CENTRAL PACIFIC FINANCIAL CORP
Form PRE 14A
February 21, 2014

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

ý Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

CENTRAL PACIFIC FINANCIAL CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CENTRAL PACIFIC FINANCIAL CORP.

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

APRIL 25, 2014 ANNUAL MEETING
YOUR VOTE IS IMPORTANT

March , 2014

Dear Fellow Shareholder:

On behalf of your Board of Directors, we cordially invite you to attend the 2014 Annual Meeting of Shareholders of Central Pacific Financial Corp. The Annual Meeting will be held on April 25, 2014, at 11:00 a.m., Hawaii time, at Harbor Square, 4th Floor, Waikiki Room, 700 Richards Street, Honolulu, Hawaii 96813. Your Board and management look forward to greeting those shareholders able to attend the meeting.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe matters to be acted upon at the Annual Meeting. Please give these materials your prompt attention. Then, we ask that you sign, date and mail promptly the enclosed Proxy Card in the enclosed postage-paid envelope, or use telephone or internet voting, to ensure that your shares are represented and voted at the meeting. Shareholders who attend the meeting may withdraw their proxy and vote in person if they wish to do so. Your vote is important, so please act at your earliest convenience.

We appreciate your continued interest in Central Pacific Financial Corp.

Sincerely,

John C. Dean
President and Chief Executive Officer

CENTRAL PACIFIC FINANCIAL CORP.

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

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 25, 2014

TO THE SHAREHOLDERS OF CENTRAL PACIFIC FINANCIAL CORP.:

NOTICE IS HEREBY GIVEN that, pursuant to its Bylaws and the call of its Board of Directors, the Annual Meeting of Shareholders (the "Meeting") of Central Pacific Financial Corp. (the "Company") will be held at Harbor Square, 4th Floor, Waikiki Room, 700 Richards Street, Honolulu, Hawaii 96813, on April 25, 2014, at 11:00 a.m., Hawaii time, for the purpose of considering and voting upon the following matters:

(1) **Election of Directors.** To elect up to nine (9) persons to the Board of Directors for a term of one (1) year and to serve until their successors are elected and qualified, as more fully described in the accompanying Proxy Statement.

(2) **Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014.

(3) **Executive Compensation.** To consider an advisory (non-binding) proposal to approve the compensation of the Company's executive officers.

(4) **Extension of Tax Benefits Preservation Plan.** To ratify a two-year extension (until February 18, 2016) of the Company's Tax Benefits Preservation Plan (non-binding), to continue to protect against a possible limitation on the Company's ability to use certain tax assets (such as net operating loss carryforwards) to offset future income.

(5) **Amendment of Articles of Incorporation.** To approve a two-year extension (until May 2, 2016) of a protective amendment to the Company's Restated Articles of Incorporation to restrict certain transfers of stock in order to continue to preserve the tax treatment of the Company's net operating losses and certain unrealized tax losses.

(6) **Other Business.** To transact such other business as may properly come before the Meeting and at any and all adjournments or postponements thereof.

Only those shareholders of record at the close of business on February 24, 2014 shall be entitled to notice of and to vote at the Meeting.

YOUR VOTE IS IMPORTANT. SHAREHOLDERS ARE URGED TO SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE PREPAID ENVELOPE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT THEY PLAN TO ATTEND THE MEETING IN PERSON. YOU MAY ALSO DELIVER YOUR VOTE BY TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS ON YOUR PROXY CARD OR VOTING INSTRUCTION FORM. SHAREHOLDERS WHO ATTEND THE MEETING MAY WITHDRAW THEIR PROXY AND VOTE IN PERSON IF THEY WISH TO DO SO.

By Order of the Board of Directors,

GLENN K.C. CHING
Senior Vice President and Corporate Secretary

Dated: March 14, 2014

CENTRAL PACIFIC FINANCIAL CORP.

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

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

APRIL 25, 2014

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Central Pacific Financial Corp. (the "Company") for use at the 2014 Annual Meeting of Shareholders (the "Meeting") of the Company to be held at Harbor Square, 4th Floor, Waikiki Room, 700 Richards Street, Honolulu, Hawaii 96813, on April 25, 2014, 11:00 a.m., Hawaii time, and at any and all adjournments or postponements thereof. The approximate date on which this Proxy Statement and accompanying Notice and form of proxy are first being mailed to shareholders is on or about March 14, 2014.

Matters to be Considered

The matters to be considered and voted upon at the Meeting will be:

(1) **Election of Directors.** To elect up to nine (9) persons to the Board of Directors for a term of one (1) year and to serve until their successors are elected and qualified, as more fully described in this Proxy Statement.

(2) **Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014.

(3) **Executive Compensation.** To consider an advisory (non-binding) proposal to approve the compensation of the Company's executive officers.

(4) **Extension of Tax Benefits Preservation Plan.** To ratify a two-year extension (until February 18, 2016) of the Company's Tax Benefits Preservation Plan (non-binding), to continue to protect against a possible limitation on the Company's ability to use certain tax assets (such as net operating loss carryforwards) to offset future income.

(5) **Amendment of Articles of Incorporation.** To approve a two-year extension (until May 2, 2016) of a protective amendment to the Company's Restated Articles of Incorporation to restrict certain transfers of stock in order to continue to preserve the tax treatment of the Company's net operating losses and certain unrealized tax losses.

(6) **Other Business.** To transact such other business as may properly come before the Meeting and at any and all adjournments or postponements thereof.

Record Date, Outstanding Securities and Voting Rights

The Board fixed the close of business on February 24, 2014 as the record date (the "Record Date") for the determination of the shareholders of the Company entitled to notice of and to vote at the Meeting. Only holders of record of shares of the Company's Common Stock ("Common Stock") at the close of business on the Record Date will be entitled to vote at the Meeting and at any

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adjournment or postponement of the Meeting. There were shares of the Company's Common Stock, no par value, issued and outstanding on the Record Date, held by approximately holders of record. There are no other classes of shares of the Company's capital stock outstanding.

Each holder of Common Stock will be entitled to one (1) vote, in person or by proxy, for each share of Common Stock standing in the holder's name on the books of the Company as of the Record Date on any matter submitted to the vote of the shareholders.

Quorum

The required quorum for the transaction of business at the Meeting is a majority of the total outstanding shares of Common Stock entitled to vote at the Meeting, either present in person or represented by proxy. Abstentions will be included in determining the number of shares present at the Meeting for the purpose of determining the presence of a quorum.

Broker Authority to Vote

Under the rules of the National Association of Securities Dealers, Inc., member brokers generally may not vote shares held by them in street name for customers unless they are permitted to do so under the rules of any national securities exchange of which they are a member. Under the rules of the New York Stock Exchange, Inc. ("NYSE"), a member broker who holds shares in street name for customers has the authority to vote on certain "routine" items if it has transmitted proxy soliciting materials to the beneficial owner but has not received instructions from that owner. NYSE rules permit member brokers that do not receive instructions from their customers to vote on number 2 or 5 as discussed above in their discretion. NYSE member brokers will not be permitted to vote on item numbers 1, 3 or 4 unless they receive instructions from their customers.

Vote Required to Approve the Proposals

The following chart sets forth the required vote to approve each matter to be considered and voted upon at the Meeting, and the effect of "Withhold" votes, abstentions, and broker non-votes.

Item/Proposal	Required Vote	Effect of "Withhold" Votes, Abstentions, Broker Non-Votes
Item 1 Election of Directors	Affirmative vote of a plurality of the shares of Common Stock present in person or by proxy and entitled to vote.	"Withhold" votes will have the effect of a vote AGAINST the election of directors. Broker non-votes will have no effect on the voting for the election of directors.
Item 2 Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year ending December 31, 2014.	Affirmative vote of a majority of the shares of Common Stock represented and voting on the matter.	Abstentions and broker non-votes will have no effect in calculating the votes on this matter.
Item 3 Proposal Relating to an Advisory (Non-Binding) Vote on Executive Compensation	Affirmative vote of a majority of the shares of Common Stock represented and voting on the matter.	Abstentions and broker non-votes will have no effect in calculating the votes on this matter.
Item 4 Ratification of Two-Year Extension of Tax Benefits Preservation Plan (Non-Binding)	Affirmative vote of a majority of the shares of Common Stock represented and voting on the matter.	Abstentions and broker non-votes will have no effect in calculating the votes on this matter.
Item 5 Approval of Two-Year Extension of Amendment to Restated Articles of Incorporation to preserve tax losses	Affirmative vote of a majority of the outstanding shares of Common Stock on the record date.	Abstentions and broker non-votes will have the effect of a vote AGAINST this amendment.

Additional information regarding each of these items (also referred to as proposals) is provided in the section titled DISCUSSION OF PROPOSALS RECOMMENDED BY THE BOARD OF DIRECTORS (for Items/Proposals 1 through 5 above).

The following is the Board's recommendation with respect to each of the items to be considered and voted upon at the Meeting:

Item 1 The Board recommends a vote "FOR" the election of all nominees as directors.

Item 2 The Board recommends a vote "FOR" ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014.

Item 3 The Board recommends a vote "FOR" the compensation of the Company's executive officers.

Item 4 The Board recommends a vote "FOR" the ratification of a two-year extension of the Tax Benefits Preservation Plan.

Item 5 The Board recommends a vote "FOR" the approval of a two-year extension of the protective amendment to the Restated Articles of Incorporation to preserve tax losses.

It is not anticipated that any matters will be presented at the Meeting other than as set forth in the accompanying Notice of the Meeting. If any other matters are presented properly at the Meeting, however, the proxy will be voted by the proxy holders in accordance with the recommendations of the Board.

Voting

Voting by Mail. Shareholders can ensure that their shares are voted at the Meeting by completing, signing, dating and mailing the enclosed proxy card in the enclosed postage-prepaid envelope.

Voting by Telephone or the Internet. Voting by telephone or the Internet is fast and convenient and your vote is immediately confirmed and tabulated. If you choose to vote by telephone or the Internet, instructions to do so are set forth on the enclosed proxy card. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number, which appears on the proxy card. These procedures allow shareholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded. If you vote by telephone or the Internet, you do not have to mail in your proxy card, but your vote must be received by the voting deadline set forth on the proxy card.

If your shares are held by a bank, broker or other nominee, please follow the instructions provided with your proxy materials to determine if telephone or Internet voting is available. If your bank or broker does make telephone or Internet voting available, please follow the instructions provided on the voting form supplied by your bank or broker.

If you vote by telephone or the Internet, you should not return your proxy card.

Revocability of Proxies

Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is exercised by filing with the Corporate Secretary of the Company an instrument revoking it or a duly executed proxy bearing a later date. A proxy may also be revoked by attending the Meeting and voting in person at the Meeting. Subject to such revocation, all shares represented by a properly executed proxy received in time for the Meeting will be voted by the proxy holders in accordance with the instructions on the proxy. If your shares are held in street name, you should follow the instructions of your broker, bank or nominee regarding the revocation of proxies.

Solicitation of Proxies

This solicitation of proxies is made on behalf of the Board and the Company will bear the costs of the preparation of proxy materials and the solicitation of proxies for the Meeting. It is contemplated that proxies will be solicited principally through the mail, but directors, officers and regular employees of the Company or its subsidiary, Central Pacific Bank (the "Bank"), may solicit proxies personally, by telephone, electronically or by other means of communication. Although there is no formal agreement to do so, the Company may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding these proxy materials to beneficial owners. The Company has retained D.F. King & Co., Inc. to assist it in connection with the solicitation of proxies for a fee of approximately $12,500, plus reimbursement of expenses.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 25, 2014.

The Company's Proxy Statement and Annual Report on Form 10-K for the fiscal year ended December 31, 2013 are available free of charge at https://www.centralpacificbank.com/2014proxy.

In addition, the Company will provide without charge, upon the written request of any shareholder, a copy of the Company's Annual Report on Form 10-K, including the financial statements and the financial statement schedules, required to be filed with the United States Securities and Exchange Commission (the "SEC") for the fiscal year ended December 31, 2013. Requests should be directed to Central Pacific Financial Corp., Attn: Investor Relations, P.O. Box 3590, Honolulu, Hawaii 96811.

The Company will also deliver promptly upon written or oral request a separate copy of the Company's Annual Report on Form 10-K and the Company's Proxy Statement, to any shareholder who shares an address with other shareholders and where only one (1) set of materials were sent to that address to be shared by all shareholders at that address.

Principal Shareholders

Based on filings made under Section 13(d) and Section 13(g) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of February 24, 2014, the following were the only persons known to management of the Company to beneficially own more than five percent (5%) of the Company's outstanding Common Stock:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
ACMO-CPF, L.L.C. c/o Anchorage Advisors, L.L.C. 610 Broadway, 6th Floor New York, New York 10012	9,463,095	22.5%
Carlyle Financial Services Harbor, L.P. c/o The Carlyle Group 520 Madison Avenue New York, New York 10022	9,463,095	22.5%

Security Ownership of Directors, Nominees and Executive Officers

The following table sets forth certain information regarding beneficial ownership of Common Stock by each of the current directors, nominees, and the Named Executive Officers (as defined under "COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS COMPENSATION DISCUSSION AND ANALYSIS"), as well as all directors and executive officers as a group, as of the close of business on February 24, 2014. Unless otherwise noted, the address of each person is c/o Central Pacific Financial Corp., 220 South King Street, Honolulu, Hawaii 96813.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
Directors and Nominees		
Alvaro J. Aguirre		
James F. Burr		
Christine H. H. Camp	110,929(3)	*
John C. Dean	205,823(4)	*
Earl E. Fry	52,432(5)	*
Paul J. Kosasa	114,108(6)	*
Duane K. Kurisu	13,812(7)	*
Colbert M. Matsumoto	529,583(8)	1.3%
Crystal K. Rose	36,220(9)	*
Named Executive Officers		
David W. Hudson	29,049(10)	*
Denis K. Isono	50,264(11)	*
Lance A. Mizumoto	31,746(12)	*
A. Catherine Ngo	63,738(13)	*
Raymond W. Wilson	23,912(14)	*
All Directors and Executive Officers as a Group (14 persons)	1,261,616	3.0%

(*) Less than one percent (1%).

(1) Except as otherwise noted below, each person has sole voting and investment powers with respect to the shares listed. The numbers shown include the shares actually owned as of February 24, 2014 and, in accordance with Rule 13d-3 under the Exchange Act, any shares of Common Stock that the person has the right or will have the right to acquire within sixty (60) days of February 24, 2014. For restricted stock awards which have not vested, individuals have voting power with respect to such shares but no investment power.

(2) In computing the percentage of shares beneficially owned by each person or group of persons named above, any shares which the person (or group) has a right to acquire within sixty (60) days after February 24, 2014 are deemed outstanding for the purpose of computing the percentage of Common Stock beneficially owned by that person (or group) but are not deemed outstanding for the purpose of computing the percentage of shares beneficially owned by any other person.

(3) 6,112 shares of Common Stock are directly held by Ms. Camp with full voting and investment power. 1,037 shares of Common Stock are held in her Simplified Employee Pension Plan Individual Retirement Account. 368 shares of Common Stock are held for her account and benefit under the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. 216 shares of Common Stock are those she has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan. 103,196 shares of Common Stock are held by Ms. Camp as trustee of the Christine Camp Revocable Trust dtd 2/11/2011.

(4) 100,000 shares of Common Stock are held in Mr. Dean's Roth Converted IRA account. 4,627 shares of Common Stock are held of record by Startup Capital Ventures, LP (venture capital

firm founded in 2005) of which Mr. Dean is a Managing General Partner and shares voting power with other partners. 3,188 shares of Common Stock are held of record by SCV Management Co, LLC, of which Mr. Dean is a Managing Member. 48,004 shares of Common Stock are held by Mr. Dean and his wife as co-trustees of The Dean Revocable Trust of which they share voting and investment power. 25,406 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's Stock Compensation Plan. 16,139 shares of Common Stock are Restricted and held directly by Mr. Dean with voting, but no investment power. These Restricted shares will vest on 2/28/14, and Mr. Dean intends to take a portion of such shares net of taxes, and to hold title to such shares in the Dean Revocable Trust of which Mr. Dean and his wife are co-trustees and share voting and investment powers. 8,459 shares of Common Stock will vest on 2/28/14, and Mr. Dean intends to take a portion of such shares net of taxes, and to hold title to such shares in the Dean Revocable Trust of which Mr. Dean and his wife are co-trustees and share voting and investment powers.

(5)

251 shares of Common Stock are directly held by Mr. Fry with full voting and investment power. 50,250 shares of Common Stock are held in the Fry Family Trust dtd 10/5/07 of which Mr. Fry and his wife are co-trustees and they share voting and investment power. 1,715 shares of Common Stock are held for his account and benefit under the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. 216 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan.

(6)

112,969 shares of Common Stock are directly held by Mr. Kosasa with full voting and investment power. 923 shares of Common Stock are held jointly with his wife and they share voting and investment power. 216 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan.

(7)

13,812 shares of Common Stock are directly held by Mr. Kurisu with full voting and investment power.

(8)

1,032 shares of Common Stock are directly held by Mr. Matsumoto with full voting and investment power. 26,280 shares of Common Stock are held for his account and benefit under the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. Mr. Matsumoto shares voting and investment control with respect to 51,193 shares of Common Stock held by Island Insurance Foundation of which he serves as Vice President and Director. 692 shares of Common Stock are held jointly with his wife of which they share voting and investment power. 386 shares of Common Stock which he has the right to acquire by the exercise of stock options vested pursuant to the CB Bancshares, Inc. Directors Stock Option Plan, the Company's 1997 Stock Option Plan, and the Company's 2004 Stock Compensation Plan. 450,000 shares of Common Stock are held of record by Tradewind Capital Group, Inc. of which Mr. Matsumoto is President and a Director. Mr. Matsumoto shares voting and investment control over the shares held by Tradewind Capital Group, but disclaims beneficial ownership of such shares.

(9)

27,175 shares of Common Stock are directly held by Ms. Rose with full voting and investment power. 230 shares of Common Stock are held by her as trustee of her pension plan. 8,535 shares of Common Stock are held for her account and benefit under the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. 64 shares of Common Stock are held jointly with her husband and they share voting and investment power. 216 shares of Common Stock are those she has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan.

(10)

20,107 shares of Common Stock are held in the David W. Hudson and Dana E. Kokubun Family Trust dated 2/3/99 of which Mr. Hudson and his wife are co-trustees and share voting and investment power. 6,071 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan. 2,871 shares of

Common Stock will vest on 2/28/14, and Mr. Hudson intends to take such shares net of taxes, and to hold title to such shares in the David W. Hudson and Dana E. Kokubun Family Trust dtd 2/3/99 of which Mr. Hudson and his wife are co-trustees and share voting and investment powers.

(11)

29,688 shares of Common Stock are held jointly by Mr. Isono with his wife for which he and his wife share voting and investment powers. 48 shares of Common Stock are held by his sons and wife jointly. 272 shares of Common Stock are held under his account under the Central Pacific Bank 401(k) Retirement Savings Plan. 8,298 shares of Common Stock are those that he has the right to acquire by the exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan. 1,490 shares of Common Stock are those that he has the right to acquire by the exercise of stock appreciation rights pursuant to the 2004 Stock Compensation Plan. 5,886 shares of Common Stock are held of record by Central Pacific Bank Foundation, of which Mr. Isono is Chairman and President. 4,582 shares of Common Stock will vest on 2/28/14, and Mr. Isono intends to take such shares net of taxes, and to hold title to such shares jointly by Mr. Isono with his wife for which he and his wife share voting and investment powers.

(12)

16,444 shares of Common Stock are directly held by Mr. Mizumoto with full voting and investment power. 10,647 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan. 73 shares of Common Stock are those he has a right to acquire by the exercise of stock appreciation rights. 4,582 shares of Common Stock will vest on 2/28/14, and Mr. Mizumoto intends to take such shares net of taxes, and to hold title to such shares directly by Mr. Mizumoto with full voting and investment powers.

(13)

37,327 shares of Common Stock are held by the Hines & Ngo 2000 Family Trust dated 4/18/2000 of which Ms. Ngo and her husband are co-trustees and in which they share voting and investment powers. 5,886 shares of Common Stock are held of record by Central Pacific Bank Foundation, of which Ms. Ngo is a director and Vice President. 4,627 shares of Common Stock are held of record by Startup Capital Ventures, LP (venture capital firm founded in 2005) of which Ms. Ngo is a Venture Partner. 3,188 shares of Common Stock are held of record by SCV Management Co, LLC, of which Ms. Ngo is a Managing Member. 8,298 shares of Common Stock are those she has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan. 4,412 shares of Common Stock will vest on 2/28/14, and Ms. Ngo intends to hold title to such shares in the Hines & Ngo 2000 Family Trust dtd 4/18/2000 of which Ms. Ngo and her husband are co-trustees and in which they share voting and investment powers.

(14)

3,000 shares of Common Stock are directly held by Mr. Wilson with full voting and investment power. 8,154 shares of Common Stock are held jointly by Mr. Wilson and his wife for which he and his wife share voting and investment powers. 8,346 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan. 4,412 shares of Common Stock will vest on 2/28/14, and Mr. Wilson intends to take such shares net of taxes, and to hold title to such shares jointly by Mr. Wilson and his wife for which he and his wife share voting and investment powers.

Section 16(a) Beneficial Ownership Reporting Compliance

The Company's directors, executive officers and the beneficial holders of more than ten percent (10%) of the Common Stock are required to file certain reports with the SEC regarding the amount of and changes in their beneficial ownership of the Company's stock. Based on its review of copies of those reports, the Company is required to disclose known failures to file required forms, or failures to timely file required reports during the previous year. To the best knowledge of the Company, there were no failures to file or timely file such required reports during year 2013 by any person who was at any time during year 2013 a director, officer, beneficial owner of more than 10% of the Common Stock, or any other person subject to Section 16 of the Exchange Act with respect to the Company.

ELECTION OF DIRECTORS

The Company currently has nine (9) directors, being Alvaro J. Aguirre, James F. Burr, Christine H. H. Camp, John C. Dean, Earl E. Fry, Paul J. Kosasa, Duane K. Kurisu, Colbert M. Matsumoto and Crystal K. Rose. The term of all directors expires at the Meeting. Accordingly, there are nine (9) directors to be elected at the Meeting to serve one-year terms expiring at the 2015 Annual Meeting of Shareholders and until their respective successors are elected and have qualified, subject to the earlier of their death, resignation, retirement, disqualification or removal from office.

The nominees to serve as directors for election at the Meeting are Alvaro J. Aguirre, James F. Burr, Christine H. H. Camp, John C. Dean, Earl E. Fry, Paul J. Kosasa, Duane K. Kurisu, Colbert M. Matsumoto and Crystal K. Rose, all of whom are currently directors of the Company.

All nominees have indicated their willingness to serve and unless otherwise instructed, proxies will be voted for all of the nominees. However, in the event that any of them should be unable to serve, the proxy holders named on the enclosed proxy card will vote in their discretion for such persons as the Board may recommend.

There are no family relationships among directors or executive officers of the Company, and, as of the date hereof, no directorships are held by any director or director nominee with a company with a class of securities registered pursuant to Section 12 of the Exchange Act, or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940, except for director Crystal K. Rose, who is a director of Hawaiian Holdings, Inc. (NASDAQ ticker "HA").

On February 18, 2011, we completed a private placement of our shares with investments from affiliates of each of Carlyle Financial Services Harbor, L.P. ("Carlyle") and Anchorage Advisors, L.L.C. ("Anchorage") (together with Carlyle, the "Lead Investors") pursuant to investment agreements with each of the Lead Investors (the "Investment Agreements"). Pursuant to the terms of the Investment Agreements, and so long as such Lead Investor owns at least ten percent (10%) of our outstanding Shares, we agreed to nominate a designee of such Lead Investor to serve on our Board of Directors and the Board of Directors of the Bank. Currently, Mr. Alvaro J. Aguirre is serving as the director designee of Anchorage and Mr. James F. Burr is serving as the director designee of Carlyle.

The Board recommends a vote "FOR" each of the Board nominees for director.

DIRECTORS' AND EXECUTIVE OFFICERS' INFORMATION

The following table sets forth certain information with respect to each of the nominees, continuing directors, and executive officers. The term of each director expires at the Meeting.

Name	Principal Occupation for the Past Five Years	Age	First Year Elected or Appointed as Officer or Director of the Company(1)
Nominees			
AGUIRRE, Alvaro J.	Chairman of the Board and member of Audit and of Compensation Committees of Cygnus Business Media (2009 present) (business-to-business media); Director and member of Compensation Committee of Advanstar Global LLC (2011 to present) (trade shows); Partner, Earned Capital LLC (2006 - 2009) (investment)	47	2011

Name	Principal Occupation for the Past Five Years	Age	First Year Elected or Appointed as Officer or Director of the Company(1)
BURR, James F.	Managing Director, Global Financial Services Group, The Carlyle Group (2008 present) (investment)	48	2011
CAMP, Christine H. H.	President and Chief Executive Officer, Avalon Group, LLC (2002 present) (real estate consulting); Managing Director, Avalon Development Company LLC (1999 present) (real estate development)	47	2004
DEAN, John C.	President and Chief Executive Officer, Central Pacific Financial Corp. and Central Pacific Bank (4/20/2011 present); Executive Chairman, Central Pacific Financial Corp. and Central Pacific Bank (6/2010 - 4/20/2011); Managing General Partner of Startup Capital Ventures, a venture capital firm founded in 2005 (2005 present) (investment); managing director of Tuputele Ventures Fund (2003 present) (investment)	66	2010
FRY, Earl E.	Chief Financial Officer, Chief Administrative Officer and Executive Vice President of Global Customer Support and Services, Informatica Corporation (2010 present); Executive Vice President, Chief Financial Officer and Secretary, Informatica Corporation (2003 - 2009) (technology)	55	2005
KOSASA, Paul J.	President and Chief Executive Officer, MNS, Ltd., dba ABC Stores (1999 present) (retail)	56	2002
KURISU, Duane K.(2)	Chairman and Chief Executive Officer, aio, LLC, dba aio Group (2002 present) (publishing/investing)	60	2004
MATSUMOTO, Colbert M.	Chairman and Chief Executive Officer, Island Insurance Company, Ltd. (1999 present) (insurance); President, Tradewind Capital Group, Inc. (2006 present) (investment and asset management); Chairman and President, Island Holdings, Inc. (2010 present) (corporate holding company)	61	2004
ROSE, Crystal K., J.D.	Partner, Bays Lung Rose & Holma (1989 present) (law); Chairman of the Board of the Company and the Central Pacific Bank (4/20/2011 present)	56	2005

Name	**Principal Occupation for the Past Five Years**	**Age**	**First Year Elected or Appointed as Officer or Director of the Company(1)**
Executive Officers(3)			
HUDSON, David W.	Executive Vice President, Central Pacific Financial Corp. and Central Pacific Bank (3/11/2011 present); Senior Vice President, Community Banking Division Manager, Central Pacific Bank (5/2009 - 3/10/2011); Senior Vice President, Retail Banking Division Manager, American Savings Bank (3/2003 4/2009) (banking)	55	2011
ISONO, Denis K.	Executive Vice President and Chief Financial Officer, Central Pacific Financial Corp. and Central Pacific Bank (10/1/2011 present); Executive Vice President and Chief Operations Officer, Central Pacific Financial Corp. and Central Pacific Bank (10/13/2009 - 9/30/2011); Executive Vice President, Operations and Services, Central Pacific Financial Corp. and Central Pacific Bank (9/2004 - 10/12/2009)	62	2002
MIZUMOTO, Lance A.	Executive Vice President, Chief Banking Officer, Central Pacific Financial Corp. and Central Pacific Bank (4/2/2012 present) ; Executive Vice President, Commercial Markets Group Manager, Central Pacific Financial Corp. and Central Pacific Bank (3/11/2011 - 4/1/2012); Executive Vice President, Commercial Markets Group Manager, Central Pacific Bank (10/1/2009 - 3/10/2011); Executive Vice President, Special Assets Advisor, Central Pacific Bank (5/4/2009 - 9/30/2009); Executive Vice President, Commercial Banking Division Manager, Central Pacific Bank (7/1/2008 - 5/3/2009)	55	2011
NGO, A. Catherine	Executive Vice President and Chief Administrative Officer, Central Pacific Financial Corp. and Central Pacific Bank (11/23/2010 present); General Partner and Venture Partner of Startup Capital Ventures, a venture capital firm (2005 present)	53	2010

Name	Principal Occupation for the Past Five Years	Age	First Year Elected or Appointed as Officer or Director of the Company(1)
WILSON, Raymond W.	Executive Vice President and Chief Credit Officer, Central Pacific Financial Corp. and Central Pacific Bank (2/16/2011 present); Executive Vice President, Special Credits, Central Pacific Bank (6/2010 - 2/15/2011); Chief Financial Officer, Gryphon Gold Corporation (11/2009 - 5/2010, appointed Chief Financial Officer 1/1/2010) (minerals); Chief Financial Officer, El Capitan Precious Metals, Inc. (5/2007 - 4/2009) (minerals)	56	2011

(1) All directors of the Company are also directors of the Bank. Mr. Aguirre and Mr. Burr have been directors of the Bank since 2011. Ms. Camp, Mr. Matsumoto, Mr. Kurisu and Ms. Rose have been directors of the Bank since 2004. Mr. Dean has been a director of the Bank since 2010. Mr. Fry has been a director of the Bank since 2005. Mr. Kosasa has been a director of the Bank since 1994.

(2) Mr. Kurisu also served as a director of the Company from September 2004 to May 2008. On January 25, 2012, Mr. Kurisu was reappointed to the Company's Board.

(3) The following includes information regarding all the executive officers, except for Mr. Dean (President and Chief Executive Officer) whose information is included in this table under the section heading "Nominees".

Director and Nominee Background and Experience

Alvaro J. Aguirre Mr. Aguirre was appointed as a director of the Company effective February 24, 2011, as a designee of ACMO-CPF, L.L.C. pursuant to its Investment Agreement with the Company and is being nominated to continue as a director in accordance with the requirements of that Investment Agreement. Mr. Aguirre is a member of the Company's Compensation Committee and Governance Committee. Mr. Aguirre has broad experience acquired through senior executive operating roles, as well as senior principal and advisory positions on Wall Street. Mr. Aguirre served as Chief Financial Officer and member of the Board of Directors for TV Filme Inc., a Brazilian wireless cable investment of private equity firm Warburg Pincus LLC, where he directed the company through a successful initial public offering. Mr. Aguirre has also served in senior management roles at several other media and technology businesses where he was instrumental in shaping strategy, driving growth and achieving successful financings and exits. Mr. Aguirre gained principal investing, capital markets, corporate finance and advisory experience as a managing director and partner at Warburg Pincus LLC, as an investment banker at Morgan Stanley and as a corporate finance attorney at Sullivan & Cromwell LLP. Mr. Aguirre currently serves as Chairman of the Board and member of the Audit and Compensation Committees of Cygnus Business Media, a business-to-business publishing company owned by Goldman Sachs, GE Capital and other financial sponsors. Mr. Aguirre also serves as Lead Director and member of the Compensation Committee of Advanstar Global LLC, a leading business-to-business events, online and publishing platform serving the fashion, life sciences and motorsports industries. Advanstar is owned by Anchorage Capital Group, Ares Management, Veronis Suhler Stevenson and other financial sponsors. As an attorney, banker and private equity investor, risk assessment has been an integral function of Mr. Aguirre's responsibilities. Mr. Aguirre has had the benefit of working in a variety of industries and geographies and has accumulated a broad set of financial, operating, and talent assessment skills, In terms of experience with the commercial banking industry, specifically, as both a lawyer and investment banker, Mr. Aguirre gained experience working with commercial banks in Latin America in connection with financings and U.S. reporting obligations. Mr. Aguirre has also served in various not for profit capacities, including as Chairman of the Town of Tiburon Planning Commission, and, currently, as a Director for Father Joe's Villages, the leading organization attending the needs of the homeless in San Diego. Mr. Aguirre's business, management and financial background, and skill and experience with operating companies, makes him a valuable resource to the Board.

James F. Burr Mr. Burr was appointed as a director of the Company effective February 24, 2011, as a designee of Carlyle Financial Services Harbor, L.P. pursuant to its Investment Agreement with the Company and is being nominated to continue as a director in accordance with the requirements of that Investment Agreement. Mr. Burr has over twenty-five (25) years of financial and banking experience. Before joining Carlyle, Mr. Burr served in several senior and executive positions at Wachovia Bank, including Corporate Treasurer, Assistant Treasurer, Controller of the Corporate and Investment Bank, Product Controller of Treasury/Balance Sheet Management and Structured Products and Mortgage Analyst. Mr. Burr is a Certified Public Accountant (inactive), and spent three (3) years as an auditor at Ernst & Whinney (now known as Ernst & Young). Mr. Burr serves as a Director of the Bank of Hampton Roads, which is principally located in Virginia. Mr. Burr's strong banking and financial experience, as well as his accounting background, provides the Board with a knowledgeable, experienced resource on management of a financial institution.

Christine H. H. Camp Ms. Camp has over twenty-four (24) years experience in real estate, and her company Avalon Group, is a full service real estate company which provides detailed financial and market analysis to a wide range of investors involved in various real estate transactions and development scenarios, and also real estate brokerage, market and financial consulting. Prior to establishing Avalon Group, Ms. Camp was Vice President of Development at A&B Properties, Inc., a subsidiary of Alexander & Baldwin, Inc. (a publicly traded company listed on the NYSE), and was in charge of that company's real estate development and investment acquisition activities. Ms. Camp also was the Senior Project Coordinator of Planning and Engineering at Castle & Cooke Properties, Inc., where she handled site acquisition and development of non-company owned properties. Ms. Camp's real estate, financial, and public company knowledge and experience gained from her prior and current positions, makes her a valuable resource to the Board and management in many areas, but particularly in connection with the Company's real estate lending and other real estate related activities, to include the evaluation of real estate related risks, investments, opportunities, and asset management oversight.

John C. Dean Since April 20, 2011, Mr. Dean has served as President and Chief Executive Officer, and a Director, of the Company and the Bank. From June 2010 through April 20, 2011, Mr. Dean served as the Executive Chairman and a Director of the Company and the Bank. Previously, Mr. Dean has served in various capacities in the banking industry for thirty-one (31) years, including as the Chief Executive Officer and then Chairman of the Board of Silicon Valley Bancshares and Silicon Valley Bank, the President and Chief Executive Officer of Pacific First Bank, the Chairman and Chief Executive Officer of First Interstate Bancorp and First Interstate Bank of Washington, the Chairman and Chief Executive Officer of First Interstate Bank of Oklahoma and as an executive of First Interstate System, Inc., National Funding Corporation and Bank of America. Since 2005, Mr. Dean has been the managing general partner of Startup Capital Ventures, a venture capital firm, and since 2003 he has served as managing director of Tuputele Ventures Fund, a small private equity firm investing in early-stage technology companies and venture capital funds. Mr. Dean is a graduate of the Wharton School of the University of Pennsylvania, with an MBA in Finance, and currently serves as an advisor to the board of the Wharton School. Mr. Dean's extensive experience in leading financial institutions through difficult times and his overall management expertise makes him a valuable contributor to the Board and the overall success of the Company.

Earl E. Fry For the last fourteen (14) years, Mr. Fry has served as Chief Financial Officer of Informatica Corporation (a publicly traded company listed on NASDAQ), a company which provides data integration software and services and which has reported annual revenue in excess of $900 million. As Chief Financial Officer of Informatica Corporation, Mr. Fry has effected, among other things, numerous major capital and financial transactions, to include credit lines, equity offerings, convertible rate issuances, stock/bond buyback plans, over fifteen (15) technology acquisitions, and he has established development and support centers in Bangalore, India, Dublin, Ireland, and Tel Aviv, Israel, and he established Informatica's enterprise risk management program. In addition, Mr. Fry also oversees and manages the Global Customer Support, Consulting Services, Human Resources, Legal and Contracts Administration, Information Technology, Investor Relations and Finance areas of Informatica Corporation. Prior to joining Informatica Corporation, Mr. Fry was Chief Financial Officer of Omnicell Technologies, Inc. (a publicly traded company listed on NASDAQ) for four (4) years, Chief Financial Officer of C.ATS Software, Inc. for two (2) years, Chief Financial Officer of Weitek Corporation for three (3) years, and also served at other technology companies in various finance and other capacities. Mr. Fry began his professional career at Ernst & Whinney, CPAs (now known as Ernst & Young), where he held the position of Senior Auditor. Mr. Fry is a graduate of the Stanford Graduate School of Business. Mr. Fry was voted Software Chief Financial Officer of the Year by Institutional Investor in 2010, 2011, 2012 and 2013. Mr. Fry brings extensive finance, public company, and auditing knowledge and experience to the Board and Company and therefore is highly qualified to Chair the Company's and Bank's Audit Committees.

Paul J. Kosasa Mr. Kosasa has been President and Chief Executive Officer of MNS Ltd., doing business and more commonly known as ABC Stores, for the past fifteen (15) years, and has been with ABC Stores for thirty- four (34) years. As President and Chief Executive Officer of ABC Stores, Mr. Kosasa oversees a Hawaii-based retail convenience store operation with a major presence in Waikiki and other tourist locations throughout the Hawaiian Islands, as well as in other locations outside of Hawaii, such as Guam, Saipan, and Las Vegas, Nevada. As President and Chief Executive Officer of a sizable retail store chain which primarily serves the tourist industry, one of the largest industries in Hawaii, Mr. Kosasa provides the Board and Company with significant business and management knowledge and experience in all aspects of a business operation, which includes business strategy and planning, financial management and budgeting, employee compensation and benefits, labor, marketing, advertising, and real estate, among other business expertise. In addition, Mr. Kosasa provides a link and close connection to the Hawaii tourism industry, one of Hawaii's most profitable economic engines, and which provides a valuable source of banking business with respect to Hawaii businesses who support the Hawaii tourism industry, as well as retail customers from outside Hawaii who require or may desire Hawaii banking services.

Duane K. Kurisu Mr. Kurisu was formerly a director of the Company from September 2004 through May 2008, and was reappointed to the Company's Board of Directors on January 25, 2012, on recommendation of the Company's President and Chief Executive Officer John C. Dean, on recommendation of the Company's Governance Committee, and with the unanimous approval of the Company's Board. Mr. Kurisu has served on the Board of Directors of the Bank since September 2004. Mr. Kurisu is involved in numerous and varied businesses and industries in Hawaii including, among others: (i) real estate investment, ownership and management of office buildings, shopping centers and industrial parks in Hawaii; (ii) media owner and publisher of a number of Hawaii magazines, newspapers and publications, and radio; (iii) sports professional baseball, sports equipment; (iv) food bakery, restaurants, nutraceuticals. He is the Chairman, Chief Executive Officer and owner of aio, LLC, a holding company for brands focused on Hawaii and the Pacific in the areas of media, sports and food. He is also owner, a Director and Vice President of Hawaii Winter Baseball, Inc. (professional baseball), owner, a Director and Vice President of Nutricopia, Inc. (nutraceuticals), owner, Manager and Chief Executive Officer of PacificBasin Communications, LLC (publishing), and part owner and a Manager of K&F 1984 LLC (real estate). Mr. Kurisu serves on numerous Boards, to include, Island Holdings, Inc., Oahu Publications, Inc., and Tradewind Capital Group, Inc., and he also served as a Regent of the University of Hawaii. Mr. Kurisu is a successful businessman and prominent figure in the Hawaii business community and brings to the Board business acumen, judgment, background and experience, and his knowledge of the Hawaii market and his relationships and connections within the Hawaii market.

Colbert M. Matsumoto Mr. Matsumoto is the Chairman of the Board and Chief Executive Officer of Island Insurance Company, Ltd., Hawaii's largest locally owned and managed property and casualty insurance company, and has served in that capacity since 1999. Mr. Matsumoto is also the Chairman of the Board and President of Island Holdings, Inc., a corporate holding company. Mr. Matsumoto also serves as President and a director of Tradewind Capital Group, Inc., an investment and asset management company. Mr. Matsumoto is also an attorney (presently on inactive status), has been a member of the Hawaii State Bar Association for over thirty-six (36) years, and was a partner with the law firm of Fujiyama Duffy & Fujiyama until 1994 when he established his own law firm named Matsumoto LaFountaine & Chow until departing that firm to join Island Insurance Company, Ltd. Mr. Matsumoto's substantial knowledge and experience, as an attorney, insurance executive, and investment professional, has been instrumental in assisting the Board and management with assessing and managing the Company's legal and business risks and in corporate and business strategy and planning.

Crystal K. Rose, J.D. Ms. Rose is a named partner in the law firm of Bays Lung Rose & Holma, and has been actively practicing law for thirty-two (32) years, specializing in the areas of real estate, trust and commercial litigation, commercial real estate transactions, trusts and estates, and construction law. Ms. Rose has been a director of Hawaiian Holdings, Inc. (a publicly traded company listed on NASDAQ, and the parent company of Hawaiian Airlines, Inc.) since June 2006, and serves as Chair of the Compensation Committee, and is a member of the Governance and Nominating Committee and the Executive Committee of its Board of Directors. Given the limited number of publicly traded companies in Hawaii, Ms. Rose brings experience as a director of another Hawaii-based publicly traded company. Ms. Rose also brings a wealth of legal and real estate knowledge and experience to the Company's Board and Bank's Board, and her professional, leadership, and business skills and expertise are well-suited to her serving as the Company's and the Bank's Board Chair and in providing guidance with respect to the Company's and the Bank's strategic issues, overall business plans and legal matters.

Executive Officer Background and Experience

Set forth below is information concerning the current executive officers of the Company except for Mr. Dean, for whom information is provided above:

David W. Hudson Mr. Hudson was appointed Executive Vice President, Community Banking Division Manager of the Bank and the Company, effective March 11, 2011. Prior to his appointment, Mr. Hudson was Senior Vice President, Community Banking Division Manager for the Bank. As Community Banking Division Manager, Mr. Hudson oversees the Bank's entire branch network, comprising thirty-five (35) branches throughout the State of Hawaii, to include branches on the islands of Oahu, Hawaii, Maui, and Kauai. Mr. Hudson has more than thirty (30) years of experience in the finance industry in Hawaii and California. He started his banking career in corporate, international and commercial real estate lending with Crocker National and First Nationwide banks. More recently, Mr. Hudson's career has focused on retail and branch banking. Prior to joining the Bank in 2009, Mr. Hudson spent six (6) years as Senior Vice President of the consumer and business banking division of Hawaii-based American Savings Bank. In addition, Mr. Hudson has also served at Honfed Bank and Bank of America in Hawaii and California in various positions from process design executive to consumer region executive.

Denis K. Isono Mr. Isono was appointed Executive Vice President and Chief Financial Officer of the Company and the Bank effective October 1, 2011. Mr. Isono has over forty-one (41) years of banking and financial experience in the Hawaii market. Before joining the Company and the Bank, Mr. Isono was employed by Bank of Hawaii for eighteen (18) years and held various senior management positions to include Executive Vice President, Operations, and Senior Vice President, Controller. In addition, Mr. Isono also began his banking career at City Bank where he worked for six (6) years. Mr. Isono is a Certified Public Accountant, Certified Management Accountant, Certified Bank Auditor, Certified Internal Auditor, and a graduate of the Stanford University Executive Program and the University of Hawaii Advanced Management Program. Mr. Isono also spent six (6) years with Ernst & Ernst, and held the position of Audit Supervisor.

Lance A. Mizumoto Mr. Mizumoto was appointed Executive Vice President, Chief Banking Officer of the Company and the Bank effective April 2, 2012. Mr. Mizumoto has over twenty-seven (27) years of experience in banking. Prior to joining the Bank in 2005, Mr. Mizumoto had been at First Hawaiian Bank for nine (9) years, where he served in numerous managerial positions, to include serving as Senior Vice President and Division Manager for First Hawaiian Bank's Corporate Hawaii Division and Trade Finance Department, with responsibility for managing and overseeing a portfolio consisting primarily of the top companies in Hawaii. Prior to First Hawaiian Bank, Mr. Mizumoto was employed at Bank of Hawaii for ten (10) years, where he served in various senior line officer positions, with responsibility for substantial sized corporate portfolios. Before Bank of Hawaii, Mr. Mizumoto worked six (6) years for Hawaii-based International Savings & Loan, principally in various lending areas, to include serving as Residential Loan Originations Manager and Secondary Loan Marketing Manager.

A. Catherine Ngo Ms. Ngo was appointed Executive Vice President, Chief Administrative Officer of the Company and the Bank effective November 23, 2010. Ms. Ngo is an experienced executive who has served in various capacities in the financial industry during the last twenty-one (21) years, including as General Partner and Venture Partner of Startup Capital Ventures, a venture capital firm, where her responsibilities included: managing relationships with many of the firm's portfolio companies and assisting companies with operational (financial and legal) issues. She also had primary oversight for the firm's finance, reporting and investor relations activities and had a significant role in managing the firm's China-based portfolio. As Chief Operating Officer of Alliant Partners, an investment banking subsidiary of Silicon Valley Bank, Ms. Ngo's responsibilities included oversight of legal and compliance, finance, marketing, human resources, and information technology functions. As Executive Vice President, General Counsel and Corporate Secretary of Silicon Valley Bancshares and Silicon Valley Bank ("SVB"), Ms. Ngo directed Audit, Credit Review, Collateral Audit, Legal and Loan Operations divisions of SVB with responsibility for over 100 employees. President & Chief Executive Officer John C. Dean has worked with Ms. Ngo for the last twenty-one (21) years; they (together with a few others) founded and were co-general partners of Startup Capital Ventures. For the last twelve (12) years preceding that, Ms. Ngo was an executive officer at SVB (where Mr. Dean served as Chief Executive Officer and Chairman of the Board from 1993-2003).

Raymond William ("Bill") Wilson Mr. Wilson was appointed Executive Vice President, Chief Credit Officer of the Company and the Bank effective February 16, 2011. Mr. Wilson joined the Bank in June of 2010 as Executive Vice President, Special Credits, with fifteen (15) years of U.S. and international experience in credit risk management in public and private companies, as well as fourteen (14) years of credit and lending experience at Westpac Banking Corporation ("Westpac"), a major international financial institution, where he served in various capacities from 1980 to 1994. After leaving Westpac, Mr. Wilson co-founded Drexel Oceania, an international merchant bank engaged in capital raising and financial advisory work for companies and financial institutions in North America, Asia and Australia. Prior to joining the Bank, Mr. Wilson assumed various interim Chief Financial Officer and Chief Operating Officer positions for domestic and international public and private corporations undergoing transition, including Chief Financial Officer of Gryphon Gold Corporation, a publicly traded junior minerals exploration company; Chief Financial Officer, Director and Audit Committee Chair of El Capitan Precious Metals, Inc., a publicly traded junior minerals exploration company; and Chief Operating Officer of Petaluma Butane Distributors, Inc., an umbrella company for a group of private operating companies and commercial and real estate holdings.

CORPORATE GOVERNANCE AND BOARD MATTERS

During the fiscal year ended December 31, 2013, the Board held a total of eight (8) meetings. Each incumbent director attended at least 75% of the total number of the aggregate of these Board meetings and meetings held by all committees of the Board on which he or she served during 2013. The Company expects directors to attend the annual meeting of shareholders. The directors who attended last year's annual meeting of shareholders were Christine Camp, John Dean, Paul Kosasa, Duane Kurisu, Colbert Matsumoto and Crystal Rose.

The Board has three (3) standing committees: an Audit Committee, a Compensation Committee, and a Governance Committee.

The following table sets forth the members of the Board as of the date of this Proxy Statement and the committees of the Board on which they serve.

Name of Director	**Audit Committee(1)**	**Compensation Committee**	**Governance Committee**
Non-Employee Directors:			
Alvaro J. Aguirre		*	*
James F. Burr			
Christine H. H. Camp	*	C	*
Earl E. Fry	C	*	
Paul J. Kosasa			C
Duane K. Kurisu	*		
Colbert M. Matsumoto			
Crystal K. Rose	*	*	*

* = Member

C = Chair

(1) Mr. Kurisu was appointed to the Audit Committee on January 25, 2012.

Interested parties may communicate directly with the Chair of the Board or with the non-management or independent directors as a group, by writing to: Crystal K. Rose, Bays Lung Rose & Holma, 1099 Alakea Street, 16th Floor, Honolulu, Hawaii 96813. Alternatively, concerns may be made known and communicated directly to the Chair of the Board or to the non-management or independent directors as a group, through procedures set forth in the Company's Complaint Policy which is available on the Company's website (*www.centralpacificbank.com*).

Audit Committee

The Audit Committee held nine (9) meetings during 2013. The responsibilities of the Audit Committee are described below under the subheading "REPORT OF THE AUDIT COMMITTEE." The Audit Committee operates under a Charter adopted by the Board. The Charter of the Audit Committee is available on the Company's website (*www.centralpacificbank.com*). The current members of the Company's Audit Committee are Earl E. Fry (Chair), Christine H. H. Camp, Duane K. Kurisu, and Crystal K. Rose, each of whom is "independent" within the meaning of the listing standards of the NYSE and the rules of the SEC. The Board has also determined that each member is financially literate, as such qualification is defined under the rules of the NYSE, and that each member has accounting or related financial management expertise, as such qualification is defined under the rules of the NYSE, and that Mr. Fry and Ms. Camp are each an "audit committee financial expert" within the meaning of the rules of the SEC. No member of the Audit Committee serves on the audit committee of any other publicly registered company.

Pursuant to the Company's Audit Committee Charter, the Audit Committee reviews and evaluates all related party transactions that are material to the financial statements pursuant to the Company's Policy Regarding Transactions with Related Persons, and determines conflicts of interest pursuant to the Company's Code of Conduct & Ethics and pursuant to its Code of Conduct & Ethics for Senior Financial Officers. In addition, certain loans to directors and executive officers and their related interests are subject to the lending restrictions set forth in Federal Reserve Board Regulation O and the lending policies and procedures of the Bank. Each director and executive officer is required to report to the Company transactions with the Company in which they have an interest.

Compensation Committee

The Compensation Committee held six (6) meetings during 2013. The Compensation Committee's primary purpose is to assist the Board in discharging the Board's responsibilities relating to compensation of the Company's executive officers by evaluating and recommending to the Board approval of executive officer benefit, bonus, incentive compensation, severance, equity-based or other compensation plans, policies and programs of the Company and providing all required disclosures on executive compensation for inclusion in the Company's Proxy Statement. The functions of the Compensation Committee are further described in "COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS" below, under the subheading "COMPENSATION DISCUSSION AND ANALYSIS." The Charter of the Compensation Committee is available on the Company's website (*www.centralpacificbank.com*). The current members of the Company's Compensation Committee are Christine H. H. Camp (Chair), Alvaro J. Aguirre, Earl E. Fry, and Crystal K. Rose, each of whom is "independent" within the meaning of the listing standards of the NYSE, is a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act and is an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Interaction with Consultants

From time-to-time, the Compensation Committee seeks advice from outside experts in the compensation field. The Compensation Committee has historically engaged a compensation consultant to provide input on both Board and executive compensation issues. In 2013 the Committee retained McLagan, an AonHewitt Company. McLagan is a compensation consulting and performance benchmarking firm focused exclusively on the financial services sector.

In 2013, the Compensation Committee engaged McLagan to provide market benchmarking information and advisory services related to executive compensation plan design features, positioning to market, regulatory compliance, and with respect to the review and development of various incentive plans. McLagan was engaged directly by the Compensation Committee and McLagan consultants reported directly to the Compensation Committee for its services in these capacities. The Compensation Committee discusses, reviews, and approves all consulting projects performed by McLagan and periodically reviews the relationship with McLagan and considers competitive proposals from other firms.

The Compensation Committee considered the independence of McLagan in light of new SEC rules and NYSE listing standards. The Compensation Committee requested and received a report from McLagan addressing the independence of McLagan and its consultants, including the following factors: (1) other services provided to us by McLagan; (2) fees paid by us as a percentage of Aon's total revenue; (3) policies or procedures maintained by McLagan that are designed to prevent a conflict of interest; (4) any business or personal relationships between the consultants and a member of the Compensation Committee; (5) any company stock owned by the consultants; and (6) any business or personal relationships between our executive officers and the consultants. The Compensation Committee discussed these considerations as well as other considerations and concluded that the work performed by McLagan and its consultants involved in the engagements did not raise any conflict of interest.

Governance Committee

The Governance Committee held four (4) meetings during 2013. The Governance Committee is responsible for promoting the best interests of the Company and its shareholders through the implementation of sound corporate governance principles and practices, including identifying individuals qualified to become Board members, recommending nominees for directors of the Company, reviewing the qualifications and independence of the members of the Board and its committees, reviewing and monitoring the Company's Corporate Governance Guidelines, monitoring the Board's and the Company's compliance regarding changes in corporate governance practices and laws and leading the Board in its annual review of the performance of the Board. The Charter of the Governance Committee and the Company's Corporate Governance Guidelines are available on the Company's website (*www.centralpacificbank.com*). The current members of the Company's Governance Committee are Paul J. Kosasa (Chair), Alvaro J. Aguirre, Christine H. H. Camp, and Crystal K. Rose, each of whom is "independent" within the meaning of the listing standards of the NYSE.

Director Resignation Policy

On January 28, 2009, the Board adopted a "Director Resignation Policy" which provides that at any shareholder meeting at which directors are subject to an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall tender a letter of resignation to the Board for consideration by the Governance Committee. The Governance Committee shall recommend to the Board the action to be taken with respect to such offer of resignation. The Board shall act promptly with respect to each such letter of resignation and shall notify the director concerned of its decision. Any director who tenders his or her resignation pursuant to this provision shall not participate in the Governance Committee or Board action regarding whether to accept his or her resignation offer.

Equity Grant Guidelines

The Company has Equity Grant Guidelines ("Equity Guidelines") which are to be considered in connection with grants of Company equity whether in the form of Company stock, stock options, or other forms of equity grants made by the Company to directors, officers or employees of the Company or any of its subsidiaries. The Equity Guidelines set forth guidelines regarding how and when grants may be made, including how grants are to be approved and documented.

Director Independence and Relationships

The Board has determined, in accordance with our Standards Regarding Director Independence, that all directors who are currently directors or who served during 2013 and all nominees (other than Mr. Dean who is President and Chief Executive Officer) are "independent" within the meaning of the rules of the NYSE. All of the directors and nominees (other than Mr. Dean) are non-employees. All committees of the Board are comprised solely of independent directors.

With respect to those directors who were determined independent by the Board, the following transactions, relationships and arrangements were considered by the Board in its determination of a director's independence, including with respect to service on the Board's committees, and none were found to adversely impact an independence determination.

During 2013, the following directors and nominees either directly and/or indirectly through companies in which they have a business interest or affiliation, received and/or had outstanding loans with the Bank: current directors Paul J. Kosasa, Duane K. Kurisu, Colbert M. Matsumoto, and Crystal K. Rose.

During 2013, the following directors and nominees either directly and/or indirectly through companies in which they have a business interest or affiliation, opened and/or maintained deposit, trust, investment and/or other banking accounts with the Bank: Christine H. H. Camp, John C. Dean, Earl E. Fry, Paul J. Kosasa, Duane K. Kurisu, Colbert M. Matsumoto, and Crystal K. Rose.

During 2013, the following directors and nominees served on boards of non-profit, community, charitable and/or cultural organizations, which received monetary donations from the Bank: Christine H. H. Camp, John C. Dean, Paul J. Kosasa, Duane K. Kurisu, Colbert M. Matsumoto, and Crystal K. Rose. For 2013, the Company did not pay to any charitable or non-profit organization in which one of the Company's Board members serves on that organization's board, any amount in excess of the greater of $1,000,000 or 2% of the recipient organization's gross annual revenues. Nine (9) donations were made in 2013 totaling $70,400, and of the nine donations five were under $5,000 and four were at or above $5,000.

During 2013, the following directors and nominees served on boards of non-profit, community, charitable and/or cultural organizations, which received monetary donations from the Central Pacific Bank Foundation: John C. Dean, Paul J. Kosasa, Duane K. Kurisu, Colbert M. Matsumoto, and Crystal K. Rose. For 2013, the Company did not pay to any charitable or non-profit organization in which one of the Company's Board members serves on that organization's board, any amount in excess of the greater of $1,000,000 or 2% of the recipient organization's gross annual revenues. Foundation donations in 2013 totaled $159,400, with the bulk of such donations to honor Hawaii's deceased U.S. Senator Daniel K. Inouye $50,000 donated to Hawaii Community Foundation for the Daniel K. Inouye Institute Fund, and $50,000 donated to the University of Hawaii Foundation for the Dan and Maggie Inouye Distinguished Chair in Democratic Ideals Fund, and a donation of $19,400 to Aloha United Way.

During 2013, the following directors and nominees served on boards of companies that either directly or indirectly had business relationships with the Bank in the ordinary course of the Bank's business, in which the directors had no involvement and which are on no more favorable terms than for other similarly situated matters: Duane K. Kurisu and Colbert M. Matsumoto.

During 2013, the following directors served as officers of companies that either directly or indirectly had business relationships with the Bank in the ordinary course of the Bank's business, in which the directors had no involvement and which are on no more favorable terms than for other similarly situated matters: Paul J. Kosasa, Duane K. Kurisu, and Colbert M. Matsumoto.

Company director Paul J. Kosasa is President and Chief Executive Officer of ABC Stores. In 2013, the Bank paid ABC Stores $95,988 for the right to lease space in various ABC Stores locations for the placement of Bank ATMs. Mr. Kosasa had no direct involvement with any of the aforementioned transactions and they were made on no more favorable terms than for other similarly situated transactions.

Company director Duane K. Kurisu is a director and holds less than five percent (5%) ownership interest in Oahu Publications, Inc., which publishes the Honolulu Star Advertiser newspaper (Hawaii's only major daily newspaper), staradvertiser.com, MidWeek newspaper, HILuxury magazine, and The Garden Island newspaper (Kauai). Mr. Kurisu is sole owner and co-manager of PacificBasin Communications LLC which publishes Hawaii Business magazine and Honolulu magazine. In 2013, the

Bank paid a total amount of $543,154 for advertising in the foregoing media, detailed as follows: $274,867 for the Honolulu Star Advertiser newspaper; $65,444 for staradvertiser.com; $37,059 for MidWeek newspaper; $14,559 for HILuxury magazine; $12,211 for The Garden Island newspaper; $90,576 for Hawaii Business magazine; and, $48,438 for Honolulu magazine. Mr. Kurisu is sole member of PCSC LLC and is vice president and director of WKF Inc., which are landlord and managing agent respectively, of a location in which the Bank has one of its branches, and for which the Bank paid $43,072 in rent in 2013. Mr. Kurisu is a director of Tradewind Capital Group Inc. which invested an aggregate $4 million in Series B preferred shares in CPB Real Estate Inc. ("CPBREI") and Citibank Properties Inc. ("CPI") in August 2001 and August 2000, respectively, both former real estate investment trusts, and both of which companies are subsidiaries of the Bank. Since June 2009, no dividends have been paid to CPBREI and CPI. In July 2013 and in connection with the Bank's plans to terminate CPBREI and CPI, the Bank purchased all Series B preferred shares from all Series B preferred stockholders, to include paying CPBREI $2,480,000 and CPI $2,240,000 for their respective Series B preferred shares. Mr. Kurisu also owned one (1) $1,000 Series A preferred share in CPI. In September 2013 and in connection with the Bank's plans to terminate CPI, the Bank purchased all Series A preferred shares from all Series A preferred stockholders, to include paying Mr. Kurisu $1,000 for his respective Series A preferred share. Mr. Kurisu had no direct involvement with any of the aforementioned transactions and they were made on no more favorable terms than for other similarly situated transactions.

Company director Colbert M. Matsumoto is Chief Executive Officer and Chairman of the Board of Island Insurance Company, Ltd. ("Island") and Chairman of the Board of Atlas Insurance Agency, Inc. ("Atlas"), and he is also President, Chairman of the Board and less than ten percent (10%) owner, of Island Holdings, Inc. ("Holdings"), which owns both Atlas and Island. Mr. Matsumoto is also Chairman of the Board of Tradewind Insurance Company Ltd. In 2013, out of the insurance premiums which the Company and its subsidiaries paid for insurance policies that Atlas placed on behalf of the Company and its subsidiaries, Atlas received a total of $146,001 in commissions (based on premiums on the Company's corporate insurance policies totaling $2,013,284, of which the Company paid $10,659 in premiums to Island and $163,629 in premiums to Tradewind Insurance for workers compensation coverage/policies for various of the Company's entities). In addition, Atlas paid the Bank $24,000 in rent and $25,602 in common area maintenance for space in the Bank's Hilo office building. The Bank paid Island $12,565 in rent in 2013 for the placement by the Bank of an ATM at one of Island's locations. Pacxa is a majority-owned subsidiary of Holdings, and provided various technology and business process services to the Bank, for which the Bank paid Pacxa $150,499 in 2013. Mr. Matsumoto is a director of Oahu Publications, Inc., which publishes the Honolulu Star Advertiser newspaper (Hawaii's only major daily newspaper), staradvertiser.com, MidWeek newspaper, HILuxury magazine, and The Garden Island newspaper (Kauai). In 2013, the Bank paid the following amounts for advertising in the foregoing media, detailed as follows: $274,867 for the Honolulu Star Advertiser newspaper; $65,444 for staradvertiser.com; $37,059 for MidWeek newspaper; $14,559 for HILuxury magazine; and $12,211 for The Garden Island newspaper. Mr. Matsumoto is a Trustee and Chairman of the Employees' Retirement System of the State of Hawaii ("ERS"). In 2013, the Bank paid ERS $322,589 in rent and $302,963 in common area maintenance for business space in a building owned by ERS. Mr. Matsumoto is a director and President of Tradewind Capital Group Inc. which invested an aggregate $4 million in Series B preferred shares in CPBREI and CPI in August 2001 and August 2000, respectively, both former real estate investment trusts, and both of which companies are subsidiaries of the Bank. Since June 2009, no dividends have been paid to CPBREI and CPI. In July 2013 and in connection with the Bank's plans to terminate CPBREI and CPI, the Bank purchased all Series B preferred shares from all Series B preferred stockholders, to include paying CPBREI $2,480,000 and CPI $2,240,000 for their respective Series B preferred shares. Mr. Matsumoto also owned one (1) $1,000 Series A preferred share in CPI. In September 2013 and in connection with the Bank's plans to terminate CPI, the Bank purchased all Series A preferred shares from all Series A preferred stockholders, to include paying Mr. Matsumoto $1,000 for his respective Series A preferred share. Mr. Matsumoto had no direct involvement with any of the aforementioned transactions and they were made on no more favorable terms than for other similarly situated transactions.

Loans to Related Persons

The Bank, which is a wholly-owned subsidiary of the Company, has made (in addition to the loans specified in the "Director Independence and Relationships" section immediately preceding this section) loans to directors and executive officers, their immediate family members, and companies in which they have an interest, in the ordinary course of its business as a bank. These loans were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Bank and do not involve more than the normal risk of collectibility or present other unfavorable features.

Announced Related Party Transactions

On February 20, 2014, the Company entered into repurchase agreements (the "Repurchase Agreements") with each of Carlyle and Anchorage, each of whom is the owner of 9,463,095 shares of common stock (representing 22.5% of our outstanding shares of common stock or 45.0% in the aggregate), pursuant to which the Company agreed to purchase up to $28,100,000 shares from each of the Lead Investors at a purchase price between $18.50 and $21.00 per share (the "Share Repurchases") (or an aggregate of $56,200,000 shares). The purchase price (the "Purchase Price") will be determined based on the results of a "Dutch-Auction" tender offer we publicly announced on February 21, 2014. The Share Repurchases are scheduled to close on the eleventh business day following the expiration of the tender offer. The aggregate amount of shares to be repurchased under the Repurchase Agreements will be proportionately reduced in the event that the Company purchases less than the maximum number of shares that it is able to purchase at the Purchase Price pursuant to the terms of the tender offer. In addition, each Lead Investor may tender in the tender offer. The Share Repurchases contemplated by the Repurchase Agreements are conditioned upon, among other matters, the Company purchasing shares in the tender offer in accordance with its offer to purchase.

In addition, our directors, officers and their respective affiliates are eligible to participate in the tender offer on the same terms as all of our other shareholders.

Policy Regarding Transactions with Related Persons

The Company has a Board approved written policy ("Policy Regarding Transactions with Related Persons") which sets forth the process and procedures for the review, approval, ratification and disclosure of any transaction with a related person ("transaction" and "related person" being as defined by Item 404 of SEC Regulation S-K). Transactions with related persons that affect a director's independence are reviewed by the Company's Governance Committee. Transactions with related persons that involve loans are reviewed by the Bank's Board Directors Loan Committee. All other transactions with related persons that are material to the financial statements are reviewed by the Company's Audit Committee.

Board Leadership Structure and Risk Oversight

The Company's Board has no policy with respect to the separation of the offices of Chairman, President and Chief Executive Officer. It is the Board's view that rather than having a rigid policy, the Board, with the advice and assistance of its Governance Committee, and upon consideration of all relevant factors and circumstances, will determine, as and when appropriate, whether the offices of Chairman, President and Chief Executive Officer should be separate. The Board has determined that having two separate individuals serve as Chief Executive Officer and Chairman, respectively, is in the best interests of the Company and its shareholders at this time. On April 20, 2011, John C. Dean was appointed President and Chief Executive Officer of the Company and the Bank, and Crystal K. Rose was appointed as the Chair of the Board of the Company and the Bank. Prior to these appointments, Mr. Dean had served as Executive Chairman of the Company and the Bank, and Ms. Rose was the lead director of the Board of the Company and the Bank. The Chief Executive Officer is responsible for setting the strategic direction and the day-to-day leadership and performance of the Company, while the Chair of the Board provides overall leadership to the Board, works with the Chief Executive Officer to prepare Board meeting agendas and chairs meetings of the Board. This leadership structure allows the Chief Executive Officer to focus on his operational responsibilities, while keeping a measure of independence between the oversight functions of the Board and those operating decisions. All members of the Board are outside (non-management) directors, with the sole exception of Mr. Dean. As the Board's lead director until April 20, 2011, and as Chair of the Board since April 20, 2011, Ms. Rose presided over all meetings of the non-management directors in executive sessions, acted as liaison and facilitated communications between the Board and the principal executive officer, and ensured independent Board governance and oversight of management. In addition, all members of the Board's Audit Committee, Compensation Committee, and Governance Committee are comprised of independent, non-management directors.

The Company is a one-bank holding company, with the Bank being the Company's only bank subsidiary. All of the directors on the Company's Board also serve on the Bank's Board of Directors. In addition, all of the Company's directors who serve on the Company's Audit Committee, Compensation Committee and Governance Committee also serve on those same board level committees at the Bank. Ernst & Young, the Company's and Bank's Internal Auditor effective February 1, 2010, reports directly to the Company's and Bank's respective Audit Committees. In addition, the Bank also has an additional board level Trust Committee and Directors Loan Committee which provide board level oversight over the Bank's trust activities and lending activities, respectively. The Company's and Bank's Audit Committees perform the required and customary risk oversight functions of an Audit Committee, which include, overseeing accounting, auditing, internal controls, legal and regulatory matters, financial reporting and financial risk. The Company's and the Bank's Compensation Committees perform the required and customary risk oversight functions of a Compensation Committee, which include, overseeing the Company's and Bank's compliance with any laws, rules and regulations applicable to the Company's and Bank's compensation practices, plans and programs, and to ensure that compensation is not structured in a way which will encourage unnecessary or excessive risk taking. The Company's and Bank's Chief Financial Officer and General Counsel report regularly to the Company's and Bank's Audit Committees. The Company's and Bank's Chief Credit Officer is required to report regularly to the Bank's Directors Loan Committee. All Company and Bank executive officers report regularly to the Company's and Bank's Board of Directors.

Code of Conduct & Ethics

The Company is committed to promoting and fostering ethical conduct and sound corporate governance principles. The Company has a Code of Conduct & Ethics applicable to all employees, officers and directors of the Company. In addition, the Company also has a supplemental Code of Conduct & Ethics for Senior Financial Officers, which is applicable to the Chief Executive Officer, President, Chief Financial Officer, Controller, any other principal financial officer or principal accounting officer and any other person fulfilling and/or performing any similar role, function or capacity. Both of the aforementioned Codes of Conduct & Ethics are available on the Company's website (www.centralpacificbank.com).

Board Education

The Company provides Board directors with memberships in board educational and development programs, and all Board directors are members of one of the following director programs: New York Stock Exchange's Board Leadership Program, Bank Director's DirectorCorps Program, and the National Association of Corporate Directors. These programs offer our Company's directors with a variety of opportunities and resources to keep current and informed about their duties and responsibilities as members of our Board and Board committees on which they serve, and about developments concerning our business and industry.

Director Nomination Process

Director Qualifications. The Governance Committee is responsible for reviewing the qualifications and independence of director nominees in accordance with the criteria set forth in the Company's Corporate Governance Guidelines. The general criteria considered include independence, diversity, age, skills, experience and other relevant considerations in the context of the needs of the Board. Diversity is considered and desired and is viewed in a broad context; we seek Board members from different professions, industries, backgrounds, experiences, cultures, ethnicities, races, and gender, who can represent Hawaii's multi-cultural, multi-ethnic, and multi-racial population and community.

Identifying and Evaluating Nominees. The Board seeks to identify candidates for director positions that are best qualified and suited to meet the needs of the Company and to present these candidates for shareholder approval, as and when director positions become open and available. The Governance Committee will first identify, review, evaluate and recommend to the Board, nominees for director positions. The Board will then vote whether or not to recommend such nominees to the Company's shareholders for election.

In identifying potential director nominees, the Governance Committee will search within the State of Hawaii and may search outside the State of Hawaii for any potential director candidates, and in this regard, may utilize the services of a professional search firm. While the same general criteria set forth above shall be applied in evaluating a candidate's qualifications, it is difficult to enumerate all of the attributes, skills and qualities that the Governance Committee and/or Board may, at any given point in time, determine, consider and value in evaluating, selecting and recommending director nominees. Accordingly, the Governance Committee and the Board exercise their discretion and consider any circumstances, experiences, attributes, skills, qualities, and factors applicable to any director nominee with the intent and purpose of having the best qualified and best suited directors serving on the Board at all times, as well as ensuring that the Board as a whole is diverse and well rounded. The Board may enlist the services of a third party to conduct a background check or other investigation in order to determine whether a candidate meets any criteria.

Shareholder Nominees. In accordance with the policies set forth in the Company's Corporate Governance Guidelines and the Company's Bylaws (as amended), the Governance Committee will consider properly submitted director nominees for election at the 2015 Annual Meeting of Shareholders recommended by shareholders if such recommendations are received in writing not less than ninety (90) calendar days nor more than one hundred twenty (120) calendar days prior to the first anniversary date of the annual meeting for the preceding year, and comply with all other applicable requirements set forth in said Corporate Governance Guidelines and Bylaws (as amended). Shareholder recommendations should be addressed to the Company's Corporate Secretary, P.O. Box 3590, Honolulu, Hawaii 96811.

Communications with the Board

Shareholders of the Company and others may send written communications directly to the Board, addressed to: Board of Directors of Central Pacific Financial Corp., 220 South King Street, 22nd Floor, Honolulu, Hawaii 96813. Any such communication may be directed to the attention of the Chair of the Board or the Chair of any Board Committee (such as, for example, the Chair of the Audit Committee or the Chair of the Governance Committee) or to the non-management or independent directors. Shareholders and others sending such communications should include the following in their written communication: (a) such shareholder(s) and others should identify himself/herself/itself/themselves, and if a shareholder, provide reasonably satisfactory proof of their ownership of the Company's stock; (b) such shareholder(s) and others should state in reasonable detail and communicate with reasonable clarity and specificity their issue or concern; and (c) such shareholder(s) and others should include their contact information (at a minimum, phone number and address). Shareholders and others who wish to communicate anonymously with the Board or any group of the Board should refer to the Company's Complaint Policy. However, nothing that is stated in this paragraph shall override any requirements imposed on any shareholder communications under the Company's Articles of Incorporation (as amended) or Bylaws (as amended) or other governing documents or by any law, rule or regulation.

REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filings under the United States Securities Act of 1933, as amended, or under the United States Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this Report by reference.

As of February 24, 2014, the Audit Committee is comprised of four (4) non-management directors and operates pursuant to a written charter that was readopted by our Board in March 2013. The charter is also available on our website at *https://www.centralpacificbank.com*. During 2013, the Audit Committee held nine (9) meetings, including five (5) private sessions with the independent auditors, three (3) private sessions with Internal Audit, one (1) private session with executive management, and one (1) executive session. The Audit Committee's primary purposes are to: (a) assist the Board in its oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the Company's independent auditors' qualifications and independence, and (iv) the performance of the Company's internal audit function and independent auditors; (b) decide whether to appoint, retain or terminate the Company's independent auditors and to pre-approve all audit, audit-related and other services, if any, to be provided by the independent auditors; and (c) prepare this Report. The Board has determined, upon the recommendation of the Governance Committee, that each member of the Audit Committee is "independent" within the meaning of the rules of the NYSE and the SEC. The Board has also determined that each member is financially literate and has accounting or related financial management expertise, as such qualifications are defined under the rules of the NYSE, and that two (2) members are "audit committee financial experts" within the meaning of the rules of the SEC, being Earl E. Fry, Chair of the Audit Committee, and Christine H. H. Camp. The Audit Committee is established in accordance with Section 3(a)(58)(A) of the United States Securities Exchange Act of 1934, as amended.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements, accounting and financial reporting principles and the establishment and effectiveness of internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for performing an independent audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), expressing an opinion as to the conformity of such financial statements with generally accepted accounting principles and auditing the effectiveness of internal control over financial reporting. The independent auditors have free access to the Audit Committee to discuss any matters they deem appropriate.

In performing its oversight role, the Audit Committee has considered and discussed the audited financial statements with management and the independent auditors. The Committee has also discussed with the independent auditors matters related to the results of the audit in accordance with PCAOB Auditing Standard No. 16, "Communications with Audit Committees; Related Amendments to PCAOB Standards; and Transitional Amendments to PCAOB AU Section 380." The Committee has received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1, Independent Discussions with Audit Committees, as adopted by the PCAOB, and has discussed with the independent accountant the independent accountant's independence. All non-audit services performed by the independent auditors must be specifically pre-approved by the Audit Committee or a member thereof.

During 2013, the Audit Committee performed all its duties and responsibilities under the Audit Committee Charter. In addition, based on the reports and discussions described in this Report, the Audit Committee recommended to the Board that the audited financial statements of the Company for 2013 be included in the Company's Annual Report on Form 10-K for such fiscal year.

Respectfully submitted by the current members of the Audit Committee of the Board:

Earl E. Fry, Chair
Christine H. H. Camp
Duane K. Kurisu
Crystal K. Rose

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

DIRECTOR COMPENSATION

Periodically the Compensation Committee engages a consultant to review the compensation of the Company's Board to ensure alignment with peers, considering the Company performance and Board performance. The last review was completed in early 2011 following which the Board adopted changes to the director's fee schedule. There have been no changes to the fees paid to the directors since 2011.

Annual Retainer

In May 2013, an annual retainer was paid in lump sum to each non-employee Director as follows:

Board of Directors Position	Annual Retainer
Board Chair	$ 125,000
Audit Committee Chair	$ 100,000
Compensation, Directors Loan and Governance Committee Chairs	$ 90,000
Non-Chair Committee Member	$ 75,000

Director Compensation

The following table shows, for the year ended December 31, 2013, information on compensation earned by each non-employee director who served on the Company's Board during 2013.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Options Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Values & Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Alvaro J. Aguirre	$ 75,000	$	$	$	$	$	$ 75,000
James F. Burr	$ 75,000	$	$	$	$	$	$ 75,000
Christine H. H. Camp	$ 90,000	$	$	$	$	$	$ 90,000
Earl E. Fry	$ 100,000	$	$	$	$	$	$ 100,000
Paul J. Kosasa	$ 89,988	$	$	$	$	$	$ 89,988
Duane K. Kurisu	$ 90,000	$	$	$	$	$	$ 90,000
Colbert M. Matsumoto	$ 75,000	$	$	$	$	$	$ 75,000
Crystal K. Rose	$ 124,351	$	$	$	$	$	$ 124,351

(b) Inclusive in this column are fees elected in the form of equity. Directors have the option to receive any amount of fees in equity. Crystal K. Rose and Paul J. Kosasa elected to receive fifty percent (50%) of their Board fees in equity. Based on a grant date fair value of $17.93 per share for Ms. Rose and $18.34 per share for Mr. Kosasa, this resulted in 3,450 and 2,453 shares being granted to Ms. Rose and Mr. Kosasa, in lieu of being paid $61,851 and $44,988 in cash, respectively.

Set forth below is the composition of the committees of the Central Pacific Financial Corp. (CPF) and Central Pacific Bank (CPB) Board.

Date of Appointment	Board/Committee	Board Member	Role
2/18/2011	Board of Directors	Crystal K. Rose	Chair
2/18/2011	Audit Committee	Earl E. Fry	Chair
2/18/2011	Audit Committee	Christine H. H. Camp	Member
1/25/2012	Audit Committee	Duane K. Kurisu	Member
2/18/2011	Audit Committee	Crystal K. Rose	Member
2/18/2011	Compensation Committee	Christine H. H. Camp	Chair
2/24/2011	Compensation Committee	Alvaro J. Aguirre	Member
2/18/2011	Compensation Committee	Earl E. Fry	Member
2/18/2011	Compensation Committee	Crystal K. Rose	Member
2/18/2011	Governance Committee	Paul J. Kosasa	Chair
2/24/2011	Governance Committee	Alvaro J. Aguirre	Member
2/18/2011	Governance Committee	Christine H. H. Camp	Member
2/18/2011	Governance Committee	Crystal K. Rose	Member

Non-employee directors of the Company and the Bank have been eligible to participate in the Company's 1997 Stock Option Plan, 2004 Stock Compensation Plan and the 2013 Stock Compensation Plan. The table below shows the aggregate number of unexercised stock option awards and unvested restricted stock awards for each Director as of December 31, 2013.

Name (a)	Unexercised Stock Options (b)	Unvested Restricted Stock (c)
Al Aguirre	0	0
James Burr	0	0
Christine H. H. Camp	216	0
Earl E. Fry	216	0
Paul J. Kosasa	216	0
Duane K. Kurisu	0	0
Colbert M. Matsumoto	386	0
Crystal K. Rose	216	0

(b) For each director other than Messrs. Aguirre, Burr and Kurisu, 216 of the vested unexercised stock options represent options that were granted on March 11, 2009, as their Company annual Board retainer in lieu of cash. The remaining unexercised stock options represent vested, unexercised stock options granted under the 1997 Stock Option Plan on September 15, 2004 related to the merger with CB Bancshares, Inc.

Directors Stock Opportunity

Non-employee directors of the Company and the Bank continue to be eligible to participate in the Company's 2004 Stock Compensation Plan under which grants have been made and have not yet vested.

In April 2013, shareholders approved the 2013 Stock Compensation Plan. Since the approval of the 2013 Stock Compensation Plan, all grants to Non-employee directors have been made under such plan.

Directors Deferred Compensation Plan

The Company maintains a Directors Deferred Compensation Plan under which each non-employee director of the Company and the Bank may elect to defer all or a portion of his or her annual retainer and/or chair and meeting fees. Under the Directors Deferred Compensation Plan, a participating director may elect from various payment alternatives, but full payout must occur no later than the tenth (10th) anniversary of separation from service. Under the Directors Deferred Compensation Plan, deferred amounts are valued based on corresponding investments in certain investment funds offered by the Bank's Trust Division which are selected by the director. No plan earnings are considered to be "above-market" or "preferential" and as a result no amounts are reported in column (f) of the Directors Compensation table on a previous page. The Directors Deferred Compensation Plan is a nonqualified deferred compensation plan under which distributions are made from the general assets of the Company under the direction and oversight of the Compensation Committee.

COMPENSATION COMMITTEE REPORT

The following Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filings under the United States Securities Act of 1993, as amended, or under the United States Securities and Exchange Act of 1934, as amended, except to the extent we specifically incorporate this Report by reference.

The Compensation Committee has reviewed and discussed with executive management the Compensation Discussion and Analysis that immediately follows this report as required by Item 402(b) of SEC Regulation S-K. Based on such review and discussion, the Compensation Committee recommended to the Board that the 2013 Compensation Discussion and Analysis be included in the Proxy Statement and incorporated as referenced in our Annual Report on Form 10-K for the year ended December 31, 2013. Respectfully submitted by the current members of the Compensation Committee of the Board:

Christine H. H. Camp, Chair
Alvaro J. Aguirre
Earl E. Fry
Crystal K. Rose

COMPENSATION DISCUSSION AND ANALYSIS

Set forth below is a discussion of the Company's compensation policies for 2013, applicable to the individuals serving as the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three (3) other most highly paid executives. We refer to these executive positions as our Named Executive Officers ("NEOs").

Executive Summary

The Company realized solid earnings in 2013 as a result of strong loan growth and improved net interest margins resulting in the twelfth consecutive profitable quarter since the Company's recapitalization. Significant highlights for the year ended December 31, 2013 included:

- Net income of $52.3 million, excluding a $120 million non-cash income tax benefit in the first quarter, reflecting a 8% increase over 2012
- Increase of the loans and lease portfolio by $426.7 million (19.4%) to $2.63 billion
- Increase in total deposits by $255.4 million to $3.94 billion
- Quarterly dividend payments to shareholders reinstated after being suspended since the first quarter of 2009, resulting in three consecutive quarters of cash dividends

In 2013, we took a number of actions to further align executive compensation with peers while recognizing individual and team contributions and performance and creating long-term value for our shareholders:

- Reinstatement of an annual executive long-term equity grant of which 66.67% vests based on performance and 33.33% vests based on time
- Minor base salary adjustment for our Chief Banking Officer due to his expanded role in leading the long-term strategic direction of the Company
- Upward reforecast of key financial targets of core net income and return on average assets, impacting performance targets for the executive cash incentive plan and long-term equity grant
- With the exception of the salary adjustment for the Chief Banking Officer, we have not provided for base salary adjustments for other NEOs for the last two to three years
- NEOs will receive an annual cash incentive payment in March or April 2014 based on attainment of 2013 performance targets

The compensation decisions and actions in 2013, recommended by the Compensation Committee (the "Committee") and approved by the Board, were impacted by the following key factors:

1. Sustained solid financial performance with twelve consecutive quarters of profitability.
2. The Board's commitment to continue to make sound and rational business decisions relative to the compensation of our executives.
3.

The need to motivate and retain a qualified team of executives to continue to lead the company from a position of recovery to a high performing bank.

4. Continued changing regulatory restrictions and guidance regarding executive compensation.

5. Increased direction by the Committee and the Board to ensure that the Company's compensation practices, policies, and programs do not encourage unnecessary and excessive risks that could threaten the overall value of the Company.

Say-on-Pay

The Company is required to permit a separate non-binding shareholder vote to approve the compensation of its executives, as disclosed pursuant to the compensation disclosure rules of the SEC. This proposal, commonly known as a "Say-On-Pay" proposal, permits shareholders to endorse or not endorse the Company's executive compensation program. Because the shareholders' vote is advisory, it will not be binding on the Board. However, when setting compensation and in determining compensation policies, the Committee took into account the results of the April 2013 shareholder advisory vote on executive compensation and will continually consider the outcome of this vote.

Our shareholders approved the compensation of our NEOs as disclosed in the Proxy Statement for the 2013 annual meeting. Over 90% of the votes voting on this matter were voted in favor of the Company's executive compensation. The Committee believes that the results of these votes, is evidence that the Company's compensation policies and decisions are in the best interests of its shareholders and expects to apply similar principles going forward.

Compensation Philosophy and Objectives

The central principle of our compensation philosophy is that executive compensation should align with shareholders' interest, without encouraging excessive and unnecessary risk that could threaten the overall value of the Company. The executive compensation program is designed to:

- Drive performance relative to our strategic plan and goals, including financial performance
- Balance the risk of short-term operational objectives with the need to build long-term sustainable value
- Align executives' long-term interests with those of shareholders by placing a portion of total compensation at risk, contingent on the Company's performance, without encouraging unnecessary and excessive risks that threaten the overall value of the Company
- Attract and retain highly qualified executives needed to achieve our goals and to maintain an executive management group that can provide success and stability in leadership
- Deliver compensation effectively, providing value to the executive in an appropriately risk-controlled and cost efficient manner
- Allow flexibility in responding to changing laws, accounting standards, and business needs, as well as the constraints and dynamic conditions in the markets in which we do business
- Be supported by strong corporate governance, including oversight by the Company's Board

Our compensation program has multiple pay components, including a fixed annual salary, variable annual cash incentive pay, variable annual long-term equity incentives, and other benefits. We believe that over the long term, a combination of pay components is essential to drive executives to achieve strategic operating and financial goals. There is no set formula to determine the mix of the various pay components and the use of the components may change from year to year based on the Company's circumstances, market conditions, and competitive market for executive talent. We discuss each of the pay components and the role they play in our overall compensation structure, in the "Compensation Framework" section.

Role of the Compensation Committee

The Committee is responsible for assisting the Board in overseeing the design and administration of our executive compensation program and the Company's compensation policies, practices, and incentive plans for non-executives. Such oversight includes evaluating and monitoring the Company's compensation programs, policies, and practices, which could have a material adverse effect on the risk

profile of the overall Company. Appropriate reviews would include at least semi-annual discussions with the Committee appointed senior risk officer to ensure all incentive and bonus compensation plans, structures and arrangements, including those for NEOs, do not have a reasonable likelihood to encourage excessive and unnecessary risk taking and do not pose a threat to the overall value of the Company. The Committee also evaluates and recommends to the Board, appropriate policies and decisions relative to executive officer compensation and benefits, including determination of performance and payout targets under the Company's annual and long-term incentive plans. It also oversees preparation of executive compensation disclosures for inclusion in our Proxy Statement.

Role of Executives in Compensation Committee Deliberations

The Committee may request that the President & CEO be present at Committee meetings to discuss executive compensation and evaluate the performance of both the Company and individual executives. Other executives may be requested to attend Committee meetings to provide pertinent financial, legal, or operational information. Executives in attendance may provide their insights and suggestions, but only independent Committee members may vote on decisions regarding changes in executive compensation and other Company compensation matters for recommendation to the full Board. In 2014, John Dean, the President & CEO provided a recommendation to the Committee for cash incentive payments for non-CEO NEOs based on 2013 performance.

The President & CEO does not provide recommendations for changes in his own compensation. The Committee discusses the President & CEO compensation with him, but the Committee makes final deliberations in an executive session, without the President & CEO present. Based on these deliberations, the Committee submits its recommendations to the full Board for approval. Any changes in the President & CEO's compensation are based on a variety of factors including but not limited to, Company performance, regulatory restrictions/guidance, periodic market reviews, and recommendations from independent external executive compensation consultants and legal counsel. For executives other than the President & CEO, the Committee considers the President & CEO's proposals. For all of the NEOs, including the President & CEO, the Committee obtains and considers input from outside advisors in making its recommendations to the full Board.

Compensation Committee Activity and Key Initiatives During 2013

The Committee evaluates existing compensation program components on an ongoing basis to maintain the Company's competitive position to meet the goal of attracting, retaining, and motivating key executives without encouraging unnecessary and excessive risk that could pose a threat to the overall value of the Company. In 2013, the Committee met six (6) times and completed the following initiatives and actions:

Incentive Plan Review: During 2013, the Committee met to review and discuss various compensation and incentive arrangements to ensure these arrangements do not encourage any unnecessary and excessive risk that may threaten the value of the Company. These reviews included analysis and feedback from the designated senior risk officer (SRO), our SVP, Director of Enterprise Risk Management and Internal Audit and Credit Review Coordinator, as well as consultation and perspective from Human Resources, Corporate Legal, Credit and Risk, outside legal counsel and executive compensation consultants, where appropriate. The table below lists the arrangements reviewed.

Compensation & Incentive Arrangements Reviewed

Plan	Plan Year 2013	Plan Year 2014
Compensation Arrangements for CEO & EVPs, Cash & Equity	X	
Equity Grant for Certain Non-Executive Employees	X	
Central Pacific HomeLoans (CPHL) Executive Incentive Compensation Plan	X	X
Central Pacific HomeLoans (CPHL) Operations Incentive Compensation Plan	X	X
Central Pacific HomeLoans (CPHL) & Affiliates Sales Commission Compensation Plan	X	X
Community Banking Division Region & Branch Team Performance Driven Incentive & Recognition Program	X	X
Central Pacific Investment Services (CPIS) Commission Compensation Plan	X	X
Central Pacific Financial Corp. Annual Incentive Plan	X	
Pacific Access Mortgage (PACMAN) Executive Incentive Compensation Plan	X	X
Pacific Access Mortgage (PACMAN) Operations Incentive Compensation Plan	X	X
Pacific Access Mortgage (PACMAN) Sales Compensation Plan	X	X
Specialized Markets Team Referral Award Program	X	X
Commercial & Consumer Markets Referral Award Program	X	X

2013 Stock Compensation Plan In January 2013, the Committee retained external legal counsel to assist in the development of the 2013 Stock Compensation Plan to supersede the 2004 Stock Compensation Plan which was scheduled to expire in 2014. The 2013 Stock Compensation Plan was presented to, and approved by, the Board and was approved by shareholders at the April 2013 shareholder meeting. Institutional Shareholder Services ("ISS") recommended a vote in favor of the 2013 Stock Compensation Plan.

2013 Performance Review and Annual Cash Incentive Payment for CEO and Non-CEO NEOs In February 2014, the Committee conducted a review of John Dean's 2013 annual performance and based on exceeding his performance targets, recommended a cash incentive. In addition, the Committee considered the performance of the non-CEO NEOs as presented by the CEO and approved management's recommended cash incentive.

2013 Annual Equity Grants for CEO and Non-CEO NEOs Management developed an annual long-term equity grant program in consultation with external executive compensation consultants, which was presented to and approved by the Committee.

2013 CEO Annual Performance Goals CEO Performance Plan The Committee reviewed, discussed and recommended to the Board annual performance goals for 2013 for the CEO.

Compensation Committee Charter The Committee worked with legal counsel to review and update the Committee Charter to reflect changes as a result of TARP redemption.

TARP Disclosures All final required disclosures were filed with the US Department of Treasury and Federal Reserve Board as required under TARP.

Review of 2013 and 2014 Incentive Plans including review with Senior Risk Officer The Committee reviewed the performance of the 2013 Incentive Plans throughout 2013 to ensure incentive payments were aligned with market, based on plan design changes. In December 2013, the Committee completed a review of the changes for all 2014 incentive plans. Feedback on findings from the SRO's review of incentive compensation plans for unnecessary and excessive risk was provided to the Committee in September and December. The overall finding from the discussions was that the Company's plans, policies and practices did not individually or in their entirety encourage unnecessary or excessive risks that were reasonably likely to have a material adverse effect on the Company or threaten the overall value of the Company.

Adjustment to 2013 Annual Cash Incentive and 2013 Long-Term Equity Incentive Plan Performance Targets Management recommended and the Committee approved an upward reforecast of both the 2013 annual core net income and return on average assets targets which impacted both the 2013 Annual Cash Incentive Plan, as well as the 2013 Long-Term Equity Incentive Plan. As a result of this adjustment, plan performance thresholds were also increased accordingly.

2013 Equity Grant for President & CEO In September 2012, the Committee approved an equity grant of restricted stock for the President & CEO, with a grant date of February 28, 2013.

Stock Ownership Guidelines Stock Ownership Guidelines were revised in September 2013, for better clarity and to ensure proper administration according to the intent of the guidelines.

Board Self-Assessment of Performance The Committee completed an annual self-assessment of their performance.

Pay Level and Benchmarking

Benchmarking is an important part of our executive compensation review process. It includes an external review against peer companies and internal review was based on pay equity, job scope, responsibility and experience. McLagan, an Executive Compensation Consulting firm, is retained to provide consultation to the Committee on the Company's NEO compensation as compared to our peers.

In late 2012, the Committee retained McLagan to conduct a market analysis focused on how the NEO's compensation, including base pay, short-term cash incentives, a proposed long-term equity grant and other compensation, at target levels of performance compares to the Compensation Peer Group. The Compensation Peer Group was modified in 2012 due to changes in asset size at both CPF and the peers. CPF approved a new peer group of twenty-two (22) banks in September of 2012. As a starting point in the pay deliberation process, the Committee compares individual NEO compensation generally at the 50th percentile of the Compensation Peer Group and reviews how aggregate compensation for the NEOs as a group compares to the peers.

Compensation was evaluated based on target cash and equity award levels including the 2013 proposed Annual Long-Term Equity program, with equity awards allocated over the relevant performance period for each NEO. As noted earlier, there was very modest movement in salaries in 2013 with only one NEO receiving an adjustment in base salary. The sum of the top five salaries continues to lag the peer group at about 12% below median with total compensation at about 2% below peer median. Each of the NEOs fell within an appropriate range of the market median after taking into account each NEO's unique value and contribution to the Company, individual performance, experience, internal pay equity relationships, and individual roles versus the benchmark positions, with the exception of the Chief Credit Officer whose compensation is benchmarked at the 75th percentile as a result of his management of the information technology group as well as certain operations functions, in addition to the credit division. Our CEO's pay continues to lag the peer group at 32% below peer salary levels and 6% below peer total compensation.

Compensation Peer Group

The Committee reviews the Compensation Peer Group's composition on an annual basis and modifies the group as necessary to ensure alignment with the Company's compensation philosophy, structure, and targeted performance levels. The Compensation Peer Group was reevaluated in the fall of 2012 and a new peer group was approved for future benchmarking studies. When benchmarking is used to help determine the actual pay levels of each NEO, the Committee compares comparable positions in the Peer Group and also considers issues of internal pay equity, scope of responsibilities and experience.

The Peer Group used to benchmark 2013 compensation to market was modified in September 2012 as a result of changes in asset size at both CPF and the peers. The criteria used to select the peer group was as follows:

1. Publicly-traded non-thrift United States banks with executive compensation reported in public filings

2. Focus on Western banks with assets ranging between $2.5 billion and $8 billion and non-Western banks in major metropolitan areas with assets ranging between $3 billion and $8 billion

3. Excludes TARP banks

4. Excludes banks with currently outstanding severe enforcement actions

The selection criteria resulted in a group of twenty-two (22) peers. CPF is positioned at the forty-eighth (48th) percentile in terms of asset size.

The Committee approved the following Peer Group for compensation benchmarking for 2013. Peers were selected based on the criteria identified earlier.

Rank	Company Name	Ticker	City	State
1	Western Alliance Group	WAL	Phoenix	AZ
2	CVB Financial Corp.	CVBF	Ontario	CA
3	BancFirst Corporation	BANF	Oklahoma City	OK
4	PacWest Bancorp	PACW	Los Angeles	CA
5	BBCN Bancorp Inc.	BBCN	Los Angeles	CA
6	Independent Bank Corp	INDB	Rockland	MA
7	American Savings Bank, F.S.B.		Honolulu	HI
8	Columbia Banking System, Inc.	COLB	Tacoma	WA
9	Pinnacle Financial Partners, Inc.	PNFP	Nashville	TN
10	Westamerica Bancorporation	WABC	San Rafael	CA
11	TowneBank	TOWN	Portsmouth	VA
12	First Financial Bankshares, Inc.	FFIN	Abilene	TX
13	Banner Corporation	BANR	Walla Walla	WA
14	Union First Market Bankshares Corp.	UBSH	Richmond	VA
15	Sandy Springs Bancorp Inc.	SASR	Olney	MD
16	ViewPoint Financial Group, Inc.	VPFG	Plano	TX
17	Washington Trust Bancorp, Inc.	WASH	Westerly	RI
18	Century Bancorp, Inc.	CNBKA	Medford	MA
19	Wilshire Bancorp, Inc.	WIBC	Los Angeles	CA
20	TriCo Bancshares	TCBK	Chico	CA
21	HomeStreet, Inc.	HMST	Seattle	WA
22	Territorial Bancorp Inc.	TBNK	Honolulu	HI

Compensation Framework

Teamwork continues to be a focus for the organization and has driven compensation decisions in the past, however, in 2013, the CEO began to develop modest differentiation in compensation of the non-CEO NEOs based on scope of position and individual contributions. It is felt, however, given the non-traditional scope of each NEO's role, that a comparison of total compensation to market of the group, rather than the individual was appropriate. The market analysis results were used in determination and support of compensation adjustments described below for 2013.

Mix of Compensation In 2013, recognizing our strong financial condition and to ensure market competitiveness, the Committee reinstated an annual long-term equity grant. The Committee felt it important to recognize both short- and long-term performance with a mix of both cash and equity.

Elements of Compensation Generally, our executive compensation program consists of the following components to be used in the appropriate combination to meet our compensation philosophy and objectives including responding to changing financial conditions and regulatory restrictions and guidance.

Salary Fixed-based pay that reflects each executive's position, individual performance, experience, and expertise. In general, our compensation structure sets base pay at approximately the 50th percentile relative to peer banks. The Chief Credit Officer is benchmarked at the 75th percentile in consideration of the scope of his role, with responsibility for information technology and certain operations functions. The CEO's salary and total compensation lags the peer data as noted earlier under the "Pay Level and Benchmarking" section.

Annual Variable Cash Compensation Pay that varies based on performance against annual business objectives. We communicate the associated performance metrics, goals, and award opportunities (expressed as a percentage of salary) to the executives at the beginning of the year.

Long-Term Incentives Equity-based awards that align executives' long-term compensation interests with shareholders' investment interest while creating a retention incentive through multi-year vesting. Award amount is determined based on competitive market data and Company performance. Ultimate value to each executive is based on long-term stock performance.

Other Compensation includes perquisites, consistent with industry practices in comparable banking companies.

Salary

We pay our executives cash salaries intended to be competitive and consider the executive's experience, performance, responsibilities, and past and potential contribution to the Company. The objective of paying salary is to provide a base level of compensation to fairly reflect the executive's job and scope of the role performed within the Company. There is no specific weighting applied to the factors considered in setting the level of base salaries, and the Committee uses its own judgment and expertise in determining appropriate salaries within the parameters of our compensation philosophy and objectives, with the guidance and support from an independent executive compensation consultant. While there continues to be a strong focus on collaboration and teamwork, modest adjustments have been made to base salaries over time to recognize the differences in the scope of the positions and individual contributions.

In making salary decisions, the Committee also considers the positioning of projected total compensation with target-level performance incentives. Because we set incentive opportunities as a percentage of salary, changes in salary have an effect on total compensation. Before recommending salary changes to the Board, the Committee reviews the projected total compensation based on the proposed salaries, considering both internal and external equity, and ensures that total compensation for the CEO and non-CEO NEOs are aligned with the market.

In 2012 we discontinued the use of salary stock and refocused equity grants to encourage long-term performance through the reinstatement of an executive long-term equity plan. We felt the use of equity focused on longer term goals provided greater alignment with shareholders' interests.

Only one salary adjustment was made for an NEO in 2013, for Lance A. Mizumoto, to appropriately align his base salary at the 50^{th} percentile of the compensation peer group and to provide recognition for his leadership of the executive team through the development of the short- and long-term strategic plan. The base salaries of all other NEOs were within acceptable range of the peer benchmark, with the exception of the CEO as described in *Pay Level Benchmarking* section. The table below summarizes the NEOs' annualized salaries in 2013.

Name	**Position**	**2013**
John C. Dean	President & CEO	$ 360,000
Denis K. Isono	Executive Vice President, Chief Financial Officer	$ 270,000
Lance A. Mizumoto	Executive Vice President, Chief Banking Officer	$ 270,000
A. Catherine Ngo	Executive Vice President, Chief Administrative Officer	$ 260,000
Raymond W. Wilson	Executive Vice President, Chief Credit Officer	$ 260,000

Annual Variable Cash Compensation

We use annual variable cash compensation to focus executives' attention on current strategic priorities, drive achievement of short-term corporate objectives and to align their interests with our shareholders. Our NEO's participate in an Annual Incentive Compensation Plan under which the Committee approved an incentive pool with funding tied to attainment of ninety-five percent (95%) of targeted core net income with maximum funding capped at two-times target. Actual opportunity for each executive is based on a percentage of base pay as described in the table below, capped at two-times target. If the pool funding is in excess of the amounts earned collectively by NEOs, the remaining balance may be provided as a funded discretionary distribution to NEOs based on performance and/or may be used to increase the incentive opportunity available to non-NEOs.

Targeted core net income for 2013 was set during the 2013 budgeting process, in the third quarter 2012, and was determined with consideration of the modest growth outlook for the economy, loan yield compression, and slowdown in the mortgage business. Residential lenders had pulled back their projections as rates ticked up and refinance activity declined in the latter part of 2012. As we ended 2012, we saw enhanced loan activity as mortgage lending did not decline as much as expected and interest rates remained stable. Other elements of the loan portfolio showed signs of growth as well. These changes continued in to 2013 resulting in an upward reforecast in our core net income target. The upward reforecast was developed based on the change in momentum for growth, interest rates, fee income and expense control. The upward reforecast core net income goal was considered a stretch as the revised profit targets resulted from setting stretch goals for loan growth within the appropriate credit standards, along with stronger cross sales and efficiency measure targets. Incentive pool funding based on actual results is summarized in the table below with maximum funding capped at two-times target.

Description		**Core Net Income**		**Incentive Pool Funding**
Upward Reforecast Core Net Income & Target Incentive Pool Funding	$	22,960,000	$	900,000
Threshold Funding @ .95% of Target	$	21,812,000	$	855,000
Actual Result	$	28,961,000		
% Achieved		**126%**	$	1,135,231
If actual result exceeds adjusted goal by $300,000, pool increases to $ for $ to $1.2M	$	23,260,000	$	1,200,000
$.25/dollar after $23.26M = Capped at 2xs Target Pool	$	5,701,000	$	1,800,000

Performance goals are focused on a common set of corporate goals and a variety of annual performance goals defined as (1) Group goals specific to the groups each NEO supervises; (2) Team goals assigned to more than one NEO; and (3) Individual goals specific to each individual NEO, focused on leadership and development. A summary of the incentive opportunity and goal weighting is as follows:

Executive	**Target Incentive Opportunity as a Percent of Base Salary**	**Annual Performance Goal Categories** Corporate	Group	Team	Individual
		Goal Weighting			
President & CEO	50%	80%	0%	0%	20%
All Other NEO's	40%	20%	30%	30%	20%

For 2013, the corporate goals assigned to NEOs and the respective results were as follows:

Corporate Goals	**Target(1)**	**Actual**	**% Achieved**
Core Net Income	$22.96 Million	$28.96 Million	126%
Return on Average Assets ("ROAA")	.50%	.63%	126%
Compliance memorandum of understanding	Satisfactory Progress	Achieved	100%
Safety and Soundness FDIC Exam	Satisfactory Results	Achieved	100%
Efficiency Ratio	78.91%	74.97%	105%

(1) The target goal for core net income and return on average assets was increased mid 2013 due to a better than expected business climate and realized efficiencies in operations.

For 2013, the group, team and individual goals assigned to each NEO and the respective overall performance result to target including attainment of the corporate goals as noted above is as follows:

In February 2014, the Committee approved the payment of cash incentives to NEOs. The amount of the awards was based on the results of corporate, group, team and individual goals compared to target. Group and team goals included the following categories: Fee Income, Risk Management, Human Capital and Process Improvement. In addition to the Total Calculated payout, certain NEOs received an additional discretionary incentive payment. The table below summarizes the group, team and individual goals by NEO, including the percentage attained in each category as well as the overall percentage achieved based on both corporate and individual performance.

NEO	Additional Performance Goals			Overall Attainment of Goals (incl. Corporate Goals)
	Group	Team	Individual	
Weighting			20%	
Attainment of Goal			188%	
John C. Dean			(1) Upward Appraisal Corporate Climate Results (2) Progress on Key Information Technology Projects (3) Operational Efficiencies	160%
Weighting	30%	30%	20%	
Attainment of Goal	170%	200%	100%	
Denis K. Isono	(1) Closure of REITS (2) Sublease Rental Income (3) Process Improvement (4) Enhanced Management Reporting (5) Progress on Key Information Technology Projects	(1) Foreign Exchange Income	(1) Upward Appraisal Corporate Climate Results	164%
Weighting	0%	60%	20%	
Attainment of Goal		180%	150%	
Lance A. Mizumoto		(1) Loan and Deposit Growth (2) Performance Management (3) Development of Customer Service Managers (4) Production and Profitability Targets	(1) Upward Appraisal Corporate Climate Results	160%
Weighting	30%	30%	20%	
Attainment of Goal	183%	190%	200%	
A. Catherine Ngo	(1) Satisfactory Internal Audit Program (2) 2014 Incentive Programs (3) Succession Plans (4) Credit and Sales Training (5) Operational Efficiencies	(1) Increase Product Fee Income (2) Satisfactory Regulatory Exams (3)Process and Efficiency Goals	(1) Upward Appraisal Corporate Climate Results	184%
Weighting	0%	60%	20%	
Attainment of Goal		153%	200%	
Raymond W. Wilson		(1) Business Development and Loan Growth (2) Credit Quality, Strategies and Policies (3) Credit and Sales Training (4) Seamless acquisition of Project Management function (5) Process and Efficiency Goals	(1) Upward Appraisal Corporate Climate Results	164%

Target payments and actual incentive payments made to NEO's are summarized in the table below:

	Corporate Goals		Group		Team		Individual		Target Award	Total Earned Award	Total Earned as a % of Target	Funded Discretionary Incentive
Name	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**$**	**%**	**$**
John C. Dean	144,000	80%					36,000	20%	180,000	288,288	160%	
Denis K. Isono	21,600	20%	32,400	30%	32,400	30%	21,600	20%	108,000	176,580	164%	
Lance A. Mizumoto	21,600	20%			64,800	60%	21,600	20%	108,000	173,016	160%	34,603(1)
A. Catherine Ngo	20,800	20%	31,200	30%	31,200	30%	20,800	20%	104,000	191,620	184%	10,000(1)
Raymond W. Wilson	20,800	20%			62,400	60%	20,800	20%	104,000	170,560	164%	10,000(1)

(1) The incentive pool funding provides for distribution of discretionary incentives if the financial performance tied to the funding exceeds certain targets. This additional funding may be shared with both NEOs and non-NEOs. In 2013, based on financial results, there were monies in the funded discretionary incentive pool. Mr. Mizumoto was provided a discretionary incentive based on his leadership and his expanded role representing the Company in the community. Ms. Ngo received a discretionary incentive based on her leadership in the successful implementation of a reduction in work force and early retirement program, intended to support a reduction in operating expense and subsequent improvement in efficiency ratio. Mr. Mr. Wilson led the credit evaluation of student and auto loan purchases in 2013, and played a leadership role in improving the small business loan process.

Long-Term Incentives

We use long-term incentives ("LTIs") to encourage ownership, foster retention, and align executives' interests with the long-term interests of shareholders.

In September 2012, the Committee approved an equity grant in the form of restricted stock for John C. Dean, valued at $250,000, with a February 28, 2013 grant date and a one-year time vesting period, in recognition of the required work necessary for the selection and transition of a successor.

In 2013, the Committee recommended to the Board and the Board approved the implementation of an annual long-term equity grant with a three-year vesting period and both performance and time features. The incentive opportunity for each NEO as well as the plan design was developed in consultation with McLagan, and was validated by McLagan to be aligned with peers. The amount of equity received by each NEO was determined as a percentage of base salary as follows:

Name	**Equity Opportunity as a % of Base Pay**
John C. Dean	90%
Denis K. Isono	65%
Lance Mizumoto	65%
A. Catherine Ngo	65%
Raymond W. Wilson	65%

On February 28, 2013, the NEOs received an annual long-term equity grant of Restricted Stock Units ("RSUs"), under the 2004 Stock Compensation Plan with time and performance vesting. The performance vesting targets were 2013 Targeted Core Net Income ("CNI") and 2013 Core Return on Average Assets ("ROAA") goals. The target goal amount and actual attainment of the goals is detailed in the *Annual Variable Cash Compensation* section above.

The grant has the following features:

- Two-thirds (66.67%) of RSUs vest based on attainment of Board approved 2013 CNI and ROAA targets, with vesting to occur in equal increments over a three-year period

- One-third (33.33%) of RSUs vest based on time, in equal increments over a three-year period.

With respect to two-thirds (66.67%) of the RSU grant, assuming 2013 CNI and ROAA targets are met, a stretch opportunity, up to 200% of target, was provided. The stretch level is determined by actual 2013 CNI and ROAA results.

CNI and ROAA targets were set during the 2013 budgeting process in the third quarter, 2012. As we approached the end of 2012 and in to 2013, we recognized the expected slowdown in the economy and its impact on business was not going to transpire and as a result, both CNI and ROAA targets were reforecast and increased. As of year-end 2013, the CNI and ROAA results exceeded target by 1.32 percent calculated using the matrix below. Accordingly, performance-based shares will vest equally over three years, beginning in 2014.

CORE RETURN ON AVERAGE ASSETS (ROAA) FOR 2013	**CORE NET INCOME (CNI) for 2013 ($ IN MILLIONS)**				
0.92%	1.30	1.45	1.60	1.80	**2.00**
0.75%	1.15	1.30	1.45	**1.60**	1.80
0.62%	1.00	1.15	**1.30**	1.45	1.60
0.48%	0.90	**1.00**	1.15	1.30	1.45
0.43%	0.80	0.90	1.00	1.15	1.30
	$ 19.80	**$ 22.00**	**$ 28.60**	**$ 35.20**	**$ 44.00**

Below are the number of RSUs granted on February 28, 2013, separated between performance vesting and time vesting. The performance vesting portion of the grant is shown at both target and actual, with actual attainment of CNI and ROAA exceeding target by 1.32x (132% of target).

Name	**Type of Grant**	**Grant Date**	**Fair Value**	**1/3rd of Shares Granted Time Vesting**	**2/3rd of Shares Granted @ Target Performance Vesting**	**Actual Performance Vested Shares Based on Attaining 1.32x (132%) of Target**
John C. Dean	RSUs	2/28/2013	$ 15.49	6,972	13,944	18,406
Denis K. Isono	RSUs	2/28/2013	$ 15.49	3,776	7,553	9,969
Lance A. Mizumoto	RSUs	2/28/2013	$ 15.49	3,776	7,553	9,969
A. Catherine Ngo	RSUs	2/28/2013	$ 15.49	3,636	7,274	9,601
Raymond W. Wilson	RSUs	2/28/2013	$ 15.49	3,636	7,274	9,601

Other Compensation

NEOs are provided the same level of benefits as all other employees. As such, they are eligible to participate in the Company 401(k) Retirement Savings Plan which provides for a Company match. In addition NEOs receive certain perquisites such as transportation services and spousal travel benefits. The total amounts of these items are reflected in the "All Other Compensation" column of the Summary Compensation Table. The Committee believes that these items enhance the effectiveness of our key executives and are consistent with industry practices in comparable banking companies. The Committee regularly reviews the benefits and perquisites we provide.

Adjustment or Recovery of Awards

Our long-term incentive plan currently permits us to cancel or terminate outstanding awards for any reason (which would include misstated or restated financial results). In addition, Section 304 of the Sarbanes-Oxley Act mandates the recovery of incentive awards that would not have otherwise have been paid in the event we are required to restate our financial statements due to noncompliance with any financial reporting requirements as a result of misconduct. In that case, the CEO and CFO must reimburse us for (1) any bonus or other incentive- or equity-based compensation received during the twelve (12) months following the first public issuance of the non-complying document, and (2) any profits realized from the sale of our securities during those twelve (12) months. Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requires the Securities and Exchange Commission to direct national securities exchanges to prohibit the listing of any security that fails to adopt a compliant clawback policy for any current or former executive officer if the company is required to file a financial restatement as a result of material noncompliance with applicable securities laws. This clawback applies to incentive-based compensation during the 3-year period preceding the date on which the issuer is required to prepare an accounting restatement, based on the erroneous data, in excess of what would have been paid to the executive officer under the accounting restatement. The NYSE has not yet promulgated final rules implementing Section 954 of the Dodd-Frank Act.

Timing of Equity Grants

On October 25, 2006, we adopted guidelines regarding the equity grant process and related controls. The guidelines, which were reviewed and readopted (with minor changes) on May 20, 2011, are to help ensure that all equity grants are reported and disclosed correctly and accurately, are properly accounted for, and receive proper tax treatment. The grant guidelines are designed to avoid making regular grants during a regularly scheduled Company blackout period, to avoid having the timing of grant dates be affected by material nonpublic information, and to confirm the use of no less than the closing price of our stock on the grant date.

Stock Ownership Guidelines

On May 31, 2012, the Board reinstated stock ownership guidelines applicable to all Board members and executive officers of the Company and Bank. The purpose of the guidelines is to define ownership expectations for these individuals to more closely align with our shareholders. In 2013, the

Board approved minor changes to the guidelines for clear administration of the program. The following is a summary of the Stock Ownership Guidelines:

Position	**Multiple of Base Pay or # of Shares**	**Timeframe to Achieve Multiple**
Non-Employee Directors (Excluding representatives of Anchorage and Carlyle)	25,000 Shares	5 years
CEO/President	50% of the after-tax net amount of shares granted and vested after 5/1/12 until such time as the amount of ownership has a market value of 4 times annual base salary	5 years *Should the multiple not be achieved within the stated timeframe, 100% of the net, after-tax shares vested after the end of the timeframe, must be held until the multiple is achieved.*
EVP	50% of the after-tax net amount of shares granted and vested after 5/1/12 until such time as the amount of ownership has a market value of $1^1/_2$ times annual base salary	5 years *Should the multiple not be achieved within the stated timeframe, 100% of the net, after-tax shares vested after the end of the timeframe, must be held until the multiple is achieved.*

Employment Agreements

None of the current NEOs has an employment agreement with the Company and each is employed on an "at will" basis.

Change-In-Control Agreement

None of the current NEOs has a change in control agreement.

Tax and Accounting Considerations

We consider tax and accounting implications in designing our compensation programs. For example, in selecting long-term incentive compensation elements, the Committee reviews the projected expense amounts and expense timing associated with alternative types of awards. Under current accounting rules (i.e., Financial Accounting Standard ASC Topic 718), we must expense the grant-date fair value of share-based grants such as restricted stock, performance shares, and SARs settled in our stock. The grant-date fair value is amortized and expensed over the service period or vesting period of the grant. In contrast, awards that are not share-based (e.g., phantom stock) are expensed based on a value that may fluctuate widely over the vesting period and is not fixed at grant date. In selecting appropriate incentive devices, the Committee reviews extensive modeling analyses and considers the related tax and accounting issues. Section 162(m) of the Internal Revenue Code generally places a limit on the tax deduction for non-performance based compensation in excess of $1 million paid to the chief executive officer and the other three most highly compensated executive officers (excluding the chief financial officer) in a taxable year. The Committee has retained the flexibility, however, to pay compensation which is not deductible for tax purposes because it believes that doing so permits it to take into consideration factors that are consistent with good corporate governance and the best interests of our shareholders.

Conclusion

The Committee and the Board believe that it is important to provide market-based compensation that will attract and retain highly talented executives with the appropriate competencies and skills necessary for the Company's continued success. Such compensation would include the full range of compensation components, including incentive awards that vary with financial performance based on achieving our strategic plan and goals without encouraging excessive and unnecessary risk that could threaten the overall value of the Company. Equally important is the need to maintain shareholder confidence and to comply with regulatory executive compensation restrictions and guidance by developing appropriate compensation structures.

Therefore, the Committee evaluates our compensation program and its related components on an ongoing basis. Adjustments are made to the compensation structure as appropriate to maintain the Company's competitive position for executive talent, consistent with our compensation philosophy and objectives, and within the parameters of regulatory restrictions and guidance. The Committee intends this Compensation Discussion and Analysis to provide full, transparent disclosure of what we believe to be a thoughtfully designed compensation structure which focuses on the achievement of short-term objectives, and affirms the philosophy for driving long-term shareholder value.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

As of December 31, 2013, the Committee of the Company was composed entirely of the following four (4) independent Directors: Christine H. H. Camp (Chair), Alvaro J. Aguirre, Earl E. Fry, and Crystal K. Rose. None of the Committee members were or are former officers or employees of the Company. Relationships that members of the Committee have had and/or maintain with the Company are described in the "Corporate Governance and Board Matters-Director Independence and Relationships" section.

EXECUTIVE COMPENSATION

The table below summarizes the total compensation earned by each of the NEOs for the fiscal year ended December 31, 2013, 2012 and 2011 to the extent such executives served during such periods. The material terms of compensation of the NEOs are discussed in the Compensation narrative following the Option Exercises and Stock Vested table.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value & Non-Qualified Deferred Compensation Earnings	All Other Compensation	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
John C. Dean,	2013	$ 360,000	$	$ 573,982	$	$ 288,288	$	$ 40,065	$ 1,262,335
President & Chief	2012	$ 411,666	$ 155,695	$ 499,991	$ 500,000	$ 144,305	$	$ 35,905	$ 1,747,562
Executive Officer	2011	$ 566,664	$	$ 283,329	$	$	$	$ 20,190	$ 870,183
Denis K. Isono,	2013	$ 270,000	$	$ 175,486	$	$ 176,580	$	$ 14,161	$ 636,227
Executive Vice	2012	$ 295,002	$ 113,417	$ 399,993	$ 399,993	$ 86,583		$ 13,492	$ 1,308,480
President, Chief Financial									
Officer	2011	$ 362,523	$	$ 124,991	$	$	$	$ 13,814	$ 501,328
Lance A. Mizumoto,	2013	$ 270,000	$	$ 175,486	$	$ 207,619	$	$ 19,488	$ 672,593
Executive Vice	2012	$ 284,249	$ 138,417	$ 499,989	$ 499,987	$ 86,808	$	$ 15,394	$ 1,524,844
President, Chief Banking									
Officer									
A. Catherine Ngo,	2013	$ 260,000	$	$ 168,996	$	$ 201,620	$	$ 12,582	$ 643,198
Executive Vice	2012	$ 285,002	$ 116,624	$ 399,993	$ 399,993	$ 83,376	$	$ 5,262	$ 1,290,250
President, Chief	2011	$ 360,008	$	$ 124,991	$	$	$	$ 58,030	$ 543,029
Administrative Officer									
Raymond W. Wilson,	2013	$ 260,000	$	$ 168,996	$	$ 180,560	$	$ 2,869	$ 612,425
Executive Vice	2012	$ 285,002	$ 116,624	$ 399,990	$ 399,991	$ 83,376	$	$ 7,559	$ 1,292,542
President, Chief	2011	$ 360,008	$ 35,000	$ 124,991	$	$	$	$ 23,516	$ 543,515
Credit Officer									

(c)

For year 2013, this column represents actual salary earned at year-end 2013.

(e)

For year 2013, this column represents the value of Restricted Stock Units (RSUs), granted on February 28, 2013, at the closing share price of $15.49. With respect to two-thirds (66.67%) of the grant, vesting is based on attainment of Board approved 2013 Core Net Income (CNI) and Core Return on Average Assets (ROAA) targets. Once targets are met, a stretch opportunity, to earn up to 200% of target, was provided. Based on the closing price at the time of grant of $15.49, the value of the performance-vested RSUs (66.67% of the total) that the NEOs were eligible to receive at the maximum performance level is as follows: John C. Dean $431,985, Denis K. Isono $233,992, Lance A. Mizumoto $233,992, A. Catherine Ngo $225,349, and Raymond W. Wilson $225,349. Once attainment level is determined, vesting of shares will occur equally over a three-year period. With respect to the remaining one-third (33.33%) portion of the grant, vesting is time-based, whereby shares vest equally over a three-year period.

For John C. Dean, this column also includes a Board approved grant of restricted stock made on February 28, 2013 for 16,139 shares due to exemplary leadership and to ensure a smooth transition once a successor has been identified. Total value of the award was $250,000 based on the closing share price of $15.49 on February 28, 2013. Full vesting will occur one year from date of grant, on February 28, 2014.

(g)

For year 2013, this column represents a Board-approved annual cash incentive for the NEOs, based on corporate, group, team and individual performance metrics and funded discretionary payments for Lance A. Mizumoto, A. Catherine Ngo and Raymond W. Wilson.

(i)

This column represents other compensation earned by the NEOs, including, but not limited to, 401(k) Company contributions, parking benefits, social and/or country club dues, transportation services, travel, and housing allowance as detailed below, for each NEO during 2013. The table below further details "All Other Compensation" reported in the Summary Compensation Table.

Name	401(k) Retirement Savings Plan	Other Compensation	Total All Other Compensation
John C. Dean	$ 10,200	$ 29,865(1)	$ 40,065
Denis K. Isono	$ 10,100	$ 3,961(2)	$ 14,161
Lance A. Mizumoto	$ 10,200	$ 9,288(3)	$ 19,488
A. Catherine Ngo	$ 10,200	$ 2,382(4)	$ 12,582
Raymond W. Wilson	$	$ 2,869(5)	$ 2,869

In addition to parking and group life insurance fringe benefits, the Other Compensation column in the table above includes the following:

(1) Mr. Dean includes spousal travel and $25,221 in transportation services

(2) Mr. Isono includes transportation services and spousal travel

(3) Mr. Mizumoto includes transportation services, spousal travel and $6,402 in club dues

(4) Ms. Ngo includes transportation services and spousal travel

(5) Mr. Wilson includes transportation services spousal travel.

NON-QUALIFIED DEFERRED COMPENSATION

On July 1, 2008, the Company implemented a non-qualified deferred compensation plan that allows employees (including the NEOs) with an annual base salary of $90,000 or greater to defer up to 80% of base pay and/or 100% of annual bonuses and commissions earned for a specified year on a pre-tax basis. The plan does not feature any matching or other contributions from the Company. John Dean elected to defer 15% of his base salary, equivalent to $54,000, under the Central Pacific Bank Deferred Compensation Plan in 2013.

A participant is always 100% vested in his or her deferred amounts. Deferred amounts under the Central Pacific Bank Deferred Compensation Plan are subject to adjustment for appreciation or depreciation in value based on hypothetical measurement funds in one or more of the available measurement funds chosen by the participant. The participant's deferred amounts are generally payable beginning on the earliest to occur of (a) a specified time chosen by the participant, (b) the participant's death, (c) the participant's disability, (d) a separation of service (either at the time of separation or six (6) months (6) after the separation in the case of a key employee, or (e) an "unforeseeable emergency." For distributions due to a disability or upon a separation from service due to retirement, the participant may choose to receive deferred amounts as a lump-sum payment or in annual installments over a period not to exceed fifteen (15) years. Distributions for all other events will be made in the form of a lump sum.

The Bank's obligations with respect to the deferred amounts under the Central Pacific Bank Deferred Compensation Plan are payable from its general assets. The assets are at all times subject to the claims of the Company's general creditors.

Set forth below is information regarding the amounts deferred by or for the benefit of the NEOs in 2013.

Name	Executive Contributions in Last FY	Registrant Contributions in Last FY	Aggregrate Earnings in Last FY	Aggregrate Withdrawals/ Distributions	Aggregrate Balance at Last FYE
John C. Dean	$ 54,000	$ 0	$ 25,241	$ 0	$ 136,051
Denis K. Isono	$ 0	$ 0	$ 0	$ 0	$ 0
Lance A. Mizumoto	$ 0	$ 0			