

CB BANCSHARES INC/HI  
Form 425  
July 28, 2004

[QuickLinks](#) -- Click here to rapidly navigate through this document

**Filed by Central Pacific Financial Corp.  
Pursuant to Rule 425 of the Securities Act  
of 1933, as amended, and deemed filed  
pursuant to Rule 14a-6 under the  
Securities Exchange Act of 1934, as amended  
Subject Company: CB Bancshares, Inc.  
Commission File No. 333-104783**

The following is a press release issued by Central Pacific Financial Corp. on July 27, 2004

Investor Contact: Neal Kanda  
VP & Chief Financial Officer  
(808) 544-0622  
[neal.kanda@centralpacificbank.com](mailto:neal.kanda@centralpacificbank.com)

Media Contact: Ann Takiguchi  
PR/Communications  
(808) 544-0685  
[ann.takiguchi@centralpacificbank.com](mailto:ann.takiguchi@centralpacificbank.com)

**NEWS RELEASE**

***CENTRAL PACIFIC FINANCIAL CORP. REPORTS SECOND QUARTER RESULTS***

HONOLULU, July 27, 2004 Central Pacific Financial Corp. (NYSE: CPF), parent company of Central Pacific Bank, today reported second quarter net income grew 8.6% to \$8.7 million, or \$0.53 per share, from the \$8.0 million, or \$0.49 per share, recorded during the same period of 2003. Loan and deposit growth and increases in fee income contributed to the quarter's results.

**Second Quarter Highlights**

Diluted earnings per share grew 8.2% to \$0.53 compared to \$0.49 in the second quarter of 2003.

Return on average equity (ROE) was 17.05% and return on average assets (ROA) was 1.50%.

Loans increased by \$159 million during the second quarter of 2004.

Return on average stockholders' equity was 17.05% in the second quarter of 2004, up from 15.76% in the first quarter of 2004 and down slightly compared to 17.31% for the second quarter of 2003. Return on average assets for the second quarter of 2004 was 1.50%, up from 1.43% in the first quarter of 2004 and down compared to 1.56% for the second quarter of 2003.

"The Company had an exciting second quarter that began with signing a definitive merger agreement in April to acquire CB Bancshares, Inc.," said Clint Arnoldus, Chairman, President and Chief Executive Officer. "Since the signing, the combined management team has implemented a rigorous and disciplined integration planning process that targets an efficient integration and maximizes the combination's synergies. Throughout this planning process, we have been encouraged by the many employees, from both sides, who are excited about the combination and anxious to start working towards our goal of becoming the Best Community Bank in Hawaii."

For the six months ended June 30, 2004, net income was \$16.6 million, little changed from the same period last year. Diluted earnings per share were \$1.01 for the first six months of 2004, equaling the results for the comparable period last year. The year-to-date return on average equity was 16.41%, compared to 18.23% for the six month period ended June 30, 2003. The year-to-date return on average assets was 1.47%,

compared to 1.64% for the same period last year.

**Financial Highlights**

Second quarter revenues (net interest income before provision plus other operating income) grew 2.9% to \$26.7 million, compared to \$26.0 million in the second quarter of 2003. Net interest income before provision for loan losses was \$22.6 million, up 1.5% from the second quarter of 2003. The increase in net interest income was the result of a 12.9% increase in average interest-earning assets as the net interest margin declined to 4.31% from the 4.79% reported last year. Repricing within the loan portfolio and the extended period of low market interest rates contributed to the net interest margin

---

## Edgar Filing: CB BANCSHARES INC/HI - Form 425

pressure. The pace of margin compression is expected to moderate over the next several quarters as monetary policy is gradually tightened.

Provision for loan losses in the second quarter of 2004 was \$300,000, compared to the \$200,000 reported in the same period last year.

Other operating income increased 11.7% to \$4.1 million in the second quarter of 2004, compared to \$3.7 million reported in the second quarter of 2003. Increases in income from fiduciary activities and service charges on deposit accounts contributed to the improvement.

Other operating expense increased 3.1% to \$14.1 million in the second quarter of 2004, compared to \$13.7 million reported in 2003. Salaries and employee benefits totaled \$7.4 million, a 2.2% increase from the \$7.2 million reported in the second quarter of 2003.

The effective tax rate for the second quarter of 2004 was 29.49%, compared to 33.79% in the prior year. The Company's investments in high-technology businesses in Hawaii generated net tax benefits of \$504,000 in the second quarter of 2004 and \$244,000 in the second quarter of 2003. Assuming no additional high-technology investments are made, the Company expects its effective tax rate to approximate 33% over the coming quarters.

### Asset Quality

Nonperforming assets at June 30, 2004 increased to \$8.7 million, or 0.35% of assets, compared to \$7.5 million at March 31, 2004 and \$274,000 a year ago. The increase during the current quarter was primarily due to the addition of \$1.5 million in other real estate in the form of a commercial property, currently in the process of sale. Nonaccrual loans primarily to four borrowers totaling \$7.2 million at June 30, 2004 are primarily secured by commercial property.

Loans delinquent for ninety days or more increased to \$14.4 million at June 30, 2004, or 0.89% of total loans and leases. These loans, primarily to two borrowers, are adequately secured by commercial and residential properties.

Net loan charge-offs totaled \$214,000 in the second quarter of 2004, compared to net loan recoveries of \$116,000 in the year ago period. The allowance for loan and lease losses was \$24.9 million at June 30, 2004. The ratio of the allowance for loan and lease losses to total loans and leases declined to 1.54%, compared to 1.93% a year ago.

### Balance Sheet Analysis

Total assets grew to \$2.50 billion, a 19.6% increase over the \$2.09 billion reported a year ago.

Investment securities increased to \$658.4 million, up 15.1% from the \$571.9 million reported last year as net loan growth began the year slower than expected. Investment securities are expected to decline over the coming quarters as assets are redeployed to fund recent loan growth.

Total loans and leases increased by 22.7% to \$1.62 billion, compared to \$1.32 billion at June 30, 2003. The strong increase was driven by organic loan growth and the purchase of a loan portfolio consisting of \$76.1 million in commercial real estate loans secured by Hawaii properties.

Total deposits at June 30, 2004 increased by 13.1%, or \$223.9 million, to \$1.93 billion from \$1.71 billion at June 30, 2003. Noninterest-bearing deposits as of June 30, 2004 includes a short-term deposit of approximately \$80 million that was withdrawn on July 1, 2004. Excluding the short-term deposit, total deposits increased to \$1.85 billion, an increase of 8.4% from June 30, 2003. Excluding the short-term deposit, noninterest-bearing deposits increased by 15.3% to \$375.5 million, compared to \$325.8 million a year ago.

Shareholders' equity increased 8.4% to \$199.7 million, or \$12.40 book value per share at June 30, 2004, compared to \$184.2 million or \$11.49 book value per share a year ago. Shareholders' equity as a percentage of assets stood at 7.99% at June 30, 2004, compared to 8.82% a year ago. While no common shares were repurchased during the second quarter of 2004, the Company maintains a stock repurchase program with available authorization totaling \$12.3 million.

### Business and Earnings Outlook

Management currently expects 2004 EPS growth on a standalone basis of approximately 5 to 7 percent, based on projected economic trends and business conditions.

**Merger Update**

Central Pacific Financial Corp. ("CPF") and CB Bancshares, Inc. ("CBBI") entered into a definitive merger agreement on April 22, 2004. On July 20, 2004, the SEC declared CPF's amended Registration Statement on Form S-4 effective. Proxy materials were distributed last week to CPF and CBBI shareholders of record as of July 19, 2004, and the shareholder meetings for both companies have been scheduled for September 13, 2004 in Honolulu, Hawaii. According to Hawaii statutes, a 75% affirmative vote by the shareholders of each company is required to approve the merger. The boards of directors of Central Pacific Financial Corp. and CB Bancshares, Inc. have recommended to their shareholders a vote "for" the approval of the merger.

**Conference Call Information**

Central Pacific Financial Corp. will conduct a conference call today at 4:00 p.m. Eastern Time (10:00 a.m. Hawaii Time) to discuss its quarterly results. To participate in the call, please call 1-800-838-4403 or visit the investor relations page of the Company's website at <http://www.centralpacificbank.com>. A playback of the call will be available by dialing 1-800-428-6051 and entering the passcode 365262. Additionally, a replay will be available on the Company's website.

**About Central Pacific Financial Corp./Central Pacific Bank**

Central Pacific Financial Corp. is a Hawaii-based bank holding company whose common stock is traded on The New York Stock Exchange under the symbol "CPF." Central Pacific Bank, its wholly owned subsidiary, is Hawaii's third largest commercial bank with 24 branches statewide, including five supermarket branches and more than 70 ATMs. For additional information, please visit our web site at <http://www.centralpacificbank.com>.

\*\*\*\*\*

This document contains forward-looking statements. Such statements include, but are not limited to, (i) statements about the benefits of a merger between Central Pacific Financial Corp. ("CPF") and CB Bancshares, Inc. ("CBBI"), including future financial and operating results, costs savings and accretion to reported and cash earnings that may be realized from such merger; (ii) statements with respect to CPF's plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets", "projects" and other similar expressions. These statements are based upon the current beliefs and expectations of management 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: (1) the business of CPF and CBBI may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame; (3) revenues following the merger may be lower than expected; (4) 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 merger; (5) any necessary approvals for the merger may not be obtained on the proposed terms; (6) the failure of CPF's and CBBI's shareholders

## Edgar Filing: CB BANCSHARES INC/HI - Form 425

to approve the merger; (7) competitive pressures among depository and other financial institutions may increase significantly and may have an effect on pricing, spending, third-party relationships and revenues; (8) 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; (9) changes in the U.S. legal and regulatory framework; and (10) 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 actual results to differ materially from those described in the forward-looking statements can be found in CPF's and CBBI's 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 Securities and Exchange Commission ("SEC") and available at the SEC's Internet web site ([www.sec.gov](http://www.sec.gov)). All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to CPF or CBBI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. CPF and CBBI 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.

CPF has filed an amended registration statement on Form S-4 to register shares of CPF common stock to be issued in this transaction. The registration statement includes a joint proxy statement/prospectus for solicitation of proxies from CPF and CBBI shareholders, in connection with meetings of such shareholders at a date or dates subsequent hereto. Investors and security holders are urged to read the registration statement and joint proxy statement/prospectus and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they contain important information. Investors and security holders may obtain a free copy of documents filed with the SEC at the SEC's Internet web site at ([www.sec.gov](http://www.sec.gov)). Such documents may also be obtained free of charge from CPF by directing such request to: Central Pacific Financial Corp., 220 South King Street, Honolulu, Hawaii 96813, Attention: David Morimoto, (808) 544-0627; or from CBBI by directing such request to: CB Bancshares, Inc., 201 Merchant Street, Honolulu, Hawaii 96813, Attention: Investor Relations, (808) 535-2518.

#####

**CENTRAL PACIFIC FINANCIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

| CONSOLIDATED BALANCE SHEETS   | June 30,<br>2004 | December 31,<br>2003 | June 30,<br>2003 | Annual Change |        |
|---|------------------|----------------------|------------------|---------------|--------|
|   |                  |                      |                  | %             | \$     |
| <b>(in thousands, except per share data)</b>  |                  |                      |                  |               |        |
| <b>ASSETS</b>   |                  |                      |                  |               |        |
| Cash and due from banks   | \$ 67,873        | \$ 63,851            | \$ 64,835        | \$ 3,038      | 4.7%   |
| Interest-bearing deposits in other banks  | 41,247           | 5,145                | 19,291           | 21,956        | 113.8% |
| Federal funds sold  | 3,500            | 2,000                |                  | 3,500         | N.M.   |
| Investment securities:  |                  |                      |                  |               |        |
| Held to maturity, at cost (fair value of \$31,583 at June 30, 2004, \$35,721 at December 31, 2003, and \$48,167 at June 30, 2003)   | 30,756           | 34,316               | 46,150           | (15,394)      | -33.4% |
| Available for sale, at fair value   | 627,683          | 520,641              | 525,742          | 101,941       | 19.4%  |
| Total investment securities   | 658,439          | 554,957              | 571,892          | 86,547        | 15.1%  |
| Loans held for sale   | 1,382            | 6,660                | 24,784           | (23,402)      | -94.4% |
| Loans and leases  | 1,619,086        | 1,443,154            | 1,319,703        | 299,383       | 22.7%  |
| Less allowance for loan and lease losses  | 24,934           | 24,774               | 25,425           | (491)         | -1.9%  |
| Net loans and leases  | 1,594,152        | 1,418,380            | 1,294,278        | 299,874       | 23.2%  |
| Premises and equipment  | 57,958           | 56,125               | 57,271           | 687           | 1.2%   |
| Accrued interest receivable   | 9,278            | 8,828                | 9,010            | 268           | 3.0%   |
| Investment in unconsolidated subsidiaries   | 5,634            | 2,184                | 2,859            | 2,775         | 97.1%  |
| Due from customers on acceptances   |                  |                      | 34               | (34)          | N.M.   |
| Other real estate   | 1,518            |                      |                  | 1,518         | N.M.   |
| Other assets  | 57,848           | 52,138               | 44,686           | 13,162        | 29.5%  |
| Total assets  | \$ 2,498,829     | \$ 2,170,268         | \$ 2,088,940     | \$ 409,889    | 19.6%  |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                  |                      |                  |               |        |
| <b>Deposits:</b>  |                  |                      |                  |               |        |
| Noninterest-bearing deposits  | \$ 456,333       | \$ 338,004           | \$ 325,787       | \$ 130,546    | 40.1%  |
| Interest-bearing deposits   | 1,475,496        | 1,415,280            | 1,382,130        | 93,366        | 6.8%   |
| Total deposits  | 1,931,829        | 1,753,284            | 1,707,917        | 223,912       | 13.1%  |
| Short-term borrowings   | 17,469           | 3,507                | 2,281            | 15,188        | 665.8% |
| Long-term debt  | 323,088          | 184,184              | 157,917          | 165,171       | 104.6% |
| Bank acceptances outstanding  |                  |                      | 34               | (34)          | N.M.   |
| Minority interest   | 10,062           | 10,062               | 10,124           | (62)          | -0.6%  |
| Other liabilities   | 16,697           | 24,632               | 26,437           | (9,740)       | -36.8% |
| Total liabilities   | 2,299,145        | 1,975,669            | 1,904,710        | 394,435       | 20.7%  |
| <b>Shareholders' equity:</b>  |                  |                      |                  |               |        |
| Preferred stock, no par value, authorized 1,000,000 shares, none issued   |                  |                      |                  |               | N.M.   |
| Common stock, no par value; authorized 50,000,000 shares; issued and outstanding 16,107,807 shares at June 30, 2004, 16,063,957 shares at December 31, 2003, and 16,027,250 shares at June 30, 2003 | 10,080           | 9,589                | 9,260            | 820           | 8.9%   |
| Surplus   | 45,848           | 45,848               | 45,848           |               | N.M.   |
| Retained earnings   | 154,064          | 142,635              | 130,392          | 23,672        | 18.2%  |
| Deferred stock awards   | (93)             | (50)                 | (87)             | (6)           | -6.9%  |

Edgar Filing: CB BANCSHARES INC/HI - Form 425

|  |              |              |              | Annual Change |         |
|--|--------------|--------------|--------------|---------------|---------|
| Accumulated other comprehensive income     | (10,215)     | (3,423)      | (1,183)      | (9,032)       | -763.5% |
| Total shareholders' equity                 | 199,684      | 194,599      | 184,230)     | 15,454        | 8.4%    |
| Total liabilities and shareholders' equity | \$ 2,498,829 | \$ 2,170,268 | \$ 2,088,940 | \$ 409,889    | 19.6%   |

**CENTRAL PACIFIC FINANCIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

| (In thousands, except per share data)  | Three Months Ended June 30, |           | Change   |         | Six months ended June 30, |           |            | Change |
|--|-----------------------------|-----------|----------|---------|---------------------------|-----------|------------|--------|
|  | 2004                        | 2003      | \$       | %       | 2004                      | 2003      | %          | \$     |
| <b>Interest income:</b>  |                             |           |          |         |                           |           |            |        |
| Interest and fees on loans and leases  | \$ 21,134                   | \$ 22,089 | \$ (955) | -4.3%   | \$ 42,425                 | \$ 44,553 | \$ (2,128) | -4.8%  |
| Interest and dividends on investment securities:                                   |                             |           |          |         |                           |           |            |        |
| Taxable interest   | 5,546                       | 4,187     | 1,359    | 32.5%   | 10,627                    | 8,432     | 2,195      | 26.0%  |
| Tax-exempt interest  | 1,018                       | 926       | 92       | 9.9%    | 2,009                     | 1,817     | 192        | 10.6%  |
| Dividends  | 191                         | 251       | (60)     | -23.9%  | 408                       | 511       | (103)      | -20.2% |
| Interest on deposits in other banks  | 10                          | 55        | (45)     | -81.8%  | 33                        | 65        | (32)       | -49.2% |
| Interest on Federal funds sold and securities purchased under agreements to resell |                             | 24        | (24)     | N.M.    | 9                         | 27        | (18)       | -66.7% |
| Total interest income  | 27,899                      | 27,532    | 367      | 1.3%    | 55,511                    | 55,405    | 106        | 0.2%   |
| <b>Interest expense:</b>   |                             |           |          |         |                           |           |            |        |
| Interest on deposits   | 2,943                       | 3,828     | (885)    | -23.1%  | 5,868                     | 8,038     | (2,170)    | -27.0% |
| Interest on short-term borrowings  | 67                          | 5         | 62       | 1240.0% | 103                       | 14        | 89         | 635.7% |
| Interest on long-term debt   | 2,272                       | 1,408     | 864      | 61.4%   | 4,222                     | 2,656     | 1,566      | 59.0%  |
| Total interest expense   | 5,282                       | 5,241     | 41       | 0.8%    | 10,193                    | 10,708    | (515)      | -4.8%  |
| Net interest income  | 22,617                      | 22,291    | 326      | 1.5%    | 45,318                    | 44,697    | 621        | 1.4%   |
| Provision for loan and lease losses  | 300                         | 200       | 100      | 50.0%   | 600                       | 200       | 400        | 200.0% |
| Net interest income after provision for loan and lease losses                      | 22,317                      | 22,091    | 226      | 1.0%    | 44,718                    | 44,497    | 221        | 0.5%   |
| <b>Other operating income:</b>   |                             |           |          |         |                           |           |            |        |
| Income from fiduciary activities   | 582                         | 396       | 186      | 47.0%   | 1,131                     | 842       | 289        | 34.3%  |
| Service charges on deposit accounts  | 1,368                       | 1,045     | 323      | 30.9%   | 2,811                     | 2,132     | 679        | 31.8%  |
| Other service charges and fees   | 1,444                       | 1,418     | 26       | 1.8%    | 2,695                     | 2,603     | 92         | 3.5%   |
| Fees on foreign exchange   | 161                         | 115       | 46       | 40.0%   | 334                       | 263       | 71         | 27.0%  |
| Investment securities gains (losses)   |                             | 4         | (4)      | N.M.    |                           | 4         | (4)        | N.M.   |
| Other  | 540                         | 689       | (149)    | -21.6%  | 1,035                     | 1,488     | (453)      | -30.4% |
| Total other operating income   | 4,095                       | 3,667     | 428      | 11.7%   | 8,006                     | 7,332     | 674        | 9.2%   |
| <b>Other operating expense:</b>  |                             |           |          |         |                           |           |            |        |
| Salaries and employee benefits   | 7,365                       | 7,204     | 161      | 2.2%    | 15,571                    | 14,280    | 1,291      | 9.0%   |
| Net occupancy  | 1,009                       | 1,032     | (23)     | -2.2%   | 2,103                     | 2,065     | 38         | 1.8%   |
| Equipment  | 631                         | 672       | (41)     | -6.1%   | 1,199                     | 1,296     | (97)       | -7.5%  |
| Other  | 5,113                       | 4,792     | 321      | 6.7%    | 9,773                     | 9,114     | 659        | 7.2%   |
| Total other operating expense  | 14,118                      | 13,700    | 418      | 3.1%    | 28,646                    | 26,755    | 1,891      | 7.1%   |
| Income before income taxes   | 12,294                      | 12,058    | 236      | 2.0%    | 24,078                    | 25,074    | (996)      | -4.0%  |
| Income taxes   | 3,626                       | 4,074     | (448)    | -11.0%  | 7,500                     | 8,514     | (1,014)    | -11.9% |
| Net income   | \$ 8,668                    | \$ 7,984  | \$ 684   | 8.6%    | \$ 16,578                 | \$ 16,560 | \$ 18      | 0.1%   |



Edgar Filing: CB BANCSHARES INC/HI - Form 425

| Per share data:                                     | Three Months Ended June 30, |         |         |      | Six months ended June 30, |         |     |      |
|---|-----------------------------|---------|---------|------|---------------------------|---------|-----|------|
|   |                             |         |         |      |                           |         |     |      |
| Basic earnings per share                            | 0.54                        | \$ 0.50 | \$ 0.04 | 8.0  | 1.03                      | \$ 1.03 | \$  | N.M. |
| Diluted earnings per share                          | 0.53                        | 0.49    | 0.04    | 8.2% | 1.01                      | 1.01    |     | N.M. |
| Cash dividends declared                             | \$ 0.16                     | 0.16    |         | N.M. | \$ 0.32                   | 0.32    |     | N.M. |
| Basic weighted average shares outstanding (000's)   | 16,098                      | 16,018  | 80      | 0.5% | 16,089                    | 16,008  | 81  | 0.5% |
| Diluted weighted average shares outstanding (000's) | 16,391                      | 16,399  | (8)     | N.M. | 16,401                    | 16,405  | (4) | N.M. |

**CENTRAL PACIFIC FINANCIAL CORP. AND SUBSIDIARIES**  
**FINANCIAL HIGHLIGHTS**  
(Unaudited)

| (in thousands, except per share data) | Three Months Ended June 30, |              |          | Six Months Ended June 30, |              |          |
|---------------------------------------|-----------------------------|--------------|----------|---------------------------|--------------|----------|
|                                       | 2004                        | 2003         | % Change | 2004                      | 2003         | % Change |
| <b>SELECTED AVERAGE BALANCES</b>      |                             |              |          |                           |              |          |
| Total assets                          | \$ 2,306,806                | \$ 2,050,141 | 12.5%    | \$ 2,258,754              | \$ 2,017,124 | 12.0%    |
| Interest-earning assets               | 2,148,142                   | 1,903,246    | 12.9%    | 2,101,192                 | 1,871,248    | 12.3%    |
| Loans, net of unearned interest       | 1,481,473                   | 1,348,478    | 9.9%     | 1,465,154                 | 1,340,114    | 9.3%     |
| Other real estate                     | 1,101                       | 309          | 256.3%   | 550                       | 951          | -42.2%   |
| Deposits                              | 1,798,305                   | 1,667,162    | 7.9%     | 1,775,684                 | 1,643,437    | 8.0%     |
| Interest-bearing liabilities          | 1,729,879                   | 1,539,818    | 12.3%    | 1,689,089                 | 1,518,266    | 11.3%    |
| Stockholders' equity                  | 203,358                     | 184,466      | 10.2%    | 202,050                   | 181,683      | 11.2%    |

**PERFORMANCE RATIOS**

|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Return on average assets **               | 1.50%  | 1.56%  | 1.47%  | 1.64%  |
| Return on average stockholders' equity ** | 17.05% | 17.31% | 16.41% | 18.23% |
| Efficiency ratio                          | 52.85% | 52.79% | 53.72% | 51.43% |
| Net interest margin **                    | 4.31%  | 4.79%  | 4.42%  | 4.88%  |
| Dividend payout ratio                     | 29.63% | 32.00% | 31.07% | 31.07% |

**June 30,**

|  | 2004 | 2003 | % Change |
|--|------|------|----------|
|--|------|------|----------|

**NONPERFORMING ASSETS**

|   |           |          |         |
|---|-----------|----------|---------|
| Nonperforming (nonaccrual) loans  | \$ 7,224  | \$ 274   | 2536.5% |
| Other real estate   | 1,518     | 0        | N.M.    |
| Total nonperforming assets  | 8,742     | 274      | 3090.5% |
| Loans delinquent for 90 days or more  | 14,357    | 1,807    | 694.5%  |
| Restructured loans (still accruing interest)  |           |          |         |
| Total nonperforming assets, loans delinquent for 90 days or more and restructured loans | \$ 23,099 | \$ 2,081 | 1010.0% |

|  | Three Months Ended June 30, |          | Six Months Ended June 30, |        |            |         |
|--|-----------------------------|----------|---------------------------|--------|------------|---------|
|  | 2004                        | 2003     | 2004                      | 2003   |            |         |
| Net loan charge-offs to average loans ** | 0.06%                       | -0.03%   | 0.06%                     | -0.15% |            |         |
| Loan charge-offs                         | \$ 262                      | \$ 129   | 103.1%                    | \$ 577 | \$ 444     | 30.0%   |
| Recoveries                               | 48                          | 245      | -80.4%                    | 137    | 1,472      | -90.7%  |
| Net loan charge-offs (recoveries)        | \$ 214                      | \$ (116) | -284.5%                   | \$ 440 | \$ (1,028) | -142.8% |

**June 30,**

|  | 2004 | 2003 |
|--|------|------|
|--|------|------|

**SELECTED FINANCIAL DATA & BALANCE SHEET RATIOS**

|  |          |          |
|--|----------|----------|
| Book value per share   | \$ 12.40 | \$ 11.49 |
| Market value per share   | \$ 27.50 | \$ 27.70 |
| Total stockholders' equity to assets   | 7.99%    | 8.82%    |
| Nonperforming assets to total assets   | 0.35%    | 0.01%    |
| Nonperforming assets to total loans & other real estate  | 0.54%    | 0.02%    |
| Nonperforming assets and loans delinquent for 90 days or more to total loans & other real estate                     | 1.43%    | 0.16%    |
| Nonperforming assets, loans delinquent for 90 days or more and restructured loans to total loans & other real estate | 1.43%    | 0.16%    |

Edgar Filing: CB BANCSHARES INC/HI - Form 425

|  | <b>June 30,</b> |          |
|--|-----------------|----------|
|  |                 |          |
| Nonperforming loans to total loans               | 0.45%           | 0.02%    |
| Allowance for loan losses to total loans         | 1.54%           | 1.93%    |
| Allowance for loan losses to nonperforming loans | 345.16%         | 9279.20% |

\*\*

Annualized

QuickLinks

[CENTRAL PACIFIC FINANCIAL CORP. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME \(Unaudited\)](#)

[CENTRAL PACIFIC FINANCIAL CORP. AND SUBSIDIARIES FINANCIAL HIGHLIGHTS \(Unaudited\)](#)