

CENTRAL PACIFIC FINANCIAL CORP
Form POS AM
June 09, 2011
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As filed with the Securities and Exchange Commission on June 9, 2011

Registration No. 333-172480

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Post-Effective Amendment No. 1

to

Form S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CENTRAL PACIFIC FINANCIAL CORP.

(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
(IRS Employer
Identification No.)

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)

Glenn K.C. Ching

Senior Vice President, Corporate Secretary and General Counsel

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)

with a copy to:

Alison S. Ressler

Sullivan & Cromwell LLP

1888 Century Park East, Suite 2100

Los Angeles, CA 90067

(310) 712-6600

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the Securities Act) check the following box.

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.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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.

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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the Exchange Act). (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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 or until the registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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EXPLANATORY NOTE

This Registration Statement includes two forms of prospectuses: one to be used relating to the offer and sale of up to 12,842,598 shares of our common stock, no par value per share (the "Common Stock" or "Common Shares") by certain selling shareholders identified therein and one to be used in an underwritten offering of 5,620,117 Common Shares by the United States Department of the Treasury (the "Treasury Prospectus"). The two prospectuses will be identical in all respects except for the front and back cover pages of each prospectus and the sections entitled "Plan of Distribution" and "Selling Shareholders", which will be different in each prospectus. The alternate pages to be used in the Treasury Prospectus are included immediately prior to Part II of this Registration Statement and are identified as pages A-1 to A-7.

All filing fees payable in connection with the filing of the Registration Statement were previously paid at the time of the initial filing of the Registration Statement.

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The information in this preliminary prospectus is not complete and may be changed. This preliminary prospectus is not an offer to sell these securities and is not an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated June 9, 2011

PROSPECTUS

Up to 12,842,598 Shares of Common Stock

This prospectus relates to the offer and sale of up to 12,842,598 shares of our common stock, no par value per share (the **Common Stock** or **Common Shares**), which includes 79,288 Common Shares issuable upon exercise of a warrant to purchase Common Shares which was issued to the United States Department of the Treasury (**Treasury**) on February 18, 2011 (the **Amended TARP Warrant**), by certain selling shareholders identified herein (the **Selling Shareholders**) from time to time (the **Shelf Offering**). This prospectus does not cover the offer and sale of 5,620,117 Common Shares (the **Treasury Shares**) held directly by Treasury in an underwritten offering (the **Treasury Offering**), which is covered by a separate prospectus (the **Treasury Prospectus**). We issued the Common Shares to the Selling Shareholders, including Treasury, and the Amended TARP Warrant as part of our recapitalization (as described below). We are registering the resale of the Common Shares as required by the subscription agreements we entered into with the Selling Shareholders.

The Selling Shareholders may sell all or a portion of the Common Shares from time to time, in amounts, at prices and on terms determined at the time of the offering. The Common Shares may be sold by any means described in the section of this prospectus entitled **Plan of Distribution** beginning on page 25.

We will not receive any proceeds from the sale of the Common Shares by the Selling Shareholders.

Our Common Shares are traded on the New York Stock Exchange (the **NYSE**) under the symbol **CPF**. On June 8, 2011, the closing price of our Common Shares on the NYSE was \$14.35 per share.

On February 2, 2011, we effected a one-for-twenty reverse stock split of our Common Stock. All share numbers and per share prices in this prospectus reflect the one-for-twenty reverse stock split, unless otherwise indicated.

Investing in our Common Shares involves risks. You should read the Risk Factors section beginning on page 9 before investing in our Common Shares.

None of the Securities and Exchange Commission, the Hawaii Division of Financial Institutions, the Federal Deposit Insurance Corporation (the FDIC), the Board of Governors of the Federal Reserve System, any state securities commission or any other federal or state bank regulatory agency 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.

Our Common Shares are not deposit accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this prospectus is June , 2011

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ABOUT THIS PROSPECTUS

You should only rely on the information contained in this prospectus. Neither we, Treasury, nor the other Selling Shareholders have authorized anyone to provide you with information different from that contained in this prospectus. Neither we, Treasury, nor the other Selling Shareholders are making an offer to sell securities in any jurisdiction in which the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, and any information incorporated by reference is accurate only as of the date of the document incorporated by reference, in each case, regardless of the time of delivery of this prospectus or any purchase of our Common Shares. Our business, financial condition, results of operations, and prospects may have changed since that date. To understand this offering fully you should read this entire document carefully, including particularly the Risk Factors section beginning on page 9.

In this prospectus, we frequently use the terms we, our and us to refer to Central Pacific Financial Corp. (the Company) and its subsidiaries.

INCORPORATION BY REFERENCE

The Securities and Exchange Commission (the SEC) allows us to incorporate by reference the information that we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is an important part of this prospectus. We incorporate by reference the following documents (other than information furnished rather than filed):

- the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010;

- the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011;

- the Company's Current Reports on Form 8-K filed on January 28, 2011 (relating to Item 5.02), February 3, 2011, February 11, 2011, February 17, 2011, February 22, 2011, February 25, 2011, March 10, 2011, April 12, 2011, April 21, 2011, April 29, 2011, May 10, 2011, May 12, 2011 and May 23, 2011;

- the Company's Definitive Proxy Statement related to its 2011 annual meeting of shareholders, as filed with the SEC on March 4, 2011; and

- the description of our Common Stock and associated Preferred Share Purchase Rights (as defined below) set forth in our Registration Statements on Form 8-A filed pursuant to Section 12 of the Exchange Act, including any amendment or report filed with the SEC for the purpose of updating this description.

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We will provide without charge, upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus and a copy of any or all other contracts or documents which are referred to in this prospectus. Requests should be directed to: Glenn K.C. Ching, Senior Vice President, Corporate Secretary and General Counsel of Central Pacific Financial Corp., 220 South King Street, Honolulu, Hawaii 96813.

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PROSPECTUS SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus and in the documents incorporated by reference in this prospectus and does not contain all the information you will need in making your investment decision. You should read carefully this entire prospectus and the documents incorporated by reference in this prospectus before making your investment decision.

Central Pacific Financial Corp.

Company Overview

Central Pacific Financial Corp. is a Hawaii corporation and a bank holding company. Our principal business is to serve as a holding company for our bank subsidiary, Central Pacific Bank.

Central Pacific Bank (the bank) is a full-service commercial bank with 34 branches and 120 ATMs located throughout the state of Hawaii. The bank offers a broad range of products and services including accepting time and demand deposits and originating loans, including commercial loans, construction loans, commercial and residential mortgage loans, and consumer loans. The bank also has an office in California.

At March 31, 2011, we had total assets of approximately \$4.0 billion, loans and leases of \$2.1 billion and total deposits of \$3.1 billion.

Our Common Stock is traded on the NYSE under the ticker symbol CPF. Our principal executive offices are located at 220 South King Street Honolulu, Hawaii 96813 and our telephone number is (808) 544-0500. Our internet address is <http://www.centralpacificbank.com>. The information contained on our web site is not part of this prospectus.

Recent Developments

Recapitalization

We recently completed the following transactions as part of our recapitalization:

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- a one-for-twenty reverse stock split of our Common Shares on February 2, 2011 (the Reverse Stock Split), for which shareholder approval was obtained on May 24, 2010.
- a capital raise of \$325 million in a private placement (the Private Placement) that was completed on February 18, 2011, at a price of \$10 per share, with investments from (1) affiliates of each of The Carlyle Group (Carlyle) and Anchorage Capital Group, L.L.C. (Anchorage and, together with Carlyle, the Lead Investors), pursuant to investment agreements with each of the Lead Investors (collectively, the Investment Agreements) and (2) various other investors, including certain of our directors and officers (the Additional Investors and, together with the Lead Investors, the Investors), pursuant to subscription agreements with each of such investors;
- concurrently with the Private Placement, (1) the exchange (the TARP Exchange) of 135,000 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, no par value per share and liquidation preference \$1,000 per share (the TARP Preferred Stock), held by Treasury, and accrued and unpaid dividends thereon for 5,620,117 Common Shares and (2) the amendment of a warrant, issued to Treasury on January 9, 2009 to, among other things, reflect an exercise price of \$10 per share (as amended, the Amended TARP Warrant); and
- a rights offering whereby shareholders of record as of 5:00 p.m., Eastern time, on February 17, 2011, and their transferees purchased approximately 2,000,000 Common Shares following the expiration of the offering on May 6, 2011 at the same price per share paid by the Investors in the Private Placement (the Rights Offering).

Transfer Restrictions

We have generated significant net operating loss carry-overs (NOL s) as a result of our recent losses. Our ability to use these NOL s to offset future taxable income will be limited if we experience an ownership change as defined in Section 382 of the Internal Revenue Code (Section 382). In order to reduce the likelihood that future transactions in our Common Shares will result in an ownership change under Section 382, on May 2, 2011 following shareholder approval, we filed an amendment to our restated articles of incorporation to restrict transfers of our Common Shares if the effect of the

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transfer would be to cause the transferee to become the beneficial owner of 4.99% or more of our Common Shares (a Threshold Holder) or cause the beneficial ownership of our Common Shares by any Threshold Holder to increase (the Protective Charter Amendment). We had previously adopted a Tax Benefits Preservation Plan to protect our tax benefits. The plan provides an economic disincentive for any person, together with its affiliates, to become the beneficial owner of 4.99% or more of our Common Shares. The Protective Charter Amendment expires on the earliest of (i) May 2, 2014, (ii) such time as the Board of Directors of the Company (the Board of Directors) determines the Protective Charter Amendment is no longer necessary for the preservation of our tax benefits and (iii) the date the Board of Directors determines that the Protective Charter Amendment is no longer in our and our shareholders' best interest.

You should carefully consider the terms and condition of our articles of incorporation and our Tax Benefits Preservation Plan before investing in our Common Shares.

Regulatory Agreements

In May 2011, the members of the Board of Directors of the bank entered into a Memorandum of Understanding (the Bank MOU) with the FDIC and the Hawaii Division of Financial Institutions (the DFI), effective May 5, 2011, which replaced the Consent Order (the Consent Order) the Board of Directors of the bank agreed to with the FDIC and DFI in December 2009. The termination of the Consent Order was effective May 11, 2011. The Bank MOU continues a number of the same requirements previously required by the Consent Order, including the maintenance of an adequate allowance for loan and lease losses, improvement of our asset quality, limitations on credit extensions, maintenance of qualified management and the prohibition on cash dividends to the Company, among other matters. In addition, the Bank MOU requires the bank to further reduce classified assets below the level previously required by the Consent Order. The Bank MOU lowers the minimum leverage capital ratio that the bank is required to maintain from 10% in the Consent Order to 8% and does not mandate a minimum total risk-based capital ratio.

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The Offering

Issuer	Central Pacific Financial Corp.
Common Shares Offered by Us	None.
Common Shares Offered by Selling Shareholders in the Shelf Offering	Up to 12,842,598 Common Shares.
Common Shares Offered by Treasury in the Treasury Offering	5,620,117 Common Shares.
Use of Proceeds	We will not receive any proceeds from the sale of the Common Shares by Treasury or the other Selling Shareholders.
Listing	Our Common Shares are listed on the NYSE under the symbol CPF.
Risk Factors	An investment in our Common Shares involves risks. Please read Risk Factors beginning on page 9 of this prospectus.

Table of Contents**Summary Consolidated Financial Data**

The information at and for the years ended December 31, 2006 through 2010 is derived in part from, and should be read together with, our audited consolidated financial statements and accompanying notes incorporated by reference into this prospectus. The information at and for the three months ended March 31, 2011 and 2010 is derived in part from, and should be read together with, our unaudited consolidated financial statements and accompanying notes and incorporated by reference into this prospectus. Results for the first quarter of 2011 are not indicative of the results to be expected for 2011. The per Common Share data and the number of Common Shares outstanding have been adjusted to retroactively give effect to the Reverse Stock Split.

	Quarter Ended March 31,		Year Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
	(Dollars in thousands, except per share data)						
Statement of Operation Data:							
Total interest income	\$ 34,363	\$ 46,261	\$ 160,754	\$ 242,237	\$ 303,952	\$ 349,877	\$ 320,381
Total interest expense	6,162	11,192	42,101	67,715	101,997	137,979	109,532
Net interest income	28,201	35,069	118,653	174,522	201,955	211,898	210,849
Provision (credit) for loan and lease losses	(1,575)	58,837	159,548	348,801	171,668	53,001	1,350
Net interest income (loss) after provision for loan and lease losses	29,776	(23,768)	(40,895)	(174,279)	30,287	158,897	209,499
Other operating income	12,500	12,764	57,036	57,413	54,808	45,804	43,156
Goodwill impairment		102,689	102,689	50,000	94,279	48,000	
Other operating expense (excluding goodwill impairment)	37,637	46,526	164,405	166,876	178,543	128,556	132,163
Income (loss) before income taxes	4,639	(160,219)	(250,953)	(333,742)	(187,727)	28,145	120,492
Income tax expense (benefit)				(19,995)	(49,313)	22,339	41,312
Net income (loss)	4,639	(160,219)	(250,953)	(313,747)	(138,414)	5,806	79,180
Balance Sheet Data (Year-End):							
Interest-bearing deposits in other banks	\$ 537,495	\$ 658,337	\$ 729,014	\$ 400,470	\$ 475	\$ 241	\$ 5,933
Investment securities (1)	1,078,124	448,798	705,345	924,359	751,297	881,254	898,358
Loans and leases	2,067,302	2,844,189	2,169,444	3,041,980	4,030,266	4,141,705	3,846,004
Allowance for loan and lease losses	178,010	211,646	192,854	205,279	119,878	92,049	52,280
Goodwill				102,689	152,689	244,702	298,996
Other intangible assets	44,498	45,610	44,639	45,390	39,783	39,972	43,538
Total assets	4,013,398	4,434,177	3,938,051	4,869,522	5,432,361	5,680,386	5,487,192
Core deposits (2)	2,747,572	2,873,647	2,796,144	2,951,119	2,805,347	2,833,317	2,860,926
Total deposits	3,145,463	3,335,038	3,132,947	3,568,916	3,911,566	4,002,719	3,844,483
Long-term debt	409,299	657,537	459,803	657,874	649,257	916,019	740,189
Total shareholders equity	384,984	172,105	66,052	335,963	526,291	674,403	738,139
Per Common Share Data:							
Basic earnings (loss) per share	\$ 4.59	\$ (107.23)	\$ (171.13)	\$ (220.56)	\$ (96.56)	\$ 3.85	\$ 51.90
Diluted earnings (loss) per share	4.58	(107.23)	(171.13)	(220.56)	(96.56)	3.82	51.37
Cash dividends declared					14.00	19.60	17.60
Book value	9.71	28.16	(42.18)	136.50	366.34	469.04	480.73
Diluted weighted average shares outstanding (in	19,321	1,513	1,516	1,459	1,433	1,520	1,541

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thousands)

Financial Ratios:

Return (loss) on average assets	0.47%	(13.25)%	(5.74)%	(5.87)%	(2.45)%	0.10%	1.50%
Return (loss) on average shareholders equity	9.34	(196.41)	(140.73)	(54.99)	(23.07)	0.77	11.16
Net income (loss) to average tangible shareholders equity	10.48	(320.04)	(193.24)	(77.60)	(37.00)	1.35	21.01
Average shareholders equity to average assets	5.00	6.74	4.08	10.67	10.61	13.58	13.45
Net interest margin (3)	3.03	3.20	2.91	3.62	4.02	4.33	4.55
Net loan charge-offs to average loans	2.42	6.89	6.33	7.03	3.42	0.33	0.05
Nonaccrual loans to total loans and leases and loans held for sale (4)	10.76	15.93	10.96	15.13	3.26	1.48	0.23
Allowance for loan and lease losses to total loans and leases	8.61	7.44	8.89	6.75	2.97	2.22	1.36
Allowance for loan and lease losses to nonaccrual loans (4)	77.99	45.78	78.62	43.41	90.43	149.57	583.61
Dividend payout ratio	N/A	N/A	N/A	N/A	N/A	515.79	33.85
Leverage capital ratio	12.6	5.8	4.4	6.8	8.8	9.8	10.9
Tier 1 risk-based capital ratio	21.3	9.0	7.6	9.6	10.4	11.5	12.3
Total risk-based capital ratio	22.7	10.3	9.0	10.9	11.7	12.7	13.6

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