Pacific Century Financial Corporation Reports Third Quarter Net Income of $34.6 Million and Earnings Per Share of 44 cents

October 19, 2000

Board of Directors Declare Quarterly Dividend of 18 Cents Per Share

HONOLULU--(BUSINESS WIRE)--Oct. 18, 2000--Pacific Century Financial Corporation (NYSE:BOH) reported third quarter net income of $34.6 million, up 61.1 percent compared to $21.5 million for the third quarter of 1999, which reflected a pre-tax restructuring charge of $22.5 million related to the company's New Era Redesign program. Diluted earnings per share were $0.44, up 63.0 percent relative to $0.27 reported for the third quarter of 1999.

For the third quarter of 2000, return on average assets was 0.98 percent and on a tangible basis was 1.12 percent. Return on average equity was 11.20 percent and on a tangible basis was 14.94 percent. The efficiency ratio was 62.3 percent and 59.8 percent on a tangible basis.

For the nine-month period, Pacific Century reported earnings of $81.1 million relative to $95.4 million posted for the first nine months of 1999. Diluted earnings per share were $1.02 compared to $1.18 for the first nine months of 1999. Tangible or "cash" diluted earnings per share totaled $1.17 versus $1.32 for the same period last year.

"The third quarter's results reflect the impact of efforts to reduce exposures in syndicated lending and continuing emphasis on asset quality," said Chairman and Chief Executive Officer Lawrence M. Johnson. "We are continuing a rigorous process for reviewing and monitoring asset quality that will strengthen the company over the long-term."

On October 17, 2000, the Board of Directors of Pacific Century Financial Corporation declared a quarterly cash dividend of 18 cents per share on the company's outstanding shares. The dividend will be payable on December 14, 2000 to shareholders of record at the close of business on November 24, 2000.

Key events in the third quarter:

- Pacific Century successfully completed the implementation of New Era Redesign, with results exceeding original estimates.
- The company reduced its syndicated loan portfolio by $100 million during the quarter to $1.2 billion. Correspondingly, commitments on syndicated loans inclusive of outstandings dropped to $3.5 billion from $3.7 billion at the end of the second quarter. Pacific Century also reduced Asian exposure to $900 million at quarter-end compared to $1.0 billion at June 30, 2000.
- The company has entered into an informal agreement or Memorandum of Understanding with its regulator, which requires various analyses, plans and reports regarding the operation and management of the company and requires regulatory consent to pay dividends, incur debt and expand its previously announced stock repurchase program. Consent has been obtained for the fourth quarter dividend and to continue the company's existing commercial paper program.
- The search for a new CEO for Pacific Century began in August 2000 by the company's independent Board of Directors. Korn/Ferry International has been retained to assist with the search.

New Era Redesign Benefits

During the third quarter, Pacific Century successfully completed its yearlong implementation phase of New Era Redesign and exceeded the program's expectations for reducing costs and enhancing revenues. The New Era Redesign implementation process tracked and monitored 1,200 ideas for implementation. In September 1999, Pacific Century projected that the benefits from New Era would reach an annualized run-rate of $43 million in cost savings and $21 million in revenue enhancements by the end of the fourth quarter 2000. Run-rate benefits at September 30, 2000 from cost savings ideas totaled $43 million and matched the company's projected estimate. Run-rate revenue enhancements of $25 million exceeded the company's expectations.

"We're very pleased with the results of New Era and believe its success reflects the efforts of everyone in the company to deliver on their projected targets and ensure that implementation occurred as planned," said Lawrence M. Johnson, Pacific Century Chairman & CEO. "We gained confidence early in the implementation process that New Era Redesign was producing tangible benefits and making positive contributions."

Update on Hawaii's Economy

The outlook for Hawaii's economy continues to be positive with economists forecasting real gross state product growth between 3.0 and 3.5 percent for 2000 and 2001. The state's visitor industry grew 4.2 percent in visitor arrivals through August and is forecast to grow 4.8 percent in 2000, according to the state's Department of Business Economic Development and Tourism.

Hotel occupancy rates were 80 percent through August 2000, representing a 5 percent increase over 1999. Other indicators of Hawaii's strengthening economy in 2000 are forecasts of job growth of 1.9 percent, unemployment of 4.0 percent and construction growth of 10 percent, all better than expected at the beginning of the year.

Net Interest Income

Third quarter net interest income on a fully taxable equivalent basis totaled $139.6 million compared to $143.8 million for the same period in 1999. The decline in net interest income reflected the company's progress in making its balance sheet more efficient with comparable period average loan growth of $207 million being more than offset by a $435 million reduction in securities and interest bearing deposits.

Meanwhile, net interest margin held firm for the third quarter at 4.25 percent, down only three basis points from 4.28 percent reported for the third quarter of 1999 and versus 4.27 percent for the second quarter of 2000.

Balance Sheet

Total assets at September 30, 2000 were $13.9 billion relative to $14.5 billion at September 30, 1999 and $14.3 billion at June 30, 2000. The decline in assets reflects the company's balance sheet efficiency initiatives as well as actions taken to reduce exposure in the Asia and syndicated loan portfolios. Net loans totaled $9.2 billion compared to $9.3 billion at third quarter-end 1999 and $9.5 billion at June 30, 2000.

Total deposits at the end of the quarter were $8.8 billion relative to $9.3 billion at September 30, 1999 and $9.1 billion at June 30, 2000. Year-over-year domestic deposits grew by 1.6 percent. Foreign deposits declined by 25.7 percent primarily due to a $350 million discretionary reduction in wholesale Eurodollar deposits (short-term borrowed funds) and approximately $200 million in currency translation adjustments. On a linked quarter basis, domestic deposits ended September 30, 2000 down 1.6 percent from June 30, 2000. Also on a linked quarter basis, foreign deposits declined 9.4 percent, again largely represented by discretionary reduction in purchased funds and currency adjustments.

Asset Quality

The quarterly provision for loan losses totaled $20.1 million compared with $13.5 million for the same period in 1999 and $83.4 million for second quarter of 2000. The third quarter provision exceeded net charge-offs of $19.6 million.

Gross charge-offs for the quarter were $26.6 million relative to $36.5 million for the second quarter of 2000 and $20.5 million for the like period in 1999. Commercial & Industrial charge-offs of $8.0 million were largely related to the sale of two syndicated credits totaling $6.4 million. Commercial real estate charge-offs totaled $2.8 million and was related to one Hawaii credit. Foreign charge-offs were $9.5 million with $7.1 million related to Asia, including $4.2 million to one International Trust & Investment Corporation credit in China.

Non-performing assets, exclusive of accruing loans past due 90+ days, totaled $219.6 million, compared to $210.6 million at June 30, 2000 and $154.8 million at September 30, 1999. Non-performing assets as a percent of total loans represented 2.25 percent relative to 2.09 percent at June 30, 2000 and 1.59 percent at September 30, 1999.

Non-accrual loans for the quarter were $214.5 million compared to $205.7 million for the second quarter of 2000 and $148.9 million for the third quarter of 1999. The increase in non-accruals was reflected in commercial real estate which totaled $86.8 million and was driven primarily by a single Hawaii credit of $19.2 million. At September 30, 2000, $39.4 million of the commercial real estate non-accruals represented credits where borrowers were current with respect to payments but were placed on non-accrual status. Foreign non-accruals declined $10.9 million, primarily reflecting charge-offs.

The ratio of reserves to loans outstanding was 2.58 percent for the third quarter of 2000, relative to 2.53 percent for the second quarter of 2000 and 2.22 percent for the third quarter of 1999. The ratio of reserves to non-performing assets (exclusive of accruing loans past due 90+ days) was 112 percent, relative to 117 percent at June 30, 2000 and 137 percent at September 30, 1999.

Loan Portfolio Highlights

Syndicated Loans, defined as credits of $20 million or more with three or more institutions (using shared national credit examination criteria), declined during the third quarter.

At September 30, 2000, syndicated loans totaled $1.2 billion out of $3.5 billion in commitments versus June 30, 2000 totals of $1.3 billion in outstandings against $3.7 billion in commitments. The decline in the portfolio was driven primarily by a reduction in non-relationship loans and is consistent with the company's previously stated intention to reduce this portfolio by several hundred million dollars over time. Of the $3.5 billion in remaining commitments, approximately 58 percent represented relationship credits, while approximately 64 percent represented investment grade quality loans.

The $65 million potential problem loan mentioned in the second quarter 2000 continues to be unresolved, but remained current at September 30, 2000.

Commercial Real Estate Loans totaled $1.5 billion at the end of the third quarter, unchanged from June 30, 2000. Hawaii commercial real estate represented approximately $860 million (57 percent) of this segment.

Non-Interest Income

Non-interest income, exclusive of securities transactions and extraordinary one-time items, was $61.3 million for the third quarter, up 7 percent compared to $57.3 million for the third quarter of 1999 and $62.2 million for the second quarter of 2000. The third quarter of 1999 included a $14.0 million one-time gain from the sale of a special purpose leasing company and the second quarter of 2000 included $11.9 million in non-recurring income related to the partial settlement of the company's defined benefit pension plan. The improvement in non-interest income in 2000 primarily reflects the contributions resulting from the implementation of the company's New Era Redesign program.

Non-Interest Expense

Non-interest expense, exclusive of extraordinary one-time items, was $124.9 million, down 6 percent from $133.1 million (adjusted for restructuring charges) for the third quarter of 1999 and down 1.4 percent from $126.7 million for the second quarter of 2000. The third quarter of 1999 included a restructuring charge of $22.5 million and the second quarter of 2000 reflected reductions in incentive and profit sharing accruals of approximately $4.8 million. The improvement in non-interest expense is largely attributable to cost savings from the implementation of New Era Redesign.

Other Items

"We continue to see progress in our asset management group and residential lending in Hawaii," noted Johnson. "The benefits from growth in these segments validates initiatives introduced in the mid-1990s to become more customer-focused and sales oriented in our delivery of products and services."

The company's asset management business totaled $8.0 billion in discretionary assets compared to $7.6 billion at yearend 1999. The growing recognition of the company's asset management capability by the institutional marketplace, such as Corporate, Governmental, Taft Hartley and other accounts coupled with an increasing retail market presence has contributed to earnings. Pacific Century's combined trust and asset management business at September 30, 2000 totaled $13.2 billion in assets under administration.

The company continues to maintain its dominant presence in Hawaii residential lending. Pacific Century's market share of loan originations is approximately 21 percent. The loan servicing portfolio is approximately $5.0 billion, compared to $4.6 billion at yearend 1999.

Guidance for the remainder of 2000 and outlook for 2001

Balance Sheet Guidance

- As the company discussed in the second quarter of 2000, business methods and risk profile changes in our Asia and syndicated loan markets have resulted in our decision to reduce exposure to each of those segments.
- Exposure in Asia ended the third quarter at $900 million, relative to $1.0 billion at June 30, 2000 and $1.2 billion at yearend 1999. Current exposure is approximately in line with target levels.
- Syndicated loan exposure ended the third quarter at $3.5 billion in commitments, down $200 million from $3.7 billion at June 30, 2000 and down approximately $400 million from yearend 1999. Our objective is to continue to lower our syndicated loan outstanding exposure to approximately $1.0 billion in loans outstanding over a reasonable period of time, with most of the reduction expected to be in the non-relationship segment of the portfolio.

Earnings Guidance

- Currently, analysts' earnings estimates for Pacific Century's fourth quarter 2000 and full year 2001 are significantly higher than the results of the just ended quarter would support. In large measure differences in estimates are reflected in net interest income and loan loss provisioning.
- The company believes the third quarter 2000 financial statements to be a better proxy for estimating future results than existing analyst earnings models. Actions taken to improve asset quality and reduce our syndicated loan exposure are partially reflected in the third quarter results. Additional reductions in exposure are contemplated, making net growth in earning assets (and net interest income) challenging over the near term.
- Likewise, the company suggests that analysts use the third quarter results to estimate loan loss provisioning for the fourth quarter. For 2001 our objective will be to limit net charge-offs and provisioning to $50 - $60 million.

Share Repurchase

- No shares of Pacific Century common stock were repurchased in the third quarter due to asset quality trends evidenced in the second quarter. On October 17, 2000 Pacific Century's board of directors reaffirmed existing repurchase authorizations to offset shares issued under the company's dividend reinvestment and other benefit plans and to repurchase up to 300,000 shares (or up to $6 million) per quarter. Pacific Century expects to repurchase shares under the terms of the authorization.

Pacific Century Financial Corporation is a regional financial services holding company with locations throughout the Pacific region. Pacific Century and its subsidiaries provide varied financial services to businesses, governments and consumers in four principal markets: Hawaii, the West and South Pacific, Asia and selected markets on the U.S. Mainland. Pacific Century's principal subsidiary, Bank of Hawaii, is the largest commercial bank in the state of Hawaii.

Forward-Looking Statements

This press release contains forward-looking information. The Company cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. Forward-looking statements are subject to significant risk and uncertainties, many of which are beyond the Company's control. Although the Company believes that the assumptions underlying its forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate and actual results may differ from those contained in or implied by such forward-looking statements for a variety of reasons. Factors which might cause such a difference include, but are not limited to, competitor pressures in the banking and financial services industry increase significantly, particularly in connection with product delivery and pricing; business disruption related to implementation of New Era Redesign programs or methodologies; inability to achieve expected customer acceptance of revised pricing structure and strategies; general economic conditions in the geographic areas where the Company operated are weaker than expected; deterioration of credit quality may cause higher level of provisioning; continued increase to interest rates may put additional pressure on those weaker obligors in servicing their debt which in turn may cause further deterioration to the portfolio; continued weakness in the syndicated national credit market creating greater difficulty for companies to create, find or roll over credit facilities; increased volatility in Asia or the Pacific either politically or economically; economic recovery in Hawaii slows because of U. S. Mainland economic slowdown which may restrict our ability to grow our relationship portfolio as originally forecasted; the need to maintain market competitiveness may require much higher levels of capital expenditures than originally forecasted; higher oil prices reducing tourism; loss of confidence by customers/borrowers/depositors erodes funding and asset base; loss of staff confidence creating higher rates of turnover and the consequent ability to attract new staff may cause a higher than expected increase to non-interest expense. The Company does not undertake and specifically disclaims any obligation to update any forward-looking statements to reflect events or circumstance after the date of such statements.

Highlights
Pacific Century Financial Corporation and subsidiaries
(in thousands of dollars except per share amounts)

Earnings Highlights and Performance Ratios	2000	1999	Percentage Change
Three Months Ended September 30			
Net Income	$ 34,603	$ 21,479	61.1%
Basic Earnings Per Share	0.44	0.27	63.0%
Diluted Earnings Per Share	0.44	0.27	63.0%
Cash Dividends	14,302	13,655	
Return on Average Assets	0.98%	0.59%	
Return on Average Equity	11.20%	7.01%	
Net Interest Margin	4.25%	4.28%	
Efficiency Ratio	62.26%	72.44%	
Nine Months Ended September 30			
Net Income	$ 81,075	$ 95,358	-15.0%
Basic Earnings Per Share	1.02	1.19	-14.3%
Diluted Earnings Per Share	1.02	1.18	-13.6%
Cash Dividends	42,147	40,991	
Return on Average Assets	0.77%	0.87%	
Return on Average Equity	8.85%	10.55%	
Net Interest Margin	4.27%	4.27%	
Efficiency Ratio	60.49%	68.25%	

Summary of Results Excluding the Effect of Intangibles (a)	2000	1999	Percentage Change
Three Months Ended September 30			
Net Income	$ 38,806	$ 25,887	49.9%
Basic Earnings per Share	$ 0.49	$ 0.32	53.1%
Diluted Earnings per Share	$ 0.49	$ 0.32	53.1%
Return on Average Assets	1.12%	0.72%	
Return on Average Equity	14.94%	10.25%	
Efficiency Ratio	59.83%	70.04%	
Nine Months Ended September 30			
Net Income	$ 93,690	$ 107,430	-12.8%
Basic Earnings per Share	$ 1.18	$ 1.34	-11.9%
Diluted Earnings per Share	$ 1.17	$ 1.32	-11.4%
Return on Average Assets	0.90%	0.99%	
Return on Average Equity	12.23%	14.45%	
Efficiency Ratio	58.12%	66.03%	

(a) Intangibles include goodwill, core deposit and trust intangibles, and other intangibles.

Statement of Condition Highlights and Performance Ratios

	September 30 2000	September 30 1999	Percentage Change
Total Assets	$ 13,939,861	$ 14,505,361	-3.9%
Net Loans	9,233,476	9,321,477	-0.9%
Total Deposits	8,820,668	9,290,389	-5.1%

Total Shareholders' Equity	1,250,069	1,208,499	3.4%

Book Value Per Common Share	$ 15.72	$ 15.05
Loss Reserve / Loans Outstanding	2.58%	2.22%
Average Equity / Average Assets	8.65%	8.25%

Common Stock Price Range	High	Low
1999	$ 24.94	$ 17.38
2000 First Quarter	$ 20.38	$ 14.35
Second Quarter	$ 23.19	$ 14.63
Third Quarter	$ 17.50	$ 13.13

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Consolidated Statements of Income (Unaudited)
Pacific Century Financial Corporation and subsidiaries
(in thousands of dollars except per share amounts)

	3 Months Ended Sept 30 2000	3 Months Ended Sept 30 1999	9 Months Ended Sept 30 2000	9 Months Ended Sept 30 1999
Interest Income				
Interest on Loans	$192,749	$173,414	$558,735	$521,050
Loan Fees	7,679	8,792	24,902	30,090
Income on Lease Financing	9,935	7,035	27,661	21,751
Interest and Dividends on Investment Securities				
Taxable	12,943	14,657	40,500	43,248
Non-taxable	241	268	763	820
Income on Investment Securities Available for Sale	41,772	42,808	123,966	126,508
Interest on Deposits	3,319	5,700	10,917	20,391
Interest on Security Resale Agreements	55	70	71	238
Interest on Funds Sold	577	223	1,535	4,374
Total Interest Income	269,270	252,967	789,050	768,470
Interest Expense				
Interest on Deposits	73,162	63,916	212,440	193,703
Interest on Security Repurchase Agreements	26,941	21,812	75,915	70,621
Interest on Funds Purchased	8,960	9,975	25,321	31,486
Interest on Short-Term Borrowings	4,739	2,213	15,785	8,783
Interest on Long-Term Debt	16,164	11,598	42,171	32,180
Total Interest Expense	129,966	109,514	371,632	336,773

Net Interest Income	139,304	143,453	417,418	431,697
Provision for Loan Losses	20,145	13,500	117,074	40,038
Net Interest Income After Provision for Loan Losses	119,159	129,953	300,344	391,659
Non-Interest Income				
Trust Income	15,874	14,670	49,078	44,653
Service Charges on Deposit Accounts	10,074	8,638	29,811	25,708
Fees, Exchange, and Other Service Charges	22,714	21,956	66,926	66,572
Other Operating Income	12,676	26,061	41,348	50,510
Gain on Settlement of Pension Obligation	--	--	11,900	--
Investment Securities Gains (Losses)	(82)	77	(315)	8,742
Total Non-Interest Income	61,256	71,402	198,748	196,185
Non-Interest Expense				
Salaries	45,220	50,768	137,227	152,093
Pensions and Other Employee Benefits	12,303	13,437	37,721	43,387
Net Occupancy Expense	12,577	11,560	36,873	35,638
Net Equipment Expense	13,365	12,380	37,498	36,192
Other Operating Expense	41,350	44,889	123,301	132,389
Restructuring Charge	--	22,478	--	22,478
Minority Interest	110	81	286	384
Total Non-Interest Expense	124,925	155,593	372,906	422,561
Income Before Income Taxes	55,490	45,762	126,186	165,283
Provision for Income Taxes	20,887	24,283	45,111	69,925
Net Income	$34,603	$21,479	$81,075	$95,358
Basic Earnings Per Share	$0.44	$0.27	$1.02	$1.19
Diluted Earnings Per Share	$0.44	$0.27	$1.02	$1.18
Dividends Declared Per Share	$0.18	$0.17	$0.53	$0.51
Basic Weighted Average Shares	79,455,040	80,274,350	79,566,807	80,332,150
Diluted Weighted Average Shares	79,525,474	80,860,870	79,791,250	81,116,106

Consolidated Statements of Condition (Unaudited)
Pacific Century Financial Corporation and subsidiaries

	September 30	December 31	September 30

(in thousands of dollars)	2000	1999	1999
Assets			
Interest-Bearing Deposits	$ 185,312	$ 278,473	$ 410,497
Investment Securities - Held to Maturity (Market Value of $714,920, $787,720 and $815,416, respectively)	716,392	796,322	816,728
Investment Securities - Available for Sale	2,484,482	2,542,232	2,625,545
Securities Purchased Under Agreements to Resell	5,560	--	4,103
Funds Sold	28,323	52,740	40,726
Loans	9,750,661	9,717,556	9,746,581
Unearned Income	(272,219)	(242,503)	(213,798)
Reserve for Loan Losses	(244,966)	(194,205)	(211,306)
Net Loans	9,233,476	9,280,848	9,321,477
Total Earning Assets	12,653,545	12,950,615	13,219,076
Cash and Non-Interest Bearing Deposits	438,312	639,895	417,142
Premises and Equipment	251,240	271,728	281,512
Customers' Acceptance Liability	10,956	7,236	10,797
Accrued Interest Receivable	86,109	78,974	77,915
Other Real Estate	5,128	4,576	5,874
Intangibles, including Goodwill	194,418	205,904	211,609
Other Assets	300,153	281,387	281,436
Total Assets	$ 13,939,861	$ 14,440,315	$ 14,505,361
Liabilities			
Domestic Deposits			
Demand			
- Non-Interest Bearing	$ 1,626,426	$ 1,676,425	$ 1,683,210
- Interest Bearing	2,039,325	2,076,358	2,059,662
Savings	671,437	700,720	712,968
Time	2,801,947	2,761,650	2,570,112
Foreign Deposits			
Demand			
- Non-Interest Bearing	343,828	401,613	437,110
Time Due to Banks	571,576	597,675	679,344
Other Savings and Time	766,129	1,179,777	1,147,983
Total Deposits	8,820,668	9,394,218	9,290,389
Securities Sold Under Agreements to Repurchase	1,791,983	1,490,655	1,916,747
Funds Purchased	377,069	839,962	628,212
Short-Term Borrowings	365,407	458,962	335,416

Bank's Acceptances Outstanding	10,956	7,236	10,797
Accrued Retirement Expense	37,796	40,360	41,494
Accrued Interest Payable	80,792	64,588	60,138
Accrued Taxes Payable	97,597	85,022	90,380
Minority Interest	4,154	4,435	4,587
Other Liabilities	103,634	114,890	123,888
Long-Term Debt	999,736	727,657	794,814
Total Liabilities	12,689,792	13,227,985	13,296,862
Shareholders' Equity			
Common Stock ($.01 par value), authorized 500,000,000 shares; issued/outstanding; September 2000 - 80,556,883/ 79,503,301; December 1999 - 80,550,728/ 80,036,417; September 1999 - 80,550,124/80,308,130	806	806	806
Capital Surplus	346,016	345,851	345,477
Accumulated Other Comprehensive Income	(56,620)	(66,106)	(52,525)
Retained Earnings	979,007	942,177	919,664
Treasury Stock, at Cost - (September 2000 - 1,053,582; December 1999 - 514,311 and September 1999 - 241,994 shares)	(19,140)	(10,398)	(4,923)
Total Shareholders' Equity	1,250,069	1,212,330	1,208,499
Total Liabilities and Shareholders' Equity	$ 13,939,861	$ 14,440,315	$ 14,505,361

Pacific Century Financial Corporation and subsidiaries
Consolidated Statements of Shareholders' Equity (Unaudited)

(in thousands of dollars)	Total	Common Stock	Capital Surplus	Accumulated Other Comprehensive Income
Balance at December 31, 1999	$1,212,330	$806	$345,851	($66,106)
Comprehensive Income				
Net Income	81,075	--	--	--
Other Comprehensive Income, Net of Tax Investment Securities, Net of				

Reclassification Adjustment	9,960	--	--	9,960
Foreign Currency Translation Adjustment	(474)	--	--	(474)
Total Comprehensive Income				
Common Stock Issued				
62,102 Profit Sharing Plan	1,096	--	18	--
195,094 Stock Option Plan	2,610	--	--	--
142,421 Dividend Reinvestment Plan	2,481	--	52	--
4,973 Directors' Restricted Shares and Deferred Compensation Plan	95	--	95	--
Treasury Stock Purchased	(16,957)	--	--	--
Cash Dividends Paid	(42,147)	--	--	--
Balance at September 30, 2000	$1,250,069	$806	$346,016	($56,620)
Balance at December 31, 1998	$1,185,594	$805	$342,932	($22,476)
Comprehensive Income				
Net Income	95,358	--	--	--
Other Comprehensive Income, Net of Tax Investment Securities, Net of Reclassification Adjustment	(28,231)	--	--	(28,231)
Foreign Currency Translation Adjustment	(1,818)	--	--	(1,818)
Total Comprehensive Income				
Common Stock Issued				
37,419 Profit Sharing Plan	736	--	3	--
318,672 Stock Option Plan	5,843	--	2,265	--
154,515 Dividend Reinvestment Plan	3,204	1	137	--
6,595 Directors' Restricted Shares and Deferred Compensation Plan	140	--	140	--
Treasury Stock Purchased	(11,336)	--	--	--
Cash Dividends Paid	(40,991)	--	--	--
Balance at September 30, 1999	$1,208,499	$806	$345,477	($52,525)

Retained Treasury Comprehensive

(in thousands of dollars)	Earnings	Stock	Income
Balance at December 31, 1999	$942,177	($10,398)	
Comprehensive Income			
Net Income	81,075	--	$81,075
Other Comprehensive Income, Net of Tax			
Investment Securities, Net of Reclassification Adjustment	--	--	9,960
Foreign Currency Translation Adjustment	--	--	(474)

Total Comprehensive Income			$90,561
			========
Common Stock Issued			
62,102 Profit Sharing Plan	(167)	1,245	
195,094 Stock Option Plan	(1,500)	4,110	
142,421 Dividend Reinvestment Plan	(431)	2,860	
4,973 Directors' Restricted Shares and Deferred Compensation Plan	--	--	
Treasury Stock Purchased	--	(16,957)	
Cash Dividends Paid	(42,147)	--	
Balance at September 30, 2000	$979,007	($19,140)	
Balance at December 31, 1998	$867,852	($3,519)	
Comprehensive Income			
Net Income	95,358	--	$95,358
Other Comprehensive Income, Net of Tax			
Investment Securities, Net of Reclassification Adjustment	--	--	(28,231)
Foreign Currency Translation Adjustment	--	--	(1,818)

Total Comprehensive Income			$65,309
			========
Common Stock Issued			
37,419 Profit Sharing Plan	(70)	803	
318,672 Stock Option Plan	(2,288)	5,866	
154,515 Dividend Reinvestment Plan	(197)	3,263	
6,595 Directors'			

Restricted Shares and Deferred Compensation Plan	--	--
Treasury Stock Purchased	--	(11,336)
Cash Dividends Paid	(40,991)	--
Balance at September 30, 1999	$919,664	($4,923)

Consolidated Average Balances and Interest Rates Taxable Equivalent
(Unaudited)
Pacific Century Financial Corporation and subsidiaries

	Three Months Ended September 30, 2000			Three Months Ended September 30, 1999		
(in millions of dollars)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$197.3	$3.3	6.69%	$348.5	$5.7	6.49%
Investment Securities Held to Maturity						
-Taxable	711.7	12.9	7.23	804.8	14.7	7.23
-Tax-Exempt	8.3	0.4	17.70	11.7	0.4	14.04
Investment Securities Available for Sale	2,490.2	41.8	6.67	2,677.5	42.8	6.31
Funds Sold	38.8	0.6	6.48	38.9	0.5	5.57
Net Loans						
-Domestic	8,193.4	177.6	8.62	7,692.0	154.6	7.98
-Foreign	1,435.2	25.2	7.00	1,729.7	25.8	5.92
Loan Fees		7.7			8.8	
Total Earning Assets	13,074.9	269.5	8.20	13,303.1	253.3	7.55
Cash and Due From Banks	418.2			425.2		
Other Assets	523.6			655.2		
Total Assets	$14,016.7			$14,383.5		
Interest Bearing Liabilities						
Domestic Deposits						
- Demand	$2,043.7	11.9	2.31	$2,128.8	12.3	2.30
- Savings	680.4	3.5	2.03	720.5	3.7	2.03
- Time	2,799.4	40.3	5.73	2,492.7	29.4	4.68
Total Domestic	5,523.5	55.7	4.01	5,342.0	45.4	3.37
Foreign Deposits						
- Time Due to Banks	552.6	8.5	6.13	606.7	8.1	5.27
- Other Time and Savings	821.4	9.0	4.36	1,175.7	10.4	3.52
Total Foreign	1,374.0	17.5	5.07	1,782.4	18.5	4.11

Total Interest Bearing Deposits	6,897.5	73.2	4.22	7,124.4	63.9	3.56
Short-Term Borrowings	2,599.4	40.6	6.22	2,837.3	34.0	4.75
Long-Term Debt	963.4	16.1	6.67	732.3	11.6	6.28
Total Interest Bearing Liabilities	10,460.3	129.9	4.94	10,694.0	109.5	4.06
Net Interest Income		139.6			143.8	
Interest Rate Spread			3.26%			3.49%
Net Interest Margin			4.25%			4.28%
Demand Deposits						
- Domestic	1,619.8			1,633.7		
- Foreign	345.6			438.6		
Total Demand Deposits	1,965.4			2,072.3		
Other Liabilities	361.6			401.2		
Shareholders' Equity	1,229.4			1,216.0		
Total Liabilities and Shareholders' Equity	$14,016.7			$14,383.5		
Provision for Loan Losses		20.1			13.5	
Net Overhead		63.7			84.2	
Income Before Income Taxes		55.8			46.1	
Provision for Income Taxes		20.9			24.3	
Tax-Equivalent Adjustment		0.3			0.1	
Net Income		$34.6			$21.7	

	Nine Months Ended September 30, 2000			Nine Months Ended September 30, 1999		
(in millions of dollars)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$216.4	$10.9	6.74%	$424.2	$20.4	6.43%
Investment Securities Held to Maturity						
-Taxable	736.8	40.5	7.34	808.9	43.2	7.15
-Tax-Exempt	8.9	1.2	17.67	11.7	1.3	14.44
Investment Securities Available for						

Sale	2,510.6	124.0	6.60	2,735.4	126.5	6.18
Funds Sold	35.3	1.6	6.07	125.2	4.9	5.20
Net Loans						
-Domestic	8,065.7	511.5	8.47	7,721.9	461.6	7.99
-Foreign	1,517.6	75.2	6.62	1,706.8	81.2	6.36
Loan Fees		24.9			30.1	
Total Earning Assets	13,091.3	789.8	8.06	13,534.1	769.2	7.60
Cash and Due From Banks	456.1			475.6		
Other Assets	597.7			648.5		
Total Assets	$14,145.1			$14,658.2		
Interest Bearing Liabilities						
Domestic Deposits						
- Demand	$2,085.6	36.4	2.33	$2,146.0	36.4	2.27
- Savings	690.6	10.5	2.03	728.0	11.0	2.03
- Time	2,769.5	111.8	5.39	2,534.0	90.9	4.80
Total Domestic	5,545.7	158.7	3.82	5,408.0	138.3	3.42
Foreign Deposits						
- Time Due to Banks	487.7	21.7	5.95	646.7	25.0	5.17
- Other Time and Savings	1,024.9	32.0	4.18	1,163.7	30.4	3.49
Total Foreign	1,512.6	53.7	4.75	1,810.4	55.4	4.09
Total Interest Bearing Deposits	7,058.3	212.4	4.02	7,218.4	193.7	3.59
Short-Term Borrowings	2,651.2	117.0	5.90	3,118.3	110.9	4.75
Long-Term Debt	848.3	42.2	6.64	665.2	32.2	6.47
Total Interest Bearing Liabilities	10,557.8	371.6	4.70	11,001.9	336.8	4.09
Net Interest Income		418.2			432.4	
Interest Rate Spread			3.36%			3.51%
Net Interest Margin			4.27%			4.27%
Demand Deposits						
- Domestic	1,649.9			1,649.2		
- Foreign	376.9			427.6		
Total Demand Deposits	2,026.8			2,076.8		
Other Liabilities	336.6			370.8		
Shareholders' Equity	1,223.9			1,208.7		
Total Liabilities and Shareholders' Equity	$14,145.1			$14,658.2		

Provision for Loan Losses	117.1	40.0
Net Overhead	174.2	226.4
Income Before Income Taxes	126.9	166.0
Provision for Income Taxes	45.1	69.9
Tax-Equivalent Adjustment	0.7	0.7
Net Income	$81.1	$95.4

Pacific Century Financial Corporation and subsidiaries
Consolidated Non-Performing Assets and Accruing Loans Past Due 90 Days or More (Unaudited)

(in millions of dollars)	Sep 30 2000	Jun 30 2000	Mar 31 2000	Dec 31 1999	Sep 30 1999
Non-Accrual Loans					
Commercial and Industrial	$49.0	$52.7	$20.1	$23.7	$31.7
Real Estate					
Construction	8.1	8.0	0.9	1.1	2.1
Commercial	86.8	62.2	18.2	19.0	20.8
Residential	22.0	23.2	23.2	29.7	33.1
Installment	0.1	0.1	0.5	0.5	0.7
Leases	0.2	0.3	3.7	3.9	4.8
Total Domestic	166.2	146.5	66.6	77.9	93.2
Foreign	48.3	59.2	65.2	67.4	55.7
Subtotal	214.5	205.7	131.8	145.3	148.9
Foreclosed Real Estate					
Domestic	4.9	4.6	4.3	4.3	5.6
Foreign	0.2	0.3	0.3	0.3	0.3
Subtotal	5.1	4.9	4.6	4.6	5.9
Total Non-Performing Assets	219.6	210.6	136.4	149.9	154.8
Accruing Loans Past Due 90 Days or More					
Commercial and Industrial	2.2	4.7	6.7	5.9	6.2
Real Estate					
Construction	0.1	--	--	--	0.5
Commercial	4.9	2.0	2.1	1.9	2.4
Residential	7.2	3.5	5.0	4.0	2.8
Installment	4.6	4.0	4.7	4.5	4.5
Leases	0.1	1.5	1.4	1.2	0.2
Total Domestic	19.1	15.7	19.9	17.5	16.6
Foreign	1.5	1.3	3.2	1.0	5.0
Subtotal	20.6	17.0	23.1	18.5	21.6
Total	$240.2	$227.6	$159.5	$168.4	$176.4

Ratio of Non-Performing Assets to Total Loans	2.25%	2.09%	1.39%	1.54%	1.59%
Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loans	2.46%	2.26%	1.63%	1.73%	1.81%

(in millions of dollars)	Jun 30 1999	Mar 31 1999	Dec 31 1998	Sep 30 1998
Non-Accrual Loans				
Commercial and Industrial	$37.5	$39.1	$28.2	$24.0
Real Estate				
Construction	0.8	3.1	2.9	4.4
Commercial	17.2	18.7	5.4	6.7
Residential	35.2	37.6	36.4	35.9
Installment	0.8	0.5	0.8	0.9
Leases	4.4	4.5	0.7	0.8
Total Domestic	95.9	103.5	74.4	72.7
Foreign	47.5	53.6	57.5	67.9
Subtotal	143.4	157.1	131.9	140.6
Foreclosed Real Estate				
Domestic	5.8	6.1	5.5	10.8
Foreign	0.2	0.1	0.1	0.1
Subtotal	6.0	6.2	5.6	10.9
Total Non-Performing Assets	149.4	163.3	137.5	151.5
Accruing Loans Past Due 90 Days or More				
Commercial and Industrial	3.9	4.3	0.4	7.3
Real Estate				
Construction	0.2	0.2	0.4	0.6
Commercial	0.2	0.4	--	0.8
Residential	3.7	3.5	4.5	4.8
Installment	5.2	6.9	7.3	6.6
Leases	--	0.1	0.3	0.1
Total Domestic	13.2	15.4	12.9	20.2
Foreign	8.2	6.3	7.9	7.1
Subtotal	21.4	21.7	20.8	27.3
Total	$170.8	$185.0	$158.3	$178.8

Ratio of Non-Performing Assets to Total Loans	1.55%	1.69%	1.40%	1.59%
Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loans	1.78%	1.92%	1.61%	1.87%

Pacific Century Financial Corporation and subsidiaries
Summary of Loan Loss Experience

(in millions of dollars)	Third Quarter 2000	Second Quarter 2000	First Quarter 2000	First Nine Months 2000	First Nine Months 1999
Average Amount of Loans Outstanding	$ 9,628.6	$ 9,636.9	$ 9,484.1	$ 9,583.3	$ 9,428.7
Balance of Reserve for Loan Losses at Beginning of Period	$ 246.6	$ 195.4	$ 194.2	$ 194.2	$ 211.3
Loans Charged-Off					
Commercial and Industrial	8.0	8.3	1.4	17.7	15.7
Real Estate					
Construction	--	0.5	--	0.5	0.2
Commercial	2.8	7.6	3.9	14.3	2.3
Residential	1.5	1.3	2.4	5.2	5.6
Installment	4.6	5.2	4.7	14.5	19.1
Leases	0.2	0.2	--	0.4	0.2
Total Domestic	17.1	23.1	12.4	52.6	43.1
Foreign	9.5	13.4	3.7	26.6	17.6
Total Charged-Off	26.6	36.5	16.1	79.2	60.7
Recoveries on Loans Previously Charged-Off					
Commercial and Industrial	2.2	1.2	1.7	5.1	12.9
Real Estate					
Construction	--	--	--	--	--
Commercial	0.1	0.1	0.1	0.3	1.0
Residential	0.3	0.2	0.5	1.0	0.2
Installment	1.7	1.9	1.7	5.3	5.6
Total Domestic	4.3	3.4	4.0	11.7	19.7
Foreign	2.7	0.2	0.8	3.7	4.0
Total Recoveries	7.0	3.6	4.8	15.4	23.7

Net Charge-Offs	(19.6)	(32.9)	(11.3)	(63.8)	(37.0)
Provision Charged to Operating Expenses	20.2	83.4	13.5	117.1	40.1
Other Net Additions (Reductions)(a)	(2.2)	0.7	(1.0)	(2.5)	(3.1)
Balance at End of Period	$ 245.0	$ 246.6	$ 195.4	$ 245.0	$ 211.3
Ratio of Net Charge-Offs to Average Loans Outstanding (annualized)	0.81%	1.37%	0.48%	0.89%	0.52%
Ratio of Reserve to Loans Outstanding	2.58%	2.53%	2.05%	2.58%	2.22%

(a) Includes balance transfers, reserves acquired, and foreign currency translation adjustments.

Pacific Century Financial Corporation and subsidiaries
Quarterly Summary of Selected Consolidated Financial Data

(in millions of dollars except per share amounts)	Sep. 30 2000	Jun. 30 2000	Mar. 31 2000
Balance Sheet Totals			
Total Assets	$ 13,939.9	$ 14,294.6	$ 14,250.4
Net Loans	9,233.5	9,497.4	9,346.5
Deposits	8,820.7	9,109.1	9,143.1
Long-Term Debt	999.7	902.2	805.7
Shareholders' Equity	1,250.1	1,209.4	1,225.9
Quarterly Operating Results			
Net Interest Income	$ 139.3	$ 138.6	$ 139.5
Provision for Loan Losses	20.1	83.4	13.5
Non-Interest Income	61.3	73.6	63.9
Non-Interest Expense	124.9	121.9	126.1
Net Income	34.6	6.7	39.8
Basic Earnings Per Share	$ 0.44	$ 0.08	$ 0.50
Diluted Earnings Per Share	$ 0.44	$ 0.08	$ 0.50
Return on Average Assets	0.98%	0.19%	1.13%
Return on Average Equity	11.20%	2.19%	13.19%
Efficiency Ratio	62.26%	57.31%	62.06%
Normalized Efficiency			

Ratio (1)	--	--	--
Excluding the Effects of Intangibles (2)			
Net Income	$ 38.8	$ 11.0	$ 43.9
Basic Earnings Per Share	$ 0.49	$ 0.14	$ 0.55
Diluted Earnings Per Share	$ 0.49	$ 0.14	$ 0.55
Return on Average Assets	1.12%	0.32%	1.26%
Return on Average Equity	14.94%	4.30%	17.54%
Efficiency Ratio	59.83%	54.96%	59.73%
Normalized Efficiency Ratio (1)	--	--	--

(in millions of dollars except per share amounts)	Dec. 31 1999	Sept. 30 1999	Jun. 30 1999	Mar. 31 1999
Balance Sheet Totals				
Total Assets	$ 14,440.3	$ 14,505.4	$ 14,551.5	$ 14,928.3
Net Loans	9,280.8	9,321.5	9,181.7	9,208.1
Deposits	9,394.2	9,290.4	9,286.2	9,434.4
Long-Term Debt	727.7	794.8	654.8	675.6
Shareholders' Equity	1,212.3	1,208.5	1,214.2	1,207.6
Quarterly Operating Results				
Net Interest Income	$ 143.0	$ 143.5	$ 144.4	$ 143.8
Provision for Loan Losses	20.9	13.5	13.9	12.6
Non-Interest Income	69.4	71.4	63.6	61.2
Non-Interest Expense	131.2	155.6	132.1	134.8
Net Income	37.6	21.5	38.5	35.4
Basic Earnings Per Share	$ 0.47	$ 0.27	$ 0.48	$ 0.44
Diluted Earnings Per Share	$ 0.47	$ 0.27	$ 0.47	$ 0.44
Return on Average Assets	1.04%	0.59%	1.05%	0.96%
Return on Average Equity	12.29%	7.01%	12.72%	12.00%
Efficiency Ratio	63.32%	72.44%	65.67%	66.37%
Normalized Efficiency Ratio (1)	--	61.98%	--	--
Excluding the Effects of Intangibles (2)				
Net Income	$ 42.3	$ 25.9	$ 42.3	$ 39.3
Basic Earnings Per Share	$ 0.53	$ 0.32	$ 0.53	$ 0.49
Diluted Earnings Per Share	$ 0.52	$ 0.32	$ 0.52	$ 0.48
Return on Average Assets	1.19%	0.72%	1.18%	1.08%
Return on Average Equity	16.69%	10.25%	17.01%	16.21%
Efficiency Ratio	60.59%	70.04%	63.53%	64.25%

Normalized Efficiency Ratio (1)	--	59.57%	--	--

(1) Excludes impact of $22.5 million restructuring charge in 1999's Third Quarter.
(2) Intangibles include goodwill, core deposit and trust intangibles, and other intangibles.

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