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CB BANCSHARES INC/HI
Form 425
April 16, 2003

Filed by CPB Inc.

Pursuant to Rule 425 of the Securities Act
of 1933, as amended, and deemed filed
pursuant to Rule 14d-2 and Rule 14a-12
under the Securities Exchange Act of 1934, as amended

Subject Company: CB Bancshares, Inc.

Commission File No. 0-12396

The following is a copy of the materials presented during presentations made to employees and managers of CPB Inc. held on April 16, 2003.

*Creating a Stronger Local Bank
for Hawaii*

April 16, 2003

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	CPB Inc.	
	Merger with	
	CB Bancshares, Inc.	
	<i>Creating A Stronger, Focused</i>	
	<i>Hawaii Bank</i>	
	April 16, 2003	

Forward- Looking Information

This document contains forward- looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, (i) statements about the benefits of a merger between CPB Inc. (CPB) and CB Bancshares, Inc. (CBBI), including future financial and operating results, costs savings and accretion to reported and cash earnings that may be realized from such merger; (ii) statements with respect to CPB s plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as believes , expects , anticipates , estimates , intends , plans , targets , projects and other similar expressions. These statements are based upon the current beliefs and expectations of CPB s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward- looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other

expectations expressed in the forward- looking statements: (1) the business of CPB and CBBI may not be integrated successfully or such integration may be more difficult, time- consuming or costly than expected; (2) expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame; (3) revenues following the merger may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the merger; (5) the regulatory approvals required for the merger may not be obtained on the proposed terms; (6) the failure of CPB s and CBBI s shareholders to approve the merger; (7) competitive pressures among depository and other financial institutions may increase significantly and may have an effect on pricing, spending, third- party relationships and revenues; (8) the strength of the United States economy in general and the strength of the Hawaiian economy may be different than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit, including the resultant effect on the combined company s loan portfolio and allowance for loan losses; (9) changes in the U. S. legal and regulatory framework; and (10) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on the combined company s activities.

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

Forward- Looking Information (cont.)

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

Subject to future developments, CPB intends to file with the SEC a registration statement to register the CPB shares to be issued in the proposed transaction, including related tender/ exchange offer materials, and one or more proxy statements for solicitation of proxies from CPB shareholders, and may file one or more proxy statements for solicitation of proxies from CBBI shareholders, in connection with special meetings of such shareholders at a date or dates subsequent hereto. Investors and security holders are urged to read the registration statement, related tender/ exchange offer materials, and proxy statements (when available) and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. Investors and security holders may obtain a free copy of the registration statement, related tender/ exchange offer materials, and proxy statements (when available) and other relevant documents at the SEC's Internet web site at www.sec.gov. The registration statement, related tender/ exchange offer materials, and proxy statements (when available) and such other documents may also be obtained free of charge from CPB by directing such request to: CPB Inc., 220 South King Street, Honolulu, Hawaii 96813, Attention David Morimoto, (808) 544- 0627.

CPB, its directors and executive officers and certain other persons may be deemed to be participants if CPB solicits proxies from CBBI and CPB shareholders. A detailed list of the names, affiliations and interests of the participants in any such solicitation will be contained in CPB's preliminary proxy statement on Schedule 14A, when filed. Information about the directors and executive officers of CPB and their ownership of and interests in CPB stock is set forth in the proxy statement for CPB's 2003 Annual Meeting of Shareholders.

Merger With City Bank

Great news for both sides.

Win- Win for Hawaii, customers, employees, and shareholders

\$285 Million offer to purchase CBBI shares

Equal to \$70 per share or 54% premium (as of 4/ 14/ 03 closing price)

Merger With City Bank

In fairness to shareholders, we are making a public announcement today.

To Date:

We presented offer Mar. 17 (via invest. banker)

We sent written proposal Mar. 21

Had initial meeting Apr. 2

They promised to respond by Apr. 4 for next meeting - we did not receive response

We sent written request to respond by Apr. 11

Shareholders should know - It s the right thing to do

Merger With City Bank

Therefore:

Press Release - 11: 00 am today

Press Conference - 1: 00 pm today

Insider information until then - no cell phones; remain in this room

Refer to Employee Packet

Strategic Reasons

Growth opportunities limited in this market

Become a major player in Hawaii

Increase economies of scale

Diversify loan portfolio

CPB- CBBI: Significantly Builds

Deposit Market Share in Hawaii

BNP Paribas (First Hawaiian):	29.7%
Bank of Hawaii:	29.4%
HEI (American Savings):	19.4%
Proforma:	14.0%
CPB:	8.1%
CBBI:	6.0%
Territorial Savings:	2.9%
Finance Factors:	2.2%
Hawaii National:	1.7%
Home Street:	0.4%
Orient Bancorp:	0.3%

Source: SNL Securities. Data as of 6/30/02.

CPB- CBBI: Diversified Loan**Portfolio****CPB**

Consumer		4%
Residential Mortgage		24%
Commercial Mortgage		42%
Construction		9%
Commercial Financial		20%
Gross Loans(1):	\$	1,295M

CBBI

Consumer		13%
Residential Mortgage		42%
Commercial Mortgage		19%
Construction		5%
Commercial Financial		21%
Gross Loans(1):		1,069M

Pro Forma

Consumer		8%
Residential Mortgage		32%
Commercial Mortgage		32%
Construction		7%
Commercial Financial		21%
Gross Loans(1):	\$	2,364M

Source CPB and CBBI financials

Note: As of 12/31/02

(1) excluded loans held for sale

It s a Logical Fit and

Easy to Integrate

Similar roots and culture

Common roots, post- WWII founding

Local values

Focused on personalized service

Same market

Small and mid- sized businesses, retail customers

Overlapping geography

Common Fiserv based technology platform

CPB CBBI: A Great Fit

	CPB Inc.	CB Bancshares, Inc.
Founded in	1954	1959
Operations	24 branches on 4 islands	21 branches on 4 islands
Lead Product	Commercial Mortgage (42% of loans)	Residential Mortgage (42% of loans)
Deposit Rank	#4	#5
Common Heritage	Founded to serve the Japanese-American Community in Hawaii	
Market Focus	Become local bank of choice in Hawaii	
Opportunity	Proven success at creating value for shareholders	Opportunity for cost savings and performance enhancement

Transaction Summary

Consideration per CBBI Share	1.8956 shares of CPB Stock + \$21 in cash
Offer Price(1)	\$70 per CBBI share
Premium Over Closing Price (4/14/03)	54%
Premium Over Unaffected Price (2/25/03)	62%
Implied Transaction Value	\$285 million
Pro Forma Ownership(3)	68% CPB; 32% CBBI
Anticipated Closing	Q4-2003
Required Approvals & Conditions	CPB and CBBI shareholders, regulatory approvals, satisfactory due diligence and redemption of CBBI's poison pill

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- (1) Based on CPB stock price of \$25.85 on 4/14/03.
- (2) Unaffected Price: Price the day before CPB began purchasing shares of CBBI in the open market.
- (3) Assumes 7.7 million CPB shares issued to CBBI shareholders.

Transaction Summary

Name will be: CENTRAL PACIFIC BANK

Clint will remain Chief Executive Officer

Numerous other issues to be negotiated

Shareholders of Both Banks Win

Combined bank offers anticipated double- digit EPS accretion

Consolidation, scale and efficiency result in fully phased- in anticipated annual cost saves of \$16 million

CBBI shareholders receive 54% (1) premium and over 290% (1)(2) increase in cash dividends

Opportunity to own a company with an outstanding track record of performance

Increased investor visibility & trading liquidity

Over \$600 million pro forma market cap (3)

NYSE listing

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- (1) Based on CPB stock price of \$25.85 and CBBI stock price of \$45.60 on 4/ 14/ 03.
 - (2) Assumed reinvestment of cash proceeds in CPB stock at CPB s share price of \$25.85 on 4/ 14/ 03.
 - (3) As of 4/ 14/ 03.

Good For Hawaii, Local

Community & Customers

Creates a stronger, locally based and managed bank for Hawaii

\$2.4B (1) in loans; \$2.8B (1) in deposits; \$3.7B in assets (1)(2)

14% deposit market share in Hawaii (3)

Provides a strong local alternative to mainland- managed and foreign- owned banks

Additional \$1 Million commitment for community

Customers in the local community benefit

Expanded fiercely loyal personalized service

Added convenience: expanded branch & ATM network

Broader menu of products and services

Increased lending capacity

(1) Pro forma based on CPB and CBBI financials as of 12/31/02.

(2) before merger adjustments.

(3) source: SNL Securities as of 6/30/02.

Impact On Employees

Expect some consolidation

Will know more specifics after due diligence of customer and operational needs

We recognize that our employees made the bank successful

We are committed to being the preferred employer

CPB Snapshot**Earnings Per Share**

1997	\$0.70
1998	\$0.73
1999	\$0.84
2000	\$1.07
2001	\$1.72
2002	\$2.04

Assets(1)	\$	2.0 B
Deposits(1)	\$	1.6 B
Market Cap(2)	\$	410 M
ROAE(3)		20.55 %
ROAA(3)		1.74 %
Price(2)/2003E EPS(4)		12.2 x
Price(2)/Book(5)		2.38 x

(1) As of 12/ 31/ 02.

(2) As of 4/ 14/ 03.

(3) ROAE: Return on Average Equity. ROAA: Return on Average Assets. Based on 2002 performance.

(4) 2003E EPS based on FirstCall estimates.

(5) Book value as of 12/ 31/ 02.

CPB: Consistent Earnings Growth

	CPB	CBBI
1998:	\$15.0	\$8.4
1999:	\$16.3	\$0.3
2000:	\$19.4	\$11.2
2001:	\$28.7	\$6.2
2002:	\$33.3	\$13.5

Source: CPB and CBBI financials.

CPB: Rising Returns

	CPB Return on average assets	Return on average equity		CBBI Return on average assets	Return on average equity
1998	9.79%	1.00%	1998	6.49%	0.59%
1999	10.93%	1.03%	1999	0.24%	0.02%
2000	13.59%	1.16%	2000	9.50%	0.67%
2001	19.34%	1.60%	2001	4.78%	0.37%
2002	20.55%	1.74%	2002	9.35%	0.86%

Source: CPB and CBBI financials.

- (1) return on Average Assets.
(2) return on Average Equity.

CPB: Unmatched Credit Quality

CPB		CBBI	
Net Charge-offs/Average Loans		Net Charge-offs/Average Loans	
1998	0.53%	1998	0.57%
1999	0.26%	1999	0.45%
2000	0.22%	2000	0.65%
2001	0.08%	2001	0.90%
2002	0.04%	2002	0.82%

Source: CPB and CBBI financials.

CPB: Strong Deposit Growth

CPB (\$ in millions)		CBBI (\$ in millions)	
1998	\$1,269	1998	\$1,085
1999	\$1,306	1999	\$1,106
2000	\$1,363	2000	\$1,218
2001	\$1,451	2001	\$1,138
2002	\$1,641	2002	\$1,163

Source: CPB and CBBI financials.

CPB: Superior Efficiency Ratio

	CPB	CBBI
1998:	62.79%	67.71%
1999:	65.36%	69.55%
2000:	58.43%	64.39%
2001:	55.59%	59.33%
2002:	53.02%	57.37%

Source: CPB and CBBI financials.

CPB Stock Outperforms

Line graph showing percentage of stock growth at 1/97 at 100% to 4/03. CPB at 350% on 4/03 and CBBI on 4/03 at 195%.

Source: FactSet.

Note: As of 4/14/03.

What's Next?

Press Release - 11: 00am today

Employee Memo - 11: 00am today

Press Conference - 1: 00pm today

All Employee Meeting - 6: 00pm tonight (HHV Coral)

Investor Conference Call - 4: 00am tomorrow 4/ 17 (HT)

Meetings w/ Media, Customers, - 4/ 17- 18

Customer Letter - week of 4/ 21

Presentation to our Shareholders - 4/ 22 (Ann. Mtg.)

Meetings w/ Analysts, Investors - 4/ 24 - 25 (East Coast)

Meetings with Advisors, Selected Customers

What's Next?

Expect heavy trading CBBI shares

Expect short term fluctuations in CPB shares

CBBI shareholders meeting April 24.

Transaction may close in 4th quarter.

Your Role is Critical

Share your enthusiasm with others

Keep employees focused - they have great benefits

Reassure customers - they have great benefits

We still need to run a bank

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Employee Packet

Employee Memo

News Release

Benefits Fact Sheet

Power Point Presentation

Q&As for Employees/Managers

Communications Procedures

Good for Hawaii and Local Community

Stronger, locally based and managed bank to fuel local economic growth and meet unique local needs

Strong local alternative to mainland managed and foreign owned banks

The Right Fit

Similar roots and values

Shared local market focus

Common customer base: consumers and small to mid- tier business

A Stronger, Locally

Based and Managed

Bank Benefits Hawaii

Good for Shareholders of both banks

54% premium over CBBI closing price as of 4/ 14/ 03

290% increase in dividends

Anticipated accretion of 10% to CPB EPS in 2004

Stronger combined balance sheet

Easy to integrate

Good for Customers

Continued high- touch fiercely loyal service

More convenience: expanded branch and ATM networks

More services for customers: commercial real estate, trust, wealth management, and increased lending limits

Employee Notification

Bankwide Meeting 6 pm Hilton Hawaiian Village Coral Ballroom

Meet with your employees today to relay this proposal. Encourage them to attend tonight's bankwide meeting. Submit any questions and a list of employees who will be attending tonight's bankwide meeting to HR by 2 p. m., today.

Tomorrow, managers will be asked to distribute packets to employees who do not attend the bankwide meeting. Designated managers will brief neighbor island staff.

Communication Procedures

Employee Inquiries	Division/Branch Manager or Craig Hashimoto at 544-0762
Customer Hotline	544-0711
Shareholders	David Morimoto at 544-0627 or Neal Kanda at 544-0622
Media Inquiries	Ann Takiguchi at 544-0685/223-4434(cell) or Wayne Kirihara at 544-0687

Good For Hawaii, Customers & Shareholders of Both Banks

Creates a stronger, locally based and managed bank for Hawaii to better meet unique local needs

More customers to enjoy fiercely loyal service, added convenience, larger lending limits and a broader menu of products and services

Shareholders of both banks win

Anticipated EPS accretion

Stronger competitive position

Attractive premium and cash dividend for CBBI shareholders

Significant synergies

Low execution risk

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