As of or For the Six Months Ended June 30,		As of or For the Year Ended December 31,				
2003	2002	2002	2001	2000	1999	1998

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	As of or For the Six Months Ended June 30,			As of or For the Year Ended December 31,			
<b>Consolidated statements of income data:</b>							
Total interest income	\$ 55,405	\$ 58,975	\$ 118,462	\$ 129,873	\$ 126,783	\$ 112,840	\$ 111,792
Total interest expense	10,708	15,830	29,483	51,421	55,559	44,418	46,705
Net interest income	44,697	43,145	88,979	78,452	71,224	68,422	65,087
Provision for loan losses	200	600	1,000	3,000	4,500	3,700	6,600
Net interest income after provision for loan losses	44,497	42,545	87,979	75,452	66,724	64,722	58,487
Total other operating income	7,332	7,293	15,282	14,113	12,887	13,103	16,822
Total other operating expense	26,755	26,241	55,023	50,683	49,592	53,448	51,273
Income before income taxes	25,074	23,597	48,238	38,882	30,019	24,377	24,036
Income taxes	8,514	8,383	14,955	10,177	10,585	8,051	8,967
Net income	\$ 16,560	\$ 15,214	\$ 33,283	\$ 28,705	\$ 19,434	\$ 16,326	\$ 15,069
Net income available for common stock	\$ 16,560	\$ 15,214	\$ 33,283	\$ 28,705	\$ 19,434	\$ 16,326	\$ 15,069
<b>Per share amounts:</b>							
Basic earnings per share	\$ 1.03	\$ 0.96	\$ 2.09	\$ 1.75	\$ 1.09	\$ 0.85	\$ 0.73
Diluted earnings per share	1.01	0.94	2.04	1.72	1.07	0.84	0.73
<b>Balance sheet data at period end:</b>							
Total assets	\$ 2,088,940	\$ 1,935,053	\$ 2,028,163	\$ 1,835,641	\$ 1,816,918	\$ 1,646,491	\$ 1,560,885
Cash and due from banks	64,835	58,703	62,273	39,820	52,207	83,425	42,735
Total investment securities	571,892	454,665	540,924	391,947	384,619	321,670	351,436
Loans	1,319,703	1,275,873	1,289,892	1,266,949	1,290,145	1,167,466	1,099,677
Allowance for loan losses	25,425	24,868	24,197	24,564	22,612	20,768	20,066
Other real estate		84	1,903	812	1,792	1,366	1,155
Total deposits	1,707,917	1,557,609	1,641,101	1,450,925	1,363,066	1,305,654	1,269,123
Long-term debt	157,917	155,870	147,155	175,572	220,970	98,279	118,289
Total shareholders' equity	184,230	161,871	173,443	147,070	143,312	144,079	148,066

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**CB Bancshares, Inc.**

The following selected consolidated financial data for CB Bancshares have been derived from, and are qualified by reference to, the audited consolidated financial statements and notes thereto contained in CB Bancshares' Annual Reports on Form 10-K for the years ended December 31, 2002, 2001, 2000, 1999 and 1998, and the unaudited consolidated financial statements and notes thereto contained in CB Bancshares' Quarterly Reports on Form 10-Q for the quarterly periods ended March 31 and June 30, 2003 and March 31 and June 30, 2002, which were filed with the SEC. See "Where Can I Find More Information?" on page 94 for information on where these documents are available. You should read this summary financial information together with the financial statements and notes thereto referred to above.

**Selected Consolidated Financial Information  
(Dollars in thousands, except per share data)**



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	As of or For the Six Months Ended June 30,		As of or For the Year Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
<b>Consolidated statements of income data:</b>							
Total interest income	\$ 50,232	\$ 54,354	\$ 106,945	\$ 128,254	\$ 132,472	\$ 111,233	\$ 112,060
Total interest expense	12,716	15,877	30,292	57,448	71,478	52,717	53,811
Net interest income	37,516	38,477	76,653	70,806	60,994	58,516	58,249
Provision for loan losses	4,880	8,970	17,110	13,628	7,539	4,975	7,436
Net interest income after provision for loan losses	32,636	29,507	59,543	57,178	53,455	53,541	50,813
Total other operating income	11,975	7,719	12,815	2,817	10,024	10,328	9,789
Total other operating expense	32,359	26,669	52,618	50,595	46,679	58,336	46,768
Income before income taxes	12,252	10,557	19,740	9,400	16,800	5,533	13,834
Income taxes	3,920	3,400	6,258	3,250	5,582	5,227	5,465
Net income	\$ 8,332	\$ 7,157	\$ 13,482	\$ 6,150	\$ 11,218	\$ 306	\$ 8,369
Net income available for common stock	\$ 8,332	\$ 7,157	\$ 13,482	\$ 6,150	\$ 11,218	\$ 306	\$ 8,369
<b>Per share amounts:(1)</b>							
Basic earnings per share	\$ 1.95	\$ 1.69	\$ 3.17	\$ 3.17	\$ 2.62	\$ 0.07	\$ 1.77
Diluted earnings per share	1.91	1.66	3.12	1.44	2.62	0.07	1.77
<b>Balance sheet data at period end:</b>							
Total assets	\$ 1,698,829	\$ 1,556,411	\$ 1,674,358	\$ 1,586,040	\$ 1,721,602	\$ 1,619,549	\$ 1,428,438
Cash and due from banks	63,456	43,447	75,069	22,395	40,172	66,918	61,658
Total investment securities	387,280	337,940	370,234	261,969	364,215	356,030	270,847
Loans	1,084,597	1,087,988	1,062,395	1,192,281	1,267,662	1,144,926	979,695
Allowance for loan losses	31,424	25,394	27,123	19,464	17,447	17,942	17,771
Other real estate	804	3,216	2,193	4,674	3,458	6,385	8,583
Total deposits	1,181,568	1,135,727	1,163,227	1,138,435	1,218,463	1,106,145	1,084,610
Long-term debt	299,398	234,415	319,407	214,424	181,563	225,140	171,087
Total shareholders' equity	160,017	149,816	151,009	133,762	123,162	114,691	132,372

(1) Per share data have been adjusted to reflect the 10% stock dividend paid on June 27, 2003.

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The following table sets forth selected historical and pro forma per share consolidated financial data for CPF and CB Bancshares. The historical information presented for CPF and CB Bancshares as of and for the year ended December 31, 2002 is derived from the audited historical consolidated financial statements of CPF and CB Bancshares contained in CPF's Annual Report on Form 10-K for the year ended December 31, 2002, as amended, and CB Bancshares' Annual Report on Form 10-K for the year ended December 31, 2002, which are incorporated by reference in this prospectus. The historical information for CPF and CB Bancshares as of and for the six months ended June 30, 2003 is derived from the unaudited historical consolidated financial statements of CPF and CB Bancshares contained in CPF's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, as amended, and CPF's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, and CB Bancshares' Quarterly Reports for the quarters ended March 31, 2003 and June 30, 2003, which are incorporated by reference in this prospectus.

The pro forma combined information, which gives effect to the exchange offer and proposed merger under the purchase method of accounting, is presented for informational purposes only. The pro forma information should not be construed as indicative of the actual operations that would have occurred had the proposed merger occurred at the dates or at the beginning of the periods indicated or that may be obtained in the future. The pro forma information assumes that the proposed merger had been completed on the dates and at the beginning of the earliest period presented.

You should read the information set forth below in conjunction with the audited and unaudited consolidated financial statements of CPF and CB Bancshares incorporated by reference in this prospectus. See "Where Can I Find More Information?" on page 94 for information on how you can get a copy of the financial reports of CPF and CB Bancshares.

	Historical			Per Equivalent CB Bancshares Share(3)
	CPF	CB Bancshares(1)	Pro Forma Combined(2)	
<b>Basic earnings per share:</b>				
Six months ended June 30, 2003	\$ 1.03	\$ 1.95	\$	\$
Year ended December 31, 2002	2.09	3.17	1.83	2.93
<b>Diluted earnings per share:</b>				
Six months ended June 30, 2003	1.01	1.91		
Year ended December 31, 2002	2.04	3.12	1.80	2.88
<b>Cash dividends declared Common</b>				
Six months ended June 30, 2003	0.32	0.23		
Year ended December 31, 2002	0.40	0.40	0.40	0.64
<b>Book value per share Basic(4)</b>				
As of June 30, 2003	11.49	37.11		
As of December 31, 2002	10.86	35.22	15.84	25.35

(1) Per share data have been adjusted to reflect the 10% stock dividend paid on June 27, 2003.

(2) The pro forma earnings per share are computed by dividing the pro forma net income for the relevant period by the pro forma weighted average number of shares outstanding for the relevant period. The pro forma combined book value per share is computed by dividing total pro forma shareholders' equity at the end of the relevant period by the pro forma number of common shares outstanding at the end of the relevant period.

Common stock issued and outstanding as of December 31, 2002 was 15,973,458 for CPF, 4,287,773 for CB Bancshares adjusted for the effect of the 10% stock dividend paid by CB Bancshares on

June 27, 2003, and approximately 22,994,000 for the pro forma combined entity. Pro forma share calculations are provided below (numbers in thousands, except exchange ratio per share):

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CB Bancshares common stock outstanding	4,288
Exercise of CB Bancshares stock options outstanding	197
Less: CB Bancshares stock owned by CPF	(98)
	<hr/>
Total CB Bancshares shares subject to exchange	4,387
	<hr/>
Exchange ratio per share	1.6005
Total CPF shares to be issued	7,021
CPF common stock outstanding	15,973
	<hr/>
Total pro forma shares outstanding	22,994
	<hr/>

For purposes of this pro forma calculation, we have assumed that all outstanding stock options, including vested and unvested options but excluding options held by five of the eight individuals subject to CB Bancshares' Change of Control Agreements for which public information is available, will be exercised and tendered for exchange; however, this assumption is subject to change based on, among other things, whether or not the transaction remains non-negotiated. At December 31, 2002, there were 141,566 options, adjusted to reflect the effect of the 10% stock dividend paid on June 27, 2003, held by five of the eight individuals subject to change of control agreements. If these options were exercised and tendered for exchange, the number of shares issued would be approximately 7,249,000 and the total pro forma shares outstanding would be 23,222,000. See "The Exchange Offer Consideration to be Paid," beginning on page 41.

Common stock issued and outstanding as of June 30, 2003 was \_\_\_\_\_ for CPF, approximately \_\_\_\_\_ for CB Bancshares, and approximately \_\_\_\_\_ for the pro forma combined entity. Pro forma share calculations are provided below (numbers in thousands, except exchange ratio per share):

CB Bancshares common stock outstanding	
Exercise of CB Bancshares stock options outstanding	
Less: CB Bancshares stock owned by CPF	
	<hr/>
Total CB Bancshares shares subject to exchange	
	<hr/>
Exchange ratio per share	
Total CPF shares to be issued	
CPF common stock outstanding	
	<hr/>
Total pro forma shares outstanding	
	<hr/>

For purposes of this pro forma calculation, we have assumed that all outstanding stock options, including vested and unvested options but excluding options held by five of the eight individuals subject to CB Bancshares' Change of Control Agreements for which public information is available, will be exercised and tendered for exchange; however, this assumption is subject to change based on, among other things, whether or not the transaction remains non-negotiated. At December 31, 2002, there were 141,566 options, adjusted to reflect the effect of the 10% stock dividend paid on June 27, 2003, held by five of the eight individuals subject to change of control agreements. If these options were exercised and tendered for exchange, the number of shares issued would be approximately \_\_\_\_\_ and the total pro forma shares outstanding would be \_\_\_\_\_. See "The Exchange Offer Consideration to be Paid," beginning on page 41.

(3) CB Bancshares equivalent pro forma combined per share amounts are calculated by multiplying pro forma combined per share amounts by 1.6005, the number of CPF shares that would be exchanged as the stock portion of the consideration paid for each share of CB Bancshares common stock outstanding.

(4) Book values were calculated using period-end shares outstanding.

**MARKET PRICE DATA AND DIVIDEND INFORMATION**

**Comparative Market Data**

CPF's common stock trades on the NYSE under the symbol "CPF" and CB Bancshares' common stock trades on the Nasdaq National Market under the symbol "CBBI". The following table presents the closing prices for CPF and CB Bancshares common stock on:

April 15, 2003 the day before the public announcement of CPF's proposal for a business combination of CPF and CB Bancshares, and

, 2003 the day before the date of this prospectus.

The April 15, 2003 CB Bancshares equivalent per share amount and the , 2003 CB Bancshares equivalent per share amount are calculated, on a post 10% stock dividend basis, by multiplying each of the closing price of CPF common stock on April 15, 2003 and , 2003, respectively, by 1.6005, the number of shares of our common stock that would be exchanged for each share of CB Bancshares common stock in the exchange offer, and adding \$22.27. You should read the information presented below in conjunction with " Historical Market Price and Dividend Information" on page 23.

	CPF Common Stock	CB Bancshares Common Stock	CB Bancshares Equivalent Per Share
April 15, 2003	\$ 25.56	\$ 41.36(1)	\$ 63.18
, 2003	\$	\$	\$

(1) Adjusted for the 10% stock dividend paid on June 27, 2003.

You should obtain current market quotations for CPF common stock. The market price of CPF common stock will fluctuate between the date of this prospectus and the dates the exchange offer and the proposed merger are completed and after their completion. Because the amount of cash and/or stock you receive is set on the determination date by reference to the 20-day average price of CPF common stock, fluctuations in CPF's stock price will affect the value of the consideration you receive in the exchange offer. In addition, if you receive any portion of the consideration in CPF common stock, the value of the consideration you receive will fluctuate based on changes in the market price of CPF common stock because the number of shares of stock that a shareholder receives as consideration is set on the determination date.

**Historical Market Price and Dividend Information**

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share reported on the NYSE and/or Nasdaq National Market(1) for CPF common stock and the Nasdaq National Market for CB Bancshares common stock and the dividends declared on CPF common stock and on CB Bancshares common stock.

CPF Common Stock(2)	CB Bancshares Common Stock(3)
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	CPF Common Stock(2)			CB Bancshares Common Stock(3)		
	High	Low	Dividends	High	Low	Dividends
<b>2000</b>						
March 31, 2000	\$ 14.565	\$ 11.00	\$ 0.075	\$ 22.07	\$ 17.66	\$ 0.05
June 30, 2000	14.625	10.375	0.075	19.16	17.09	0.05
September 30, 2000	13.50	12.00	0.075	21.32	18.50	0.08
December 31, 2000	14.155	12.125	0.08	21.41	18.78	0.08
<b>2001</b>						
March 31, 2001	\$ 15.00	\$ 12.38	\$ 0.08	\$ 26.11	\$ 19.53	\$ 0.08
June 30, 2001	15.10	11.01	0.08	27.57	24.04	0.08
September 30, 2001	18.74	13.69	0.09	31.53	25.00	0.09
December 31, 2001	16.15	13.63	0.09	29.71	26.50	0.09
<b>2002</b>						
March 31, 2002	\$ 17.43	\$ 14.63	\$ 0.09	\$ 31.12	\$ 27.69	\$ 0.09
June 30, 2002	23.38	17.00	0.10	35.49	30.06	0.09
September 30, 2002	23.68	13.82	0.10	36.56	30.05	0.10
December 31, 2002	31.24	22.16	0.11	39.09	31.84	0.10
<b>2003</b>						
March 31, 2003	\$ 31.08	\$ 25.14	\$ 0.16	\$ 45.91	\$ 37.18	\$ 0.10
June 30, 2003	29.76	23.92	0.16	63.03	40.78	0.11
, 2003						

- (1) On December 31, 2002, we transferred our common stock listing to the NYSE from the Nasdaq National Market; therefore all prices included above for dates prior to December 31, 2002 are per share prices as reported on the Nasdaq National Market.
- (2) Adjusted for a 2-1 stock split effected on November 8, 2002.
- (3) Adjusted for 10% stock dividends paid on June 28, 2001, June 27, 2002 and June 27, 2003.

On \_\_\_\_\_, 2003, the last day prior to the date of this exchange offer, the last sale price per share of our common stock on the NYSE was \$ \_\_\_\_\_, and the last sale price per share of CB Bancshares common stock on the Nasdaq National Market was \$ \_\_\_\_\_.

We urge you to obtain current market quotations for CPF and CB Bancshares common stock before making any decision regarding the exchange offer.

#### Dividend Policies

##### CPF.

We and our predecessor have paid regular semi-annual cash dividends on our common stock since 1958. Beginning in 1988, we commenced paying regular quarterly cash dividends. We expect to continue to pay regular quarterly cash dividends. However, since substantially all of the funds available for the payment of dividends are derived from Central Pacific Bank, future dividends will depend upon Central Pacific Bank's earnings, its financial condition, its capital needs, applicable governmental policies and regulations and such other matters as CPF's board of directors may deem to be appropriate.

Our ability to pay dividends is also limited by certain restrictions imposed on Hawaii corporations. We may pay dividends out of funds legally available at such times as our board of directors determines are appropriate.

#### **CB Bancshares.**

CB Bancshares' ability to pay dividends is limited by certain restrictions generally imposed on Hawaii corporations. CB Bancshares may pay dividends out of funds legally available at such times as its board of directors determines are appropriate.

#### **Effect of Regulatory Restrictions on CPF's and CB Bancshares' Dividend Policies.**

The principal source of our and CB Bancshares' cash flow has been dividend payments received from Central Pacific Bank and City Bank, respectively. Under the laws of Hawaii, payment of dividends by Central Pacific Bank and City Bank to CPF and CB Bancshares, respectively, is subject to certain restrictions, and payment of dividends by CPF and CB Bancshares to their respective shareholders is likewise subject to certain restrictions.

Federal Reserve Board policy provides that, as a matter of prudent banking, a bank holding company generally should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the holding company's capital needs, asset quality and overall financial condition. Under federal law, a depository institution is prohibited from paying a dividend if the depository institution would thereafter be "undercapitalized" as determined by the federal bank regulatory agencies. The relevant federal regulatory agencies and the state regulatory agency also have authority to prohibit a bank or bank holding company from engaging in what, in the opinion of those regulatory bodies, constitutes an unsafe or unsound practice in conducting its business. The payment of dividends could, depending upon the financial condition of CPF or CB Bancshares, be deemed to constitute such an unsafe or unsound practice.

### **RISK FACTORS**

In deciding whether to tender your shares of CB Bancshares common stock for exchange pursuant to the exchange offer, you should read carefully this prospectus and all other documents attached to or incorporated by reference into this prospectus. You should, in particular, read and consider the following risk factors, as well as the other risks associated with each of the businesses of CB Bancshares and CPF, because these risks also will affect the combined businesses should the proposed merger be completed. These other risks associated with the businesses of CB Bancshares and CPF can be found in CB Bancshares' Annual Report on Form 10-K for the year ended December 31, 2002, and CPF's Annual Report on Form 10-K for the year ended December 31, 2002, as amended, and CB Bancshares' and CPF's documents filed subsequent thereto with the SEC and incorporated by reference into this prospectus. Additional risks and uncertainties not presently known to CB Bancshares or us also may adversely affect the proposed merger and us following the proposed merger.

**If we do not successfully integrate CPF's and CB Bancshares' business operations, including their subsidiary bank and our subsidiary bank, the anticipated benefits of the acquisition of CB Bancshares may not be fully realized or may not occur for an extended period of time.**

If we do not successfully integrate the two companies and their subsidiary banks upon completion of the exchange offer and proposed merger, the anticipated benefits of the acquisition may not be fully realized or may not occur for an extended period of time. See "Reasons for the Exchange Offer" on page 37. No assurance can be given that we will be able to integrate the two companies' operations without encountering difficulties, including, without limitation, the loss of key employees and customers, the disruption of respective ongoing businesses or possible inconsistencies in standards, controls, procedures and policies.

The combined company's business, results of operations and earnings may also be negatively affected if:

the combination of the businesses of CPF and CB Bancshares and their subsidiary banks takes longer, or is more difficult, time-consuming or costly to accomplish than expected,

the diversion of the attention of management from normal daily operations of the business to the integration effort and any difficulties encountered in connection with such efforts is significant,

there are unanticipated expenses or unforeseen difficulties related to the integration of us and CB Bancshares, or

operating costs, customer losses and business disruption following the proposed merger, including adverse effects on relationships with employees, are greater than expected.

Successful integration of CB Bancshares' consolidated operations will depend primarily on our ability and the ability of our subsidiary bank, Central Pacific Bank, to consolidate operations, systems and procedures with CB Bancshares and its subsidiary bank, City Bank, and eliminate redundancies and costs. There can be no assurance that we will succeed in these consolidation efforts.

**If CB Bancshares' senior executive management or other employees are uncooperative in the integration process, our ability to realize the benefits of the proposed merger may be adversely affected.**

Because of the resistance to a proposed merger that CB Bancshares has demonstrated, there can be no assurance that there will not be some level of uncooperativeness on the part of CB Bancshares' senior executive management and/or its other employees, which could adversely affect the integration process.

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**CB Bancshares' board of directors may prevent or delay satisfaction of certain conditions of our exchange offer, which could adversely affect our ability to consummate the exchange offer as planned.**

Several of the conditions to our exchange offer will require action by CB Bancshares' board of directors, including the rights agreements condition. There can be no assurance that CB Bancshares' board of directors will take action to enable the satisfaction of these conditions to the exchange offer.

**There can be no assurance that the costs of the exchange offer and proposed merger will not be greater than we have anticipated, which could adversely affect our business and results of operations.**

The aggregate costs of the exchange offer and proposed merger may be greater than we have anticipated. Direct transaction costs to us, which will be included as part of the total purchase price for accounting purposes, are estimated at approximately \$13 million. These costs are expected to consist primarily of fees for investment bankers, attorneys, accountants, public relations, proxy solicitations and other consultants. We also believe the combined company may incur charges to operations, which are not currently reasonably estimable, in the quarter in which the proposed merger is completed or the following quarters to reflect costs associated with integrating the business and the operations of CB Bancshares and our business and operations. The combined company could incur additional material charges in subsequent quarters to reflect additional costs associated with the proposed merger. If these aggregate costs are greater than anticipated, they could adversely affect our business, results of operations and financial results.

**We have not previously acquired a bank holding company and integration of the two companies and banks may prove more difficult than we anticipate.**

The acquisition of CB Bancshares would be our first acquisition of a bank holding company. Although we believe that CB Bancshares' business is fundamentally similar to ours and that we will be able to integrate CB Bancshares and City Bank with our current operations, there can be no assurance that we will not encounter unforeseen difficulties in integrating the companies.

**Unless all of the conditions to the exchange offer are either waived by us, to the extent possible, or satisfied prior to the expiration of the exchange offer, the exchange offer will not be consummated.**

The exchange offer is subject to a number of conditions, all of which must either be waived by us, to the extent possible, or satisfied prior to the expiration of the exchange offer. Because it is uncertain as to whether all the conditions will be satisfied or waived by us, there is no guarantee that we will consummate the exchange offer. These conditions include, without limitation, that:

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not less than 75% of the outstanding shares of CB Bancshares on a fully diluted basis tender their shares,

we receive all required regulatory approvals,

our acquisition can be consummated in accordance with the terms of the Hawaii Control Share Acquisition statute,

the CB Bancshares Rights Agreements are found inapplicable or illegal or the board of directors of CB Bancshares redeems the rights or amends the 2003 Rights Agreement so the associated rights would not be triggered by the exchange offer and proposed merger,

CPF shareholders approve the issuance of CPF common stock to be paid in the exchange offer, and

no order or decree by any court or agency of competent jurisdiction preventing the completion of the exchange offer be in effect.

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See "The Exchange Offer Conditions to the Exchange Offer" beginning on page 60. We will not be required to accept for exchange or exchange any shares of CB Bancshares common stock if, at the expiration date of the exchange offer, the conditions have not been satisfied or waived by us. All of the exchange offer conditions are solely for our benefit and we may assert them regardless of the circumstances giving rise to any of the conditions (including any action or inaction by us). The determination as to whether any condition has been satisfied will be in our reasonable judgment and will be final and binding on all parties.

**Our stock price has fluctuated over the past twelve months, and decreases in our stock price will adversely affect the value of the consideration you receive in the exchange offer.**

The trading price of our common stock has been and may continue to be subject to fluctuations, which will affect the value of the consideration you receive in the exchange offer. As of \_\_\_\_\_, 2003, our 52-week high and low stock prices were \$ \_\_\_\_\_ and \$ \_\_\_\_\_, respectively. Our stock price may fluctuate in response to a number of events and factors, such as quarterly variations in operating results, changes in financial estimates and recommendations by securities analysts, the operating and stock price performance of other companies that investors may deem comparable, and news reports relating to trends in our markets. In addition, the stock market in general, and the market prices for financial services companies in particular, have experienced volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance.

If you elect to receive a combination of cash and stock, you will receive \$22.27 in cash and 1.6005 shares of CPF common stock for each CB Bancshares share you exchange. Accordingly, the value of the stock portion of the consideration you receive will fluctuate based on changes in the price of CPF common stock. If you elect to receive all cash or all stock, we will calculate the consideration that you will receive for each share of CB Bancshares exchanged in the exchange offer by reference to the average closing price of CPF common stock over a 20 trading-day period ending one trading day prior to the expiration date. Fluctuations in CPF's common stock price will affect the 20-day average price and, therefore, affect the per share consideration that is determined. In addition, if you receive any portion of the consideration in CPF common stock, the value of the consideration you receive will fluctuate based on changes in the market price of CPF common stock.

**The exchange offer could result in CB Bancshares' delisting from the Nasdaq National Market, which would adversely affect the liquidity of CB Bancshares' common stock during the period between completion of the exchange offer and consummation of the proposed merger.**

The tender of shares of CB Bancshares common stock pursuant to the exchange offer will reduce the number of holders of shares of CB Bancshares common stock and the number of shares of CB Bancshares common stock that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining shares of CB Bancshares common stock held by the public. Shares of CB Bancshares common stock are listed and principally traded on the Nasdaq National Market. Depending on the number of shares of CB Bancshares common stock that remain outstanding and the number of holders that remain following the completion of the exchange offer and before the proposed merger, shares of CB Bancshares common stock may no longer meet the requirements of the Nasdaq National Market for continued listing. Although we intend to complete the proposed merger as promptly as practicable after consummating the exchange offer and receiving any



additional regulatory approvals that may be required, there can be no assurance that we will be able to complete the proposed merger or do so on a timely basis.

**Resales of our common stock in the public market following the exchange offer may cause its market price to fall.**

Based upon publicly available information on CB Bancshares, we expect that we will issue a maximum of 7,250,000 shares in connection with the exchange offer and the proposed merger. The issuance of these new shares and the sale of additional shares of our common stock that, upon the exercise of options, may become eligible for sale in the public market from time to time could have the effect of depressing the market price for our common stock.

**If we are unable to retain key CB Bancshares personnel following the proposed merger, our business may be harmed.**

The unsolicited nature of this transaction may make it more difficult for us to retain important CB Bancshares personnel. While we hope to retain a substantial number of CB Bancshares personnel, we may not be successful in retaining key personnel after the proposed merger. This may adversely affect our ability to integrate the two companies and to realize the anticipated benefits of the proposed merger.

**The potential loss of significant customer deposits and revenues from branch consolidations could adversely affect our business and results of operations.**

Following the proposed merger, we expect to consolidate and integrate the operations of certain branches of City Bank and Central Pacific Bank that are located within close proximity of each other. If the loss of customer deposits and revenues from branch consolidations exceeds our anticipated savings from such consolidations, our business and results of operations could be harmed.

**INFORMATION ABOUT CPF AND CB BANCSHARES**

**CPF**

**General**

We are a Hawaii corporation, and a bank holding company registered under the Bank Holding Company Act of 1956, as amended, or the Bank Holding Company Act. Pursuant to a plan of reorganization and agreement of merger, we were organized on February 1, 1982 to serve as a holding company for our subsidiary, Central Pacific Bank. Central Pacific Bank was incorporated in its present form in the State of Hawaii on March 16, 1982 in connection with our holding company reorganization, and its predecessor entity was incorporated in the State of Hawaii on January 15, 1954. Central Pacific Bank's deposits are insured by the Federal Deposit Insurance Corporation, or FDIC, up to applicable limits. As a bank holding company, we have the flexibility to directly or indirectly engage in certain bank-related activities other than banking, subject to regulation by the Board of Governors of the Federal Reserve System, or the Federal Reserve Board.

Central Pacific Bank owns 100% of the outstanding stock of Central Business Club of Honolulu, Inc., whose principal business is the operation of a private food service facility. Central Pacific Bank also owns 99.8% and we own 0.2% of the outstanding common stock of CPB Real Estate, Inc., a real estate investment trust, which acquires, holds and manages stable, long-term real estate related assets including residential mortgage loans, commercial real estate loans and mortgage-backed securities.

**Central Pacific Bank**

Central Pacific Bank, a state-chartered bank, organized under the laws of the State of Hawaii in 1982, is a full-service commercial bank that has 24 banking offices and 77 ATMs located throughout the State of Hawaii. Central Pacific Bank's administrative and main offices are located in Honolulu, and there are eighteen other branches on the Island of Oahu. In addition, Central Pacific Bank operates two branches on the Island

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of Maui, one branch on the Island of Kauai and two branches on the Island of Hawaii.

With assets of \$2.09 billion as of June 30, 2003, Central Pacific Bank is the third-largest commercial bank in the State of Hawaii. Through its network of banking offices, Central Pacific Bank emphasizes personalized services and offers a full range of banking services to small- and medium-sized businesses, professionals and individuals in Hawaii.

Central Pacific Bank offers a variety of deposit instruments. These include personal and business checking and savings accounts, including interest-bearing negotiable order of withdrawal accounts, money market accounts and time certificates of deposit. Lending activities of Central Pacific Bank include granting of commercial, consumer and real estate loans. Central Pacific Bank offers inventory and accounts receivable financing, furniture, fixture and equipment financing, short-term operating loans, and commercial real estate and construction loans. Consumer loans include home equity lines of credit, loans for automobiles, home improvement and debt consolidation, personal and professional lines of credit and other installment and term loans for other personal needs. Central Pacific Bank offers credit cards and VISA check cards, a debit card service, and is a member of the Star and Plus ATM Networks. Central Pacific Bank also offers an internet banking service through its website at [www.cpb.com](http://www.cpb.com) as well as an Infoline service, providing telephonic account information and funds transfer services.

Other services of Central Pacific Bank designed to serve the needs of businesses and individuals include investment and life insurance services, business PC banking, travelers' checks, safe deposit boxes, international banking services, night depository facilities and wire transfer services. Central

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Pacific Bank's Trust Division offers asset management and custody services for a variety of accounts including revocable and irrevocable trusts, agency accounts, guardianships of property, charitable remainder trusts and probates.

In order to compete with the other financial services providers in the State of Hawaii, Central Pacific Bank principally relies upon local promotional activities, personal relationships established by officers, directors and employees with its customers, and specialized services tailored to meet the needs of the communities served. Central Pacific Bank seeks to be competitive by offering attractive pricing and superior service levels.

The principal office of CPF is located at 220 South King Street, Honolulu, Hawaii 96813, and its telephone number is (808) 544-0500.

Additional information concerning CPF is included in the CPF documents incorporated by reference in this prospectus. See "Where Can I Find More Information?" beginning on page 94.

### **CB Bancshares**

The following information is derived from CB Bancshares' publicly available documents.

#### **General**

CB Bancshares is also a bank holding company registered under the Bank Holding Company Act and was incorporated in the State of Hawaii in 1980. CB Bancshares has three wholly-owned subsidiaries, City Bank and Datatronix Financial Services, Inc., which are discussed below, and O.R.E., Inc., which is inactive.

#### **City Bank**

City Bank is a state-chartered bank which was organized under the laws of the State of Hawaii in 1959. City Bank is insured by the FDIC and provides full commercial banking services through 17 branches on the Island of Oahu, one branch on the Island of Hawaii, two branches on the Island of Maui and one branch on the Island of Kauai. These services include receiving demand, savings and time deposits; making commercial, real estate and consumer loans; financing leases and leasing activities; financing international trade activities; issuing letters of credit; handling domestic and foreign collections; selling travelers' checks and bank money orders; and renting safe deposit boxes.

With assets of \$1.70 billion as of June 30, 2003, City Bank is the fourth-largest commercial bank in the State of Hawaii. City Bank's primary focus has been corporate lending to small- to medium-sized businesses.

#### **Datatronix Financial Services, Inc.**

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Datatronix Financial Services, Inc., a wholly-owned subsidiary of City Bank, was incorporated in the State of Hawaii in June 2000 and opened for business on July 1, 2000. Datatronix offers item processing services to banks, thrifts, credit unions and other financial institutions in the State of Hawaii. As of December 31, 2002, Datatronix had three customers, with City Bank as its primary customer.

The principal office of CB Bancshares is located at 201 Merchant Street, Honolulu, Hawaii 96813, telephone number (808) 535-2500.

Additional information concerning CB Bancshares is included in the CB Bancshares documents incorporated by reference in this prospectus. See "Where Can I Find More Information?" beginning on page 94.

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### BACKGROUND OF THE EXCHANGE OFFER

Unless otherwise noted, prices of CB Bancshares common stock, numbers or percentages of shares of CB Bancshares common stock outstanding or held and per share amounts referenced in "Background of the Exchange Offer" have not been adjusted to reflect the 10% stock dividend paid on June 27, 2003.

From time to time during the past few years, we have considered expanding our respective operations through acquisitions of other companies. In December 1999, CB Bancshares approached CPF to discuss a proposal to combine the companies. CB Bancshares proposed that their senior management team assume key management positions in the resulting company. CPF's management discussed the proposal with its board of directors and rejected the offer.

In May 2002, CPF approached CB Bancshares with a proposal to acquire CB Bancshares in a stock merger transaction. CPF proposed to offer CB Bancshares shareholders 1.1685 shares of CPF common stock if the average closing price of CPF were between \$41.16 and \$47.84, subject to adjustment if the average closing price of CPF exceeded \$47.84. If the average closing price were less than \$41.16, CB Bancshares would have been entitled to accept the conversion ratio of 1.1685 or terminate any definitive agreement entered into by the two companies. CB Bancshares declined to accept the proposal.

On February 26, 2003, we began purchasing shares of CB Bancshares common stock in the open market. We accumulated 2.27% of CB Bancshares' outstanding common stock by March 13, 2003. On March 17, 2003, representatives of Bear, Stearns & Co. Inc., our financial advisor in connection with the proposed combination of CPF and CB Bancshares, met informally with Ronald K. Migita, the President and Chief Executive Officer of CB Bancshares, and Dean K. Hirata, the Chief Financial Officer of CB Bancshares, to present our offer to merge with CB Bancshares, which consisted of 1.8956 shares of our common stock plus \$21.00 in cash for each share of CB Bancshares common stock. After their presentation, Bear Stearns stated that Clint Arnoldus, our Chairman and Chief Executive Officer, was standing by and would like to personally deliver a written offer consistent with the Bear Stearns presentation. Messrs. Migita and Hirata refused to meet with Mr. Arnoldus, and Bear Stearns then attempted to give the first offer letter to Mr. Migita and Mr. Hirata, who declined to accept it. On March 19, 2003, Mr. Migita communicated with the representatives of Bear Stearns and requested a meeting for April 2, 2003 to obtain additional information concerning the offer.

On March 21, 2003, Mr. Arnoldus messengered our March 17, 2003 offer letter to Mr. Migita at CB Bancshares. On March 24, 2003, Neal Kanda, our Chief Financial Officer, spoke with Mr. Hirata and confirmed receipt of that offer letter.

On April 2, 2003, Messrs. Arnoldus and Kanda and Mr. Migita, Richard Lim and Warren Y. Kunimoto of CB Bancshares met to discuss the first offer letter. Also in attendance were representatives of Bear Stearns.

At that meeting, Mr. Arnoldus reviewed our view of the benefits of the proposed merger to the shareholders, employees, customers, and communities in which both companies operate. Bear Stearns reviewed again the assumptions underlying the pricing of the offer and other financial aspects of the proposed merger, including consolidation and cost savings opportunities. Mr. Arnoldus also indicated our desire to add representatives of CB Bancshares' board to our board of directors following the proposed merger and our willingness to discuss appropriate positions for CB Bancshares' senior management. During this discussion Messrs. Migita and Lim stated that, notwithstanding that CPF shareholders would own approximately 68% of the outstanding shares of the surviving corporation with the shareholders of CB Bancshares owning approximately 32%, senior management of CB Bancshares should become senior management of the merged company because, in their view, they were of superior quality. It was also revealed during this meeting that CB Bancshares' board of directors had

not yet met, or scheduled a meeting, to consider the offer, and that CB Bancshares' board of directors had not retained a financial advisor or special legal counsel. Messrs. Arnoldus and Kanda were left with the impression that CB Bancshares' board of directors had not received, or otherwise been informed of the terms of, the March 17 offer letter.

At the conclusion of the April 2, 2003 meeting, the officers of CB Bancshares indicated that they would contact us by April 4 to inform us of CB Bancshares' proposed timetable. No one at CB Bancshares contacted us by that date to discuss a timetable for the offer or the offer itself. As a result, on April 4, 2003, we sent another copy of our March 17, 2003 offer to each of CB Bancshares' directors to eliminate any doubt as to whether the CB Bancshares' board of directors had received it, and requested a reply by April 11, 2003. While CB Bancshares acknowledged receipt of our letter, we received no reply to its terms, other than CB Bancshares' request not to send any more communications to their directors but only to communicate with Mr. Migita.

On April 16, 2003, we entered into a voting agreement with TON Finance, B.V., pursuant to which TON agreed to vote 295,587 shares of its CB Bancshares common stock in favor of the exchange offer or proposed merger or any proposal to facilitate the exchange offer or proposed merger. Those shares, when added to the shares we own, represented slightly less than 9.9% of CB Bancshares' outstanding shares as of the date of the agreement. TON retained full voting discretion over the remaining 52,677 of its CB Bancshares shares and has agreed to vote those shares in favor of the exchange offer or proposed merger or any proposal to facilitate the exchange offer or proposed merger only after any required shareholder approval under the Hawaii Control Share Acquisitions statute is obtained. See "Conditions to the Exchange Offer Control Share Condition." On April 25, 2003, we filed a Schedule 13D, as amended on May 5, 2003, May 20, 2003 and May 22, 2003 which describes the voting agreement. In order to eliminate technical legal issues regarding the timing of the proxy CPF obtained from TON Finance, we agreed not to contest CB Bancshares' assertion that those shares over which we have limited voting power were not entitled to vote for the purposes of a vote on a proposed control share acquisition pursuant to the Hawaii Control Share Acquisitions statute only. In addition, we have released TON Finance from all voting obligations under the voting agreement insofar as such obligations relate to any proposed control share acquisitions pursuant to the Hawaii Control Share Acquisitions statute.

On April 16, 2003, we sent a letter to CB Bancshares dated April 15, 2003, setting forth again our offer for a business combination between CB Bancshares and CPF. The terms of the April 15 letter were equivalent to those of our March 17 letter. On April 16, 2003, we issued a press release that attached a copy of the letter. The key terms contained in the April 15 letter included an offer of 1.8956 shares of our common stock plus \$21 in cash for each share of CB Bancshares common stock. Based on the closing price of our common stock on April 14, 2003, this represented an offer of \$70 per share of CB Bancshares common stock. Additionally, the April 15 letter stated that discussions would take place regarding what number of members of CB Bancshares' current board of directors would be appropriate to add to our board of directors following the proposed merger and appropriate roles of CB Bancshares' current management team. The April 15 letter also contained a proposal to establish an Advisory Board to include those current members of CB Bancshares' board of directors who do not join our board of directors following the proposed merger. Finally, the April 15 letter requested that Mr. Migita and the CB Bancshares board of directors respond to our offer before 12 noon on April 25, 2003.

On April 16, 2003, we held a press conference to announce the proposed business combination publicly to ensure that CB Bancshares' shareholders were aware of the offer. Throughout the rest of the week after April 16, 2003 and the week of April 21, 2003, we discussed the offer with local news media and in conversations with shareholders and investors.

On April 28, 2003, we requested that CB Bancshares call a special meeting, and we delivered an information statement, in accordance with Hawaii's Control Share Acquisitions statute, so that CB Bancshares' shareholders could vote on our proposal to acquire CB Bancshares common stock.

On April 28, 2003, we filed applications with the Federal Reserve Bank of San Francisco pursuant to the Bank Holding Company Act and with the Hawaii Commissioner of Financial Institutions for prior approval to acquire control of CB Bancshares and, indirectly, City Bank. On April 30, 2003 we amended our application to the Hawaii Commissioner to include an application for prior approval of the proposed exchange offer.

On April 29, 2003, CB Bancshares announced a 10% stock dividend to be paid on June 27, 2003 to CB Bancshares' shareholders of record on June 16, 2003. On May 1, 2003, we announced that we had notified CB Bancshares that although the total consideration we are offering to CB Bancshares remained unchanged, the per share amounts of cash and shares of our common stock to be paid and issued, pursuant to our offer,

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would be adjusted in accordance with the 10% stock dividend. Thus, taking into effect the 10% stock dividend to be paid by CB Bancshares on June 27, 2003, the per share amounts offered by us to CB Bancshares shareholders were adjusted from \$21.00 in cash and 1.8956 shares of our common stock per share of CB Bancshares common stock (as announced on April 16, 2003) to \$19.09 in cash and 1.7233 shares of our common stock per share of CB Bancshares common stock.

On May 2, 2003, the Hawaii Commissioner of Securities confirmed that we had filed a complete registration statement as of April 30, 2003 under the Hawaii Take-Overs Act. Such registration statement became effective on May 3, 2003.

On May 4, 2003, CB Bancshares announced that its board of directors rejected our offer to acquire all of the outstanding shares of CB Bancshares common stock for a combination of \$19.09 in cash and 1.7233 shares of our common stock per share of CB Bancshares common stock. CB Bancshares stated that its board of directors concluded that our offer was inadequate from a financial point of view and not in the best interests of its shareholders, employees, customers, suppliers and local communities.

On May 5, 2003, CB Bancshares announced that its board of directors set May 28, 2003 as the meeting date of the special meeting we requested under the Hawaii Control Share Acquisitions statute in connection with our offer, and that shareholders of record at the close of business on May 5, 2003 would be eligible to vote at the special meeting.

On May 5, 2003, we and CB Bancshares filed preliminary proxy materials with the SEC in connection with the special meeting set for May 28, 2003 by CB Bancshares under the Hawaii Control Share Acquisitions Statute.

On May 5, 2003, we delivered a letter to Mr. Migata requesting that CB Bancshares set a new meeting date of June 19, 2003, in order to allow the necessary time to enable all shareholders to have a sufficient opportunity to consider the issues and vote. We also announced our continued commitment to ensuring that CB Bancshares shareholders are afforded a meaningful opportunity to evaluate the offer and vote on our proposed acquisition of shares of CB Bancshares common stock. On May 7, 2003, CB Bancshares rejected our request for a new meeting date.

On May 9, 2003, we delivered a letter to CB Bancshares rescinding, revoking and withdrawing the offer we made in our letters dated March 17 and April 15, 2003 and our related information statement dated as of April 28, 2003.

In addition, we delivered a letter to CB Bancshares setting forth a new offer. We asked CB Bancshares to cancel the May 28 meeting to allow shareholders adequate time to consider the new offer. They refused. The terms of our May 9 offer included a per share consideration of 1.7606 shares

of our common stock and \$24.50 cash for each share of CB Bancshares common stock currently outstanding, or 1.6005 shares of our common stock and \$22.27 in cash taking into account the 10% stock dividend. The May 9 offer restated our April 15 proposals regarding the number of current CB Bancshares' directors that should be added to the board of a combined entity and the establishment of an Advisory Board that would include CB Bancshares directors that did not join our board. In addition, the May 9 offer reiterated our strong desire to negotiate this transaction. On May 9, 2003, we issued a press release, which attached a copy of the May 9 letter.

On May 9, 2003, we filed preliminary proxy materials with the SEC in connection with a new special meeting of shareholders that we anticipated we and other shareholders would call. On May 12, 2003, CB Bancshares announced that it had rejected our new offer. On May 13, 2003, we delivered a new information statement pursuant to the Hawaii Control Share Acquisitions statute to CB Bancshares, and acting on our own behalf and as agent for shareholders owning in excess of 25% of the outstanding common stock of CB Bancshares, we called a special meeting for June 26, 2003, so that shareholders could consider our proposed control share acquisition.

On May 14, 2003, we filed in the Circuit Court for the State of Hawaii a complaint and a motion seeking a temporary restraining order and a preliminary injunction to prevent CB Bancshares from distributing proxy materials for and holding a shareholders meeting on May 28, 2003. We believed that not all shareholders would have sufficient time to review proxy materials and cast a vote for a meeting as soon as May 28, 2003. On May 16, 2003, the court denied our motion for a temporary restraining order to prevent CB Bancshares' solicitation of proxies for the May 28, 2003 meeting and set a hearing for May 22, 2003, to determine whether it would issue a preliminary injunction preventing CB Bancshares from holding the May 28, 2003 special meeting. On May 20, 2003, we filed a Notice of Withdrawal and withdrew without prejudice our motion for a preliminary injunction.

On May 17, 2003, CB Bancshares distributed proxy materials related to the May 28, 2003 meeting. On May 17, 2003, we sent a letter to the shareholders of CB Bancshares requesting that they not attend and refrain from voting at the special meeting scheduled for May 28, 2003.

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On May 19, 2003, we received a letter from Mr. Migita purporting to deny the validity of the June 26, 2003 meeting. On May 20, 2003, we sent a letter denying the basis for CB Bancshares' claims of invalidity with respect to the June 26, 2003 meeting.

On May 20, 2003, CB Bancshares filed an answer to our complaint and counterclaims against us alleging that our voting agreement with TON Finance, B.V. violates the Hawaii Control Share Acquisitions statute and that the Hawaii Control Share Acquisitions statute sets forth the exclusive means to call a shareholder meeting. We plan to vigorously defend against CB Bancshares' counterclaims. On May 20, 2003, we also delivered an additional agent designation to CB Bancshares.

On May 22, 2003, we mailed proxy revocation materials relating to the May 28 meeting to CB Bancshares shareholders, urging them to revoke any proxies given with respect to the May 28 meeting.

On May 28, 2003, CB Bancshares declared a quorum present at the meeting, purported to hold the meeting and held a vote on the proposed control share acquisition proposal it described in its proxy statement. CB Bancshares then adjourned the meeting until June 6, 2003 so that the vote could be verified.

Also on May 28, 2003, CB Bancshares' board of directors amended the 1989 CB Bancshares Rights Agreement to provide for something that we believe was not previously the case: that we would be deemed to be the beneficial owners of the shares underlying the agent designations we delivered to CB Bancshares on May 13 and May 20, solely by virtue of obtaining the designations, if those agent designations were used for any valid purpose, including to call a special meeting of shareholders of CB Bancshares to take action on any subject. In light of this amendment, if the current agent designations are deemed delivered for a valid purpose or if we receive additional designations, we can be deemed to

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beneficially own the underlying shares, which would trigger the distribution of rights under the 1989 Rights Agreement. We believe that prior to this amendment, the agent designations would not have caused us to beneficially own the underlying shares and that shareholders were entitled to use agent designations for the purpose of calling a special meeting without triggering a distribution of rights under the 1989 Rights Agreement. We decided not to pursue the meeting called for June 26, 2003, and we do not intend to use agent designations to call a special meeting unless we are assured that doing so will not trigger a distribution of rights under the 1989 Rights Agreement or the 2003 Rights Agreement, described below, which CB Bancshares adopted on July 23, 2003 and which contains the same provision regarding agent designations as the amendment to the 1989 Rights Agreement.

After we requested on May 28, 2003 and again on June 3, 2003 that CB Bancshares make its representatives available to conduct a review of the proxies submitted for the May 28 meeting, on June 11, 2003, our representatives and CB Bancshares' representatives reviewed the proxies submitted.

On June 12, 2003, CB Bancshares announced that the independent inspectors of election, IVS Associates, Inc., had certified the final results of the shareholder vote at the May 28, 2003 special meeting. According to the certified results, 1,136,893 shares voted against our proposal to acquire a majority of CB Bancshares' outstanding shares, 524,202 voted for the proposal and 91,649 abstained. There were 3,919,388 shares outstanding on the record date of May 5, 2003, which means that 29.0% of CB Bancshares outstanding shares voted against the proposal, 13.4% of CB Bancshares outstanding shares voted for the proposal and 2.3% of CB Bancshares' outstanding shares abstained. According to figures announced by CB Bancshares, of the total number of outstanding shares, 1,754,181 shares, or 44.8% of CB Bancshares outstanding shares, were represented at the May 28, 2003 special meeting.

On June 17, 2003, we announced that we would not continue to pursue the June 26 meeting called by holders of more than 25% of CB Bancshares shares.

On June 27, 2003, we withdrew our claims against CB Bancshares in connection with the May 28, 2003 shareholders meeting.

On June 27, 2003, we filed a motion to dismiss three of CB Bancshares' four counterclaims as moot. We later withdrew this motion.

On July 21, 2003, CB Bancshares filed a complaint in the Circuit Court of the First Circuit of the State of Hawaii against us, claiming that we violated Hawaii law by entering into voting agreements with certain other CB Bancshares shareholders without first receiving the affirmative vote of a majority of outstanding CB Bancshares shares of CBBI common stock. CB Bancshares has asked the court to deny voting rights for one year to us and each CB Bancshares shareholder who allegedly entered into a voting agreement with us, and to rule that shares owned by us and each CB Bancshares shareholder who allegedly entered into a voting agreement with us may be redeemed by CB Bancshares at book value. We plan to vigorously defend this lawsuit.

On July 24, 2003, CB Bancshares filed with the SEC a newly adopted rights agreement, amendments to the 1989 Rights Agreement and amendments to its bylaws. The material terms of the 2003 Rights Agreement are described below in the section entitled "Comparison of Rights of Holders of CPF Common Stock and CB Bancshares Common Stock-Rights Plans". CB Bancshares stated that its 1989 Rights Agreement would remain in place and the associated rights would remain outstanding. However, the 1989 Rights Agreement was amended so that the rights associated with the 1989 Rights Agreement are only exercisable if a person or group acquires beneficial ownership of 20% or more of CB Bancshares' common stock prior to the close of business on August 4, 2003 or commences a tender offer on or prior to July 23, 2003, which, if completed, would result in the person or group beneficially owning 30% or more of CB Bancshares' common stock. Accordingly, any actions we took with respect to beneficial ownership of CB Bancshares shares before August 4, 2003 are or will be considered in light of the 1989 Rights Agreement, and any actions we took or will take on or after August 4, 2003

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are or will be considered in light of the 2003 Rights Agreement. CB Bancshares amended its bylaws to permit CB Bancshares to set the date of a special meeting within a broad range of dates, and to require advance notice of shareholder proposals for director nominations and items of business at an annual meeting.

On July 30, 2003, we filed a complaint in the Circuit Court of the First Circuit of the State of Hawaii against CB Bancshares and each member of its board of directors claiming that the CB Bancshares board of directors violated its fiduciary duties and Hawaii law (i) by incorporating a "dead hand" provision into the 2003 Rights Agreement that CB Bancshares; (ii) by including an expansive definition of the term "Person" in its 2003 Rights Agreement; (iii) by interpreting and amending its 1989 Rights Agreement and interpreting its 2003 Rights Agreement to be triggered by our collection of agent designations; and (iv) by amending its bylaws in such a way that CB Bancshares' board of directors now controls the date of any special shareholders meeting. We are seeking injunctive and declaratory relief against these violations of Hawaii law and breaches of fiduciary duties.

On August 18, 2003, we filed a motion for judgment on the pleadings with respect to CB Bancshares' counterclaim and a motion to dismiss CB Bancshares' July 21, 2003 complaint.

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#### **REASONS FOR THE EXCHANGE OFFER**

We believe that the proposed combination of CB Bancshares and CPF presents a unique opportunity to create a stronger locally based and locally managed bank for Hawaii. Compelling opportunities exist to better serve our community, customers, employees and shareholders. Specifically, we believe that a combination of CB Bancshares and CPF would result in:

an enhanced range of products and services, including expanded banking services and trust and wealth management services,

a more diversified loan portfolio, combining CPF's strength in commercial real estate loans and CB Bancshares' volume in residential mortgages,

an expanded branch network and increased number of ATMs available to customers,

an increased financing capability in serving both existing and new commercial borrowers,

the delivery of banking services to underserved markets in Hawaii,

an institution that can do more to serve community and charitable needs,

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the potential for revenue enhancements, cost savings and greater market and client penetration as a result of operational economies of scale, and

enhanced liquidity and increased market capitalization, thus benefiting our shareholders.

We are projecting 8% accretion to earnings on a GAAP basis in 2004, assuming 75% of synergies are realized (\$12.0 million in cost savings) in 2004, and 11% accretion to earnings on a GAAP basis in 2005, assuming 100% of synergies are realized (\$16.0 million in cost savings) in 2005. In computing the accretion/dilution of earnings to our shareholders resulting from the proposed merger, we have relied on a series of assumptions. Our earnings estimates are based on FirstCall consensus estimates. Since CB Bancshares is not covered by any equity research analysts and we have not been allowed to perform any due diligence on CB Bancshares, all projections for CB Bancshares are based on a model prepared by our management that takes account of, among other things, our knowledge of the market in the State of Hawaii, our understanding of CB Bancshares' loan portfolio, CB Bancshares' historical performance and Wall Street research commentary on expected future industry trends. The assumptions for the projections may or may not prove to be correct. The assumptions are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of CPF and CB Bancshares. Net interest margin for CB Bancshares is forecasted to be 4.60% for 2003, 2004 and 2005, a 0.58% decline from 5.18% in 2002. Non interest expenses are assumed to grow by 3% annually in 2003, 2004 and 2005. Loans and deposits are also forecasted to grow 3% annually in 2003, 2004 and 2005. Reserves/Loans are forecasted to be 2.35%, 2.28% and 2.22% in 2003, 2004 and 2005 respectively. Net charge-offs are forecasted to be \$6 million, \$5 million and \$4 million in 2003, 2004 and 2005 respectively. Based on the above assumptions, we have estimated CB Bancshares' earnings per share to be \$4.16, \$4.50 and \$4.85 for 2003, 2004 and 2005, respectively.

The following table shows the cost savings we anticipate for the pro forma company and the projected accretion/(dilution) we anticipate. This accretion/(dilution) analysis does not assume any revenue enhancements.

	<u>2004</u>	<u>2005</u>
Pre-tax Cost Savings (dollars in millions)	\$ 12.0	\$ 16.0
Per Share Accretion/(Dilution)	\$ 0.18	\$ 0.26
Accretion/(Dilution)	8%	11%

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We estimate that we will be able to reduce expenses related to salaries and employee benefits, occupancy, equipment and other expenses, such as those associated with administrative and support functions and the streamlining of vendor relationships and redundant services.

We believe that the combination of CB Bancshares and CPF is in the best interest of us and our shareholders and CB Bancshares and their shareholders. Accordingly, our board of directors unanimously approved the exchange offer and the proposed merger. In reaching its decision, the board of directors consulted with CPF's management, legal counsel and investment bankers. Our board of directors considered a number of factors, to which relative weights were not assigned, including the following:

The best interests of CPF, our subsidiaries, our shareholders and our banking customers including, among other things, the anticipated financial strength of the combined company and expanded choices, convenience and capacity for our customers,

The business, operations, financial condition and earnings of CPF and CB Bancshares on an historical and a prospective basis and of the combined company on a pro forma basis, including the composition of loans and deposits held by each bank and the resulting entity and each company's historical stock performance,

The financial condition and prospects of CPF and CB Bancshares, including but not limited to results of operations, capital levels maintained by each bank and asset quality,

Our board's familiarity with and review of CB Bancshares' business, operations, financial condition and earnings on an historical and a prospective basis,

The opportunity to compete more effectively in the banking industry in the State of Hawaii,



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The then-current and prospective economic and regulatory environment, burdens and constraints affecting banking organizations and commercial banks such as CPF and CB Bancshares and the changing competitive environment for banking services, including a challenging interest rate environment and the expectation that credit costs will remain high,

The consolidation and increasing competition in the banking and related industries, and the expectation that the combined company will have over \$3.8 billion in assets, potentially giving it greater access to financial, managerial and technological resources and making the combined company a more effective competitor in banking and related industries,

The complementary nature of our business and the business of CB Bancshares, which could potentially provide revenue enhancement opportunities for the combined company, based on such things as:

An increased ability to cross-sell a wider variety of banking products and services;

The opportunity to generate increased loan and fee income as a result of the higher lending limits available to the combined entity;

The opportunity to leverage certain expenses; and

The opportunity to achieve cost savings and operating efficiencies;

The likelihood that the exchange offer and the proposed merger will be approved by the appropriate regulatory authorities,

The consideration to be paid to CB Bancshares shareholders in relation to the book value and earnings per share of CB Bancshares' common stock, and in relation to the market prices and acquisition prices paid for comparable companies in the United States over the past several years,

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The board assumed a price of \$70 per share (pre-stock dividend) would be paid to CB Bancshares shareholders, reflecting, at the time of the board's review:

a premium to market of 63%, compared to a median premium to market of 24% for comparable deals done between January 1, 1999 and November 30, 2002;

a price to common book value multiple of 1.79 compared to a median multiple of 2.25 for comparable deals done between January 1, 1999 and November 30, 2002; and

a price to estimated 2003 earnings per share multiple of 17.3 compared to a median multiple of 17.7 for comparable deals done between January 1, 1999 and November 30, 2002.

Industry and economic conditions, such as a challenging interest rate environment, slow economic growth and high expected credit costs,

The expanded menu of business and retail services, including a strong commercial real estate capability and trust and wealth management services, and the increased lending limits and resources we anticipate that the combined entity would offer,

The probable impact of the exchange offer and proposed merger on the depositors, employees, customers, suppliers, creditors and communities served by CPF and CB Bancshares through expanded commercial, consumer and retail banking products and services, and

The ability of the combined company after the exchange offer and the proposed merger to compete in relevant banking and non-banking markets.

In making its determination, the CPF board of directors did not ascribe any relative or specific weights to the factors that it considered. The foregoing discussion of the factors considered by the CPF board of directors is not intended to be exhaustive, but it does include the material factors considered by the board.

The only information available to us regarding CB Bancshares is information that they have made publicly available. If we conduct due diligence, our beliefs about the benefits of the exchange offer and the proposed merger may change.

There are numerous factors, other than the exchange offer and the proposed merger, that could cause our results of operations, including, among other things, earnings per share, to increase or decrease after the exchange offer and proposed merger. Therefore, we cannot assure you that the anticipated benefits of the combination of CPF and CB Bancshares discussed in the previous paragraphs will happen. You should read "Risk Factors" on pages 25 through 28 and "Forward-Looking Statements" on pages 96 through 97 for a discussion of some of the other factors that could affect our future operations and financial condition.

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## THE EXCHANGE OFFER

### General

We are making the exchange offer in order to acquire voting control of, and ultimately the entire equity interest in, CB Bancshares. We intend to then have CB Bancshares merge with CPF or a wholly-owned subsidiary of CPF as soon as possible after completion of the exchange offer and receipt of any additional regulatory approvals that may be required. The purpose of the proposed merger would be to acquire all shares of CB Bancshares common stock not exchanged in the exchange offer. In the proposed merger, each then-outstanding share of CB Bancshares common stock, except for treasury shares of CB Bancshares and shares beneficially owned directly or indirectly by us for our own account (except for shares held by CPF in a fiduciary capacity), would be converted into the same consideration per CB Bancshares share offered in the exchange offer, subject to dissenters' rights under Hawaii law and subject to proration. If we obtain all of the shares of CB Bancshares pursuant to our exchange offer, former shareholders of CB Bancshares would own approximately 31% of the shares of common stock of CPF.

Our obligation to exchange the consideration described in this prospectus for shares of CB Bancshares common stock pursuant to the exchange offer is subject to the conditions referred to under "Conditions to the Exchange Offer" beginning on page 60.

CB Bancshares shareholders who tender shares of CB Bancshares common stock pursuant to the exchange offer will not be obligated to pay any charges or expenses of the exchange agent. Transfer taxes on the exchange of CB Bancshares common stock pursuant to our exchange offer will be paid by us or another party on our behalf unless we disclose otherwise in the instructions to the letter of transmittal.

Our offer to acquire CB Bancshares common stock is also an offer to acquire CB Bancshares associated share purchase rights, as referenced in the 1989 CB Bancshares Rights Agreement and the 2003 Rights Agreement, and all references to the shares of CB Bancshares common stock include the associated rights under both agreements, unless we indicate otherwise. In addition, all references to the rights include the benefits to holders of those rights pursuant to the Rights Agreements, including the right to receive any payment due upon redemption of those rights.

You must tender one new right under the 2003 Rights Agreement and one old right under the 1989 Rights Agreement, if you hold such a right, for each CB Bancshares share tendered in order to effect a valid tender of CB Bancshares common stock, unless the rights have been redeemed or the 2003 Rights Agreement amended so the associated rights would not be triggered by the exchange offer and proposed merger. The rights are currently represented by the certificates for the CB Bancshares common stock, and your tender of CB Bancshares common stock prior to the date the rights become exercisable and transferable will also constitute a tender of the associated rights. We will not make a separate payment to you for the rights. When and if the rights become exercisable and transferable, separate certificates representing the rights will be mailed to holders of record of CB Bancshares common stock as soon as practicable, and those separate rights certificates alone will evidence the

rights.

If the rights under either Rights Agreement become exercisable and transferable and CB Bancshares or the related rights agent distributes separate certificates representing the rights to you prior to the time that you tender your CB Bancshares common stock pursuant to our offer, certificates representing a number of rights equal to the number of shares of CB Bancshares common stock tendered must be delivered to the exchange agent, or, if available, a book-entry confirmation received by the exchange agent with respect thereto, in order for those CB Bancshares common stock to be validly tendered. If the rights become exercisable and transferable and separate certificates representing the rights are not distributed prior to the time shares of CB Bancshares common stock are tendered

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pursuant to our offer, rights may be tendered prior to the time that you receive the certificates for rights by use of the guaranteed delivery procedure described under "Procedure for Tendering" below.

Currently, we are not offering, as part of the exchange offer, to purchase any CB Bancshares options outstanding and tenders of CB Bancshares options will not be accepted. Holders of exercisable CB Bancshares options who wish to participate in the exchange offer may exercise their options and purchase shares of CB Bancshares common stock and then tender the shares under the exchange offer. In addition, we do not anticipate converting options to purchase CB Bancshares common stock into options to purchase CPF common stock. The expected treatment of options is subject to change. In particular, if the transaction becomes negotiated, our anticipated treatment of CB Bancshares options may change. If you hold any options to purchase CB Bancshares common stock pursuant to the CB Bancshares, Inc. Stock Compensation Plan, the terms of that plan will govern whether any unvested options will become exercisable prior to the consummation of the exchange offer.

#### Consideration to Be Paid

You may elect to receive cash, CPF common stock or a combination of cash and CPF common stock for each share of CB Bancshares common stock that you hold that is validly tendered and not properly withdrawn, subject, in each case, to the election and proration procedures described in this prospectus and the related letter of transmittal. If you elect to receive a combination of cash and stock, you will receive, for each CB Bancshares share you exchange, \$22.27 in cash and 1.6005 shares of CPF common stock. If you elect to receive all cash or all stock, we will determine the per share consideration you are entitled to by adding \$22.27 to the product of 1.6005 and the average closing price of CPF common stock over a 20 trading-day period ending one trading day prior to the close of the exchange offer. For example, assuming that the 20-day average price of CPF common stock is \$ \_\_\_\_\_, which is the closing price of CPF common stock on \_\_\_\_\_, 2003, we would determine the per share consideration as follows: \$22.27 plus the product of 1.6005 and \$ \_\_\_\_\_, equals \$ \_\_\_\_\_, which would be the per share consideration. At the time of determination, the value of the per share consideration to be received by all CB Bancshares shareholders who exchange their shares will be the same, regardless of the type of consideration a shareholder elects to receive.

As a result of the stock dividend paid on June 27, 2003, each CB Bancshares shareholder was paid shares of CB Bancshares common stock in an amount equal to 10% of the number of shares of CB Bancshares common stock that the shareholder held on June 16, 2003. For example, a CB Bancshares shareholder owning 100 shares on June 16, 2003 was paid 10 additional shares on June 27, 2003, resulting in total holdings of 110 shares. While the dividend affected the per share consideration we are paying, it did not change the aggregate consideration paid to all shareholders for their shares of CB Bancshares common stock.

Accordingly, each shareholder of record on June 16, 2003 should consider the charts below in light of the 10% increase in the number of shares held on June 16, 2003 after the 10% stock dividend was paid on June 27, 2003.

Assuming that no proration is necessary, the chart below shows the type of consideration and value of the per share consideration on the date it is determined by reference to the 20-day average price

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payable for each share of CB Bancshares common stock based on your election and fluctuations in the average price of CPF common stock:

**All Stock Election**

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20-day Average Price	Per Share Consideration		Combination of Cash and Stock	All Cash Election	
\$20.00	\$ 54.2836	Consideration received	\$22.27 + 1.6005 shares	\$ 54.2836	2.7142 shares
		Value of the consideration on determination date, based on 20-day average price	\$22.27 + (1.6005 × \$20.00) = <b>\$54.2836</b>	\$ 54.2836	2.7142 × \$20.00 = <b>\$54.2836</b>
\$22.00	\$ 57.4847	Consideration received	\$22.27 + 1.6005 shares	\$ 57.4847	2.6129 shares
		Value of the consideration on determination date, based on 20-day average price	\$22.27 + (1.6005 × \$22.00) = <b>\$57.4847</b>	\$ 57.4847	2.6129 × \$22.00 = <b>\$57.4847</b>
\$24.00	\$ 60.6858	Consideration received	\$22.27 + 1.6005 shares	\$ 60.6858	2.5286 shares
		Value of the consideration on determination date, based on 20-day average price	\$22.27 + (1.6005 × \$24.00) = <b>\$60.6858</b>	\$ 60.6858	2.5286 × \$24.00 = <b>\$60.6858</b>
\$26.00	\$ 63.8869	Consideration received	\$22.27 + 1.6005 shares	\$ 63.8869	2.4572 shares
		Value of the consideration on determination date, based on 20-day average price	\$22.27 + (1.6005 × \$26.00) = <b>\$63.8869</b>	\$ 63.8869	2.4572 × \$26.00 = <b>\$63.8869</b>
\$28.00	\$ 67.0880	Consideration received	\$22.27 + 1.6005 shares	\$ 67.0880	2.3960 shares
		Value of the consideration on determination date, based on 20-day average price	\$22.27 + (1.6005 × \$28.00) = <b>\$67.0880</b>	\$ 67.0880	2.3960 × \$28.00 = <b>\$67.0880</b>
\$30.00	\$ 70.2891	Consideration received	\$22.27 + 1.6005 shares	\$ 70.2891	2.3430 shares
		Value of the consideration on determination date, based on 20-day average price	\$22.27 + (1.6005 × \$30.00) = <b>\$70.2891</b>	\$ 70.2891	2.3430 × \$30.00 = <b>\$70.2891</b>

Because the amount of cash and/or stock you receive is set on the determination date based on the 20-day average price, if the price of CPF common stock at the time of consummation of the exchange offer is different from the 20-day average price, the value of the consideration you receive upon consummation may differ from the value of the consideration received by other CB Bancshares shareholders, depending on your election. In addition, if you receive any portion of the consideration in CPF common stock, the value of the consideration you receive upon consummation may not equal the value of the per share consideration on the determination date based on the 20-day average price because the value of the consideration will fluctuate based on changes in the market price of CPF common stock. At the time of determination, the value of the per share consideration will be the same for all tendering shareholders, regardless of the type of consideration each elects to receive. The chart below gives some examples of how differences between the 20-day average price used to determine the

per share consideration and the price of our common stock on the closing date of the exchange offer can affect the value of the consideration you will receive:

20-day Average Price	Combination of Cash and Stock	All Cash Election	All Stock Election
\$24.00	Consideration received \$22.27 + 1.6005 shares	\$ 60.6858	2.5286 shares

<u>20-day Average Price</u>	<u>Combination of Cash and Stock</u>	<u>All Cash Election</u>	<u>All Stock Election</u>
Value of consideration on determination date, based on 20-day average price (per share consideration)	\$22.27 + (1.6005 × \$20.00) = <b>\$60.6858</b>	\$ <b>60.6858</b>	2.5286 × \$24.00 = <b>\$60.6858</b>
Assuming price on closing date is \$22.00, value of consideration received	\$22.27 + (1.6005 × \$22.00) = <b>\$57.4810</b>	\$ <b>60.6858</b>	2.5286 × \$22.00 = <b>\$55.6292</b>
Assuming price on closing date is \$26.00, value of consideration received	\$22.27 + (1.6005 × \$26.00) = <b>\$63.8830</b>	\$ <b>60.6858</b>	2.5286 × \$26.00 = <b>\$65.7436</b>
<i>\$28.00</i> <i>Consideration received</i>	<i>\$22.27 + 1.6005 shares</i>	<i>\$ 67.0880</i>	<i>2.3960 shares</i>
Value of consideration on determination date, based on 20-day average price (per share consideration)	\$22.27 + (1.6005 × \$28.00) = <b>\$67.0880</b>	\$ <b>67.0880</b>	2.3960 × \$28.00 = <b>\$67.0880</b>
Assuming price on closing date is \$26.00, value of consideration received	\$22.27 + (1.6005 × \$26.00) = <b>\$63.8830</b>	\$ <b>67.0880</b>	2.3960 × \$26.00 = <b>\$62.2960</b>
Assuming price on closing date is \$30.00, value of consideration received	\$22.27 + (1.6005 × \$30.00) = <b>\$70.2850</b>	\$ <b>67.0880</b>	2.3960 × \$30.00 = <b>\$71.8800</b>

**Election and Proration Procedures**

*Making the Election.*

You may elect to receive cash, shares of CPF common stock or a combination of cash and shares of CPF common stock in exchange for your shares of CB Bancshares common stock. All shares for which an election is not made will be referred to as undesignated shares. All undesignated shares will be deemed to have made an election to receive a combination of cash and stock. If you elect to receive a combination of cash and stock, or are deemed to have done so, you will receive \$22.27 in cash and 1.6005 shares of our common stock for each CB Bancshares share you exchange.

**If you elect to receive all cash or all stock, your election may be subject to proration, which means that you may not receive all your consideration in the form that you selected.** See " Proration" below for more information about proration.

If you make an all cash or an all stock election, we will determine your per share consideration by adding \$22.27 to the product of 1.6005 and the average closing price of CPF common stock over a 20 trading-day period ending one trading day prior to the closing of the exchange offer. Shareholders who elect a combination of cash and stock will receive \$22.27 in cash and 1.6005 shares of CPF common stock for each CB Bancshares share exchanged. Assuming that no proration is necessary, for an all cash election, each share will receive cash in the amount of the per share consideration, and for an all stock election, each share will receive an amount of stock equal to the per share consideration divided by the 20-day average price. Although the shares receive different types of consideration, the value of the per share consideration on the date that it is determined based on the 20-day average price is the same for all tendered CB Bancshares shares, regardless of the type of election made.

You will not receive any fractional shares of CPF common stock in the exchange offer. Instead, you will receive cash in an amount equal to the value of the fractional share of CPF common stock that you would otherwise have been entitled to receive.

*Proration.*

The total amount of cash that we will pay CB Bancshares shareholders in exchange for their shares will not exceed the product of \$22.27 and the number of CB Bancshares shares accepted at the close of the exchange offer. The total number of shares of CPF common stock that we will issue and deliver to CB Bancshares shareholders in exchange for their shares will not exceed the product of 1.6005 and the number of CB Bancshares shares accepted at the close of the exchange offer. Because the total amount of cash that will be paid and the total amount of stock that will be issued are fixed, if you make an all cash election or an all stock election, the type of consideration you receive may be subject to

proration as follows:

Each share for which a combination of cash and stock is elected, or for which no election is made, will receive \$22.27 in cash and 1.6005 shares of CPF common stock, and will not be subject to proration.

If the amount of cash to be paid to all shareholders electing to receive all cash or a combination of cash and stock would exceed the total amount of cash we will pay in the exchange offer, then all the shares for which all stock elections were made will receive stock, but the shares for which all cash elections were made will receive both cash and a pro rata portion of the amount of stock remaining after distribution of stock in exchange for shares for which an all stock election was made or a combination of cash and stock was elected.

If the amount of stock to be issued to all shareholders electing to receive stock or a combination of cash and stock would exceed the total amount of stock we will issue in the exchange offer, then all the shares for which all cash elections were made will receive cash, but the shares for which all stock elections were made will receive both stock and a pro rata portion of the amount of cash remaining after distribution of cash in exchange for shares for which an all cash election was made or a combination of cash and stock was elected.

The following are examples of the possible effects of proration on shareholders tendering in the exchange offer.

***Case 1: After distribution of cash to holders of shares of CB Bancshares for which a combination of cash and stock was elected or no election was made, payment for the number of shares of CB Bancshares for which an all cash election was made would be greater than the remaining amount of cash available for payment in the exchange offer.***

Assuming the following:

A combination of cash and stock was elected or no election was made by 50% of the shares of CB Bancshares accepted in the exchange offer,

An all cash election was made by 40% of the shares of CB Bancshares accepted in the exchange offer, and

An all stock election was made by 10% of the shares of CB Bancshares accepted in the exchange offer.

In this scenario:

each CB Bancshares share for which a combination of cash and stock was elected or no election was made will get \$22.27 in cash and 1.6005 shares of CPF common stock,

each CB Bancshares share for which an all cash election was made will get a mixture of cash and CPF common stock, and

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each CB Bancshares share for which an all stock election was made will get solely shares of CPF common stock.

The chart below shows the type and value of consideration, determined by reference to the 20-day average price, payable for each share of CB Bancshares common stock based on the assumptions above, your election and fluctuations in the average price of CPF common stock:

**All Stock Election**

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20-day Average Price	Per Share Consideration		Combination of Cash and Stock	All Cash Election <i>* subject to proration</i>	
\$20.00	\$ <b>54.2836</b>	Consideration received	\$22.27 + 1.6005 shares	\$27.84 + 1.3221 shares	2.7142 shares
		Value of the consideration on determination date, based on 20-day average price	$\$22.27 + (1.6005 \times$ $\$20.00) = \mathbf{\$54.2836}$	$\$27.84 + (1.3221 \times$ $\$20.00) =$	