



Pacific Century Financial Corporation to Increase Second Quarter 2000 Allowance for Loan Losses

June 21, 2000

HONOLULU--(BUSINESS WIRE)--June 20, 2000--Pacific Century Financial Corporation announced today that it expects to take an additional provision expense of between \$55-\$65 million in the second quarter to increase its allowance for loan losses and improve coverage of non-performing assets. The additional provision should result in nominal earnings for the second quarter.

The objective of the provision is twofold: 1) to offset net charge-offs for the quarter and 2) increase the allowance for loan losses consistent with an anticipated level in non-performing assets at the end of the second quarter.

The action reflects the company's response to weakness in a small number of its larger loans from both its syndicated loan and Hawaii commercial real estate portfolios. The extra provisioning also considers recent political and economic turmoil in Fiji, where Bank of Hawaii has three branches.

"We view this as a prudent measure to effectively manage the issues at hand," said Lawrence M. Johnson, Pacific Century's chairman and CEO. "The disappointing aspect of this action is that it overshadows the tangible benefits which have resulted from steps taken to improve our long-term performance and the positive trends in Hawaii's economy."

The company has prepared comments regarding the additional provision. To access the comments, dial 800/475-6701 for domestic calls or 320/365-3844 for international calls, and enter the access code 525073. The comments will be available from Wednesday, June 21, 2000, 12 a.m. EDT through Monday, June 26, 2000, 11:59 p.m. EDT.

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 service 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.

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