

CENTRAL PACIFIC FINANCIAL CORP  
Form 10-Q  
May 09, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

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FORM 10-Q

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(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2008

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-10777

CENTRAL PACIFIC FINANCIAL CORP.  
(Exact name of registrant as specified in its charter)

Hawaii  
(State or other jurisdiction of  
incorporation or organization)

99-0212597  
(I.R.S. Employer  
Identification No.)

220 South King Street, Honolulu, Hawaii 96813  
(Address of principal executive offices) (Zip Code)

(808) 544-0500  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

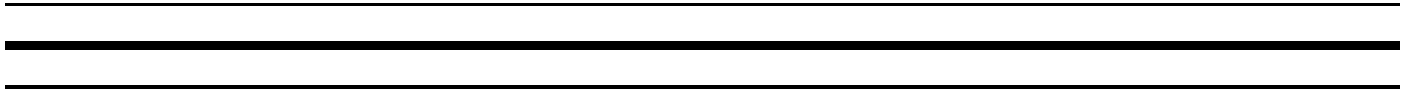
Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of registrant's common stock, par value \$.01 per share, on May 1, 2008 was 28,709,274 shares.



CENTRAL PACIFIC FINANCIAL CORP. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Forward-Looking Statements

This document may contain forward-looking statements concerning projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure, or other financial items, concerning plans and objectives of management for future operations, concerning future economic performance, or concerning any of the assumptions underlying or relating to any of the foregoing. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts, and may include the words “believes”, “plans”, “intends”, “expects”, “anticipate”, “forecasts” or words of similar meaning. While we believe that our forward-looking statements and the assumptions underlying them are reasonably based, such statements and assumptions are by their nature subject to risks and uncertainties, and thus could later prove to be inaccurate or incorrect. Accordingly, actual results could materially differ from projections for a variety of reasons, to include, but not limited to: the impact of local, national, and international economies and events (including natural disasters such as wildfires, tsunamis and earthquakes) on the Company’s business and operations and on tourism, the military, and other major industries operating within the Hawaii market and any other markets in which the Company does business; the impact of legislation affecting the banking industry; the impact of competitive products, services, pricing, and other competitive forces; movements in interest rates; loan delinquency rates and changes in asset quality; adverse conditions in the public debt market, the stock market or other capital markets, including any adverse changes in the price of the Company's stock; and a general deterioration in economic conditions, including the continued slowing of the real estate market. For further information on factors that could cause actual results to materially differ from projections, please see the Company’s publicly available Securities and Exchange Commission filings, including the Company’s Form 10-K for the last fiscal year. The Company does not update any of its forward-looking statements.

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## Item 1. Financial Statements

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

(Dollars in thousands)	March 31, 2008	December 31, 2007
<b>Assets</b>		
Cash and due from banks	\$ 84,462	\$ 79,088
Interest-bearing deposits in other banks	106	241
Federal funds sold	-	2,800
<b>Investment securities:</b>		
Held to maturity, at amortized cost (fair value of \$27,098 at March 31, 2008 and \$46,077 at December 31, 2007)	26,915	46,124
Available for sale, at fair value	852,655	835,130
Total investment securities	879,570	881,254
Loans held for sale	97,743	37,572
Loans and leases	4,176,596	4,141,705
Less allowance for loan and lease losses	72,108	92,049
Net loans and leases	4,104,488	4,049,656
Premises and equipment, net	83,504	82,841
Accrued interest receivable	25,541	26,041
Investment in unconsolidated subsidiaries	16,471	17,404
Other real estate	2,000	-
Goodwill	244,702	244,702
Core deposit premium	28,082	28,750
Mortgage servicing rights	11,536	11,222
Bank-owned life insurance	132,477	131,454
Federal Home Loan Bank stock	48,797	48,797
Other assets	40,558	38,564
Total assets	\$ 5,800,037	\$ 5,680,386
<b>Liabilities and Shareholders' Equity</b>		
<b>Deposits:</b>		
Noninterest-bearing demand	\$ 632,157	\$ 665,034
Interest-bearing demand	457,742	461,175
Savings and money market	1,112,312	1,178,855
Time	1,577,810	1,697,655
Total deposits	3,780,021	4,002,719
Short-term borrowings	368,375	16,000
Long-term debt	915,514	916,019
Minority interest	13,098	13,104
Other liabilities	48,366	58,141

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Total liabilities	5,125,374	5,005,983
Shareholders' equity:		
Preferred stock, no par value, authorized 1,000,000 shares, none issued	-	-
Common stock, no par value, authorized 100,000,000 shares, issued and outstanding 28,707,985 shares at March 31, 2008 and 28,756,647 shares at December 31, 2007	402,844	403,304
Surplus	54,487	54,669
Retained earnings	216,755	222,644
Accumulated other comprehensive income (loss)	577	(6,214)
Total shareholders' equity	674,663	674,403
Total liabilities and shareholders' equity	\$ 5,800,037	\$ 5,680,386

See accompanying notes to consolidated financial statements.

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

Three Months Ended  
March 31,

(Amounts in thousands, except per share data)

2008

2007